THE IMPACT OF TARIFF EXPORT AND IMPORT ON EXPORT AND IMPORT OF WINE IN INDONESIA

UNDERGRADUATE THESIS

Presented as Form Prerequisite the Bachelor Degree at Faculty of Administrative Science University of Brawijaya

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Vi Veri Veniversum Vivus Vici

By the power of truth, I, while living, have conquered the universe

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iii

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DECLARATION OF AUTHORSHIP

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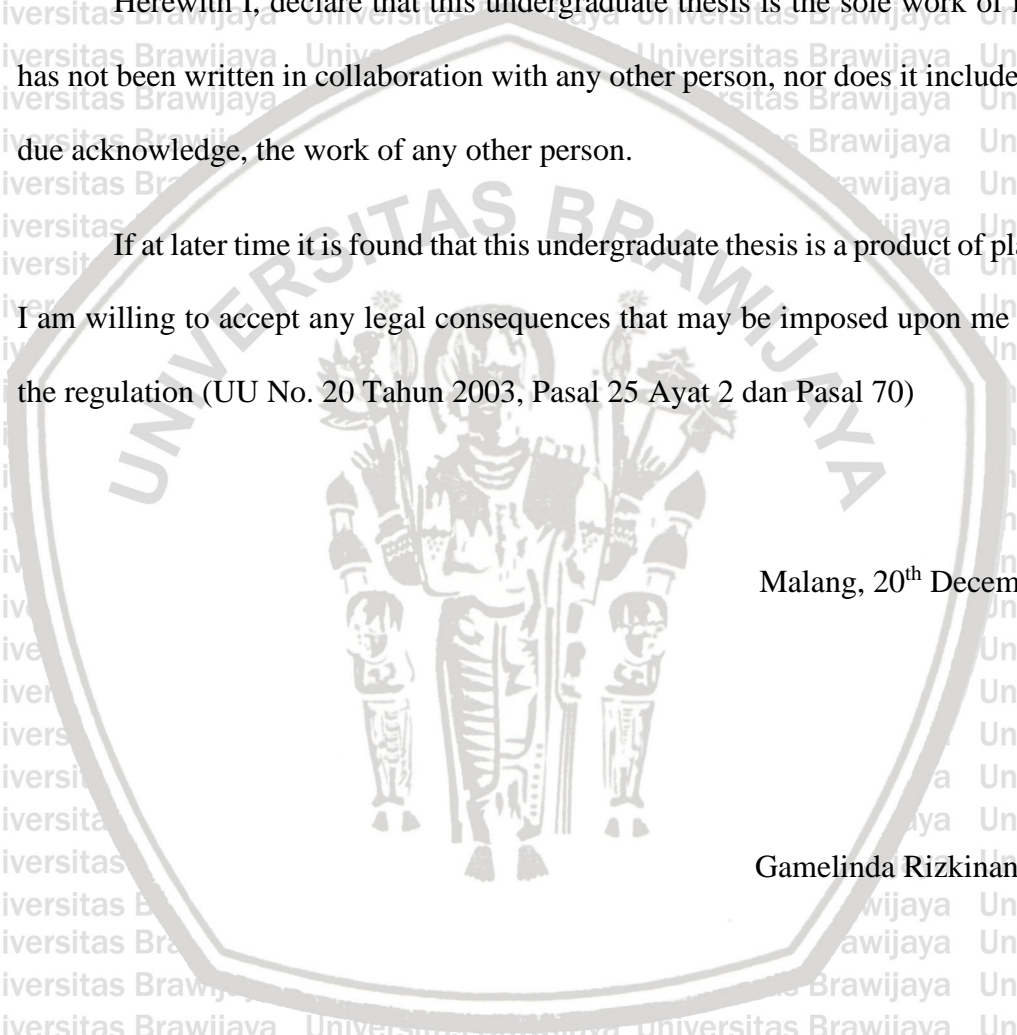
RINGKASAN

Gamelinda Rizkinanti Shobita, 2019, *The Impact of Trade Barriers on International Trade of Wine, (A Study on Wine Market in Indonesia Period 2010-2018)* Sri Sulasmiyati, S.Sos., MAP. 108 hal.

Era globalisasi telah membuka banyak jalan bagi produk-produk untuk memasuki sebuah negara dan membuka pasar baru yang sebelumnya dinilai tidak mungkin. Globalisasi merupakan proses penyusutan dunia, jarak menjadi lebih dekat dan barang-barang serta produk menjadi dekat. Ketika pertukaran barang dan jasa berada pada lintas batas negara, hal tersebut disebut dengan perdagangan internasional. Indonesia merupakan negara dengan penduduk terbesar keempat didunia dengan jumlah 240 juta jiwa. Indonesia juga merupakan negara dengan populasi muslim terbesar dibandingkan dengan negara lain. Sehingga, Indonesia tidak pernah dilihat sebagai pasar yang signifikan untuk wine dan minuman beralkohol. Pemerintah Indonesia mengontrol distribusi minuman beralkohol dengan dasar melindungi kepercayaan agama mayoritas masyarakat Indonesia. Konsumsi Wine dan minuman beralkohol hanya diperbolehkan melalui lisensi hotel bintang 5, restoran mewah, bar, pub dan klub malam. Tujuan penelitian ini adalah untuk mendeskripsikan dan menjelaskan expor dan impor wine di pasar Indonesia dan efek dari penerapan Tariff terhadap hal tersebut. Pada beberapa abad terakhir, pertumbuhan dari perdagangan internasional wine telah ditumbuhkan dengan liberalisasi proses perdagangan.

Hasil dari penelitian ini mengindikasikan hubungan yang positif dan pengaruh dari tariff terhadap ekspor wine, dan dari tariff terhadap impor wine.

Kata Kunci: Trade Barrier, Tariff, International Trade, Wine

SUMMARY

Gamelinda Rizkinanti Shobita, 2019, The Impact of Trade Barriers on International Trade of Wine, (A Study on Wine Market in Indonesia Period 2010-2018) Sri Sulasmiyati, S.Sos., MAP. 108 hal.

Globalization has opened many ways of products and good to enter certain country and its also open a new market that deemed as impossible. Globalization is the process of world shrinkage, of distances getting shorter, things moving closer. When an exchange of goods and services takes place across national boundaries, it is called international trade. Indonesia is the world's fourth most populated nation with upwards of 240 million people. It is also home to the largest Muslim population of any one country. As a result, Indonesia has not been viewed as a significant market for wine and spirits. The GOI (Government of Indonesia) controls alcoholic beverage distribution on the grounds that they are protecting the religious beliefs of the majority of Indonesians. Wine and spirit consumption are only permitted in license A four and five-star hotels, upscale restaurants, bars, pubs, and night clubs. The purpose of this research is to describe and explain the export-import in wine industries and the effect of tariff on it in Indonesia's market. In the past centuries, the growth of the international wine trade has been fostered by trade liberalization process.

The result of this research indicating positive correlation and partial influence of tariff export towards export of wine, also indicating positive correlation and partial influence of tariff import towards import of wine.

Keywords: Trade Barrier, Tariff, International Trade, Wine

PREFACE

Great thanks to Allah SWT for his unlimited blessings and guidance thus this undergraduate thesis can be finished well. This undergraduate thesis, titled "The Impact of Trade Barriers on International Trade of Wine (A Study on Wine Market in Indonesia Period 2010-2018)" is the final requirement in achieving Bachelor Degree in Faculty of Administrative Science, Brawijaya University.

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TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF APENDIXES

CHAPTER I

INTRODUCTION

A. Background

The word of Globalization nowadays is being used freely, both in economical term and also culture, and very much common to be found on mass media in describing events or phenomenon. There are not many expressions as controversial as globalization, as it combines many contradictory issues under a single concept. It stands for growing power of multinationals in every corner of the world as well as for the worldwide spreading of knowledge and human rights. With the many faces it has, it affects every aspect of life including wealth, freedom, cultural, habits and economy, it changes tastes of food, influences art, puts new products on market shelves.

Globalization has opened many ways of products and good to enter certain country and its also open a new market that deemed as impossible. Globalization is the process of world shrinkage, of distances getting shorter, things moving closer. It pertains to the increasing ease with which somebody on one side of the world can interact, to mutual benefit, with somebody on the other side of the world (Larson, 2001).

1

The process of globalization can be defined as set of worldwide phenomena of high intensity and rapidity, involving economic, social, cultural and ideological domains. These phenomena are characterized by two principal elements: the elimination of tangible and intangible barriers to the movement of people, goods, information, knowledge and ideas and the standardization of economic conditions, life styles, and ideological views, in accordance with the western model (Pesenti, 2010). Globalization has reduced the sense of isolation felt much of the developing world and has given many people in the developing countries access to knowledge well beyond the reach of even the wealthiest in any country a century ago (Stiglitz, 2002).

When an exchange of goods and services takes place across national boundaries, it is called international trade. Exports are the goods and services sold by individuals or nations. Imports are the goods and services purchased (Nelson, 2000). International trade can be defined as a trade activity which conducted by a citizen of a certain country with other countries citizen under mutual agreement. Citizen can be defined as individual to individual, between individuals and government of certain countries or between government in different countries. In many countries, international trade become one of the main factors to raise the Gross Domestic Products. The main caused for international trade to happen is the differences in natural resources in form of minerals, soil fertility, marine diversity, climate and energy. Differences in climate and soil fertility creating different crops or produce in between tropical

and subtropical area. Subtropical area produces wheats, pear, grapes, peach and others which is favoured in tropical area (Ekananda, 2015).

International trade gives a lot of benefit in order to acquiring goods which cannot be produce domestically, gaining benefit from specialization, expanding domestic industries market and increasing the usage of modern technology to increase productivity (Sukirno,2012). According to Amir M.S (2004), compared to domestic trade, international trade is pretty complicated because there are limitations that creating some obstacles for both countries. Countries that have potential to produce goods mostly wanted to conduct international trade. Like Indonesia which have a lot of natural resources and able to process it and export it to foreign country. On the other side, Indonesia also importing some products from other countries. Not only it will enhance the economy, international trade also provides some benefit which stated by Sukirno (2010):

1. Maintaining the relation between countries

2. Acquiring goods which cannot be produced inside the country

3. Acquiring the benefit of specialization

4. Expanding the market and adding profit

5. Modern Technology transfer

With globalization also affecting economic activities in form of international trade, government around the world trying to set on trade barriers. Trade barriers are government-induced restrictions on international trade. Most

trade barriers work on the same principle: the imposition of some sort of cost (money, time, bureaucracy, quota) one trade that raises the price or availability of the traded products. Barriers take form of tariffs, which imposed a financial burden on imports and non-tariff barriers to trade, which uses other overt and covert means to restricts imports and occasionally exports. High incomes countries tend to have less trade barriers than middle income countries which in turn tend to have less trade barriers than low income countries. Small states tend to have lower trade barriers than large states. Tariffs have been declining in the last twenty years as the influence of the World Trade Organization has grown, but states have increased their use of non-tariff barriers (Easternly,2000).

A core element of globalization is the expansion of world trade through the elimination or reduction of trade barriers, such as import tariffs. Greater imports offer consumers a wider variety of goods at lower prices, while providing strong incentives for domestic industries to remain competitive. Exports, often a source of economic growth for developing nations, stimulate job creation as industries sell beyond their borders. More generally, trade enhances national competitiveness by driving workers to focus on those vocations where they, and their country have a competitive advantage. Trade promotes economic resilience and flexibility, as higher imports help to offset adverse domestic supply shocks. Greater of employment for the local workforce and could bring along new technologies, thus promoting higher productivity (IMF,2008).

Restricting international trade, for example, engaging in protectionism, generates adverse consequences for a country that undertakes such a policy. Restrictions in international trade for import goods can be categorize into tariff barriers and nontariff barrier (Hady,2004). The wine industry is attracting more attention in the world economy, but all of this interest could appear unusual because the wine sector accounts for only 0.4% of the total household consumption, and vines cover only 0.5% of the cultivated area worldwide of which only 1/3 is used for wine (Anderson, 2004). In several part of the world, the consumption of wine is a tradition that being passed on generations and become a culture on that area, for example Europe. And before it become a common liquor to be consumed, its exclusively available on Western country. In several circumstances, wine was available in specific events or specific shops, also with a high price. On the other part of the word, in the southern hemisphere countries, where the tradition of drinking wine isn't as wide as the other, however there is an increase in the number of customers. Some of them become potential market for wine industries, for example like Indonesia. However, this nowadays proven to be changed. There is an increase of wine export and import in the last decades, especially on those area who's being viewed as impossible to penetrate, like Indonesia.

Indonesia is the world's fourth most populated nation with upwards of 240 million people. It is also home to the largest Muslim population of any one country. As a result, Indonesia has not been viewed as a significant market for wine and spirits. The GOI (Government of Indonesia) controls alcoholic

beverage distribution on the grounds that they are protecting the religious beliefs of the majority of Indonesians. Wine and spirit consumption are only permitted in license A four and five-star hotels, upscale restaurants, bars, pubs, and night clubs. Duty free alcoholic beverages can only be sold through the appointed shops located in some Jakarta neighbourhoods and international airports (USDA Foreign Agriculture Service,2011).

Recorded alcohol per capita (15+) consumption (in litres of pure alcohol) by type of alcoholic beverage, 2016 or latest year available

- Beer
- Wine
- Spirits
- Other
- All

5% SPIRITS
1% OTHER
18% BEER
76% WINE
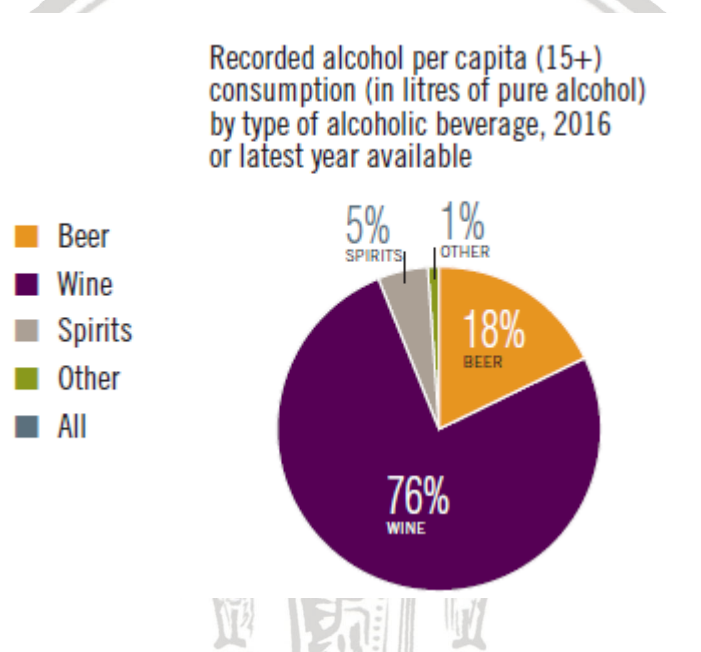
Figure 1. Consumption Alcohol Per Capita in Indonesia in 2016

Source: World Health Organization

However, Indonesia's tourism industry, which is politically powerful, has lobbied for more relaxed import regulations. The tourism industry has established itself as a significant economic and political stakeholder. Tourism and the HRI (Hotel, Restaurant and Institutions) sectors are important sectors of Indonesia's economy and are significant sources of revenue, foreign capital

and employment (USDA Foreign Agriculture Service,2011). The total number of foreign tourists arriving in Indonesia through all entry point until August 2019 are 1.555.436 visit and has increased 2.94% compared to August 2018 (Kemenpar, 2019). Meanwhile according to Winemakers' Federation of Australia, the country is a large market with a definite potential for wine exporters. Market in Indonesia showed that the country is both a consumer country and a producer of wine. It is the 12th world market for the consumption of still wines and the third largest wine consumer market in the Asia-Pacific region behind Australia and China. Consumption has steadily increased since the liberalization of the import of spirits in the 1970s, and then collapsed with the recession.

Importer and HRI (Hotel, Restaurants and Institution) industry sources predict that wine imports will continue to increase by approximately 20 percent annually through 2015. Like other Southeast Asian markets, wine is becoming more and more popular. Indonesians perceive that wine is a healthier alternative to other alcoholic beverages. Plus, Indonesians believe that wine creates an image being well-healed and drinking wine is seen as a status symbol (USDA Foreign Agriculture Service, 2011). As of 2010, each importer is able to import most brands, although some brands remain exclusive to certain importers. The breakdown of the total import quota was about 70 percent wine, 10 percent spirits, and 20 percent beer. Approximately 80 percent of the imported alcoholic beverages are sent to Jakarta and Bali.
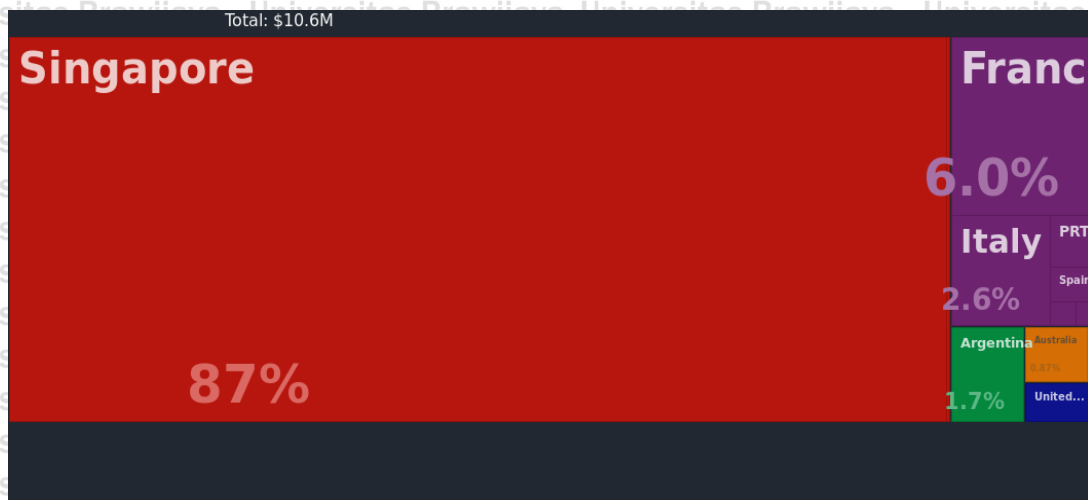
Figure 2. Import Origins of Wine to Indonesia 2017

Source: The Observatory of Economic Complexity (OEC)

The remaining 20 percent goes to other major urban centers like Medan, Surabaya, and Bandung. The consumption of red white wines is equal amount in general. Red wines tend to be favored more among consumers in Jakarta and other Indonesian cities, while white wines are preferred choice of consumers in Bali, which tend be mostly tourist (USDA Foreign Agriculture Service, 2011).

Indonesia is a predominantly Muslim country and alcohol cannot be consumed under Islam. Around 87% of the population adhere to the Muslim faith which means that potentially there is still a total available market of 33 million people. Growth in the alcoholic drinks market has been slow but fairly steady in Indonesia driven by wealthy Indonesians, the expatriate community

and tourists. The wine market was estimated at around 1.68 million liters in 2012 valued at Rp. 8.940 million (Winemakers Federation of Australia, 2017).

