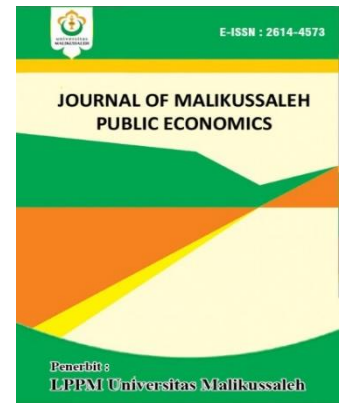


THE EFFECT OF IMPORTS OF COFFEE AND NATURAL RUBBER COMMODITIES ON ECONOMIC GROWTH IN INDONESIAMuhammad Ridha*^b Fanny Nailufar*^a^{*}*Fakultas Ekonomi dan Bisnis Universitas Malikussaleh*^{*}Corresponding author: ^afannynailufar@unimal.ac.id^bmuhammad.170430148@mhs.unimal.ac.id**ARTICLE INFORMATION ABSTRACT****Keywords:**

Coffee Imports, Natural Rubber Imports, Quantitative, Time Series, Partial, Simultaneous, Multiple Linear Regression.

This study aims to determine the Effect of Coffee Imports and Oil and Gas Natural Rubber Imports on Indonesia's Economic Growth. By using the type of data in this research, quantitative approach to time series data from 1990 to 2020 sourced from the statistical reports of the Indonesian Directorate General of Plantations, BI Statistics, and BPS Indonesia. The analytical tool used is Multiple Linear Regression. The results partially show that coffee imports have a positive effect on economic growth as well as imports of natural rubber have a positive and significant impact on Indonesia's economic growth. Simultaneous test results stated that imports of coffee and natural rubber had a positive and significant effect on Indonesia's GDP. The correlation value of 0.8757 means that the relationship between coffee imports and natural rubber imports on economic growth as measured by GDP has a very strong relationship because the value is almost close to positive one

1. INTRODUCTION

Measurement of the economy requires the right tools, one of which is Gross Domestic Product or Gross Regional Domestic Product because an increase in GDP will increase the amount of income per capita in a country and this also applies vice versa (Robi et al., 2021).

Exports and imports play an important role in the economic activities of a country. Exports will generate foreign exchange which will be used to finance imports of raw materials and capital goods needed in the production process that will form added value.

Based on sources from the International Coffee Organization (ICO) that Indonesia is ranked fourth as the largest coffee producing country in the world after Brazil, Vietnam, and Colombia with coffee exports being exported to the six largest countries including America, Malaysia, Italy, Egpty, Japan and Germany. But in reality Indonesia also imports from several

countries including China, Vietnam, East Timor, Korea, and several other countries.

Then the Natural Rubber commodity according to the Ministry of Industry, Indonesia ranks second after Thailand, with Vietnam in the third position and fourth in India, but this does not close the fact that Indonesia also imports rubber from several countries of origin including Thailand, Malaysia, Vietnam and Taiwan. The ongoing import conditions illustrate Indonesia is still an import-dependent country, along with some developments in imports of Coffee and Natural Rubber commodities as well as the development of Economic Growth as measured by GDP.

Table 1.1
Development of Economic Growth, Coffee Imports and Natural Rubber Imports in Indonesia

Year	Economic Growth (Billion Rp)	Coffee Import (Thousand US\$)	Natural Rubber Import (Thousand US\$)
2010	2.314.459	34.852	37.631
2011	2.464.566	49.119	58.78
2012	2.618.932	117.175	69.804
2013	2.769.053	38.838	52.045
2014	8.564.867	46.768	48.343
2015	8.982.517	31.492	41.159
2016	9.434.613	48.473	32.647
2017	9.912.928	33.583	41.527
2018	10.425.397	155.778	52.402
2019	10.949.244	66.186	37.748
2020	10.722.443	28.458	21.266

Source: Data Processed, 2021

Based on the Table 1.1 above, Indonesia's Economic Growth as measured through Gross Domestic Product has always experienced an increasing trend over the last 10 years, in 2010 GDP was recorded at Rp. 2.314.459, - billion and then continued to increase drastically until 2019 to Rp. 10.949.244 billion.

