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**IMPACT OF FOOD IMPORT TARRIF DECREASE IN INDONESIA**

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**Abstract.** The research aimed to estimate the impact of agricultural trade reform under WTO on the welfare and food security in Indonesia. The analysis of the research data was conducted by using CGE/MPSGE model based on SAM (Social Accounting Matrix) data and input-output table of Indonesia in year 2008. The results showed that the decrease and removal of food import tariff would increase income and welfare of all household classes. Removal and decrease of tariff also increased the output of several commodities, i.e. paddy, nut, corn, as well as other commodities, and also the commodities in the mining sector. However, on the other hand, the tariff decrease and removal also decreased the output of industrial sector, either in the agriculture industry, or in other industrial sectors. The tariff removal and decrease also impacted the service sector in term of the decreasing output. This research concluded that the trade reform will weaken food security in Indonesia because the increase on food crop output has not been able to increase food export yet, and it will in the contrary increase the food import (e.g. paddy,nuts, and corn).

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