Nilai Produksi (Milyar Rp)	2010	2011	2012	2013	Trend (%) '2010-2013
Minuman keras	1,279.0	778.7	1,617.2	2,454.8	30.8
Minuman Anggur dan sejenisnya	107.6	211.9	106.3	439.0	42.3
Minuman Keras dari Malt dan Malt	0.0	0.0	0.0	0.0	
Total Industri Minuman Beralkohol	1,386.6	990.6	1,723.5	2,893.8	31.8

Figure 3. Value of Alcoholic Beverages Industry in Indonesia 2010-2013
Source: Ministry of Trade, 2016

Indonesia's production of wines is represented by three wineries; Sababay Winery located in Buleleng, Bali, Bellissimo Wine produced by Dima International Wine, and Hatten Wines. The biggest producer is Hatten Wines, established in Bali at 1994. The winery in Indonesia mostly produced rosé, white wine, red wine and white brut. The tropical climate in Indonesia proved to not hinder the growth of the local wine as raw material for the manufacture of various types of wine. Along with the increase in wine consumption in Bali and Balinese wine quality that can compete in the international arena further motivate the wine growers to produce good quality wines. Apart from consumption purposes, the winery also serves as tourism destination in Bali. As one of the alternative forms of tourism, Wine Tourism began to form to satisfy the desires and travel experience of wine connoisseurs. Wine Tourism is defined as travel activities with visits to vineyards, wineries, wine festival, wine tasting and introducing type of local wine to motivate tourists to come to

a destination (Hall iat.al. 2000; Getz, 2000). Jakarta and Bali are the two largest wine consuming destinations in Indonesia, especially the influence of the lifestyle of foreign tourists (Fachri, 2014).

The purpose of this research is to describe and explain the export-import in wine industries and the effect of tariff on it in Indonesia's market. In the past centuries, the growth of the international wine trade has been fostered by trade liberalization process. This process has been brought about both by the establishing of economic integrated areas where tariffs and non-tariffs barriers have been removed to some degree and by the progress of the World Trade Organization (WTO) towards general and progressive reduction of tariffs and more effective regulation of non-tariffs barriers. Indonesia used ad valorem tariffs with one rate or different rate according to the price level of the product; specific volume-based (per litre); a mixed of ad valorem and specific. Tariff protection is quite low in countries which have long been involved in importing wine. By contrast, the tariff level is high in countries which have recently experienced growing wine imports, i.e. mainly Asian markets (Anderson,2010).

Because of the background of Indonesia as the biggest Muslim population in the word supposed to make Indonesia as less desirable market for wine Industries. However, Indonesia also one of producer of wine in New World Region, having 3 vineyard that actively producing wines for domestic consumption and export to nearby countries. Indonesia also become one of new designated market for wine, mainly caused by high number of international tourists and globalization of culture in wine consumption in major cities in

Indonesia despite the identity of their culture which is not that common to consumed alcoholic beverages. Based on the previous description, the author interested in conducting research with title **"The Impact of Tariff on Export and Import of Wine in Indonesia (Study on Wine Market in Indonesia Period 2010-2018)".**

B. Research Problem

According to the background, the research problems that can be drawn are:

1. Does tariff export simultaneously influence on export of wine in Indonesia?

2. Does tariff import simultaneously influence on import of wine in Indonesia?

C. Research Objectives

According to the research problem above, it can be known that the purposes of this research are:

1. To know whether tariff export simultaneously influence on the export of wine in Indonesia.

2. To know whether tariff import simultaneously influence on the import of wine in Indonesia.

D. Research Contribution

1. Academic Contribution

a. This research conducted in order to understand the wine industry in Indonesia, its export and import with relation to the implementation of Tariff.

b. As form of reference material about the impact of tariff towards the export and import of wine in Indonesia which can be used for other

parties, especially in the same topic for future research and for the public in general.

2. Practical Contribution

Practical Contribution on this research is for the wine industries in determining about their wine export to Indonesia and wine import from Indonesia in relate to Tariff regulation imposed by Government of Indonesia and also for society in general in the context of information about the impact of Tariff on export and import of wine in Indonesia.

E. Minor Thesis Proposal Structure

CHAPTER I : **INTRODUCTION**

Chapter I consisted of general view or background, problem formulation, research objectives and contribution, and writing structure.

CHAPTER II : **LITERATURE REVIEW**

Chapter II explained about theories as research base which related with research title and problems that existed in this research. This chapter also explain about conceptual model and hypothesis.

CHAPTER III : **RESEARCH METHODOLOGY**

Chapter III will be filled with operational definition and variable measures, sampling technique, source and type of data, data gathering, analysis technique and hypothesis test.

CHAPTER IV   **: RESULT AND ANALYSIS**

Chapter IV will discuss about general view from research objects according with problems that already being identified and also providing the analysis upon the problems based in data and theories that already stated in previous chapter.

CHAPTER V   **: CONCLUSION AND SUGESTION**

Chapter V consist of the conclusion from the result in this research and suggestion from writer for related field and for future research.
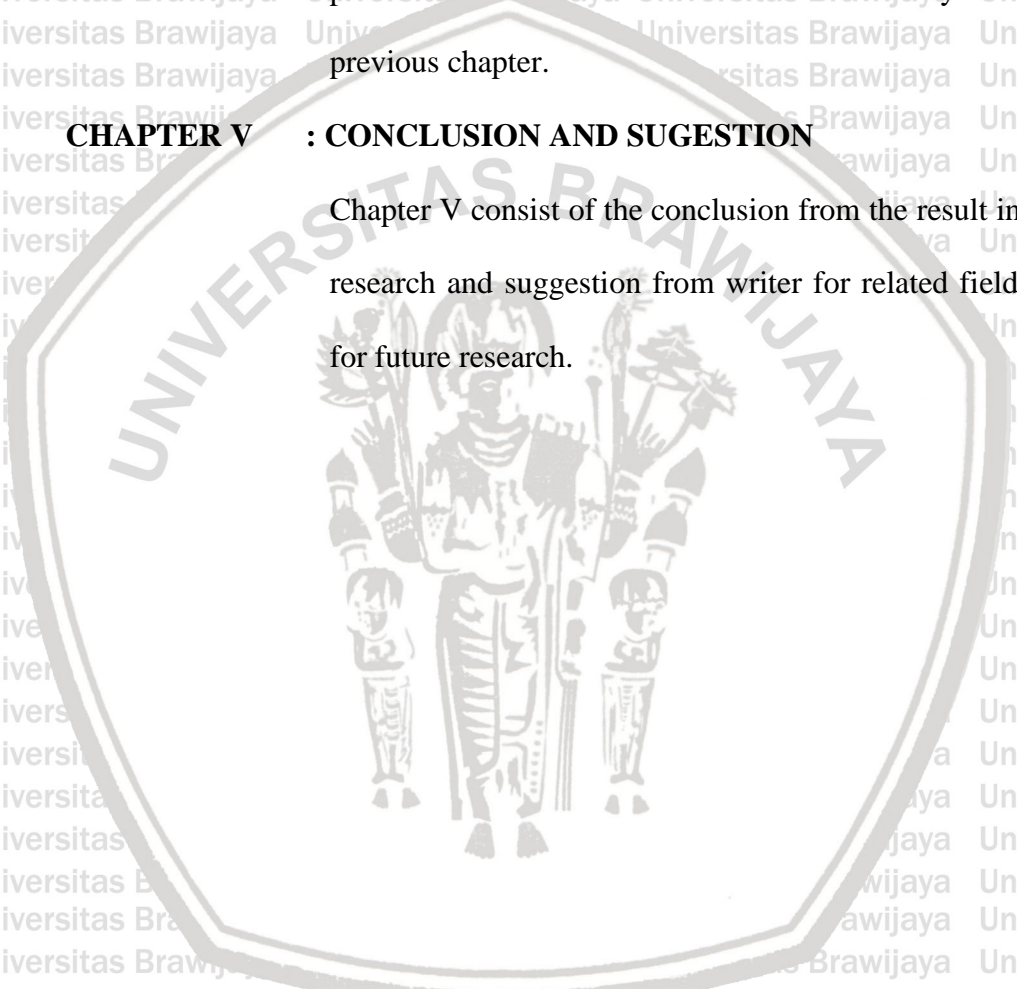
CHAPTER II

LITERATURE REVIEW

A. Previous Research

1. Roberto (2003): *The Changing Structure of The Global Wine Industry*

This paper examines the distinctive economic structures that exist in the wine industry in various regions of the world, and it identifies the critical forces driving changes in the structure of this industry. The paper accomplishes these objectives by applying concepts from industrial organization economics, agency theory, and the field of competitive strategy. This paper has documented and evaluated the recent trend toward consolidation in the global wine industry. The main conclusions are as follows. First, the structure of the wine industry is not consistent around the world. This industry provides a vivid example of an industry whose structure varies based on differences in institutional context and historical patterns of development around the globe. Second, the structure is changing, but not at the same pace in different regions of the world. Third, consolidation is taking place for economic efficiency reasons, and perhaps, for some reasons that are not consistent with shareholder value maximization.

14

2. Pisenti (2010): *The Wine Industry: A Globalized Market*

The purpose of this thesis is to analyse and explain the impact of globalization on the global wine industry sector. The study illustrates the different aspects that characterize this market and it focuses on the development of the wine sector all over the world, describing how it has evolved over the years thanks to the intervention of new emerging markets that are gaining more space in the production, sale and consumption of the product itself. The main purpose of this research is to analyse recent developments that have taken place on the international wine market, as a result of the transformation of world trade due to changes in society, in politics and in business following the increasing openness and interdependence of economic systems. The goal is to investigate the evolution of the role played by European countries traditionally producers, namely France, Italy and Spain, against the aggressive growth that has characterized the New World countries and secondly the factors underlying the growing competitiveness of new exporters and the ascent of new emerging markets like China and Russia that may also help to solve the oversupply problems. The analysis of Chinese emerging market is based not only on data, statistics and numbers but also on the descriptions and

evaluations of cultural aspects on both local behaviours in business and in the approach to wine.

3. **Mariani (2012):** *The International Wine Trade: Recent Trends and Critical Issues*

   This paper analyses the growth of world wine imports, considering all wines together and the single categories recognized by global statistics (bottled, bulk, and sparkling wine). It then describes the changes in the geography of importers with the emergence of new markets and the competitive performance of the main suppliers. The bulk wine trade, the re-exports of wine and the exposure of trade flows to trade barriers are also analyzed. Finally, on the basis of the dominant trend in wine consumption and changes in supply chain, the critical issues arising from analysis are examined, with the need for further research. The result shows that the international wine trade emerge as a complex and dynamic system which looks good in shape despite economic difficulties in many countries

4. **Mariani, (2014):** *Tariff and Non-Tariff Barriers to Wine Export and Initiatives to Reduce their Effects*

   The paper first provides an overview of main trends in wine international trade and of tariff and non-tariff barriers. Subsequently, it offers an analysis of the main initiatives designed to lower trade barriers, depicting the results achieved by the World Wine Trade Group (WWTG) and preferential trade agreements (PTAs) signed by the main wine exporters.

Thirdly, it presents a reclassification of exports allowing a quantitative assessment of the flows more at risk of being hindered by trade barriers, considering trade within Regional Integrated Areas and within the WWTG countries.

5. **Ichsan, (2016):** *Pengaruh Pergerakan Nilai Tukar Yuan Terhadap Ekspor dan Impor Indonesia*

This Study examines the effect of yuan exchange rate movement on Indonesia exports and imports. In this study, the data variable of yuan exchange rate movement by measuring a midpoint exchange rate transaction (CHY/IDR), obtained through the Bank of Indonesia website. Exports is defined as domestically produced goods and services that are sold abroad. Imports is defined as goods and services that is brought into domestic countries from foreign countries.

6. **Ministry of Trade, (2016)***: Analisis Impor Produk Minuman Beralkohol Melalui Pelabuhan Tertentu*

This study aims to analyse the impact of alcoholic beverages import policy through certain ports on the Indonesia's alcoholic beverages import structure and performance, Indonesia's tourism industry, consumers and producers using a qualitative descriptive method. Based on the analysis, the import policy of alcoholic beverages products through certain ports have shifted the structure of imports in terms of the use of modes of transportation and the port. It also caused disharmony between import

allocation and its realization. In addition, the determination of certain ports decreased alcoholic beverages supply for tourism industry in Indonesia and increased additional fee for purchasing of alcoholic beverages, lower sales and increased competition for producers, and increased price at the consumer level.

7. **Santeramon, (2018):** *The Benefits of Country-Specific Non-Tariff Measures in World Wine Trade*

This paper investigates the effects that country-specific NTMs are showing on global imports of wine. In particular, this paper estimate agravity model to explain how and to what extent country-specific NTMs influence wine trade, and we disentangle these effects for different segments of the international market of wine.

The results suggest that country-specific NTMs tend to favour imports of wine. Differences emerge across market segments and types of regulations. In particular, the Technical Barriers to Trade favour (friction) bottled (bulk) wine; pre-shipment inspections enhance imports of bottled wine; the Sanitary and Phytosanitary Standards and the export-related measures are the most trade-enhancing NTMs, regardless of the market segment.

8. **Correia (2019):** *The European Wine Export Cycle*

This paper analyses the cyclical synchronization of wine exports for the ten main European wine-producing countries with the aggregate

European wine export cycle since the inception of the European Economic Community. The main objective is to investigate whether there has been a "European" wine export cycle over the last six decades. The results for the exports, by value, revealed a strong degree of synchronization over the whole period for the majority of the countries, with a tendency to grow over time. Overall the analysis conducted in this paper, which is based in a macroeconomic approach to business cycles, may be useful for understanding fluctuations in the wine trade in the past and may help with forecasting the evolution of the international trade of European wine, which is important to support policy decisions.
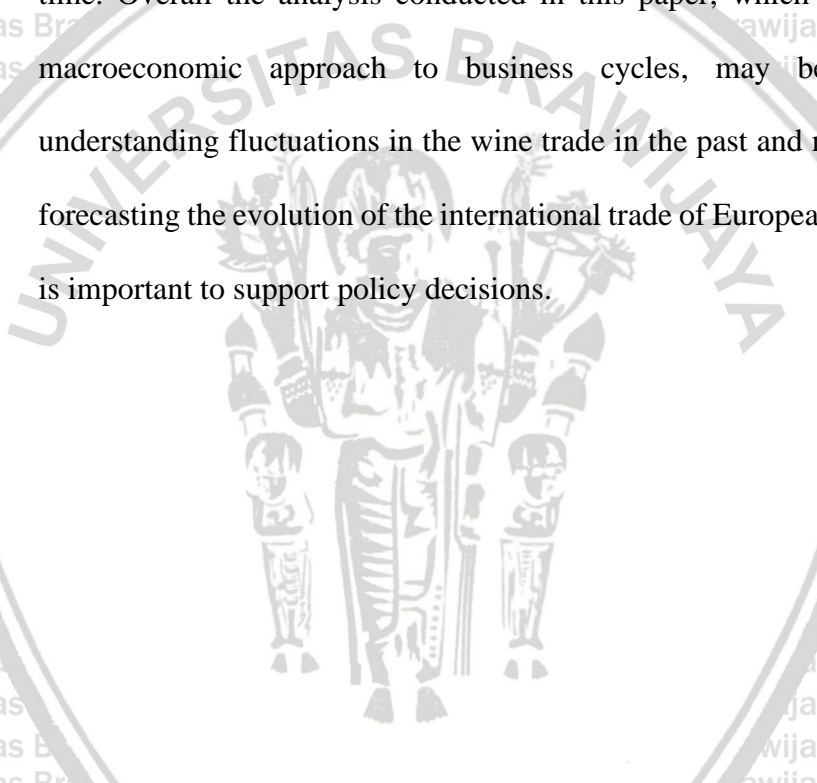
Table 1. Summary of Previous Research

No	Research (Year)	Research Title	Research Purposes	Similarity	Gap
1	Mariani (2012)	The International Wine Trade: Recent Trends and Critical Issues	To analyse the growth of world wine imports, considering all wines together and the single categories recognized by global statistics (bottled, bulk, and sparkling wine	Using the data of wine imports as dependent variable.	This paper analyses the growth of world wine imports recognized by global statistics.
2	Mariani (2014)	Tariff and Non-Tariff Barriers to Wine Exports and Initiatives to Reduce their Effects	Provides an overview of main trends in wine international trade and of tariff and non-tariff barriers.	Using the data of wine exports as dependent variable and Tariff as independent variable	The data source is the Global Trade Information Services (GTI), which database provides import and export flows of 83 countries, even if not all these states are wine exporters and importers.
3	Pisenti (2010)	The Wine Industry: A Globalized Market	The purpose of this thesis is to analyse and explain the impact of globalization on the global wine industry sector.	Using the data of export and import of wine as dependent variable.	Focusing on the evolution of the role played by European countries traditional wine producers against new exporters from New World.
4	Roberto (2003)	The Changing Structure of The Global Wine Industry	Examines the distinctive economic structures that exist in the wine industry in various regions of the world,	Using the data of wine trade as dependent variable.	Research method is by applying concepts from industrial organization economics, agency theory

			and it identifies the critical forces driving changes in the structure of this industry.		and the field of competitive strategy.
5	Correia (2019)	The European Wine Export Cycle	This paper analyses the cyclical synchronization of wine exports for the ten main European wine-producing countries with the aggregate European wine export cycle since the inception of the European Economic Community.	Using the data of wine export as dependent variable.	The research location is in Europe and based on the implementation of European Economic Community.
6	Santeramon, (2018)	The Benefits of Country-Specific Non-Tariff Measures in World Wine Trade	This paper investigates the effects that country-specific NTMs are showing on global imports of wine. In particular, this paper estimate agravity model to explain how and to what extent country-specific NTMs influence wine trade, and we disentangle these effects for different segments of the international market of wine.	Using the data of wine export and import as dependent variable.	Using the Non-Tariff Measures as independent variables.

7	Syaukani. (2016)	*Pengaruh Pergerakan Nilai Tukar Yuan Terhadap Ekspor dan Impor Indonesia*	This study examines the effect of Yuan exchange rate movement on Indonesia exports and import.	Using the data of export and import of Indonesia as dependent variable.	Using data of exchange rate as the independent variable.
8	Ministry of Trade (2016)	*Analisis Impor Produk Minuman Beralkohol Melalui Pelabuhan Tertentu*	This study analyses the impact of alcoholic beverages import policy through certain ports on the Indonesia's alcoholic beverages import structure and performance, Indonesia's tourism industry, consumers and producers	Using the data of wine import as dependent variable and tariff import as independent variable.	Analysis based on the implementation of import regulation for alcoholic beverages. The research conducted only in several province in Indonesia.
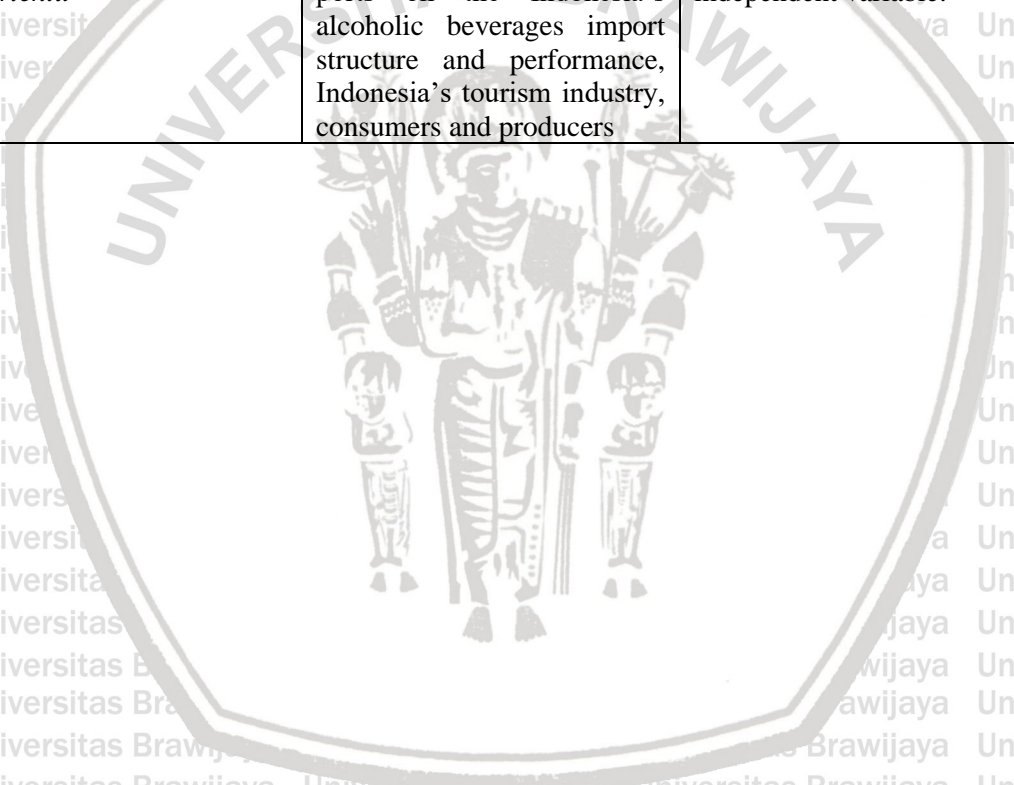
B. THEORETICAL REVIEW

1. Globalization

Globalization is an integration among countries, culture, people and government. Globalization is the process of world shrinkage, of distances getting shorter, things moving closer. It pertains to the increasing ease with which somebody on one side of the world can interact, to mutual benefit, with somebody on the other side of the world (Larson,2001). Economic "globalization" is a historical process, the result of human innovation and technological progress. It refers to the increasing integration of economies around the world, particularly through trade and financial flows. The term sometimes also refers to the movement of people (labour) and knowledge (technology) across international borders. The term has come into common usage since 1980s, reflecting technological advances that have made it easier and quicker to complete international transactions, both trade and financial flows. It refers to an extension beyond national borders of the same market forces that have operated for centuries at all levels of human economic activity.