The high value of GDP can illustrate that economic growth has also increased and there is progress and improvement in the Indonesian economy, but in 2020 GDP has decreased by Rp. 10.722.443 billion or equivalent to 2.7%. Weak GDP in 2020 due to pandemic conditions that attack all world economic systems. The development of GDP when it is associated with coffee imports and natural rubber imports shows fluctuating developments, with a positive trend although in several years it has decreased, this illustrates how the country's economy supports and finances import needs.

An interesting phenomenon was found in 2016 the value of coffee imports recorded an increase from the previous year to US\$ 48.473,- thousand but the GDP side also increased to Rp 9.434.613,- billion. Furthermore, in 2018 when coffee imports again increased dramatically to US \$ 155,778 thousand and the GDP side also increased to Rp 10.425.397,- billion.

An interesting phenomenon also occurred in the import of natural rubber in 2012 there was a drastic increase from the previous year to US\$ 69.804 thousand while on the GDP side it also increased to Rp 2.618.932,- billion. Furthermore, problems were also encountered in 2018 where coffee

imports increased from the previous year to US\$ 52.402 thousand and GDP also increased to Rp 10.425.397,- billion. This condition is certainly not in line with the international trade theory stated by (Grace & Siti, 2021) that high imports can weaken the economy because the import financing is too large to be borne by the state.

The reason this research is more interesting is because the variables used are imports of Indonesia's leading commodities. Researchers are interested in analyzing imports due to the current condition Indonesia is still unable to free itself from dependence on imports, even though it is clear that the impact of imports has a lot of negative effects on the economy. This is because every import activity that occurs is financed and borne by the company, so if high imports occur, it will reduce the country's foreign exchange which in turn weakens the economy. Then the high import also causes domestic goods not to be sold so that productivity is low and the economy also weakens.

This research is also interesting to examine because the imports used are Indonesia's main commodities, if it is Indonesia's flagship product then it does not need to be imported from other countries. This research is also different from previous research which only focuses on examining exports and ignoring imports, then looks at the relation to foreign exchange reserves or competitiveness, if this study measures its effect on economic growth.

2. THEORETICAL REVIEW

Economic growth

Economic growth is the development of activities in the economy that causes goods and services produced in society to increase and the prosperity of society increases in the long term (Untoro, 2010).

Syahputra (2017) argues basically, economic growth is defined as a process of output growth per capita in the long term. This means that in the long term, welfare is reflected in an increase in per capita output which at the same time provides many alternatives in consuming goods and services, and is followed by an increasing public purchasing power.

GDP can be measured by three different approaches, namely the production approach, the income approach, and the expenditure approach. The first two approaches are the approach from the aggregate supply side, while the expenditure approach is to calculate GDP from the aggregate demand side (Todaro & Stephen, 2011).

The production approach, in which the Gross Regional Domestic Product (GDP) is the added

value of goods and services to the production produced by all economic sectors in a region within a period of one year.

Income approach, on the income approach of Gross Regional Domestic Product (GRDP) as remuneration obtained from production factors that contribute to the production process within a period of one year. The remuneration includes wages and salaries, capital interest along with profits before deducting income taxes and direct taxes, and rent of land used. In the income approach, GRDP includes depreciation and net indirect taxes.

The expenditure approach, in this approach the Gross Regional Domestic Product (GRDP) is the entirety of the final component consisting of: (1) household consumption expenditure (2) government consumption expenditure (3) gross domestic fixed capital formation (4) net exports obtained of the number of exports minus imports or with the equation: $Y = C + I + G - (X - M)$, Where: Y is GRDP, C = Household Consumption I = Investment G = Government Expenditure X = Exports M = Imports

Import

Import can also be interpreted as an activity to enter the production of goods and services from abroad or the flow of expenditure to buy goods abroad. Import activity is a leak from the national income stream where import activity is a leak from the national income stream due to the purchase of goods and services from abroad for domestic needs.

According to Yuyun (2020) a country's import demand for an item is determined by several factors, among these the most important factors are:

1. Production
2. Population
3. Price
4. Consumption
5. Taste
6. Trends
7. Predictions that will happen in the future.

Yuyun (2020) states that in the Indonesian indicator report, the types of imports according to the class of use of economic goods can be divided into three groups, namely:

1. Import of consumer goods, especially for goods that cannot be produced domestically or to meet additional insufficient demand from domestic production, which includes food and beverages

for households, fuel from processed lubricants, transportation equipment non-industrial goods, durable goods, semi-durable goods and non-durable goods.

