

TABLE OF CONTENTS

TITLE	i
LEGALITY SHEET(F1)	ii
LETTER OF ACCEPTANE (F2)	iii
LETTER OF AUTHENTICITY (F3)	iv
ACKNOWLEDGEMENT	v
ABSTRACT	vi
INTISARI	vii
TABLE OF CONTENT	vii
LIST OF TABLES	ix
LIST OF FIGURES	x
CHAPTER 1 INTRODUCTION	1
1.1. Research Background	1
1.2. Research Questions	6
1.3. Research Motivation	6
1.4. Research Aims	7
1.5. Research Scope	7
1.6. Research Objectives	8
1.7. Research Structure	8
CHAPTER 2 EMPIRICAL STUDIES AND RESEARCH DESIGN	10
2.1. International Trade Theories	10
2.1.1 International Economics	10
2.1.2 Mercantilism	10
2.1.3 Absolute Advantage Theory	11
2.1.4 Comparative Advantage Theory	11
2.1.5 Heckscher-Ohlin (H-O) Theory	12
2.1.6 Leontief Paradox	12
2.1.7 The Product Life Cycle Theory	13



2.1.8 New Trade Theory	13
2.1.9 Porter's Diamond	14
2.2. The Gravity Model.....	15
2.3. Literature Review.....	17
2.4. Research Model	19
2.5. Research Hypothesis.....	20
2.6. Research Mainframe	21
CHAPTER 3 DATA AND METHODOLOGY	22
3.1. Data and Variables	22
3.2. Analytical Tools.....	23
3.2.1. Panel Data Estimation Regression Method.....	25
3.2.1.1 Common Effect Model (CEM)	25
3.2.1.2 Random Effect Model (REM)	25
3.2.2. Panel Data Regression Model Selection	26
3.2.3. Classical Assumptions for Panel Data Regression.....	27
3.2.3.1 Normality Test	27
3.2.3.2 Heteroskedasticity Test.....	27
3.2.4. Panel Data Regression Significance Test.....	28
3.2.4.1 T-Test.....	28
3.2.4.2 Goodness of fit Test	29
CHAPTER 4 RESULTS AND DISCUSSION	31
4.1. Data Analysis for Indonesian Non-oil and Gas Exports	31
4.1.1. Panel Data Regression Model Selection (Lagrange Multiplier Test)	32
4.1.2. Classical Assumption Test.....	35
4.1.2.1 Normality Test (Jarque-Bera Test)	35
4.1.2.2 Heteroskedasticity Test.....	36
4.1.3. Significance Test.....	36
4.1.3.1 T-Test.....	36
4.1.3.2 Goodness of Fit Test	39
4.2. Regression Result Discussion	40



CHAPTER 5 CONCLUSION AND SUGGESTIONS	42
5.1. Overview of Indonesian Non-Oil and Gas Exports 2012-2016	42
5.2. Conclusion	42
5.3. Suggestions	44
REFERENCES	45
APPENDIX	47