Globalization means that world trade and financial markets are becoming more integrated. There are four aspects of globalization:

a. Trade and Transaction

Developing countries as a whole have increased their share of world trade–from 19 percent in 1971 to 29 percent in 1999, however it also has some great variations between their major regions. For instance,

the newly industrialized economies (NIEs) of Asia have done well, while Africa as a whole has fared poorly. The composition of what countries export is also important. The strongest rise by far has been in the export of manufactured goods. The share of primary commodities in world exports—such as food and raw materials—that are often produced by the poorest countries, has declined.

b. Capital and Investment Movements

Capital movement is the transfer of capital between countries either by import or export of securities, dividend payments or interest payments.

c. Migration and Movement of People

Workers move from one country to another partly to find better employment opportunities. The numbers involved are still quite small, but in the period 1965-90, the proportion of labour forces round the world that was foreign born increased by about one-half. Most migration occurs between developing countries. But the flow of migrants to advanced economies is likely to provide a means through which global wages converge. There is also the potential for skills to be transferred back to the developing countries and for wages in those countries to rise.

d. The Dissemination of Knowledge

Information exchange is an integral, often overlooked, aspect of globalization. For instance, direct foreign investment brings not only

an expansion of the physical capital stock, but also technical innovation. More generally, knowledge about production methods, management techniques, export markets and economic policies is available at very low cost, and it represents a highly valuable resource for the developing countries.

2. International Trade

a. Definition of International Trade

International trade is the exchange of goods and services across border (Shenkar, 2004). International trade can be defined as a trade activity which conducted by a citizen of a certain country with other countries citizen under mutual agreement. Citizen can be defined as individual to individual, between individuals and government of certain countries or between government in different countries. In many countries, international trade become one of the main factors to raise the Gross Domestic Products. The main caused for international trade to happen is the differences in natural resources in form of minerals, soil fertility, marine diversity, climate and energy. Differences in climate and soil fertility creating different crops or produce in between tropical and subtropical area. Subtropical area produces wheats, pear, grapes, peach and others which is favoured in tropical area (Ekananda, 2015).

b. International Trade Theories

International trade theories answer the question on why export structures vary across countries, why nations do not mimic each other and why they have different vulnerably to trade conditions. To better understand how modern global trade has evolved, it's important to understand how countries traded with one another historically. Over time, economists have developed theories to explain the mechanisms of global trade. The main historical theories are called classical and are from the perspective of a country, or country-based. By the mid-twentieth century, the theories began to shift to explain trade from a firm, rather than a country, perspective. These theories are referred to as modern and are firm-based or company-based. Both of these categories, classical and modern, consist of several international theories (Shenkar,2004:23).

1. The Mercantilist Doctrine

Emerging in England in the mid-sixteenth century, mercantilism is the first theory of international trade. The doctrine placed great faith in the ability of a government to improve the well-being of its residents using a system of centralized control. Under mercantilism, the government had two goals in a foreign economic policy. The first goal was to increase the wealth of the nation by acquiring gold. The second policy goal was to extract trade gains from foreigners through regulations and controls so as to achieve a surplus in the balance of trade through maximizing

exports. In modern economy, however, gold reserves are merely potential claims against real goods on foreigner. Today, gold represent a minor portion of national foreign exchanges markets so as to influence foreign exchange rates.

Mercantilism also overlooked other sources of a country's wealth accumulation such as the quantity of its capital, the skill of its work force, and the strength of other production inputs such as land and natural resources.

2. Absolute Advantage Theory

This theory stated that a nation's imports should consist of goods made more efficiently abroad while exports should consist of goods made more efficiently at home. The absolute advantage theory holds that the market would reach an efficient end by itself. Government intervention in the economic life of a nation and in trade relations among nations is counterproductive. A nation would benefit from free trade simply because imports would cost less than domestic products it otherwise had to produce. Unlike mercantilist doctrine that a nation could gain from trade if the trading partner lost, the absolute advantage theory argued that both countries would gain from the efficient allocation of national resources globally.

3. Comparative Advantage Theory

David Ricardo, a nineteenth-century English economist stated that both countries would gain from trade even if one were more efficient in all goods. Thus, it was the comparative advantage of a nation in producing a good relative to the other nation that determined international trade flows. A country has comparative advantage in producing a good if the opportunity cost for producing the good is lower at home than in the other country. As long as the opportunity costs for the same commodities duffer between countries, open trade will result in gains for each country through specialization in producing a commodity or commodities in which a country has comparative advantage vis-à-vis its trading partners. Thus, in today's world economy, comparative advantage must be explained by reference to differences in comparative production cost, which further depends on the commodity's production process (especially the state of technology) and on the process of production factors such as labour, land, capital and natural resources.

4. Heckscher-Ohlin Theorem

This theory explained the link between national factors endowments and comparative advantage of nations. The theorem states that a country has a comparative advantage in commodities whose production is intensive in its relatively abundant factor, and will hence export those commodities. Meanwhile, a country

would import commodities whose production is intensive in the country's relatively scarce factor of production. Thus, the differences in comparative advantage are attributes to the differences in the structure of the economy. A country is relatively more efficient in those activities that are better suited to its economic structure and does best with what it has most of.

Several assumptions underlie the Heckscher-Ohlin theorem. First, it is assumed that countries vary in the availability of various factors of production. Second, while each commodity is assumed to have its own specific production function, the production function is assumed to be identical anywhere in the world. Production function shows the amount of output that can be produced by using a given quantity of capital and labour. Third, the theorem holds that technology is constant in all trading countries and that the same technology is used in all those countries. Finally, it assumes that the conditions of demand for production factors are the same in all those countries.

The implications of the H-O theorem for world trade are highlighted below:

a. Trade as well as trade gains should be greatest between countries with the greatest differences in economic structure.
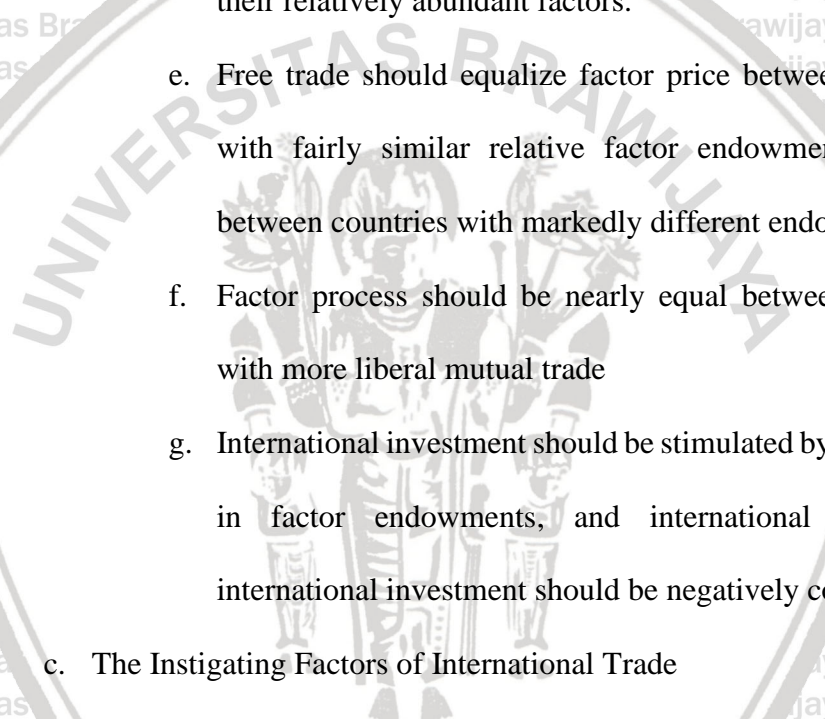
b. Trade should cause countries to specialize more in producing and exporting goods that are distinctly different from their imports.

c. Trade policy should take the form of trade restrictions rather than trade simulations

d. Countries should export goods that make intensive use of their relatively abundant factors.

e. Free trade should equalize factor price between countries with fairly similar relative factor endowments but not between countries with markedly different endowments.

f. Factor process should be nearly equal between countries with more liberal mutual trade

g. International investment should be stimulated by differences in factor endowments, and international trade and international investment should be negatively correlated.

c. The Instigating Factors of International Trade

International trade happens because there is no country in the world that able to produce all of goods and services of its citizen (Boediono, 2000). There are several factors that instigating the international trade, which are:

1. To gain goods or resources that cannot be produce domestically.

2. To gain goods that actually can be produced in domestic but hasn't passed the requirements.

3. To gain more modern technology in order to empower natural resources in the country.

4. To extend the product market that being produced domestically.

5. To gain benefit from specialization.

3. Export

Export is an activity of selling goods and services to the outside of customs area which are regulated by the country. Customs area is the whole national area of a country, where all goods that passed this border will be given import and exit duty (Purnamawati and Fatmawati,2013). Export is selling goods to foreign country by using payment system, quality, quantity as other selling requirement which accepted by both exporter and importer. The demand for export is number of goods/services which requested to be exported from one country to other country (Sukirno,2010). The factor that influencing the most on the number of exports from certain countries is the ability of those countries in producing goods that can compete in foreign market. The quality and price of goods should be at least not equal with goods that being sold on foreign market. The more goods that have speciality in a certain country, then the more export that will be conducted (Sukirno,2002).

a. Influencing Factors on Export

According to Mankiw (2006), several factors that influencing on export and import are:

1. Consumer preference on the domestic-produced goods and foreign-produced goods.

2. Prices in domestic and foreign market.

3. The value of exchange rates that will determine the amount of local currency that needed to buy foreign currency.

4. Distribution cost in between countries.

5. Government regulation in regard to international trade.

b. Benefits of Export

According to Sadono Sukirno (2010), the benefits of exports activity are:

1. Extending the market for Indonesia's products

2. Adding foreign exchange

3. Extending the work field

c. Types of Export

In Mankiw (2010) explained that the export activity divided into two kind, which are:

1. Direct Export

Direct export is a way of selling goods or services through exporter in other country or destined country of export. The selling done through distributor and company's seller representative. The benefit is the production centred in origin country and better control on the distribution. The risk is that the cost of transportation is higher for product in major scale and the limitation of trade also protectionism.

2. Indirect Export

Indirect export is a technique where the goods are sold through exporter in origin country and then sold through them. Through export management companies and export trading companies. The benefit of this is that the production resources is concentrated and there is no need to handle the export directly. What lack from this system is the lack of control toward distribution dan lack of knowledge on the operation in foreign country.

4. **Import**

An import is a good brought into a jurisdiction, especially across a national border, from an external source. The party bringing in the good is called an importer. An import in the receiving country is an export from the sending country. Importation and exportation are the defining financial transactions of international trade. In international trade, the importation and exportation of goods are limited by import quotas and mandates from the customs authority. The importing and exporting jurisdictions may impose a tariff (tax) on the goods. In addition, the importation and exportation of goods are subject to trade agreements between the importing and exporting jurisdictions.

According to Susilo (2008:101) import can be defined as an activity of admitting goods from a country (foreign country) to a region of another customs territory. This definition means that import activity involving two

country. A general delimitation of imports in national accounts is given below:

a. An import of a good occurs when there is a change of ownership from a non-resident to a resident; this does not necessarily imply that the good in question physically crosses the frontier. However, in specific cases national accounts impute changes of ownership even though in legal terms no change of ownership takes place (e.g. cross border financial leasing, cross border deliveries between affiliates of the same enterprise, goods crossing the border for significant processing to order or repair). Also smuggled goods must be included in the import measurement.

b. Imports of services consist of all services rendered by non-residents to residents. In national accounts any direct purchases by residents outside the economic territory of a country are recorded as imports of services; therefore, all expenditure by tourists in the economic territory of another country are considered part of the imports of services. Also, international flows of illegal services must be included.

5. Trade Barriers

Trade barriers are restrictions on international trade imposed by the government. They are designed to impose additional costs or limits on imports and/or exports in order to protect local industries. These additional costs or increased scarcity result in a higher price of imported products and thereby make local goods and services more competitive

(see also comparative advantage and trade). There are three types of trade barriers: Tariffs, non-tariffs, and quotas.

a. Tariffs

Tariffs are taxes that are imposed by the government on imported goods or services. They are sometimes also referred to as duties. Tariffs can be implemented to raise the cost of products to consumers in order to make them as expensive or more expensive than local goods or services (i.e. scientific tariffs). In many cases, tariffs are used to protect local industries that could otherwise not compete with foreign producers (i.e. peril point tariffs). Of course, the countries affected by those tariffs usually don't like being economically disadvantaged, which often leads them to impose their own tariffs to punish the other country (i.e. retaliatory tariffs). There are two types of tariffs: a specific tariff is levied as a fixed fee based on the type of item. An ad-valorem tariff is a levied based on the item's values. Protectionism also tend to reward concentrated, well-organized and politically-connected groups, at the expenses of those whose interest may be more diffuse (such as consumers). It also reduces the variety of good available and generated inefficiency by reducing competition and encouraging resources to flow into protected sectors. According to Hady (2004), tariff is an import duty which being put on imported goods that will be consumed in domestic market. Tariff in import duty are:

1. Imposition of Import duty or low tariff, between 0% - 5%, used on primary and vital goods, military/defence/security equipment.

2. Middle tariff, between 5% - 20%, used on half-manufactured or other goods that isn't enough to be produced domestically.

3. High tariff, above 20%, imposed for tertiary goods and other goods that are able and enough produced domestically and not included in primary goods.

b. Non-tariffs

Non-tariffs are barriers that restrict trade through measures other than the direct imposition of tariffs. This may include measures such as quality and content requirements for imported goods or subsidies to local producers. By establishing quality and content requirements the government can restrict imports, because only products can be imported that meet certain criteria.

More often than not, these criteria are set to benefit local producers. In addition to that, the government can grant subsidies, i.e. direct financial assistance to local producers in order to keep the price of their goods and services competitive.

1. Quota

Quotas are restrictions that limit the quantity or monetary value of specific goods or services that can be imported over a certain period of time. The idea behind this is to reduce the quantity of competitive products in local markets which increases

demand for local goods and services. This is usually done by handing out government issued licenses that allow companies or consumers to import a certain quantity of a good or service.

Although technically speaking, quotas are non-tariff measures, they take quite a different approach than the other measures discussed above. Instead of just making it more difficult or costly to import goods, quotas actually limit the number of products that can be traded. There is no way for foreign producers to circumvent such a quota. The most restrictive type of quota is an embargo, i.e. an entire ban of trade and/or commercial activity concerning a specified good or service.s

2. Custom Administration rules

This mechanism involving certain import regulation, establishment of customs price, establishment of forres rate and foreign exchange monitoring, consultant formalities, packaging/labelling regulation, documentation handed, quality and testing standard, administration fees and tariff classification.

3. Government Participation

Consist of government procurement policy, subsidising and incentive of export, countervailing duties, domestic assistance programs and trade-diverting.

4. Import Chargers

Consist of import deposits, supplementary duties and variable levies.

6. Wine Trade

Wine has traditionally been a traded good but only in the past two decades, the international wine trade has experienced considerable growth: in the 1960s the exported share of global wine production was 10% and in 1990 this share had reached only 15%. However, by the year 2000 the exported production had reached 25% of global production and more than 30% in 2010. The growth of the international wine trade is just one of the aspects of the complex evolution of the world wine sector: there have been profound changes in the geography of production and consumption and in the direction of export flows (Anderson and Nelgen,2011; Banks and Overton, 2010).

Indeed, the growth of the wine trade was caused during the 1990s by the wine consumption increase in Northern Europe and North America, compensating for the decrease in consumption in Mediterranean countries, and by the growth of exports from so-called New World Wine Producers. Recently, the international trade in wine has been boosted by increasing demand mainly in Asian countries which until recently were only marginally involved in wine imports, and production is increasing in some importing countries (China, India, Brazil) and in those with considerable potential (Ukraine). Undoubtedly,

the growth of the international wine trade makes the wine industry ''an intriguing case of globalization at work'' (Anderson, 2004).

a. The Old and New World Wine Regions

The classification of the wine producing nations became universal as publications such as "The World Atlas of Wine" claimed that the wine producing countries could be divided into two worlds: "Old World" and "New World" (Johnson and Robinson, 2014). According to the "World of Atlas of Wine", Old World countries are traditional wine producing countries around the Mediterranean area including Greece, France, Italy, Spain, Germany, Portugal, Austria and Hungary. New World countries are wine producing countries settled after European colonial expansion and include the United States, Australia, New Zealand, Chile, South Africa, and Argentina. As a binary categorization, it has deficiencies that overlook history and uses a very Continental European bias.

The differences in Old World and New World wines come from winemaking practices (tradition) and from the effect of the land and climate on the grapes (the "terroir").

1. Old World wines are often described as tasting lighter, having less alcohol, having higher acidity, and tasting less fruity

2. New World wines are often described as tasting riper, having higher alcohol, having less acidity, and tasting more fruity
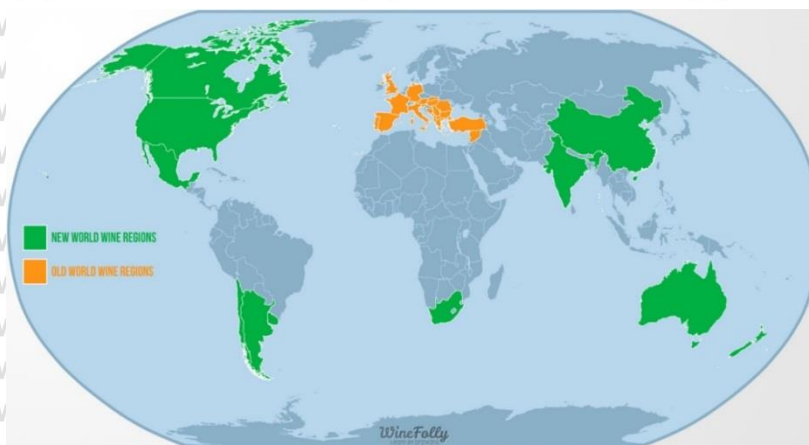
Figure 4. The Map of Old-World Wine Regions and New
World Wine Regions
Source: https://www.winefolly.com

b. Wine in Indonesia

As the world 4th most populated country, Indonesia has been

seen as a potential market, including in wine industries. The

Indonesian economy grew more than 6 percent annually in 2010-

2012, outgrowing its regional neighbours.