2. Import of raw materials and auxiliary goods, which include food and beverages for industry, raw materials for industry, fuel and lubricants as well as spare parts and equipment.
3. Import of capital goods, which includes capital goods other than transportation means, passenger cars and transportation equipment for industry.

The Relationship of Coffee Imports to Economic Growth

Coffee is Indonesia's leading commodity that has a high selling price, however, the Indonesian state also continues to import, such as several imported products, including ten types of coffee products that are imported the same as coffee products that are exported. The largest volume of coffee imports was Arabica WIB/Robusta OIB coffee, not roasted, not decaffeinated (HS: 09011110) of 77,643.92 thousand tons or 98.47% of the total imports of coffee, coffee, roasted, not decaffeinated, unground of 737.64 thousand tons or 0.94 percent followed by eight other types of coffee.

Research (Antarjo, 2020) states that coffee imports have a negative relationship to economic growth, which means that when a country imports high volumes of coffee, it will make domestically produced coffee not sell well in the market so that coffee production will be lower, low domestic production will result in lower coffee production. lowers economic growth.

The Relationship of Natural Rubber Imports to Economic Growth

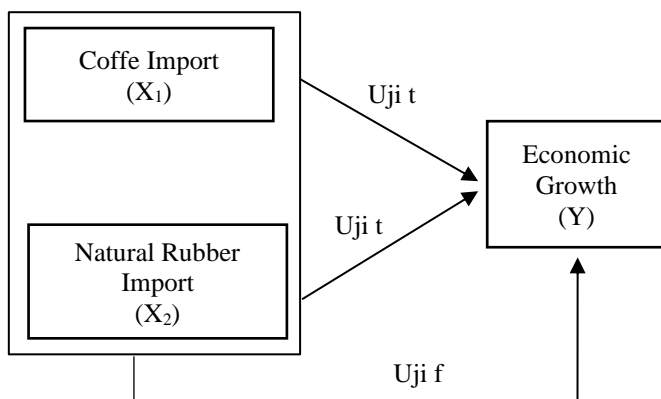
Natural rubber is one of several plantation commodities traded in the world. This commodity is a commodity that has a use value that is quite important for industrial circles in developed countries such as America, Japan, China and so on. Developing countries whose territories are located around the equator are generally countries that can produce this rubber commodity, including countries in Southeast Asia (ASEAN).

The volume of natural rubber imports has a negative relationship with relative prices and varies positively with aggregate demand (real GDP growth). Higher relative prices can lead to substitution of natural rubber imports which automatically reduces the dollar value of imports as volume decreases. Remittances have been used to

finance imports of capital goods and raw materials for industrial development (Grace & Siti, 2021).

Research by Syaffendi et al (2013) concluded that imports of natural rubber have a negative relationship to economic growth, because with the high import of goods from other countries in the form of natural rubber which is widely used as raw material in industry, when many imported goods enter, it will weaken domestic products and weaken the economy.

Based on several descriptions and explanations of the relationship between imports and economic growth, in this case the conceptual framework in this study is as follows.



Source: researcher, 2021

Figure 2.1 Conceptual Framework

Hypothesis

Hypothesis is a tentative answer to a research problem, the truth of which must be tested empirically. Based on the formulation of the problem and the objectives of this study, the hypotheses in this study can be formulated, namely:

H₁: Coffee imports have a negative effect on economic growth

H₂ : Import of natural rubber has a negative effect on economic growth

H₃ : Imports of Coffee and Natural Rubber have a negative and significant effect on economic growth

3. RESEARCH METHODS

Research Objects and Locations

The object in this study is related to coffee imports and natural rubber imports as independent variables and economic growth as measured by GDP as the dependent variable with the research location being in Indonesia.

Data Types and Sources

This writing uses quantitative data types. Quantitative data types are types of data related to numbers. The data in this study uses a time series data approach, namely data from 1990 to 2020.

