

CHAPTER ONE

INTRODUCTION

1.1. Background

This thesis aims to analyze how the impact of *ASEAN-India Free Trade Area* (AIFTA) on Indonesian Coffee Industry. The research will analyze how the impact of a free trade agreement between ASEAN and India in Indonesia's exports and imports to India, especially in Indonesian coffee exports. The analysis of this paper will be reviewed with some concepts related to the influence of free trade for a country. The existence of a free trade agreement between ASEAN and India has had an effect on increasing exports and imports among ASEAN countries to India, especially Indonesia, which is among the largest export suppliers to India. According to the research, Indonesia took part interest in the formation of the ASEAN-India Free Trade Area, due to a change in the percentage of import-export Indonesia against India before the existence of the agreement between the ASEAN-India Free Trade Area (AIFTA) after the existence of the the agreement of the ASEAN-India Free Trade Area. Indonesia was involved besides the AIFTA trade agreements, one of them as the ASEAN-China Free Trade Area. Unfortunately, the presence of ACFTA has made many disadvantage to domestic industry of Indonesia. Thus, it is contrary with the presence of the free trade agreement between ASEAN and India. However, by reviewed that phenomena, this thesis is very interested to choose this topic and research it . Therefore, some of these phenomenons encourage this thesis to conduct research that analyzes how far the impact of *the ASEAN-India Free Trade Area* (AIFTA) on Indonesia's Domestic Industry, especially coffee, which that has become one of Indonesia's largest exports to India. Then, the research will be discussed with some conceptual framework to produce a scientific answer.

A Commodity of Coffee is a commodity that has an important role as a source of foreign exchange Indonesia, job creation and income for farmers. A Coffee is a raw material for beverage industries for producer countries themselves and countries that import coffee. According to the discussion in a journal taking data from the Association of Indonesian Coffee Exporters (AEKI) said that almost 70-80% of coffee imported into a country is used as industry needs and as a beverage processing as a drinks.¹ During the period of 2005-2010 coffee exports grew about 8.1% per year. But, unfortunately the majority of Indonesia's coffee exports are coffee beans with 99.8% of the total Indonesian coffee exports.²

Based on the explanation, Indonesian coffee production which is still dominated by coffee beans, it will determine how to increase Indonesian exports in the field of coffee. India is one of the main destinations of Indonesian coffee exports from the top ten main destination countries, as India has a good reputation as a coffee exporter to countries in Europe, especially in the export of Robusta coffee India. India imports coffee from Indonesia for additional value in the country and also for re-exporting. Indonesia's coffee exports to India in 2005-2010 have not been stable yet, as Indonesian coffee imports from Indonesia depend on how much coffee demand from European countries to India. Evidently, in 2009-2010 Indonesia's coffee exports to India decreased due to lack of demand for imported coffee from European countries to India.

ASEAN and India free trade cooperation is an anticipation of ASEAN countries to the presence of India into a super-power state in the future. The India country, it looks convincingly advanced in a variety of field, which indicating that is not impossible that India can stand equal with

¹ Ratna, Tety, and Eliza. "Analisis Posisi Ekspor Kopi Indonesia." in the Journal : *Jom Faperta*, Vol.3, No. 1. (2016). Page : 1-7.

² Sudjarmoko, B. (2013). "Prospek Pengembangan Industrialisasi Kopi Indonesia". Dalam Jurnal *SIRINOV*, Volume 1, No. 3. Page. 100.

China, Japan and even the United States sometime in the future. Thus, India becomes a hope for ASEAN countries and if that is achieved, many of the political and policy directions of countries in the Asia-Pacific region will be oriented towards India. Thus, with the cooperation between ASEAN and India will maximize the interests of ASEAN countries and member countries, especially Indonesia.

The Head of the Central Bureau of Statistics (BPS) said in once news, that India since January 2017 it has shifted the position of Japan as the third major export destination countries for Indonesia's for non-migas export commodities.³ The cooperation between India and ASEAN can be a forum for Indonesia to expand various fields of cooperation, especially the economy. Moreover, India is one of the Asian countries in the G-20 group, this is an increasing India roles as an Indonesian trading partner.