Indonesia is a predominantly Muslim country and alcohol

cannot be consumed under Islam. In general, Indonesians are fairly

tolerant towards alcohol and do not pose any significant barriers to

the market. Alcohol sales and distribution are strictly controlled by

authorities. The non-Muslim population is predominantly Christian

and of Chinese origin. This sector of the population is also

recognized as having disproportionate share of wealth, so has the

capacity to purchase higher percentage of the alcoholic beverages

available.

Growth in the alcoholic drinks market has been slowly but fairly steady in Indonesia because of the existence of wealthy Indonesians, the expatriate community and tourist. The wine market was estimated around 1.68 million litters in 2012 valued at Rp. 8.940 million. The red wine category has experienced the most significant growth rates over recent times; however, every wine category has experienced some level of growth. Excise duties were increased in 2014 which led to significant average unit prices increases. The number of importers has increased to over 18, providing a wider supply and distribution network.

Importer and HRI (Hotel, Restaurants and Institutions) industry sources predict that wine imports will continue to increase by approximately 20 percent annually through 2015. Like other Southeast Asian markets, wine is becoming more and more popular. Indonesians perceive that wine is a healthier alternative to other alcoholic beverages.

As of 2010, each importer is able to import most brands, although some brands remain exclusive to certain importers. In 2010, the breakdown of the total import quota was about 70 percent wine, 10 percent spirits and 20 percent beer. Approximately 80 percent of imported alcoholic beverages are sent to Jakarta and Bali. The remaining 20 percent goes to other major urban centres like Medan, Surabaya and Bandung.

Most imported wines in Indonesia come from South Africa (30 percent), Chile (20 percent), Australia (20 percent), France (10 percent), and other European countries like Italy, German and Spain (10 percent), and United States (10 percent).

7. **Influence Between Variables**

a. Influence Between Tariffs with Wine Export

According to the study from Bianco and Boatto (2014), shows that globalization, measured by trade barriers, do matter considerably in world wine trade. Their findings are in line with previous studies on trade costs (Jayasinghe, Beghin and Moschini, 2010) and the wine trade (Raimondi and Olper, 2011). Jayasinghe, Beghin and Moschini (2010) found that world demand for corn seeds is mainly inhibited by tariffs and distance, and only in a limited way by SPS measures. They found similar evidence for the world wine trade. However, not all non-tariff barriers are equal: our in-depth analysis shows that, in some cases, TBTs (Technical Barriers to Trade) are neither binding nor catalysts for trade. In particular, some trade regulations were assessed to be as stringent as 3 per cent of ad valorem tariffs, while others including SPS measures are totally negligible. This is an important result as it may justify the removal of inefficient technical standards on imported wine, whilst suggesting a target to aim at when seeking to liberalise the international wine trade.

Furthermore, for policy-makers who are often interested in the impact of standards and regulations on international trade and competitiveness, the current analysis provides tariff equivalencies that may help them gain insights and negotiate trade agreements to enhance wine trade flows. Finally, we show that the decreasing trend for tariffs has for the most part been compensated by more stringent technical barriers.

b. Influence Between Tariffs with Wine Import

According to Pisenti (2010), since the beginning of the 80's, the wine international trade has progressively intensified, as a result of the growth of world economy, the reduction of trade barriers and the emergence of the new producer countries. The wine industry has seen the emergence of new actors, such as market-oriented large companies and multinationals of alcoholic beverage that have boosted the competition to higher levels through the adoption of classic marketing tools adapted to international trade.

The major market-oriented companies were born in the first half of the 80's, thanks to the effort of many Australian producers to overcome a crisis caused by the excessive production of the domestic market. They have focused on the expansion of imports, based on shared penetration strategy on international markets and a modernization of wine marketing.

Observing the top 10 companies specialized in wine sector, it emerges that prevalence of American and Australian companies have a turnover exceeding 500 million euro, consequently these companies have financial and managerial resources for the development in the international market (Adbrands,2011).

8. Conceptual Model and Hypothesis

a. Conceptual Model

Based on the theory that has been explained, the conceptual model that can be determined about variable trade barriers that impacting on international trade of wine. The conceptual model can be seen at picture number 2.

Figure 5. Conceptual Model

Source: Processed by Author (2019)

b. Hypothesis

Over the past century, the growth of the international wine trade has been fostered by the trade liberalisation process. This process has been brought about both by establishing of economic integrated areas where tariffs and, in varying degrees, non-tariff barriers have been removed and by the progress of the World Trade Organization (WTO) towards a general and progressive reduction of tariffs and more effective regulation of non-tariff barriers. Tariffs are

the most tangible trade barrier, they increase prices of imports, therefore impending access to market. (Mariani,2012).

Based on Absolute Advantage Theory, where a nation import should consist of goods made more efficiently abroad while exports should consist of good made more efficiently at home. However, government intervention in economic life of a nation and in trade relations among nations is counterproductive, for example Tariff for export and import. Due to the presence of specific tariff, evaluating and comparing the level of market protection for wine requires complex estimates. According to literature, tariff protection is quite low in countries which have long been involved in importing wine. By contrast, the tariff level is high in countries which have recently experienced growing wine imports, mainly Asian markets (Anderson,2010).

Previous research has stated that wine export in many markets are still hampered by high tariffs and by a variety of technical barriers related to the particular characteristics of this alcoholic product, which is obtained with production practices often subject to rules and regulated by specific labelling systems. The stalemate in multilateral negotiations at the WTO level is pushing to negotiate bilateral agreements, to reduce the impact of tariff and non-tariff barriers which affect wine trade (Mariani,2014).
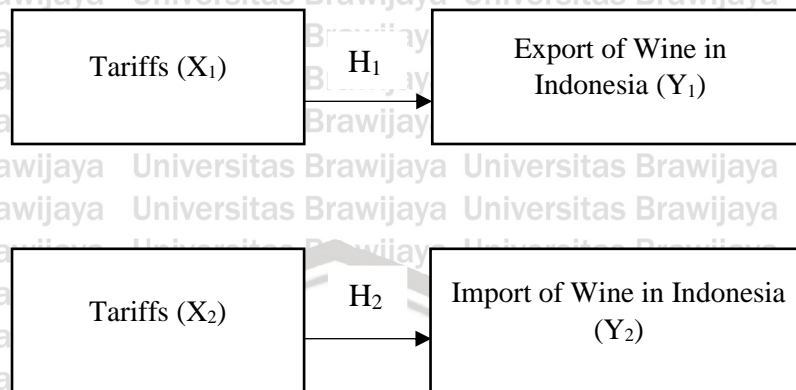
Figure 6. Hypothesis Model

Source: Processed by Author (2019)

The existence of tariff on export and import of alcoholic beverages, such as wine become one of obstacles that needed to be dealt by importer to enter Indonesia's market with tariff comparatively higher compared to other countries. This also could pose a challenge for domestic producer of wine in Indonesia to export their products. Thus, based on the research problem which are whether tariff export and tariff import influence the export and import of wine in Indonesia, the temporary answers to it is that tariff export and tariff import influence the export and import volume of wine in Indonesia, where the hypothesis for this research are:

H_1 : Variable Tariff Export (X_1) is simultaneously influencing on wine export in Indonesia (Y_1).

H_2 : Variable Tariffs Import (X_2) is simultaneously influencing on wine import in Indonesia (Y_2).

CHAPTER III

RESEARCH METHODOLOGY

1. **Type of Research**

    According to problem formulation and research purposes, the type of research that will be used on this study is explanatory research with quantitative method, because this research primary purpose is to explain why events occur to build, elaborate, extend or test theory. According to Singarimbun and Efendi (2005:4), explanatory research will explain the correlation on the causality between the variables through hypothesis test. Churchill (2005:129) said that explanatory research is a research that emphasizes on gathering the ideas and inputs, this especially useful to solve a vast problem and similar one into sub problem that are more specific and accurate.

2. **Research Location**

    This research will be conducted through International Trade Centre (ITC) accessed through https://www.trademap.org/Index.aspx. Establishes in 1964, the International Trade Centre (ITC) is the joint agency of World Trade Organization and United Nation.

3. **Concept, Variable, Operational Definition and Scale Measurement**

    c. **Concept**

        According to Mustafa (2013:3) in general, concept can be defined as an abstraction or an idea that gathered from the summary and observation

upon a fact or reality which delivered with world that's affecting in general dan have a distinct behaviour. Concept that will be used on this study are:

a. Tariff

Tariff is a tax imposed on imported goods and services. Tariffs are used to restrict trade, as they increase the price of imported goods and services, making them more expensive to consumers. Tariff are used to restrict international trade and imposed on certain export goods or services and also on import.

b. Export

Export is selling goods to foreign country by using payment system, quality, quantity as other selling requirement which accepted by both exporter and importer. The demand for export is number of goods/services which requested to be exported from one country to other country (Sukirno,2010).

c. Import

According to Susilo (2008:101) import can be defined as an activity of admitting goods from a country (foreign country) to a region of another customs territory. This definition means that import activity involving two country.

d. Variable

Variable represents a measurable attribute that changes or varies across the experiment whether comparing results between multiple groups,
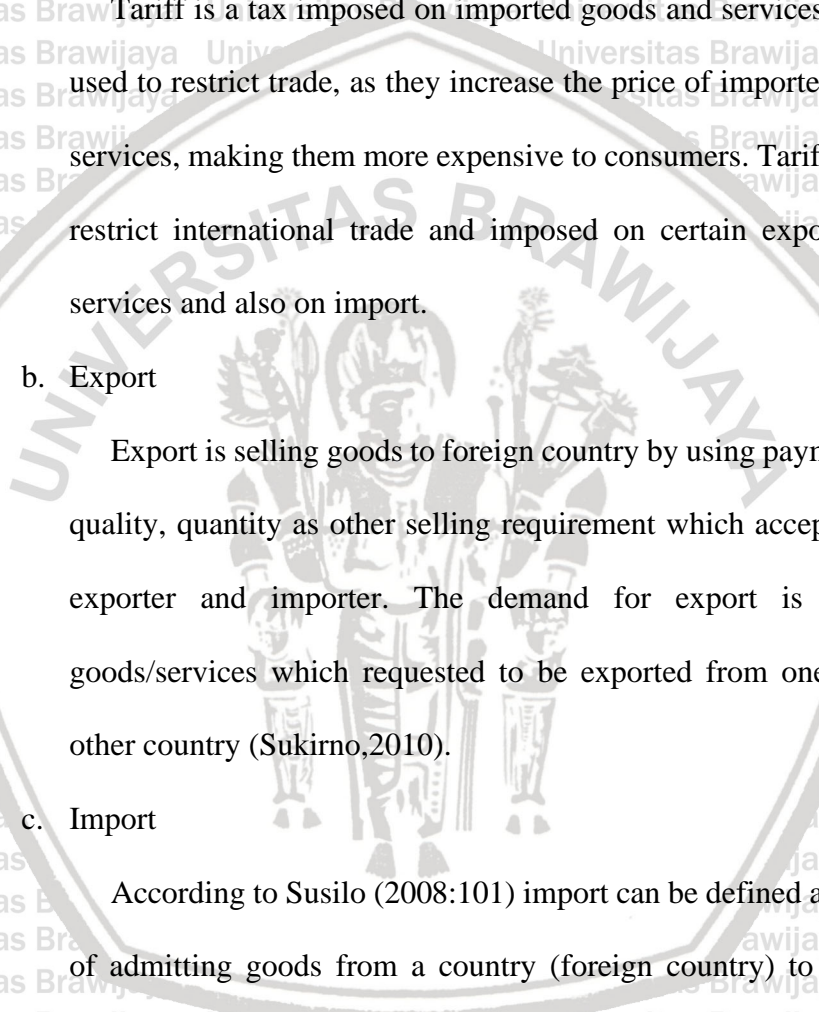
multiple people or even when using a single person in an experiment conducted over time. Variable is anything that has value or characteristic, trait, measured attribute or a symbol which the value is given (Simamora, 2004:6). Variable derived from a concept that has necessity to be explained or researched, thus making them available to be measured and used operationally. Variables that will be used on this research are:

a. Independent Variable

An independent variable is the variable that is changed or controlled in a scientific experiment to test the effects on the dependent variable. Independent variable is variable that affecting the dependent both positively and negatively (Suhartanto, 2014:57). In this study, the independent variable is Tariff Export (X_1) and Tariff Import (X_2).

b. Dependent Variable

The dependent variable is the variable that is being measured or tested in an experiment. Dependent variable is a variable that become the main focus on this study, in other word, dependent variable is the centre of attention from the researcher (Suhartanto, 2014:56). In this study. The dependent variable is Export (Y_1) and Import (Y_2)

e. **Operational Definition**

According to Singarimbun and Effendi (2006:46), operational definition is an element of research which tells on how to measure a variable.

Wisadirana (2005:58) explained that in order to gain the clarity of variable that will be measured, then it needs to formulate operational definition in every single variable that become the object of study. This operational definition will be used to give a clue on gathering the data. Operational definition in this study are:

a. Tariffs

Customs duties on merchandise imports are called tariffs. Tariffs give a price advantage to locally-produced goods over similar goods which are imported, and they raise revenues for governments (World Trade Organization, 2019). On December 2018, the Ministry of Finance revised import duties on alcoholic beverages containing ethyl alcohol. This regulation set the tariff import Rp. 44.000 per litres, and for tariff export Rp. 33.000 per litres.

b. Export

Exports are a function of international trade whereby goods produced in one country are shipped to another country for future sale or trade. Exports are a crucial component of a country's economy, as the sale of such goods adds to the producing nation's gross output. The exports of wine in Indonesia for 2018 worth $1,024,260 or 65.193 litres.

c. Import

Imports are foreign goods and services bought by residents of a country. Residents include citizens, businesses, and the government. It doesn't matter what the imports are or how they are sent. They can be

shipped, sent by email, or even hand-carried in personal luggage on a plane. If they are produced in a foreign country and sold to domestic residents, they are imports. Import of wine in Indonesia worth $18.646.024 or 6.067.676 litres in 2018.

f. Measurement Scale

According to Sugiyono (2011:92) measurement scale is a standard to determine the interval inside of a certain measurement tool, thus the usage of measurement tool can provide a value in form of numbers to create accurate quantitative data. This study used interval scale with measurement of: Indonesia Rupiah (IDR), which used to measure the value of globalization through tariff export (X_1) and tariff import (X_2), measuring the Total of Wine Export in Indonesia (Y_1) and Total of Wine Import in Indonesia (Y_2).

Table 2. Concept, Variable, Indicator, Scale Measurement

Concept	Variable	Variable Indicator	Scale Measuremnet
Trade Barrier	Tariff Export (X_1)	Tariff that being put on Export of Wine in Indonesia	Tariff Export is Rp.33.000 per litres.
Trade Barrier	Tariff Import (X_2)	Tariff that being put on Import of Wine in Indonesia	Tariff Import is Rp. 44.000 per litres
International Trade	Total of wine export (Y_1)	The Amount of Wine Export in Indonesia per year	The exports of wine in Indonesia for 2018 worth $1,024,260 or 65.193 litres.

International Trade	Total of Wine import (Y_2)	The Amount of Wine Import in Indonesia per year	Import of wine in Indonesia worth $18.646.024 or 6.067.676 litres in 2018.

Source: Processed by author (2019)

D. Population and Sample

1. Population

Population is a generalisation area which consist of: object or subject which having certain quality or certain characteristic which applied by researcher to be studied and concluded (Sugiyono,2005). However, due to the large sizes of populations, researchers often cannot test every individual in the population because it is too expensive and time-consuming. This is the reason why researchers rely on sampling techniques.

Population that will be used in this study is secondary data in form of time series. Secondary data in this study is data on trade barriers (tariff), export and import of wine in Indonesia based on monthly assessment, during period 2010-2018.

2. Sample

A sample is an unbiased number of observations taken from a population. A sample refers to a smaller, manageable version of a larger group. It is a subset containing the characteristics of a larger population. Samples are used in statistical testing when population sizes are too large

for the test to include all possible members or observations. A sample should represent the population as a whole and not reflect bias toward a specific attribute. In this study, sampling technique that will be used is saturated sample, with analysis data unit (n) 9x12 = 108 samples. Saturation sampling is a method of acquiring sample by that include all of population as sample for the research (Sugiyono, 2005). The sample that will be used are the data of trade barrier, in form of tariff export and import for wine in Indonesia, total Wine Export in Indonesia and Total Wine Import in Indonesia from 2010 until 2018. This year is chosen according to the data availability in the research location.

E. Data Gathering Technique

1. Data source

The data that will be used on this study is secondary data in time series. Secondary Data here is the export and import of wine in Indonesia, in monthly period 2010-2018. Secondary data will be obtained through International Trade Centre (ITC) through website https://www.trademap.org/Index.aspx. Apart from that, journal and previous research will be used during the process of research. This data will be monthly data of export and import of wine in Indonesia until 2018.

2. Data Gathering Technique

According to Siregar (2014:29), data gathering is a process of gathering primary and secondary data in a research. The technique that will be used in this study is documentation method. Arikunto (2006:231)

explained that documentation method is a data gathering technique that conducted by categorizing and classifying written materials which related to the research problem.

This technique is used to explore historic data. The data that already gathered is written data from document that already exist in status quo and other supporting literature that related to the problem that will be discussed and being the object of the research. The data is a report conducted by ITC or International Trade Centre. The data that will be used is monthly data period 2010-2018.

F. Data Analysis

1. Descriptive Statistics

According to Siregar (2013:2) descriptive statistic is a statistic that deal with how to describe, explain or decipher the data so that it understandable. Sugiyono (2012:147) explain that descriptive statistics is data analysis that picturize and describe the data that already obtained as it is. Descriptive analysis conducted on population research (without taking sample). After the data is gathered, then the next process is to process the data and then distribute it to the table and discuss the data which already processed with descriptive statistics.

2. Inferential Statistics

According to Sugiyono (2012:207), inferential statistics which used to analyse sample data and the result are used for clear population and the technique used in sample taking from those population will be used in

random order. Inferential statistics use a random sample of data taken from a population to describe and make inferences about the population. Inferential statistics are valuable when examination of each member of an entire population is not convenient or possible.

a. Classic Assumption Test

Using linier regression requiring several fulfilments of assumption (classic assumption) which measured by Ordinary Least Square (OLS). OLS can also be used to estimate the inferential procedure and double linier regression (Ariefianto, 2012:26). Below is the explanation on classic assumption test that will be done to know whether the parameter that being used with OLS is Best Linier Unbiased Estimator (BLUE).

1. Normality Test

The purpose of normality test is to measure inside regression model, whether dependent variable and independent variable or both have normal distribution or not. Normality test that will be used in this research is by seeing through normality P-Plot graphic. Normality test in this research will be testing on whether the data value of Globalization that being measure through Trade (X_1), Total Value of Wine Export in Indonesia (Y_1) and Total Value of Wine Import in Indonesia (Y_2) is normal data or not. Ghozali (2009:109) said that the justification of taking a decision are:

i. If the data spread around diagonal line and following the diagonal line, then the regression fulfilled normality assumption.

ii. If the data spread far from diagonal and or following diagonal line then the regression model did not fulfil the normality assumption.