Sources of data in this study are secondary data sources. Secondary data is data obtained from records, books, in the form of company publication reports, and so on (Sujarweni, 2014). In this study, the data sources were obtained from the statistical reports of the Directorate General of Indonesian Plantations, BI Statistics, and BPS Indonesia.

Classic assumption test

Normality test

Testing the normality of the data is a test of the normality of the data distribution. Normality testing is carried out with the intention of seeing whether the analyzed data is normal or not. Normality test can also be performed using the Jarque-Bera method (JB test). JB test is done by looking at the probability value of Jarque-Bera. According to (Sugiyono, 2013) the regression model which is normally distributed has a probability value of $JB > 0.05$ ($\alpha = 0.05$). On the other hand, if the probability value is < 0.05 , then the data is not normally distributed.

Autocorrelation Test

Ghozali, (2005) explains the autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding error in period t and the confounding error in period $t-1$ (previous). To detect the presence or absence of autocorrelation by comparing the values of probability $obs^* R$ -squared and alpha (0.05) along with the provisions of the testing method with the autocorrelation test.

Furthermore, the results of the autocorrelation test can also be seen by comparing the Chi-Squared probability and 5% significant value, as follows: If the Chi-Squared Prob value is $< 5\%$, then there is an autocorrelation. And if the Chi-Squared Prob value $> 5\%$, then there is no autocorrelation.

Multicollinearity Test

Multicollinearity test is a test used to see the correlation between each independent variable. One method that can be used to determine the presence or absence of multicollinearity can be seen from the correlation value between the two independent variables. If the correlation value is less than 0.8 then the independent variable does not have a multicollinearity problem, and vice versa (Ghozali, 2005).

Heteroskedasticity Test Result

Ghozali, (2005) Heteroscedasticity is a condition where the disturbance factors do not have the same variance. Heteroscedasticity is a phenomenon where the regression estimator is biased, but the variance is not efficient (the larger the population or sample, the greater the variance). The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residual of one observation to another observation.

White Test this is done by comparing X_2 count with X_2 table, if X_2 count $>$ X_2 table then the hypothesis which says that heteroscedasticity occurs is accepted, and vice versa if X_2 count $<$ X_2 table then the hypothesis which says that heteroscedasticity occurs is rejected.

In the White method, in addition to using the calculated X_2 value, to decide whether the data is affected by heteroscedasticity, the Chi-Square probability value can be used which is the probability value of the White test. If the probability of Chi-Square $>$ means H_0 is rejected. If the probability of Chi Square $<$ means H_0 is accepted.

Data Analysis Method

The data analysis method used in this research is Multiple Linear Regression analysis. The regression model is used to assume that there is a linear relationship between the independent variables and the dependent variable. The equation model can be written:

$$EG = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

Where :

EG = Economic Growth

α = Constant

β_1, β_2 = Regression Coefficient

X_1 = Import Coffee

X_2 = Import Natural Rubber

ε = Error Term (Disturbing Factor)

Hypothesis test

Partial Test

This test is carried out based on the comparison of the t_{count} value of each regression coefficient with the t_{table} value (critical value) with a significant level of 5% with degrees of freedom $df = (n-k)$, where n is the number of observations and k is the number of variables.

If $t_{count} < t_{table} (n-k)$, it means that individually the independent variable has no effect on the dependent variable.

If $t_{count} > t_{table} (n-k)$, then the independent variable partially affects the dependent variable.

Simultaneous Test

Used to test the effect of all independent variables simultaneously or simultaneously on the dependent variable. To determine the value of F_{table} , the significance level used is 5% with a value of degree of freedom or $df = (n-k)$ and $(k-1)$ where n is the number of observations, the test criteria are:

1. If $F_{count} < F_{table} (k-1, n-k)$, then simultaneously the independent variables have no effect on the dependent variable.
2. If $F_{count} > F_{table} (k-1, n-k)$, then the independent variable simultaneously affects the dependent variable.

Coefficient Determination

The coefficient of determination is to measure the proportion of the total variation of the dependent variable which is explained by the variation of the independent variable or the explanatory variable in the regression. The coefficient of determination essentially measures how far the model's ability to explain variations in the dependent variable is. The value of the coefficient of determination is between zero and one. The higher the value, the greater the ability of the independent variable to explain the dependent variable (Sugiyono, 2013).