Indonesia has some export commodities which has become the pre-eminent or famous in India, so that export commodities they are: : 1. Electronics, 2. Lumber and Rubber Products, 3. Crude Palm, 4. Coffee, 5. Forest Products, 6. Shrimps, 7. Footwear.⁴ India has become one of the top 10 major export destination country Indonesia coffee.⁵ India as a country that is becoming one of the top ten coffee export destination country Indonesia certainly has some of the factors that make India can becomes it. Thus, in a report at Indonesian Trade Promotion Center (ITPC)⁶, there are

³ Idris, M. (2017). *India Jadi Ladang Baru Indonesia*. Retrieved on December, 24, 2017, from <https://finance.detik.com/berita-ekonomi-bisnis/3447695/india-jadi-ladang-ekspor-baru-ri>

⁴ Waluyo, Dee. (2016). *7 Produk Unggulan Ekspor ke India*. Retrieved on 12, 26, 2017, from <https://jpp.go.id/ekonomi/perdagangan/300652-7-produk-unggulan-ekspor-ke-india> pukul 10:20 WIB

⁵ BPS Indonesia. (2017). *Ekspor Kopi Menurut Negara Tujuan Utama, 2000-2015*. Retrieved 12, 26, 2017, from <https://www.bps.go.id/statictable/2014/09/08/1014/ekspor-kopi-menurut-negara-tujuan-utama-2000-2015.html>

⁶ Indonesian Trade Promotion Center. (2013). *Market Brief "Peluang Pasar Produk Kopi Indonesia"*. accessed on February 12, 2018 from <http://djpen.kemendag.go.id>. <http://djpen.kemendag.go.id/membership/data/files/78671-MB-ITPC-CHENNAI-6-2013>.

several factors that make the reason India became Indonesia's coffee export destination country, as for some of these factors is as follows:

- India is the third largest coffee supplier in Asia, can become a buyer within a decade as the company Cafe open to take advantage of the growing demand for drinks, according to the Coffee Board of India.
- India imports coffee mainly from Vietnam, Uganda and Indonesia to be processed by export-oriented units for domestic value addition and also for re-export. So, that coffee enter to India with free of any import duty under a special program designed to transfer additional value to export the goods again.
- India has a free trade agreement with ASEAN namely AFTA applicable starting in 2010 in Indonesia, where with the free trade agreement Indonesia has some facilities to increase the export volume of Indonesian coffee to India.

Some of the factors listed above are just some of the factors why India could become Indonesia's coffee export destination countries, in addition to many more other reasons more specifically will be discussed in the chapter the discussion later in this study. Nevertheless, the three reasons above is the reason that makes the chances of export coffee Indonesia to India increased, especially with the AFTA that would reduce some of the barriers to trade in accordance with the free trade agreement AFTA that applies.

Thus, with the opportunity of the coffee market in India to be a new target for one of the major coffee producing countries, such as Indonesia who became the main producer and coffee exporting country fourth largest in the world. So, in this study, the research will analyze how far the impact generated by the ASEAN-India Free Trade Area on the Indonesian Domestic Industry, especially coffee Indonesia to India.

1.2. Research Question

How is the impact of the ASEAN-India Free Trade Area towards Indonesia's coffee exports against India ?

1.3. Objectives and Benefits

1.3.1. Objectives

The purpose of this research is as follows:

1. To know and explain the impact of ASEAN-India Free Trade Area on Indonesian coffee industry especially in the field of Indonesian coffee export to India.
2. To know and explain the policy strategies implemented by the Indonesian government in facing AIFTA to protect and increase national coffee production.
3. To find out and explain the opportunities and challenges faced by Indonesian coffee products following the enactment of AIFTA.

1.3.2. Benefits

The benefits of this research is as follows

1. This research to provides the analysis of ASEAN-India free trade cooperation and its effect on Indonesian coffee exports and can be a reference, a source of scientific information and further study material in the study of international relations for researchers who have the same object of study.
2. In addition, this research conducted as a consideration for policy makers (government and private) involved in coffee, in addressing international phenomena, in this case related to the problem of free trade that occurred in several countries in world.

1.4. Literature Review

Every research reveals a new thing from a phenomenon that has happened. Then, the explanation expressed that a new research will be related to or will not be separated from previous research, which is almost the same as the research. Thus, it can be expressed that a research that is conducted by the academic is the result of research development, revision or even a refinement of previous research that ever existed. According to Roselle and Spray in their book entitled *Research and Writing in International Relations* that literature review is a process of reviewing back publication of some of the results of research conducted by researchers earlier. While, beside it that the term writing literature review is defined as the process of writing a summary of some research results of from previous researchers.⁷ Literature review presented to be able to sort out the distinction from research conducted by academics with the research that has been done by researchers or former scholars, so that new research undertaken by the academic become a development as a contribution towards the research related to it.

In this research is aware of the importance of doing a review and comparison with the research and writings that have been previously discussed about how the impact of the ASEAN-India Free Trade Area towards Indonesia's domestic Industry, especially the coffee industry. Research and writings that will lead to more specific related to Indonesia's coffee exports between before applied the AIFTA and after applied the AIFTA. Research on Indonesian oil and gas exports of goods or Indonesian non-oil and gas exports to other countries or to India has been a lot done by previous researchers. Then, the following research with the same theme with this thesis.