2. Autocorrelation Test

Autocorrelation test shows the residual behaviour of regression which are not free from one observation to other observation. Autocorrelation can be detected through Durbin-Watson test (DW test). Gujarati (2006:119) explain that DW test is a ratio of the difference between squares in sequences residue toward RSS. The statistics from DW test can generate a value in range of 0-4. The rule that being used are:

a. To test for positive autocorrelation at significance α, the test statistic d is compared to lower and upper critical values ($d_{L,\alpha}$ and $d_{U,\alpha}$):

1. If $d < d_{L,\alpha}$, there is statistical evidence that the error terms are positively autocorrelated.

2. If $d > d_{U,\alpha}$, there is no statistical evidence that the error terms are positively autocorrelated.

3. If $d_{L,\alpha} < d < d_{U,\alpha}$, the test is inconclusive.
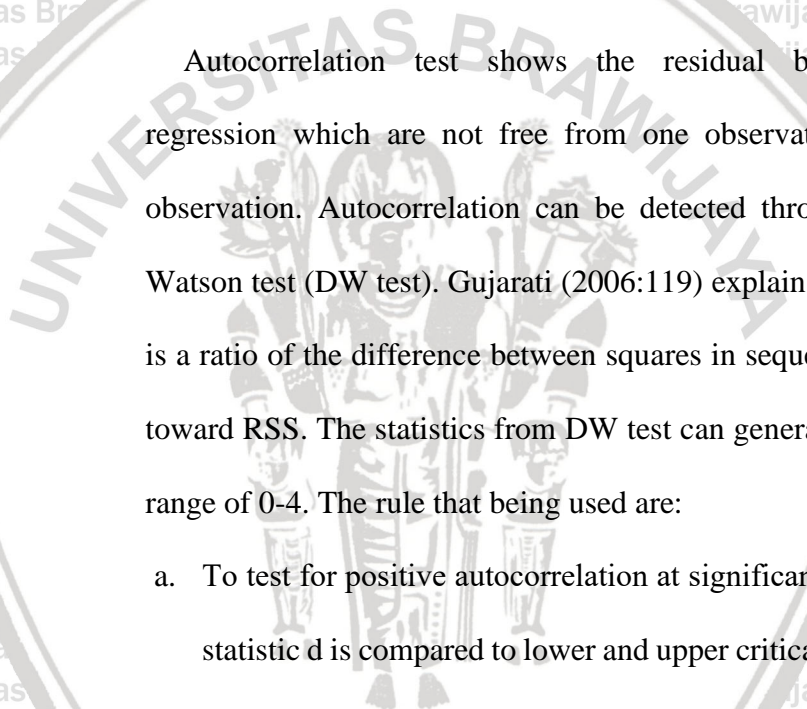
b. To test for negative autocorrelation at significance α, the test statistic $(4 − d)$ is compared to lower and upper critical values $(d_{L,α}$ and $d_{U,α})$:

1. If $(4 − d) < d_{L,α}$, there is statistical evidence that the error terms are negatively autocorrelated.

2. If $(4 − d) > d_{U,α}$, there is no statistical evidence that the error terms are negatively autocorrelated.

3. If $d_{L,α} < (4 − d) < d_{U,α}$, the test is inconclusive.

3. Glejser Heteroscedasticities Test

Heteroscedasticities Test is a deviation towards disturbance factors. Detecting heteroscedasticities can be done through Glejser Test. Glejser test conducted by regressing absolute value of independent variable with regression equation as bellows:

$$Ut = A + B Xt + vi$$

Where:

1. If the value Sig. > 0.05, then there is no problem with heteroscedasticity.

2. If the value Gig. < 0.05, then there is a problem of heteroscedasticity.

b. Simple Linear Regression

According to J. Supranto (2001), Simple Linear Regression is estimating the relation between two variables without making assumption beforehand about the form of relation which stated in a

specific function. Simple Linear Regression based on functional relation or causal between one independent variable with one dependent variable (Sugiyono,2008).

$$Y = a + bX$$

Where:

Y : dependent variable

X : Independent variable

b : the slope of the line

a : the y-intercept.

$$a = \frac{(\sum y)(\sum x^2) - (\sum x)(\sum xy)}{n(\sum x^2) - (\sum x)^2}$$

$$b = \frac{n(\sum xy) - (\sum x)(\sum y)}{n(\sum x^2) - (\sum x)^2}$$

Using linier regression requiring several fulfilments of assumption (classic assumption) which measured by Ordinary Least Square (OLS). OLS can also be used to estimate the inferential procedure and double linier regression (Ariefianto, 2012:26).

3. **Hypothesis Test**

Hypothesis will be tested by using r test, R-Square and t test. The relation that being observed here is linear relation. If the relation between two variables isn't linear, then this test isn't fit to be used, and alternative test needed to be done.

a. R-test

Correlation test or r test according to Sarwono (2006) is used to see whether the correlation is weak or strong between independent variable and dependent variable. This correlation analysis also can be used to know the degree of correlation in between independent variable and dependent variable, thus the equation for this test is:

$$r_{xy} = \frac{n\sum xy - \left(\sum x\right)\left(\sum y\right)}{\sqrt{\left\{n\sum x^2 - \left(\sum x\right)^2\right\}\left\{n\sum y^2 - \left(\sum y\right)^2\right\}}}$$

Where:

r   = Correlation Coefficient

n   = The amount of sample

x   = Independent Variable

y   = Dependent Variable.

Correlation scale which is called correlation coefficient or r. the value of r in between -1 to +1, including 0 ($-1 \leq r \leq +1$) where:

1. If r = +1, then the correlation between independent variable and dependent variable is positive and if closer to +1, it means that it's a very strong and positive correlation.

2. If r = -1, then the correlation between independent variable and dependent variable is negative and if closer to -1, it means that it's a very strong and negative correlation.

3. If $r = 0$, then there is no correlation at all between independent variable and dependent variable.

b. T-test

Partial test or t-test were used to seek the influence of each independent variable partially towards dependent variable. This test can be conducted by comparing the value of t count with t table or by seeing the significant value on each t count. The decision in this test based on comparing the value of Sig with 0.05, which based on:

1. If the significance (Sig.) < 0.05, then there is influence between independent variable towards dependent variable.

2. If the significance (Sig.) > 0.05, there is no influence between independent variable towards dependent variable.

Hypothesis test by t-test can also base on comparing the value of t count with t table with the basis for decision taking as follows:

1. If the value of t count > t table, then there is influence between independent variable and dependent variable.

2. If the value of t count < t table, then there is influence between independent variable and dependent variable.

c. R Square

R-Square of coefficient determinants is a simple measurement and often used to test the quality of linear regression equation (Gujarati, 2004: 81). The value of R Square giving
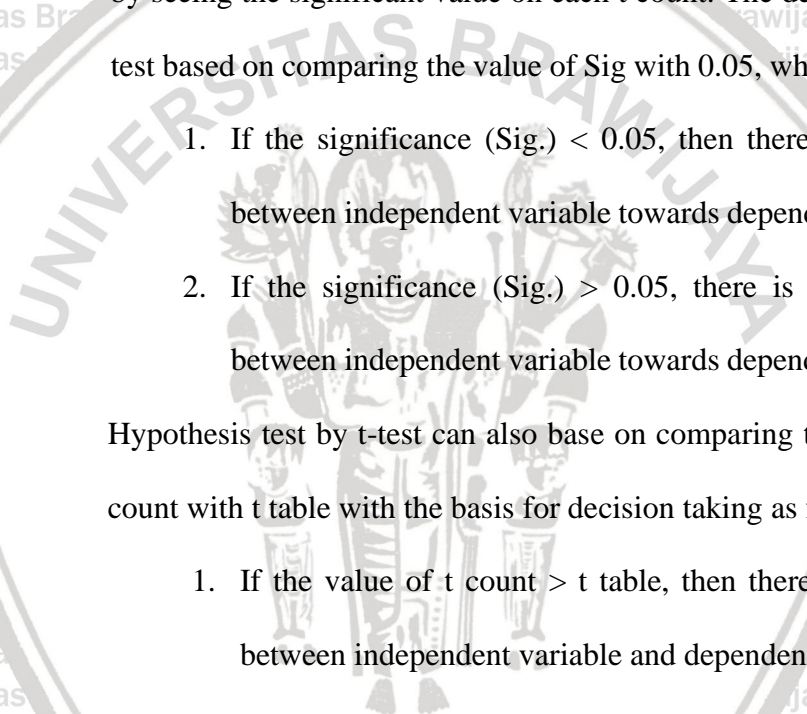
depiction about the suitability of independent variable in predicting dependent variable. Therefore, the formulation for R-Square is:

$$R^2 = \frac{\sum(Y - \hat{Y})^2}{\sum(Y - \bar{Y})^2}$$

Where:

1. R^2 is a non-negative value

2. The parameter is $0 \leq R^2 \leq 1$

To know the estimate method which giving a better result, then the criteria that being used is by comparing the value of R-Square (R^2) that shows how big the variance proportion of dependent variable that explained by independent variable. A small value of R^2 means the ability of independent variables in explaining variance of dependent variables are very limited. The value that closed to number one means that independent variables giving almost all information necessary to predict variance of dependent variable. If the value of coefficient determinants is getting bigger, then the bigger capability of all independent variable in explaining variances from its dependent variable (Ghozali, 2011:97).
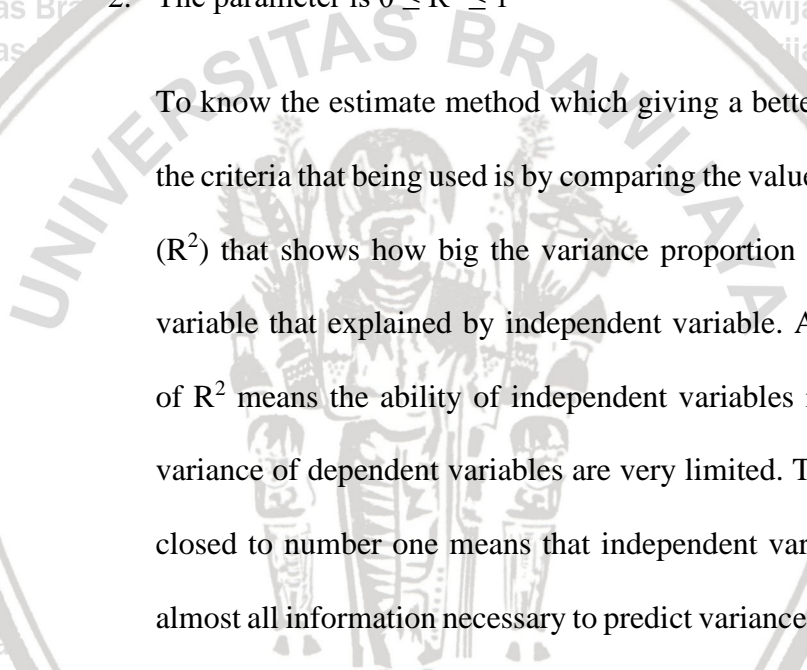
CHAPTER IV

RESULT AND ANALYSIS

A. General Description of Research Location

1. History of International Trade Centre (ITC)

Established in 1964, the International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations. ITC is the successor of the International Trade Information Centre, which the General Agreement on Tariffs and Trade (GATT) established in 1964 for the purpose of assisting the export promotion efforts of the developing countries by providing them with information on export markets and marketing, and to help them develop their export promotion services and train the personnel needed for these services. In an effort to streamline the United Nation's export promotion efforts, an agreement was reached between the GATT, which at that time and in contrast to its successor, the WTO, was part of the United Nations system, and the newly established UNCTAD, to merge the activities of the two organizations by creating a joint subsidiary.

The International Trade Centre (ITC) (French: *Centre du commerce international (CCI)*) is a multilateral agency which has a joint mandate with the World Trade Organization (WTO) and the United Nations (UN) through the United Nations Conference on Trade and Development (UNCTAD).

These include SDG 1 (no poverty), Goal 2 (zero hunger), Goal 4 (Quality Education), Goal 5 (Gender Equality), Goal 8 (Decent Work and Economic Growth), Goal 9 (Industry, innovation and infrastructure), Goal 10 (Reduced Inequalities), Goal 12 (Responsible Production and Consumption), Goal 16 (Peace, Justice and strong institutions), and Goal 17 (Partnerships for the Goals). The headquarters of the ITC are situated in Geneva.

Their staff consists of approximately 300 employees spanning more than 80 nationalities. Furthermore, ITC has country-based project offices where they employ experts from the specific region. In line with the joint mandate from the World Trade Organization (WTO) and the United Nations through the United Nations Conference on Trade and Development (UNCTAD), ITC support the parent organizations' regulatory, research and policy strategies. ITC focus on implementing and delivering practical TRTA or Trade Related Technical Assistance projects.

Figure 7. The Differences in The Role Between UNCTAD, WTO and ITC

Source: ITC Website intracen.org

2. Function of International Trade Centre (ITC)

a. Vision, Mission, and Goals

1) **Vision**

The ITC enjoys a joint mandate with the World Trade Organization (WTO) as well as with the United Nations (UN) through the United Nations Conference on Trade and Development (UNCTAD). Within this framework, ITC is the focal point for trade related technical assistance.

2) **Mission**

a) ITC's mission is to foster inclusive and sustainable economic development, and contribute to achieving the United Nations Global Goals for Sustainable Development.

b) ITC works towards creating 'trade impact for good'.

3) **Goals**

a) Strengthen the integration of the business sector of developing countries and economies in transition into the global economy

b) Improve the performance of trade and investment support institutions

c) Improve the international competitiveness

b. Organization Structure
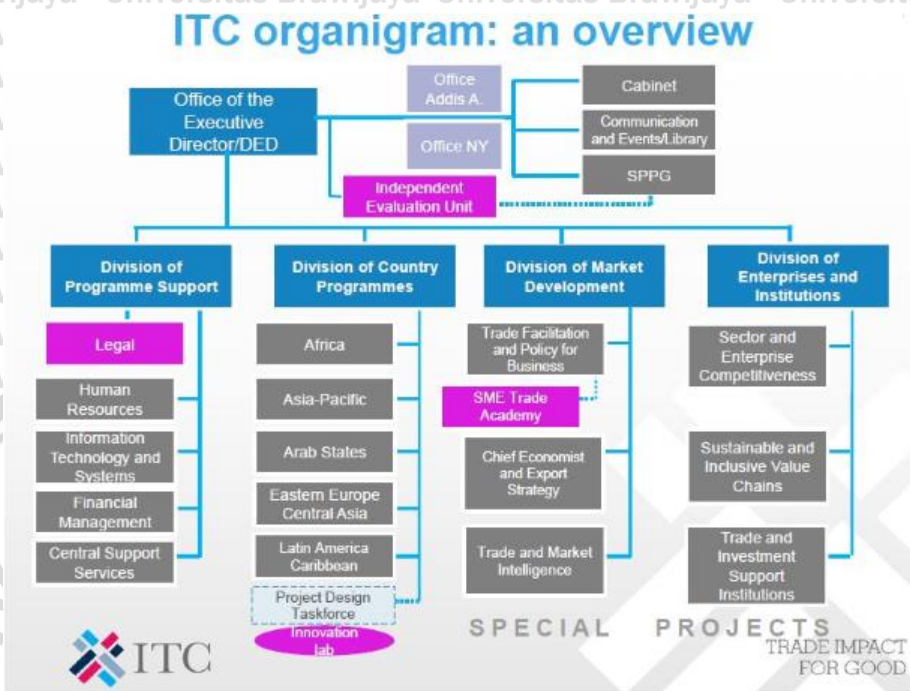
Figure 8. Organization Structure of ITC

Source: http://www.intracen.org/itc/about/how-itc-works/itc-structure/

c. Job Description of International Trade Centre

Along with United Nations family and partner organizations, ITC continue to connect projects and programs with global efforts to achieve UN Global Goals for Sustainable Development and the Aid for Trade agenda. ITC remains the only international organization focused solely on trade development for developing and transition economies. To deliver effective trade-related technical assistance (TRTA) and to achieve the goal of expanding exports requires all the major players, including ITC, to develop effective working partnerships as well as greater levels of coherence

and coordination. ITC delivers integrated solutions around a core set of six focus areas. These focus areas represent a coherent set of interventions with corresponding programs that are adapted and customized into client-focused solutions.

a) Providing trade and market intelligence

Access to trade and market intelligence is critical to international business success. The provision of innovative, cutting-edge market information to enable improved business decision-making has been at the heart of ITC's mandate since its foundation in 1964. ITC's work in the area of trade and market intelligence is focused on:

1) Enhancing global public goods as the foundation for trade and market intelligence;

2) Strengthening the skills of local partners in effectively using trade and market intelligence to make business decisions;

3) Working with local trade and investment support institutions to improve their trade and market intelligence-related portfolio of services;

4) Developing new and innovative approaches to intelligence, including competitive intelligence;

5) Facilitating evidence-based policy reform, with a focus on addressing non-tariff obstacles to trade in goods and services.

b) Building a conducive business environment

ITC helps developing countries and economies in transition build a more conducive business environment by:

1) Supporting policy makers, TSIs and the private sector to implement the WTO Trade Facilitation Agreement;

2) Supporting public and private sector partners to lead the development of export strategies, and implementation management plans to make these strategies a reality;

3) Facilitating the development of a stronger private sector voice in policy-making processes, including the WTO accession process;

4) Strengthening local institutions for a sustainable, home-grown approach that embeds public-private partnerships in policy processes.

c) Strengthening trade and investment support institutions

1) Logistics and supply chain: Meeting customers' product or service requirements through effective and efficient production management, operations, procurement, sourcing of materials, inventory management, as well as inbound, outbound and internal logistics.

2) Export marketing: Designing services with differentiated features through marketing, branding, innovative products/services, and packaging design.

3) Meeting technical/quality requirements: Complying with standards, technical regulations, and sanitary and phyto-sanitary (SPS) measures, organize after-sales services, and achieving internationally recognized certification.

4) Fostering market links: Communicate with current and potential customers through campaigns, identify adequate distribution channels and modes of entry into foreign markets, identify and close sales opportunities, and develop partnerships with larger firms to become part of their supplier base. E-solutions and e-platforms play an important role in expanding links to markets.

d) Connecting to international value chains

ITC's Value Added to Trade program packages solutions to help provide a differentiated and value-added offer and address production- and logistics-related difficulties in getting products to market. The solutions offered within the program are modular in nature and are customized to suit client needs. The main elements of the program are:

1) Logistics and supply chain: Meeting customers' product or service requirements through effective and efficient production management, operations, procurement, sourcing of materials, inventory management, as well as inbound, outbound and internal logistics.

2) Export marketing: Designing services with differentiated features through marketing, branding, innovative products/services, and packaging design.

3) Meeting technical/quality requirements: Complying with standards, technical regulations, and sanitary and Phyto-sanitary (SPS) measures, organize after-sales services, and achieving internationally recognized certification.

4) Fostering market links: Communicate with current and potential customers through campaigns, identify adequate distribution channels and modes of entry into foreign markets, identify and close sales opportunities, and develop partnerships with larger firms to become part of their supplier base. E-solutions and e-platforms play an important role in expanding links to markets.

e) Promoting mainstreaming inclusive and green trade

The benefits of trade growth do not necessarily reach vulnerable groups such as women, young people or marginalized communities, and excessive costs may be placed on the environment. ITC works with its clients to integrate sustainable development objectives into all its trade development programs, while maintaining its focus on demand-led initiatives.

f) Supporting regional economic integration and South-South links

Emerging markets have played a leading role in recent global economic growth and are becoming increasingly important markets for intermediate and final goods from other developing countries. Their role as sources of foreign direct investment and technology is also on the rise. The past decade has also witnessed an increased pace of regional economic integration in all regions of the world, presenting new opportunities for companies in low-income countries. In order to strengthen South-South business links, ITC works with emerging economies such as India, China, Brazil, Turkey and others to promote value-added trade, investment and technology transfer among these markets and other developing countries, including LDCs. In particular, ITC will increasingly assist firms from lower income countries to integrate into value chains led by emerging market enterprises.