Coefficient Correlation

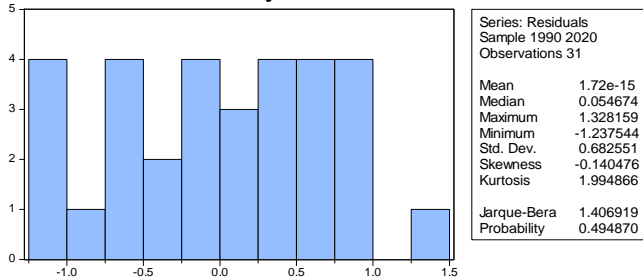
Sugiyono, (2013) regarding correlation analysis, which is a way to determine whether or not the relationship between x and y is strong. To be able to give an interpretation of how strong the relationship is, the guidelines as listed in the following table can be used:

1. If the value of $R > 0$, it means that there has been a positive relationship, namely the greater the variable X , the greater the variable Y .
2. If the value of $R < 0$, it means that there has been a negative relationship, namely the smaller the value of the variable X , the greater the variable Y or vice versa, the greater the variable C , the smaller the variable Y .
3. If the value of $R = 0$, it means that there is no relationship at all between the X variable and the Y variable.
4. If the value of $R = 1$ or $R = -1$, it means that there has been a perfect relationship, namely in the form of a straight line, while for R which leads to

the number 0, it is increasingly not straight.

4. Research Results and Discussion Normality Test Results

The following are the results of the normality test obtained, namely:



Source: Eviews results, data processed 2022

Figure 4.1 Normality Test Results

Based on the figure 4.4 above, it can be seen that the data in this study have been normally distributed, this can be seen from the Jarque Berra < Chi Square Table of (1.40 < 5.99) and the probability > 5% significance level (0.49 > 0.05).

Autocorrelation Test Results

The results obtained in this study are:

**Table 4.1
Autocorrelation Test Results**

Breusch-Godfrey Serial Correlation LM Test:			
F-statistic	11.01509	Prob. F(2,26)	0.0003
Obs*R-squared	14.21888	Prob. Chi-Square(2)	0.0008

Source: Eviews results, data processed 2022

Based on the Table 4.1 above, it can be seen that the value of Obs R-Square > Chi Square table is (14.21 > 5.99) and the probability of Chi Square < significant level is (0.0008 < 0.05), it is concluded that in this study there is an indication of autocorrelation, so in this study it must be cured or repaired.

So to cure autocorrelation, a first-degree differential healing method is used by adding the symbol (D) to the estimate, and the following results are obtained.

**Table 4.2
Autocorrelation Test Repair Results**

Breusch-Godfrey Serial Correlation LM Test:			
F-statistic	0.004112	Prob. F(2,25)	0.9959
Obs*R-squared	0.009867	Prob. Chi-Square(2)	0.9951

Source: Eviews results, data processed in 2022

Based on the Table 4.2 above, it can be seen

that the value of Obs R-Square < Chi Square table is (0.009 < 5.99) and the probability of Chi Square > significant level is (0.99 > 0.05) so it can be concluded that in this study there is no indication or problem of autocorrelation.

Heteroscedasticity Test Results

The results of the heteroscedasticity test can be seen in the following table:

**Table 4.3
Heteroskedasticity Test Results**

Heteroskedasticity Test: Breusch-Pagan-Godfrey			
F-statistic	1.456583	Prob. F(2,28)	0.2502
Obs*R-squared	2.921349	Prob. Chi-Square(2)	0.2321
Scaled explained SS	1.185525	Prob. Chi-Square(2)	0.5528

Source: Eviews results, data processed in 2022

Based on the Table 4.3 above, it can be seen that the value of Obs R-Square < Chi Square Table is (2.92 < 5.99) and Prob. Chi-Square > Significant Level (0.23 > 0.05), it can be concluded that in this study there is no heteroscedasticity problem.

Multicollinearity Test

The test results can be seen in the table below:

**Table 4.4
Multicollinearity Test Results**

	LOG (COFFE_ IMPORT)	LOG (NATURAL_ RUBBER_ IMPORT)
LOG (COFFE_ IMPORT)	1.000000	0.660520
LOG (NATURAL_ RUBBER_ IMPORT)	0.660520	1.000000

Source: Eviews results, data processed 2022

Based on the Table 4.4 above, it can be seen that this study was free from the problem of multicollinearity, this can be seen from the correlation value of each independent variable, namely the import of coffee and natural rubber below 0.80.

