

ABSTRACT

The research aims to explain factors that influence the export volume of Indonesian Crude Palm Oil (CPO) export during 1975-2014 which included domestic consumption, international price, domestic price and rupiah exchange rate (Rp/USD). The type of this research is quantitative approach while the data analysis of it was Error Correction Model (ECM) method with Eviews 7.0 program. The result of the research showed that in a long term domestic consumption of CPO, the domestic price of CPO and the rupiah exchange rate (Rp/USD) have positive correlation while the international price of CPO has negative correlation. All of those variables have significant influence toward the export volume of Indonesia's CPO. In a short term the domestic consumption of CPO and international price of it has negative correlation while the domestic price of CPO and the rupiah exchange rate (Rp/USD) has a positive correlation. The variables which have significant influence in short term are the international price of CPO and the domestic price of CPO. While the domestic consumption of CPO and the rupiah exchange rate (Rp/USD) have insignificant influence.

Key Words: Domestic Consumption of CPO, International Price of CPO, Domestic Price of CPO, Rupiah Exchange Rate (Rp/USD) and Error Correction Model (ECM).