ITC helps contribute to stronger regional economic integration and South-South links through:

1) Strengthening the institutional infrastructure for regional integration, with a focus on sub-Saharan Africa;

2) Connecting demand and supply between emerging markets;

3) Exploring new modes of partnerships to enable growth markets to support trade development in other developing countries.

B. Display Data

There are three variables that used in this undergraduate thesis. There is trade barrier as independent variable, export of wine and import of wine as dependent variables. This undergraduate thesis uses time series data in eight years of period (2010 – 2018). Data presentation of each variable as follows:

1. Export of Wine (Y1)

Exports are a function of international trade whereby goods produced in one country are shipped to another country for future sale or trade. Data that will be used in this undergraduate thesis is the export of wine from Indonesia. Figure 9 shows graphs of the amount of wine export that's fluctuated indicating that there are continuously changes throughout the time period.
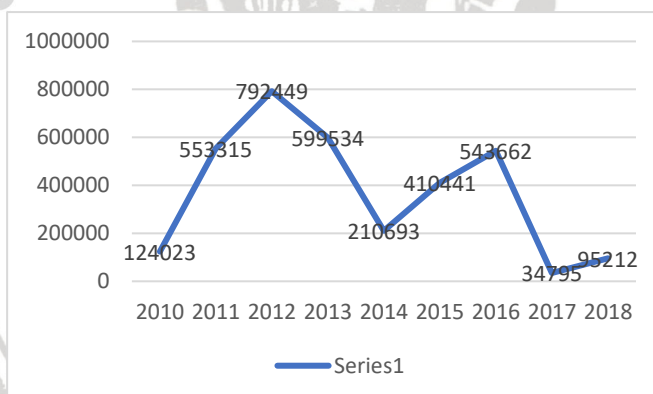
Figure 9. Export of wine (litres)
Source: International Trade Centre (ITC), 2018

Table 3 shows that there is fluctuation of export rate of wine. The lowest export of wine is 0 liters in 2011 and 2015 and the highest rate of export happened in December 2012 at 107.090 liters.

Table 3. Export of Wine from Indonesia

	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	4978	45526	42645	67977	69618	37925	37555	422	4887
February	9857	21426	57135	42750	33110	43429	35705	135	10905
March	19244	62867	60574	47430	4155	67722	38295	11228	2134
April	7231	55764	57409	45745	34116	43192	50397	1226	449
May	2000	21426	58954	48540	20412	43125	42177	40	510
June	19714	30477	47790	51690	4090	36670	56051	5142	0
July	195	0	60503	5787	7090	26845	44619	0	19861
August	8556	8074	52255	55709	12938	0	67489	0	15103
September	2599	67649	76669	51630	3455	8902	42223	160	34561
October	9969	79652	65543	61069	1860	11885	39584	12819	5889
November	12679	75304	105882	64507	5397	43564	42338	87	427
December	27001	85150	107090	56700	14452	47182	47229	3536	486
MAX	27001	85150	107090	67977	69618	67722	67489	12819	34561
MIN	195	0	42645	5787	1860	0	35705	0	0
AVE	10335.25	46109.58	66037.42	49961.17	17557.75	34203.42	45305.17	2899.583	7934.333

SourSource Source: International Trade Centre (ITC), 2018

2. Import of Wine (Y2)

Imports are foreign goods and services bought by residents of a country. Residents include citizens, businesses, and the government. Countries often increase exports by increasing trade protectionism. That insulates their companies from global competition for a while. They raise tariffs (taxes) on imports, making them more expensive. Table 4 shows the data of wine imports to Indonesia.
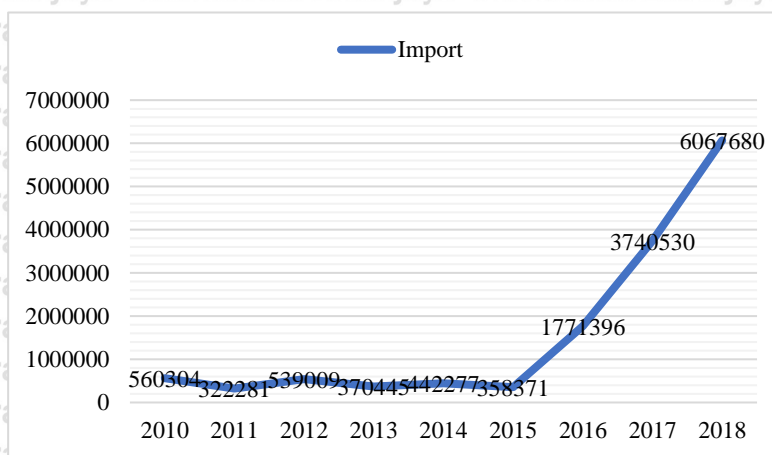
Figure 10. Import of Wine (litres)
Source: Ministry of Finance

The figure 10 shows the amount of wine import of Indonesia. The lines show a pretty steady growth of wine import in liters and then significantly increasing in 2015 and continue to go up until year 2018.

Table 4. Import of Wine to Indonesia

	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	3230	1620	20653	85729	5643	21474	7937	239633	357933
February	240	2989	31588	55149	2890	7398	18458	319158	208420
March	49135	11541	113831	8212	5677	49156	9838	304284	220905
April	1411	19994	18574	33150	22976	25722	37984	142795	169461
May	129445	83342	29739	12723	24806	16027	139068	236548	467115
June	91662	18060	36074	20138	54760	40206	112102	252740	195791
July	17216	37180	60240	47485	19639	51072	23393	260797	532359
August	130378	19842	19002	15716	13309	31433	115082	486259	583172
September	55659	19056	38876	6902	63317	17430	158937	389504	526715
October	36052	36450	53355	32470	147321	39116	384192	339159	1554513
November	16278	22681	61497	22766	27158	36679	384192	353589	604229
December	29598	49526	55580	30005	54781	22658	380213	416064	647067
MAX	130378	83342	113831	85729	147321	51072	384192	486259	1554513
MIN	240	1620	18574	6902	2890	7398	7937	142795	169461
AVE	46692	26856.75	44917.42	30870.42	36856.42	29864.25	147616.3	311710.8	505640

Source: International Trade Centre (ITC), 2018

Table 4 above shows that there is fluctuation of export rate of wine. The lowest export of wine is 240 liters in 2010 and the highest rate of export happened in 2018 at 1.554.513 liters.

3. Tariff Export (X_1) and Tariff Import (X_2)

Countries generally impose tariffs to protect certain industries that are perceived as essential or which have strong political influence. The purpose of tariff, which a government imposes to raise the cost of a

particular import, is to limit or reduce the amount of that goods imported into the country. Making an import more expensive can improve the economics of producing that product domestically. Tariff for Wine import to Indonesia are regulated though Ministry of Finance. Throughout 2010 until 2018, there were three times of changing regulation related to import tariff for wine to Indonesia. In 2010, regulated through *Peraturan Menteri Keuangan Nomor 62/PMK.011/2010 Tentang Tarif Cukai Etil Alkohol, Minuman Yang Mengandung Etil Alkohol, dan Konsentrat Yang Mengandung Etil Alkohol,* which stated that the Tariff for Import of Wine, which included on beverages containing Ethyl Alcohol in category B, is Rp.40.000 per litres.

However, this Tariff then revised at 2013 through *Peraturan Menteri Keuangan Nomor 207/PMK.011/2013 Tentang Perubahan Atas Peraturan Menteri Keuangan Nomor 62/PMK.011/2010*, stated that the Tariff changed to Rp. 44.000 per litres. The final regulation related to alcoholic beverages or beverages containing Ethyl Alcohol was at 2018, through *Peraturan Menteri Keuangan Nomor 158/PMK.010/2018*, in this regulation, the tariff stated was Rp. 44.000.

Table 5. Tariff Import of Wine in Indonesia (IDR Rupiah)

	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	40000	40000	40000	44000	44000	44000	44000	44000	44000
February	40000	40000	40000	44000	44000	44000	44000	44000	44000
March	40000	40000	40000	44000	44000	44000	44000	44000	44000
April	40000	40000	40000	44000	44000	44000	44000	44000	44000
May	40000	40000	40000	44000	44000	44000	44000	44000	44000
June	40000	40000	40000	44000	44000	44000	44000	44000	44000

July	40000	40000	40000	44000	44000	44000	44000	44000	44000
August	40000	40000	40000	44000	44000	44000	44000	44000	44000
September	40000	40000	40000	44000	44000	44000	44000	44000	44000
October	40000	40000	40000	44000	44000	44000	44000	44000	44000
November	40000	40000	40000	44000	44000	44000	44000	44000	44000
December	40000	40000	40000	44000	44000	44000	44000	44000	44000

Source: Ministry of Finance
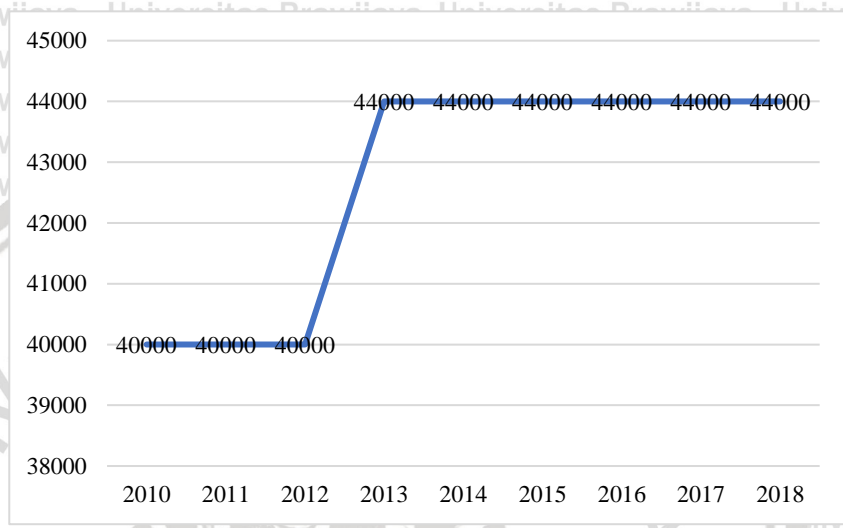
Figure 11. Tariff Import of Wine (IDR Rupiah)

Source: Ministry of Finance

The Table 5 and Figure 11 shows us the constant tariff of import from 2010 until 2012 as Rp. 40.000 and then increased in 2013 with tariff changing to Rp. 44.000

Table 6. Tariff Export of Wine (IDR Rupiah)

	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	40000	40000	40000	33000	33000	33000	33000	33000	33000
February	40000	40000	40000	33000	33000	33000	33000	33000	33000
March	40000	40000	40000	33000	33000	33000	33000	33000	33000
April	40000	40000	40000	33000	33000	33000	33000	33000	33000
May	40000	40000	40000	33000	33000	33000	33000	33000	33000
June	40000	40000	40000	33000	33000	33000	33000	33000	33000
July	40000	40000	40000	33000	33000	33000	33000	33000	33000
August	40000	40000	40000	33000	33000	33000	33000	33000	33000
September	40000	40000	40000	33000	33000	33000	33000	33000	33000
October	40000	40000	40000	33000	33000	33000	33000	33000	33000
November	40000	40000	40000	33000	33000	33000	33000	33000	33000

December	40000	40000	40000	33000	33000	33000	33000	33000	33000

Source: Ministry of Finance
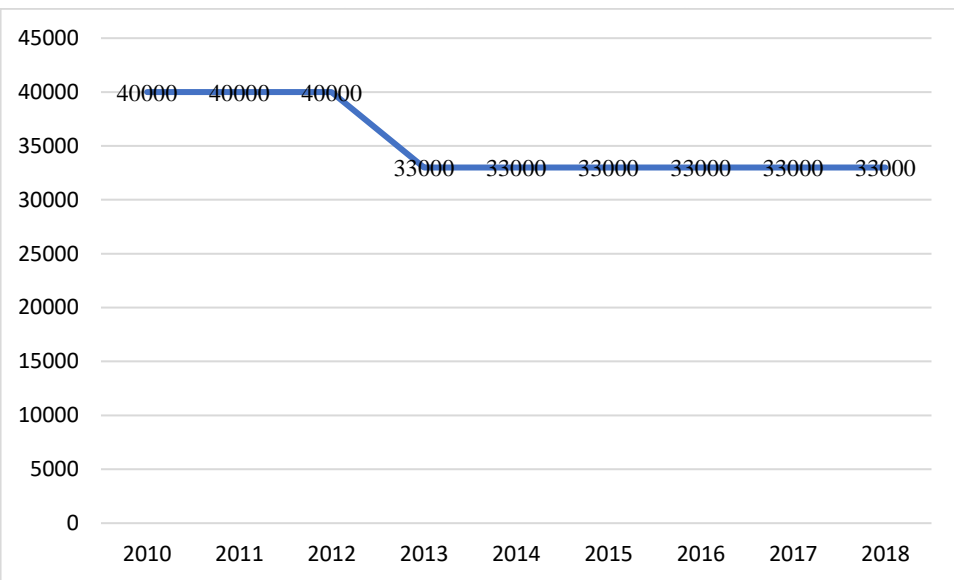
Figure 12. Tariff Export of Wine (IDR Rupiah)

Source: Ministry of Finance

The Table 6 and Figure 12 shows us the constant tariff of export from 2010 until 2012 as Rp. 40.000 and then decrease in 2013 with tariff changing to Rp. 33.000.

According to *Peraturan Menteri Keuangan Nomor 158/PMK.010/2018*, alcoholic beverages imported to Indonesia can be classified through several category. As for wine, it falls into category B for beverages containing ethyl alcohol more than 5% to 20%.

Table 7. Tariff According to Categories of Ethyl Alcohol

Category	Ethyl Alcohol Percentage	Tariff (Per liters)	
		Domestically Produced	Import
A	Up to 5%	Rp. 15.000	Rp. 15.000

B	More Than 5% to 20%	Rp. 33.000	Rp. 44.000
C	More Than 20%	Rp. 80.000	Rp. 139.000

Source: *Peraturan Menteri Keuangan Nomor 158/PMK.010/2018*

C. Data Analysis

1. Result of Descriptive Statistical Analysis

Based on the data of Tariff (X_1), Export of wine (Y_1) and Import of Wine (Y_2), there is descriptive statistic that can be seen as below;

Table 8. Descriptive Statistical Analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Tariff Export	108	33000.00	40000.00	35333.3333	3315.21556
Tariff Import	108	40000.00	44000.00	42666.6667	1894.40889
Export	108	.00	107090.00	31149.2963	26619.43700
Import	108	240.00	1554513.00	131224.9352	209184.1609
Valid N (listwise)	108				

Source: SPSS Result Processed by Author,2019

Based on Table 8, it shows that the highest value for Tariff Export (X_1) is Rp.40.000 and the lowest value for Tariff Export is Rp.33.000. The average of Tariff Export is Rp.35.333,33 with the standard deviation Rp.3315,21. The highest value of Tariff Import (X_2) is Rp.44.000 and the lowest value of Tariff Import is Rp.40.000. The average of Tariff Import is Rp.42.666,66 with standard deviation Rp.1.894,40. The highest value of Wine Export (Y_1) is 107.090 liters and the lowest value is 0 liters. The average of Wine Export is 31.149,30 liters with the standard deviation 26619.437 liters. The highest value of Wine Import (X_2) is 1.554.513 liters and the lowest

value at 240. The average wine import is 131.224,94 liters with standard deviation 209.184,161.

2. Result of Classical Assumption Test

a. Normality Test

A normality test is used to determine whether sample data has been drawn from a normally distributed population. When the data is spread around the diagonal line and following the direction of the diagonal line, the regression model do fulfill the assumption of normality. However, when the data spread around the diagonal line and/not following the direction of the diagonal line, the regression model did not meet the assumption of normality. The result of normality test can be seen as follows;
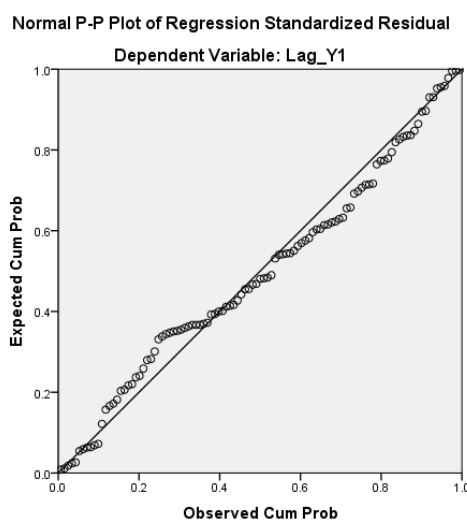
Figure 13. Result of Normality Test Y1 (Export of Wine)

Source: SPSS Result Processed by Author,2019
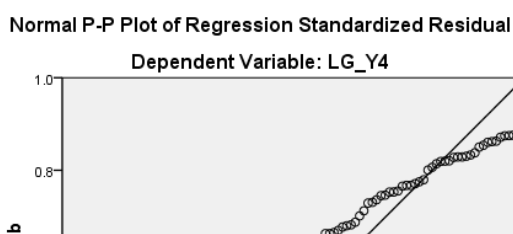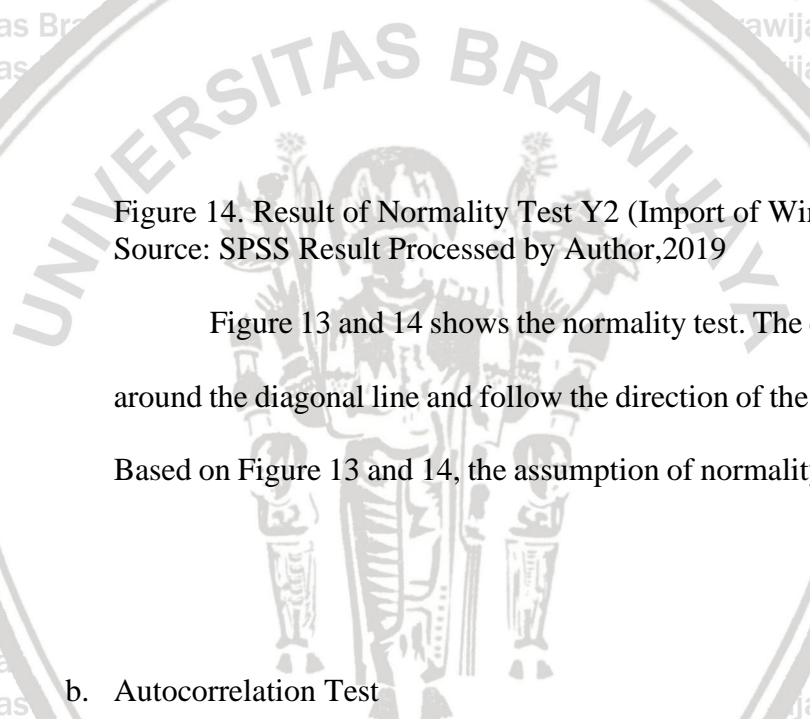
Figure 14. Result of Normality Test Y2 (Import of Wine)
Source: SPSS Result Processed by Author,2019

Figure 13 and 14 shows the normality test. The data is spread around the diagonal line and follow the direction of the diagonal line. Based on Figure 13 and 14, the assumption of normality is accepted.

b. Autocorrelation Test

Autocorrelation refers to the degree of correlation between the values of the same variables across different observations in the data. A common method of testing for autocorrelation is the Durbin-Watson test. The Durbin-Watson test produces a test statistic that ranges from 0 to 4. Values close to 2 (the middle of the range) suggest less autocorrelation, and values closer to 0 or 4 indicate

greater positive or negative autocorrelation respectively. The result of autocorrelation test can be shown in Table 9 and 10.