Multiple Linear Regression Estimation Results

The test results in this study are:

**Table 4.5
Multiple Linear Regression Estimation Results**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.794977	0.849210	8.001528	0.0000
LOG (COFFE_ IMPORT)	0.311363	0.081578	3.816726	0.0007
LOG (NATURAL_ RUBBER_ IMPORT)	0.488850	0.119506	4.090590	0.0003

Source: Eviews results, data processed in 2022

The explanation of the interpretation of the results of the above equation formulation is:

A constant of 6.79 means that if coffee imports and imports of natural rubber are constant or fixed, then economic growth as measured by GDP will also be constant at 6.79%.

Regression coefficient (X1) is 0.31 which means that if coffee imports increase by 1%, then economic growth as measured by GDP also increases by 0.31% with the assumption that the natural rubber import variable is constant/fixed.

The regression coefficient (X2) is 0.49, meaning that if the import of natural rubber increases by 1%, the economic growth measured by GDP will also increase by 0.49%, assuming that the coffee import variable is constant.

Hypothesis Testing Results

Partial Test Results (t Test)

Based on the partial test results can be obtained that.

Table 4.6
Partial Test Results

Independent Variable	t-statistics	t-table	Probability	Description
Log (Coffee Import)	3.816726	1.7011 3	0.0007	Significant
Log (Natural Rubber Import)	4.090590		0.0003	Significant

Source: Eviews results, data processed 2022

Based on the Table 4.6 above, partial results are obtained on the Coffee Import Log variable having a t-count value > t-table ($3.816726 > 1.70113$) with a probability < 5% significance level ($0.0007 < 0.05$) then accept H3 and which means the Import variable Coffee has a positive and significant effect on Economic Growth as measured by GDP in Indonesia.

The Natural Rubber Import Log variable has a t-count value > t-table ($4.090590 > 1.70113$) with a probability < 5% significance level ($0.0003 < 0.05$) then accept H4 which means that the Natural Rubber Import variable has a positive and significant effect on Economic Growth in measure of GDP in Indonesia.

Simultaneous Test Results

Based on the test results in the table above, it can be seen as follows.

Table 4.7
Simultaneous Test Results

f-statistics	f-table	Probability	Description
46.05646	3.34	0.000000	Significant

Source: Eviews results, data processed 2022

Based on the Table 4.7 above, it is found that the f-count > f-table and probability < 5% significance level, namely ($46,056 > 3.34$) and ($0.000 < 0.05$), it is concluded that imports coffee & imports natural rubber simultaneously have a positive and significant effect on economic growth as measured by GDP in Indonesia.

Coefficient of Determination Results

Table 4.8
Coefficient Of Determination test Results

R-squared	0.766886	Mean dependent var	14.16496
Adjusted R-squared	0.750235	S.D. dependent var	1.413679
S.E. of regression	0.706507	Akaike info criterion	2.234798
Sum squared resid	13.97626	Schwarz criterion	2.373571
Log likelihood	-31.63937	Hannan-Quinn criter.	2.280035
F-statistic	46.05646	Durbin-Watson stat	0.693286
Prob(F-statistic)	0.000000		

Source: Eviews results, data processed 2022

Based on the Table 4.8 above, it can be seen that the Adjusted R-Square value is 0.750235, which means that the amount of coffee imports and natural rubber imports is able to explain the economic growth variable measured from GDP of 75.02% while the remaining 24.98% is influenced by other variables outside this research model.

Correlation Coefficient Results

The correlation coefficient test is used to determine how close/strong the relationship between the independent variable and the dependent variable is. This test is carried out from the R-Square root value. The results obtained in this study are based on Table 4.8 where the R-Square root value is $0.766886 = 0.875720$, meaning that the relationship between coffee imports and imports of natural rubber on economic growth as measured by GDP has a very strong relationship because the value 0.8757 is almost positive one (+1).

