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**EFFECT OF TRADE LIBERALIZATION: THE EXPERIENCE OF INDONESIAN
COFFEE AND RUBBER INDUSTRIES**

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Abstract. The study revealed that Indonesian coffee and rubber industries benefited from trade liberalization. Trade liberalization had a positive effect on the production, consumption, volume of export, net trade, CM and RCA of coffee and rubber. The price competitiveness analyses showed that coffee undergoing the wet process was more competitive than the dry processed one. This implied that higher quality coffee was more competitive in the export market. For rubber, SIR 20 was competitive. The relative export competitiveness of the commodities was not solely dependent on trade liberalization but also on other policies such as exchange rate. Productivity and quality should be prioritized in the development of coffee and rubber industries.

JEL Classification: C25, D43, L13

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