Table 9. Result of Autocorrelation Test Y_1 (Export of Wine)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.258[a]	.067	.058	25837.23342	.494

a. Predictors: (Constant), Tariff Export

b. Dependent Variable: Export

Source: SPSS Result Processed by Author,2019

Table 10. Result of Autocorrelation Test Y_2 (Import of Wine)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.312[a]	.097	.089	199708.9543	.618

a. Predictors: (Constant), X2

b. Dependent Variable: Y2

Source: SPSS Result Processed by Author,2019

Table 11. Value of Durbin-Watson test

	d	dl	du	4-dl	4-du
Y_1	0.494	1.6676	1.7050	2.3324	2.295
Y_2	0.618	1.6676	1.7050	2.3324	2.295

Source: SPSS Result Processed by Author,2019

Based on Table 9, 10 and 11, n=108, k=1 (independent variables), thus for Y_1 (Export of Wine) can be analyze according to the parameter du < d < 4-du, 1.7050 < 0.494 < 2.295. It can be concluded that for Y_1 there is autocorrelation. This also happen towards Y_2, according to parameter 4-du < d < 4-dl, 1.7050< 0.618 < 2.295. Thus, further analysis is needed for Y_1 and Y_2. The

treatment for autocorrelation symptoms is using the Cochrane-Orcutt test. Cochrane-Orcutt is a procedure in econometrics, which adjust a linear model for serial correlation in error term.

Table 12. The new coefficient for Cochrane-Orcutt Method in (Y_1)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	154.987	1646.505		.094	.925
	Lag_Res1	.746	.064	.749	11.597	.000

a. Dependent Variable: Unstandardized Residual

Source: SPSS Result Processed by Author,2019

Then after the test was conducted, the new value of Durbin-Watson will appear bellow:

Table 13. The new Durbin-Watson value for (Y_1)

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.220^a	.048	.039	16943.19830	2.225

a. Predictors: (Constant), Lag_X1

b. Dependent Variable: Lag_Y1

Source: SPSS Result Processed by Author,2019

Where:

$$du < dw < 4\text{-}du$$

$$1.7050 < 2.225 < 2.295$$

From this test, the final result, it can be concluded that for (Y_1), there is no autocorrelation and can be used for the next step of test.

As for Y_2, the Cochrane-Orcutt method will also implemented. The result can be seen bellows:

Table 14. The new coefficient for Cochrane-Orcutt method

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.001	.004		.225	.822
	Lag_RES4	.479	.085	.481	5.614	.000

a. Dependent Variable: Unstandardized Residual

Source: SPSS Result Processed by Author,2019

Table 15. The new Durbin-Watson value

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.181[a]	.033	.023	.03794	2.235

a. Predictors: (Constant), Lag_LG_X4

b. Dependent Variable: Lag_LG_Y4

Source: SPSS Result Processed by Author,2019

Where:

$$du < dw < 4\text{-}du$$

$$1.7050 < 2.235 < 2.295$$

From this test, the final result, it can be concluded that for (Y_2), there is no autocorrelation and can be used for the next step of test.

c. Heteroscedasticity Test

Heteroscedasticity test used to know whether there is inequality of variance from residual for all regression model

observation. There are several methods that can be used. This undergraduate thesis will used Glesjer Test. The result can be seen in table 16 for Export of Wine (Y_1) and table 17 for Import of Wine (Y_2).

Table 16. Result of Gelsjer Test for Export of Wine

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-4101.902	9614.178		-.427	.671
	Lag_X1	1.866	1.072	.167	1.741	.085

a. Dependent Variable: Abs_Res2

Source: SPSS Result Processed by Author,2019

Table 17. Result of Glesjer Test for Import of Wine

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.052	.408		.128	.898
	LG_X4	.112	2.305	.005	.049	.961

a. Dependent Variable: Abs_Res4

Source: SPSS Result Processed by Author,2019

According to this test, if the value of significance (Sig) between independent variable and its absolute residual value bigger than 0.05, then it can be concluded that there is no heteroscedasticity. For Export of Wine (Y_1), the sig is 0.085 (0.085 > 0.05), thus there is no heteroscedasticity. Meanwhile for Import of Wine (Y_2), the sig is 0.961 (0.961> 0.05) means that there is no heteroscedasticity.

3. Result of Regression Equation

Regression analysis used to calculate the influence of independent variables, which is Tariff Export (X_1) toward the dependent variable Export of Wine (Y_1), and Tariff Import (X_2) toward the dependent variable Import of Wine (Y_2).

a. Variable Export of Wine(Y_1)

On Model Summary, the value of correlation R is 0.220. From this output can be known that the R square is 0.48, which means that the influence of independent variable (Tariff Export) towards dependent variable (Export) is 4.8%.

Table 18. Coefficients of Export (Y_1)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-25744.028	14657.089		-1.756	.082
	Lag_X1	3.779	1.634	.220	2.313	.023

a. Dependent Variable: Lag_Y1

Source: SPSS Result Processed by Author,2019

From Coefficient table can be notice the value of (a) is -25744.028 and value of (b) is 3.779. According to the formulation of simple linear regression, the equation is:

$$Y = a + bX$$

Thus, the value can be put towards the equation:

$Y = a + bX$

$Y = -25744.028 + 3.779X$

From this can be concluded that the value of coefficient of X regression is 3.779, it means that every increase 1% of Tariff Export

value, then the value of export increase as much as 3.779. The coefficient of regression valued positive thus it can be stated that the influence direction between variable X_1 (tariff export) towards Y_1 (Export) is positive. As for the value of constant from unstandardized coefficients (a) is -25744.028. This number is constant value which mean that if there is no tariff export (X_1) then the consistent value of import of wine is -25744.028.

According to the significance value from coefficient table, can be determined that sig value is $0.023 < 0.05$, thus can be concluded that variable Tariff Export (X_1) having influence on Export of Wine (Y_1)

b. Variable Import of Wine (Y_2)

Model Summary describing the correlation value (R) as 0.372. From those output, it can be known that R square is 0.098, which means that the influence of independent variable Tariff Import (X_2) towards dependent variable Import (Y_2) is 9.8%.

Table 19. Coefficient of Import (Y_2)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.023	.619		3.271	.001
	LG_X4	12.452	3.498	.327	3.560	.001

a. Dependent Variable: LG_Y4

Source: SPSS Result Processed by Author,2019

From the table of Coefficient, we can gather that the value of constant (a) is 2.023 and tariff (b or coefficient regression) is 12.452, thus the simple linear regression equation will be:

$$Y = a + bX$$

Thus, the value can be put towards the equation:

$Y = a + bX$

$Y = 2.023 + 12.452X$

Coefficient regression X is 12.452, means that every increase 1% value of tariff, then the value of import will increase 12.452. The coefficient regression valued positive; thus, the influence direction of variable X towards Y is positive. As for the value of constant from unstandardized coefficients (a) is 2.023. This number is constant value which mean that if there is no tariff import (X_2) then the consistent value of export of wine is 2.023. According to the value of significance, from coefficient table, can be conclude that variable Tariff Import (X_2) have influence on the variable Import of Wine (Y_2).

4. Result of Hypothesis Test

a. Result of r-test

Table 20. Correlation between Tariff Export (X_1) towards Export of Wine (Y_1)

Correlations

		Tariff Export	Export
Tariff Export	Pearson Correlation	1	.258**
	Sig. (2-tailed)		.007
	N	108	108
Export	Pearson Correlation	.258**	1
	Sig. (2-tailed)	.007	
	N	108	108

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Result Processed by Author,2019

Based on the r-test correlation table above, we can analyze the table and determine the correlation between Tariff Export (X_1) and Export of Wine (Y_1). First the value of r table found based on amount of data (n) = 108 with level of significance 0.05, the result for r table is 0.1576. The decision making of r test based on:

1. If r count > r table, then there is correlation between variable.

2. If r count < r table, then there is no correlation between variable.

Thus, the r value from table 20 is 0.258. Then 0.258 > 0.1576.

So, there is correlation between variable Tariff Export (X_1) and Export of Wine (Y_1).

Table 21. Correlation between Tariff Import (X_2) towards Import of Wine (Y_2)

Correlations

		LG_X4	LG_Y4
LG_X4	Pearson Correlation	1	.327**
	Sig. (2-tailed)		.001
	N	108	108
LG_Y4	Pearson Correlation	.327**	1
	Sig. (2-tailed)	.001	
	N	108	108

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Result Processed by Author,2019

From Table 21, we found that r value is 0.327, with r table

0.1576. Since 0.327 > 0.1576, then there is correlation between

variable Tariff Import (X_2) and Import of Wine (Y_2)

b. Result of t-test

Table 22. Value of t for Tariff Export (X_1) and Export of Wine (Y_1)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-25744.028	14657.089		-1.756	.082
	Lag_X1	3.779	1.634	.220	2.313	.023

a. Dependent Variable: Lag_Y1

Source: SPSS Result Processed by Author,2019

From Table 22, the value of t count is 2.313. To find the t-table value:

Value a / 2 = 0.05 / 2 = 0.025

Df: n – 2 = 108 – 2 = 106

t-table (0.025; 106) = 0.67681

Because the value of t count is 2.313 > t table 0.67681, then

the conclusion is there is influence between Tariff Export (X_1)

towards Export of Wine (Y_1).

Table 23. Value of t for Tariff Import (X_2) and Import of Wine (Y_2)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.023	.619		3.271	.001
	LG_X4	12.452	3.498	.327	3.560	.001

a. Dependent Variable: LG_Y4

Source: SPSS Result Processed by Author,2019

From Table 23, the value of t count is 3.560 > t table 0.67681, then the conclusion is there is influence between Tariff Import (X_2) towards Import of Wine (Y_2).

c. R Square

Table 24. R-Square for Tariff Export (X_1) and Export of Wine (Y_1)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.220[a]	.048	.039	16943.19830	2.225

a. Predictors: (Constant), Lag_X1

b. Dependent Variable: Lag_Y1

Source: SPSS Result Processed by Author,2019

Based on the output table from SPSS on "Model Summary" above, the value of coefficient determinant or R Square is 0.048. This R Square value came from squaring the coefficient correlation or R, which 0.220 x 0.220 = 0.048. The amount of R square is 0.048 or equal to 4.8%. It means that variable Tariff Export (X_1) simultaneously influence toward variable Export of Wine (Y_1) as much as 4.8%. The rest of it 95.2% influenced by other variable outside the regression equation or other variable that is not being research.

Table 25. R-Square for Tariff Import (X_2) and Import of Wine (Y_2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.181[a]	.033	.023	.03794	2.235

a. Predictors: (Constant), Lag_LG_X4

b. Dependent Variable: Lag_LG_Y4

Source: SPSS Result Processed by Author,2019

The value of coefficient determinant or R Square is 0.033. This R Square value came from squaring the coefficient correlation or R, which 0.181 x 0.181 = 0.033. The amount of R square is 0.033 or equal to 3.3%. It means that variable Tariff Import (X_2) simultaneously influence toward variable Import of Wine (Y_2) as much as 3.3%. The rest of it 96.7% influenced by other variable outside the regression equation or other variable that is not being research.

5. **Discussion**

   a. Result of H_1 Test

   From the r test correlation table, the value of correlation is 0.258 (positive) and significance (2-tailed) is $0.007 < 0.05$, then it can be concluded that there is a positive correlation between tariff export and export of wine. It also means that tariff export is not the only factors that determine the export value of wine, because there is another variable that related to it outside this research. While seeing from correlation value is 0.258, its categorized in weak correlation. Meanwhile from t-test, since t count > t table, then it can

be concluded that there is influence between tariff export and export of wine. This means that H_1 is accepted.

According to Dunn and Mutti (2004) Tariffs are the most visible trade barrier: they cause an increase in import prices and reduce economic welfare for both wine consumers in the importing countries and wine exporters. Mariani (2012) stated that for over twenty years, the world's wine market has experienced a rapid process of globalization. Growth in the wine trade boomed during the 1990s both in wine consumption in Northern Europe and in North America and in exports of the so-called New World wine producers. Recently, the wine international trade has been boosted by increasing demand in countries which until recently were marginally involved in wine imports, mainly in Asia, but it may be predicted that production will increase in some importing countries. Therefore, the international market scenario is undergoing substantial changes in the geography of consumption, production and trade.

Based on previous research, the other variables that may influence the export of wine are buyer power, substitution of other beverages, supplier power and rivalry. The result of H_1 in line with Mariani (2014) research. The research proves that wine export in many markets are still hampered by high tariffs and by a variety of technical barriers related to the particular characteristics of this

alcoholic product, which is obtained with production practices often subject to rules and regulated by specific labelling systems.

b. Result of H_2 Test

From the r test correlation table, the value of correlation is 0.327 (positive) and significance (2-tailed) is $0.001 < 0.05$, then it can be concluded that there is a positive correlation between tariff import and import of wine. It also means that tariff import isn't the only factors that determine the export value of wine, because there is another variable that related to it outside this research. While seeing from correlation value is 0.327, its categorized in weak correlation. Meanwhile from t-test, since t count > t table, then it can be concluded that there is influence between tariff import and import of wine. This also means that H_2 is accepted.

According to USDA Foreign Agricultural Services, Importer and HRI industry sources predict that wine imports will continue to increase by approximately 20 percent annually through 2015. Like other Southeast Asian markets, wine is becoming more and more popular. Indonesians perceive that wine is a healthier alternative to other alcoholic beverages. Plus, Indonesians believe that wine creates an image being well-healed and drinking wine is seen as a status symbol. After negotiating for two years with other GOI and private sector stakeholders, the Ministry of Finance issued Regulation No. 62/PMK.011/2010 in March 17, 2010 which stated

that luxury taxes will no longer be applied to beverage products containing ethyl alcohol and concentrates containing ethyl alcohol as of April 1, 2010. In May 2010, the Minister of Trade granted eight distributors to direct import duty paid wine, spirit and alcoholic beverages by approving the lists as stated on letter of Minister of Trade No. 431/M-DAG/SD/4/2010. The main objective of these policy changes was to support Indonesia's tourism industry and to curb illegal importations.

Based on previous research especially on New World Regions of wine such as Indonesia where the market is heavily segmented, the other variables that may influence the export of wine are buyer power, substitution of other beverages, supplier power and rivalry. The result of H_2 in line with Mariani (2012) research. The research proves that the international wine trade emerges as a complex and dynamic system which looks good in shape despite economic difficulties in many countries.

CHAPTER V

CONCLUSION AND SUGGESTION

A. Conclusion

Based on the research about the influence of Tariff Export and Tariff Import, Export of wine and Import of Wine, period of 2010-2018, with uses simple linear regression statistical analysis, there are the results and conclusion as follows:

1. Tariff Export simultaneously has partial influence on Export of wine in Indonesia. Tariff Import simultaneously has partial influence on Import of Wine in Indonesia.

2. Tariff export partially has positive and significant influence on export of wine in Indonesia. If Tariff is increase, the export of wine will increase. If Tariff is decrease then the export of wine will decrease. Tariff import has positive and significant influence on import of wine in Indonesia. If the tariff is increasing the import will increase also.

B. Suggestion

Based on the result that can be taken from the research and based on conclusion, there are things that can be taken into consideration in regards of Tariff of wine trade, there are:

1. Government of Indonesia should restudy the policy in regard of wine trade in Indonesia since Indonesia portray a potential market and as producer of wine in New World region.

2. Exporter and Importer should to know the current Tariff or requirement in wine trade since the regulation still being actively studied by the Government.

C. Limitations

1. This research used export and import data based on the total accumulation which acquired from the site of International Trade Centre, thus identification on which countries become the main destination of export and which countries become the main importer is not clear and cannot be identified maximally.

2. Journal or research which discuss about wine trade in Indonesia is still not common to be found, thus the research did not portray the real circumstances or status quo based on this topic and the lack of previous research on wine trade in Indonesia.

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APPENDIX

Appendix 1.

Export of Wine from Indonesia

	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	4978	45526	42645	67977	69618	37925	37555	422	4887
February	9857	21426	57135	42750	33110	43429	35705	135	10905
March	19244	62867	60574	47430	4155	67722	38295	11228	2134
April	7231	55764	57409	45745	34116	43192	50397	1226	449
May	2000	21426	58954	48540	20412	43125	42177	40	510
June	19714	30477	47790	51690	4090	36670	56051	5142	0
July	195	0	60503	5787	7090	26845	44619	0	19861
August	8556	8074	52255	55709	12938	0	67489	0	15103
September	2599	67649	76669	51630	3455	8902	42223	160	34561
October	9969	79652	65543	61069	1860	11885	39584	12819	5889
November	12679	75304	105882	64507	5397	43564	42338	87	427
December	27001	85150	107090	56700	14452	47182	47229	3536	486
MAX	27001	85150	107090	67977	69618	67722	67489	12819	34561
MIN	195	0	42645	5787	1860	0	35705	0	0
AVE	10335.25	46109.58	66037.42	49961.17	17557.75	34203.42	45305.17	2899.583	7934.333

Export of Wine (Liters)

Appendix 2.

Import of Wine to Indonesia

	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	3230	1620	20653	85729	5643	21474	7937	239633	357933
February	240	2989	31588	55149	2890	7398	18458	319158	208420
March	49135	11541	113831	8212	5677	49156	9838	304284	220905
April	1411	19994	18574	33150	22976	25722	37984	142795	169461
May	129445	83342	29739	12723	24806	16027	139068	236548	467115
June	91662	18060	36074	20138	54760	40206	112102	252740	195791
July	17216	37180	60240	47485	19639	51072	23393	260797	532359
August	130378	19842	19002	15716	13309	31433	115082	486259	583172
September	55659	19056	38876	6902	63317	17430	158937	389504	526715
October	36052	36450	53355	32470	147321	39116	384192	339159	1554513
November	16278	22681	61497	22766	27158	36679	384192	353589	604229
December	29598	49526	55580	30005	54781	22658	380213	416064	647067
MAX	130378	83342	113831	85729	147321	51072	384192	486259	1554513
MIN	240	1620	18574	6902	2890	7398	7937	142795	169461
AVE	46692	26856.75	44917.42	30870.42	36856.42	29864.25	147616.3	311710.8	505640

Import of Wine (Liters)

— Import

- 2010: 560304
- 2011: 322281
- 2012: 539009
- 2013: 370445
- 2014: 442277
- 2015: 358371
- 2016: 1771396
- 2017: 3740530
- 2018: 6067680

Appendix 3.

Tariff Export of Wine

	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	40000	40000	40000	33000	33000	33000	33000	33000	33000
February	40000	40000	40000	33000	33000	33000	33000	33000	33000
March	40000	40000	40000	33000	33000	33000	33000	33000	33000
April	40000	40000	40000	33000	33000	33000	33000	33000	33000
May	40000	40000	40000	33000	33000	33000	33000	33000	33000
June	40000	40000	40000	33000	33000	33000	33000	33000	33000
July	40000	40000	40000	33000	33000	33000	33000	33000	33000
August	40000	40000	40000	33000	33000	33000	33000	33000	33000
September	40000	40000	40000	33000	33000	33000	33000	33000	33000
October	40000	40000	40000	33000	33000	33000	33000	33000	33000
November	40000	40000	40000	33000	33000	33000	33000	33000	33000
December	40000	40000	40000	33000	33000	33000	33000	33000	33000

Tariff Export of Wine (IDR)

Appendix 4.