Discussion

The Effect of Coffee Imports on Economic Growth

Based on the partial test results, it was found that the coffee import variable had a positive and significant effect on economic growth, meaning that when coffee imports increased, economic growth also increased. The results of this study are not in line with the theory of international trade presented (Agustin, 2021) that the size of import activities is strongly influenced by the level of national income that occurs in the economy.

This is in accordance with the theory which says that "the higher the national income, the greater the imports that can be carried out by the country or region, and the import function describes the relationship between the value of imports carried out with the level of community income and national income to be achieved. However, the results obtained in this study, the high import value actually makes economic growth increase.

The results in this study where imports have a positive influence on economic growth are also based on the phenomenon that occurs where the consumption of coffee commodities in Indonesia is starting to increase, this is because the trend of coffee connoisseurs in Indonesia is starting to increase, and the demand for coffee which is also driven by higher business selling coffee or coffee shops in Indonesia.

Domestic coffee demand causes coffee imports to grow, which in turn will increase economic growth. The results of this study are also in line with and reinforced by research by Anisya et al., (2021) which states that imports in the short and long term have a positive effect on Indonesia's economic growth.

The Effect of Natural Rubber Imports on Economic Growth

Based on the partial test results, it was found that the import of natural rubber had a positive and significant effect on economic growth, meaning that when imports of natural rubber increased, economic growth also increased. This condition is certainly not appropriate and in line with theory because high imports should weaken economic growth instead of boosting the economy.

The results of this study are different from the theory due to the phenomena that occur in Indonesia, especially in the natural rubber field where when the demand for natural rubber is high and makes producers lack of raw materials so that they import to keep the production process running smoothly. So when the production process runs smoothly, economic growth will automatically increase, especially now that many industrial sectors are starting to grow in Indonesia.

Imports have a positive effect on economic growth due to the weakening of exports due to the uncertain global economic turmoil. On the other hand, import demand has actually increased twice from exports due to increased domestic demand, this factor can make the achievement of Indonesia's economic growth value positive. The results of this study are also in line with research

by Astuti & Juniwat (2018) which states that imports have a positive influence on Indonesia's economic growth.

5. CLOSING

Conclusion

Based on the results of research and discussion, the researchers put forward the following conclusions:

1. The results of the partial test concluded that the coffee import variable has a positive and significant effect on economic growth as measured by GDP.
2. The results of the partial test concluded that the natural rubber import variable had a positive and significant effect on economic growth as measured by GDP.
3. Simultaneous test results are obtained that imports of coffee and imports of natural rubber have a positive and significant effect on economic growth as measured by GDP, this means that when imports increase, economic growth also increases.
4. The results of the coefficient of determination test concluded that the magnitude of the ability to import coffee and natural rubber was able to explain the variable economic growth of 75.02 percent, the remaining 24.98 percent was influenced by other variables outside the research model.
5. The results of the correlation test concluded that the relationship between coffee imports and natural rubber imports had a very strong/close relationship to economic growth as measured by GDP.

Suggestion

The suggestions that can be given by researchers in this study are as follows:

1. The government is expected to be more focused and more serious in dealing with import problems, especially imports for Indonesia's leading commodities, this is because if the superior products marketed by Indonesia in the global market also continue to import, it will reduce the image and competitiveness of these commodities. In addition, the government must play an active role in maintaining the stability of the circulation of sales of Indonesian coffee and natural rubber in the world market, as well as

suppressing the development of imports so that they do not continue in the long term.

2. To the private sector or producers/entrepreneurs to be wiser and appreciate domestically produced products by buying and using production raw materials that are processed domestically so that domestic products are sold and can help increase GDP and ultimately increase economic growth . However, if the raw materials in the country are very scarce, they are allowed to import but in certain quantities and there are limits that are determined so as not to depend on imported products.
3. To the community to play an active role in providing socialization and new scientific findings to increase the production of both coffee and natural rubber so that coffee and rubber farmers can be more productive in improving the quality of their production and the community must also be given more understanding of the importance of using and using domestic products so that it will slowly create a sense of love for the homeland.
4. For further researchers who want to do research related to imports, they should be able to add other variables that are also very closely related to international trade and economic growth such as foreign exchange reserves or exchange rates, then the latest data and phenomena that are more recent should also be added.

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