Tariff Import of Wine

	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	40000	40000	40000	44000	44000	44000	44000	44000	44000
February	40000	40000	40000	44000	44000	44000	44000	44000	44000
March	40000	40000	40000	44000	44000	44000	44000	44000	44000
April	40000	40000	40000	44000	44000	44000	44000	44000	44000
May	40000	40000	40000	44000	44000	44000	44000	44000	44000
June	40000	40000	40000	44000	44000	44000	44000	44000	44000
July	40000	40000	40000	44000	44000	44000	44000	44000	44000
August	40000	40000	40000	44000	44000	44000	44000	44000	44000
September	40000	40000	40000	44000	44000	44000	44000	44000	44000
October	40000	40000	40000	44000	44000	44000	44000	44000	44000
November	40000	40000	40000	44000	44000	44000	44000	44000	44000
December	40000	40000	40000	44000	44000	44000	44000	44000	44000

Tariff Import of Wine (IDR)

Appendix 5.

Real Data of Tariff and Amount of Export and Import

Year	Month	Tariff Export/l	Tariff Import/l	Export (Litres)	Import (Litres)
2010	January	40000	40000	4978	3230
	February	40000	40000	9857	240
	March	40000	40000	19244	49135
	April	40000	40000	7231	1411
	May	40000	40000	2000	129445
	June	40000	40000	19714	91662
	July	40000	40000	195	17216
	August	40000	40000	8556	130378
	September	40000	40000	2599	55659
	October	40000	40000	9969	36052
	November	40000	40000	12679	16278
	December	40000	40000	27001	29598
2011	January	40000	40000	45526	1620
	February	40000	40000	21426	2989
	March	40000	40000	62867	11541
	April	40000	40000	55764	19994
	May	40000	40000	21426	83342
	June	40000	40000	30477	18060
	July	40000	40000	0	37180
	August	40000	40000	8074	19842
	September	40000	40000	67649	19056
	October	40000	40000	79652	36450
	November	40000	40000	75304	22681
	December	40000	40000	85150	49526
2012	January	40000	40000	42645	20653
	February	40000	40000	57135	31588
	March	40000	40000	60574	113831
	April	40000	40000	57409	18574
	May	40000	40000	58954	29739
	June	40000	40000	47790	36074
	July	40000	40000	60503	60240
	August	40000	40000	52255	19002
	September	40000	40000	76669	38876
	October	40000	40000	65543	53355
	November	40000	40000	105882	61497

	December	40000	40000	107090	55580
	January	33000	44000	67977	85729
	February	33000	44000	42750	55149
	March	33000	44000	47430	8212
	April	33000	44000	45745	33150
	May	33000	44000	48540	12723
	June	33000	44000	51690	20138
2013	July	33000	44000	5787	47485
	August	33000	44000	55709	15716
	September	33000	44000	51630	6902
	October	33000	44000	61069	32470
	November	33000	44000	64507	22766
	December	33000	44000	56700	30005
	January	33000	44000	69618	5643
	February	33000	44000	33110	2890
	March	33000	44000	4155	5677
	April	33000	44000	34116	22976
	May	33000	44000	20412	24806
	June	33000	44000	4090	54760
2014	July	33000	44000	7090	19639
	August	33000	44000	12938	13309
	September	33000	44000	3455	63317
	October	33000	44000	1860	147321
	November	33000	44000	5397	27158
	December	33000	44000	14452	54781
	January	33000	44000	37925	21474
	February	33000	44000	43429	7398
	March	33000	44000	67722	49156
	April	33000	44000	43192	25722
	May	33000	44000	43125	16027
	June	33000	44000	36670	40206
2015	July	33000	44000	26845	51072
	August	33000	44000	0	31433
	September	33000	44000	8902	17430
	October	33000	44000	11885	39116
	November	33000	44000	43564	36679
	December	33000	44000	47182	22658
	January	33000	44000	37555	7937
2016	February	33000	44000	35705	18458
	March	33000	44000	38295	9838
	April	33000	44000	50397	37984

	May	33000	44000	42177	139068
	June	33000	44000	56051	112102
	July	33000	44000	44619	23393
	August	33000	44000	67489	115082
	September	33000	44000	42223	158937
	October	33000	44000	39584	384192
	November	33000	44000	42338	384192
	December	33000	44000	47229	380213
2017	January	33000	44000	422	239633
	February	33000	44000	135	319158
	March	33000	44000	11228	304284
	April	33000	44000	1226	142795
	May	33000	44000	40	236548
	June	33000	44000	5142	252740
	July	33000	44000	0	260797
	August	33000	44000	0	486259
	September	33000	44000	160	389504
	October	33000	44000	12819	339159
	November	33000	44000	87	353589
	December	33000	44000	3536	416064
2018	January	33000	44000	4887	357933
	February	33000	44000	10905	208420
	March	33000	44000	2134	220905
	April	33000	44000	449	169461
	May	33000	44000	510	467115
	June	33000	44000	0	195791
	July	33000	44000	19861	532359
	August	33000	44000	15103	583172
	September	33000	44000	34561	526715
	October	33000	44000	5889	1554513
	November	33000	44000	427	604229
	December	33000	44000	486	647067

Appendix 6.

Log10 of Tariff Import and Import of Wine

Year	Month	Lg_TariffImport	Lg_Import
2010	January	-0.18	-0.26
	February	-0.18	-0.42
	March	-0.18	-0.17
	April	-0.18	-0.3
	May	-0.18	-0.15
	June	-0.18	-0.16
	July	-0.18	-0.2
	August	-0.18	-0.15
	September	-0.18	-0.17
	October	-0.18	-0.18
	November	-0.18	-0.2
	December	-0.18	-0.19
2011	January	-0.18	-0.3
	February	-0.18	-0.27
	March	-0.18	-0.22
	April	-0.18	-0.2
	May	-0.18	-0.16
	June	-0.18	-0.2
	July	-0.18	-0.18
	August	-0.18	-0.2
	September	-0.18	-0.2
	October	-0.18	-0.18
	November	-0.18	-0.19
	December	-0.18	-0.17
2012	January	-0.18	-0.2
	February	-0.18	-0.18
	March	-0.18	-0.15
	April	-0.18	-0.2
	May	-0.18	-0.19
	June	-0.18	-0.18
	July	-0.18	-0.17
	August	-0.18	-0.2
	September	-0.18	-0.18
	October	-0.18	-0.17
	November	-0.18	-0.17
	December	-0.18	-0.17

	January	-0.18	-0.16
	February	-0.18	-0.17
	March	-0.18	-0.23
	April	-0.18	-0.18
	May	-0.18	-0.21
	June	-0.18	-0.2
2013	July	-0.18	-0.17
	August	-0.18	-0.21
	September	-0.18	-0.23
	October	-0.18	-0.18
	November	-0.18	-0.19
	December	-0.18	-0.19
	January	-0.18	-0.24
	February	-0.18	-0.27
	March	-0.18	-0.24
	April	-0.18	-0.19
	May	-0.18	-0.19
	June	-0.18	-0.17
2014	July	-0.18	-0.2
	August	-0.18	-0.21
	September	-0.18	-0.17
	October	-0.18	-0.15
	November	-0.18	-0.19
	December	-0.18	-0.17
	January	-0.18	-0.2
	February	-0.18	-0.23
	March	-0.18	-0.17
	April	-0.18	-0.19
	May	-0.18	-0.2
	June	-0.18	-0.18
2015	July	-0.18	-0.17
	August	-0.18	-0.19
	September	-0.18	-0.2
	October	-0.18	-0.18
	November	-0.18	-0.18
	December	-0.18	-0.19
	January	-0.18	-0.23
	February	-0.18	-0.2
2016	March	-0.18	-0.22
	April	-0.18	-0.18
	May	-0.18	-0.15

	June	-0.18	-0.15
	July	-0.18	-0.19
	August	-0.18	-0.15
	September	-0.18	-0.15
	October	-0.18	-0.13
	November	-0.18	-0.13
	December	-0.18	-0.13
2017	January	-0.18	-0.14
	February	-0.18	-0.13
	March	-0.18	-0.13
	April	-0.18	-0.15
	May	-0.18	-0.14
	June	-0.18	-0.14
	July	-0.18	-0.13
	August	-0.18	-0.12
	September	-0.18	-0.13
	October	-0.18	-0.13
	November	-0.18	-0.13
	December	-0.18	-0.13
2018	January	-0.18	-0.13
	February	-0.18	-0.14
	March	-0.18	-0.14
	April	-0.18	-0.14
	May	-0.18	-0.12
	June	-0.18	-0.14
	July	-0.18	-0.12
	August	-0.18	-0.12
	September	-0.18	-0.12
	October	-0.18	-0.1
	November	-0.18	-0.12
	December	-0.18	-0.12

Appendix 7.

Result of Test by SPSS for Tariff Export and Export (X_1, Y_1)

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Tariff Export	108	33000.00	40000.00	35333.3333	3315.21556
Tariff Import	108	40000.00	44000.00	42666.6667	1894.40889
Export	108	.00	107090.00	31149.2963	26619.43700
Import	108	240.00	1554513.00	131224.9352	209184.1609
Valid N (listwise)	108				

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.220[a]	.048	.039	16943.19830	2.225

a. Predictors: (Constant), Lag_X1

b. Dependent Variable: Lag_Y1

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5057964751	1	5057964751	7.577	.007[b]
	Residual	7.076E+10	106	667562630.6		
	Total	7.582E+10	107			

a. Dependent Variable: Export

b. Predictors: (Constant), Tariff Export

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-25744.028	14657.089		-1.756	.082
	Lag_X1	3.779	1.634	.220	2.313	.023

a. Dependent Variable: Lag_Y1

Normal P-P Plot of Regression Standardized Residual
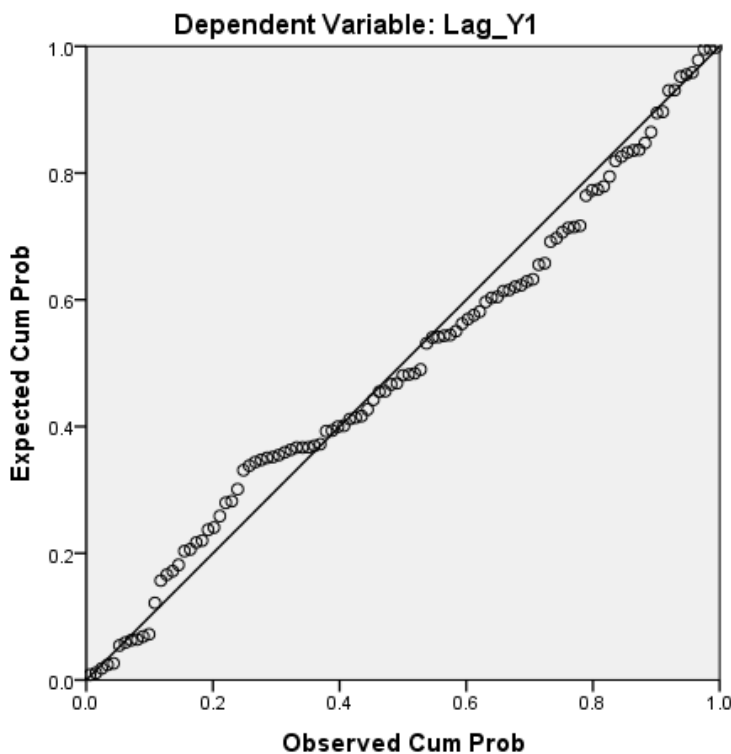
Dependent Variable: Lag_Y1

Heteroscedasiciticy Test Glejser Method

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-4101.902	9614.178		-.427	.671
	Lag_X1	1.866	1.072	.167	1.741	.085

a. Dependent Variable: Abs_Res2

Appendix 8.

Result of Test by SPSS for Tariff Import (X_2) and Import (Y_2)

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Tariff Export	108	33000.00	40000.00	35333.3333	3315.21556
Tariff Import	108	40000.00	44000.00	42666.6667	1894.40889
Export	108	.00	107090.00	31149.2963	26619.43700
Import	108	240.00	1554513.00	131224.9352	209184.1609
Valid N (listwise)	108				

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.181[a]	.033	.023	.03794	2.235

a. Predictors: (Constant), Lag_LG_X4

b. Dependent Variable: Lag_LG_Y4

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.005	1	.005	3.540	.063[b]
	Residual	.151	105	.001		
	Total	.156	106			

a. Dependent Variable: Lag_LG_Y4

b. Predictors: (Constant), Lag_LG_X4

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.902	.528		1.707	.091
	Lag_LG_X4	10.792	5.736	.181	1.882	.063

a. Dependent Variable: Lag_LG_Y4

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: LG_Y4
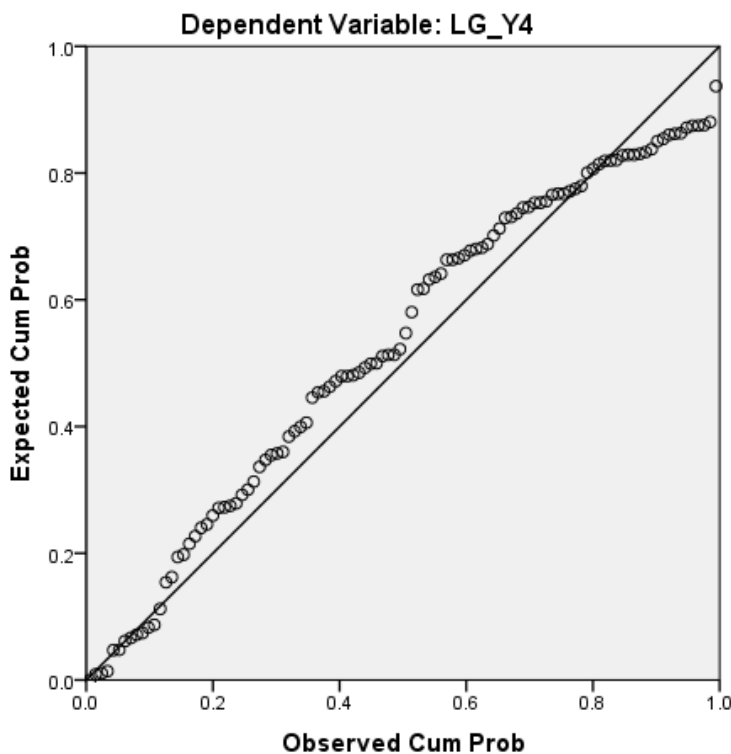
Heteroscedasciticy Test Glejser Method

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-25744.028	14657.089		-1.756	.082
	Lag_X1	3.779	1.634	.220	2.313	.023

a. Dependent Variable: Lag_Y1

Correlation table for r test Tariff Export (X_1) and Export of Wine (Y_1)

Correlations

		Tariff Export	Export
Tariff Export	Pearson Correlation	1	.258**
	Sig. (2-tailed)		.007
	N	108	108
Export	Pearson Correlation	.258**	1
	Sig. (2-tailed)	.007	
	N	108	108

**. Correlation is significant at the 0.01 level (2-tailed).

Correlation table for r test Tariff Export (X_2) and Export of Wine (Y_2)

Correlations

		Lag_LG_X4	Lag_LG_Y4
Lag_LG_X4	Pearson Correlation	1	.181
	Sig. (2-tailed)		.063
	N	107	107
Lag_LG_Y4	Pearson Correlation	.181	1
	Sig. (2-tailed)	.063	
	N	107	107

CURRICULUM VITAE

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Formal Education

SCHOOL	YEAR
SDN Patra Dharma Tarakan	2000-2003
SDN 011 Balikpapan	2003-2005
SDN IV Sawojajar Malang	2005-2006
SMPN 10 Malang	2006-2009
SMAN 2 Malang	2009-2012
Universitas Brawijaya	2012-2019

Organization and Committee Experience

No.	Organization or Event	Year	Position
1.	The 3rd Nationwide English Parade	2013	Staff of Consumption Division
2.	Administration English Club	2013	Staff of Reasoning Department
3.	The 4th Nationwide English Parade	2014	Vice President
4.	Administration English Club	2014	Co. Department of External Public Relation
5.	Pertukaran Pemuda Antar Negara (PPAN)	2014	Member
6.	Administration English Club	2015	Head Department of Public Relation
7.	AYFN (ASEAN Youth Friendship Network)	2016	Member

Work Experience

No	Institution	Year	Information
1.	MAN 3 Malang	2014-2016	English Debate Coach
2.	Total E&P Indonesie	2016	Internship
3.	Universitas Brawijaya, Faculty of Cultural Studies	2018	Tutor for BIPA (Bahasa Indonesia Untuk Penutur Asing)
4.	Administration English Club (AEC)	2018 - Present	English Debate Coach
5.	STIE Malangkucecwara (ABM)	2019	Indonesian Debate Coach

Certifications

No.	Certification	Institution	Year
1.	IFP MOOC Oil and Gas. Exploration and Distribution of Oil and Gas Industry	IFP School (French Institute of Petroleum/ *École Nationale Supérieure du Pétrole et des Moteurs*)	2017
2.	Korean Language Course Level 1 and 2	Laboratorium Ilmu Humaniora, Faculty of Cultural Studies, Brawijaya University	2019
3.	French Language Course Level 1	Laboratorium Ilmu Humaniora, Faculty of Cultural Studies, Brawijaya University	2019

Achievements:

1. Invited Adjudicator for EJVED (East Java Varsities English Debate) Competition at State Malang University 2019

2. Invited Adjudicator for ABM Economic Challenge at STIE Malangkucecwara, 2018

3. Invited Adjudicator KDMI Kopertis 7 by Kemenristekdikti, 2017

4. Best Speaker Novice of Nationwide British Parliamentary Debate 2017 "English Fiesta", UMM

5. Indonesia's Delegates of AYFN KCC Autumn 2016, Seoul, South Korea 2016

6. Top 8 Country Finalist Schneider Electric "Go Green in The City", Jakarta 2016

7. Best N1 Adjudicator of East Java Varsities English Debate 2015 Competition, UM

8. 3rd Winner of M. Edu Debate Competition, Brawijaya University 2015

9. Invited Adjudicator of KDB, Brawijaya University 2015

10. 3rd Winner of Brawijaya MTQ English Debate, Brawijaya University 2015

11. 1st Winner of PERBANAS Indonesian Debate Competiton, 2015 Perbanas

12. Invited Adjudicator of ALSA (Asian Law Student Association) 2014 English Battle, Brawijaya University

13. Invited Adjudicator EJVED (East Java English Debate Competition), 2014, State University of Malang

14. Chief of Adjudicator of CROWN 2014, Brawijaya University 2014

15. Semi Finalist of UBEDC (University Brawijaya English 2014 Debate Competition), Brawijaya University

16. Top 25 Finalist of PPAN JATIM (Pertukaran Pemuda Antar Negara), 2014 KEMENPORA

17. Adjudicator of BET (Brawijaya English Tournament), Brawijaya 2014 University

18. N1 Adjudicator, MNDC (Malang Newbie Debate Competitions), 2013 State University of Malang

19. Quarter Finalist of The Farmers English Festival, Brawijaya University 2013

20. Octofinalist of East Java Varsities English Debate, 2013 State University of Malang

21. 2nd Winner of Brawijaya Olympic in English Debate, Brawijaya University 2013

22. Quarter Finalist of English Fiesta Debate Competition, 2013 Muhammadiyah Private University

23. Participant in ALSA E- Challenge, University of Indonesia 2012

24. Octofinalist of MNDC, Islamic State University 2012

25. Participant in ICAAS, University of West Australia 2011

26. Participant in ICAAS, University of West Australia 2010