⁷ Roselle, L. d. (2008). *Research and Writing in International Relations*. New York: Pearson Longman. Page. 18

Naoto. A. Parongko in his research in 2012 entitled “*Suatu Analisis Kerja Sama Free Trade Area ASEAN-India dan Pengaruhnya terhadap Industri Domestik Indonesia (Studi Kasus: Industri Kelapa Sawit)*” He found that after the establishment of AIFTA, there are opportunities and challenges faced by the industry of Indonesia, especially palm oil. The Opportunities for the Indonesian industry is greater for expanding markets through export and production development, if that compared to the challenges faced by the industry. In general, the challenges faced by the palm oil industry come from within the country, such as; government moratorium policy, legal uncertainty, and lack of research. The Indonesia’s single biggest obstacle is the weakness of the industry’s competitiveness to compete with products⁸.from other producer country industries

The Research that is conducted by Dhiya Hanza Atika in 2017 entitled “*Perbandingan Ekspor Karet Indonesia ke China sebelum dan sesudah penerapan ASEAN-China Free Trade Area (ACFTA) pada tahun 2000-2010*”, choosing a case study of free trade agreement between Indonesia and China in *ASEAN-China Free Trade Area (ACFTA)*. In this research said that the enforcement of ASEAN-China Free Trade Agreement (ACFTA) in Indonesia gives positive changes to the volume and value of Indonesia’s natural rubber exports to China between before and after the enforcement of ACFTA. In 2000-2004 at ASEAN and China have not ratified ACFTA, the volume of Indonesian natural rubber exporter to China reached 523,235 tons with a value of US \$ 512,188,000. While, in 2005-2010 after ratifying

⁸ Parongko. Naoto. (2012). “*Suatu Analisis Kerja Sama Free Trade Area ASEAN-India dan Pengaruhnya terhadap Industri Domestik Indonesia (Studi Kasus: Industri Kelapa Sawit)*”. *Skripsi*. FISIP, Ilmu Hubungan Internasional, Universitas Hasannudin, Makassar.

ACFTA, total export volume of Indonesian natural rubber to China reached 2,122,092 tons with value of US \$ 4,948,910,000. The increase in volume of exports of natural rubber Indonesia rises to 10 times as much.⁹ In this research emphasized that free trade agreements between ASEAN with the ASEAN dialogue partner countries bring positive impact to the increase in the volume of exports of Indonesia against those countries, particularly China and India already mentioned in the previous literature.

In addition, in Bedy Sudjarmoko's study in 2013 entitled "*Prospek Pengembangan Industrialisasi Kopi Indonesia*" mention that in the international market, beginning in the 2011 Indonesia already are in the position to the rank of three in the world coffee exporter after Brazil and Vietnam or Indonesia has managed to shift the position of Colombia and Peru. In terms of international and domestic market opportunities, a development of industrialization of coffee in Indonesia have excellent prospects.¹⁰ In this research it is explained that Indonesia has great competence with the top 5 countries exporting coffee in the international market, because the 5th position is always fluctuating or an uncertain position. Thus, it is undeniable that Indonesia must do various strategies. In that case, we can see that Indonesia suffered a decrease in his ratings on this year 2017, Indonesia dropped to 4th rank after the Colombia managed to climb past Indonesia. Moreover, beside it that Vietnam belonging to one of the ASEAN member countries becomes Indonesia's big rival in International coffee trade, even in Southeast Asia region itself.

At the last, the results of research conducted by Puteri Dewi Lestari in 2015 entitled "*Pengaruh ASEAN-India Free Trade Agreement (AIFTA)*"

⁹ Hanza. Dhiya. (2017). "*Perbandingan Ekspor Karet Indonesia ke China sebelum dan sesudah penerapan ASEAN-China Free Trade Area (ACFTA) pada tahun 2000-2010*". *Skripsi*. FISIP, Ilmu Hubungan Internasional, Universitas Bandar Lampung, Lampung.

¹⁰ Sudjarmoko, B. (2013). "*Prospek Pengembangan Industrialisasi Kopi Indonesia*". Dalam Jurnal *SIRINOV*, Volume 1, No. 3. Page. 110.

Terhadap Industri Petrokimia Indonesia” explained that Indonesia-India cooperation relations in the field of economy and trade began to emerge along with efforts towards cooperation between ASEAN and South Asian Regional Cooperation Association (SAARC) to move towards broader cooperation in Asia.¹¹ Moreover, a closer relations and cooperation have been realized in the partner relationship between ASEAN and India through the format of the ASEAN + 1 (India) Summit. In this relationship, it can be noted the existence of a great commitment from India to further enhance relations and cooperation with countries in the Asia Pacific region. This was evident after Indian Prime Minister Atal Behari Vajpayee made a new policy, that are “*New East Look Policy*”. In terms of the large population between the two countries, there are so many economic, investment, trade and tourism opportunities and other fields, such as education, health and science that both countries can develop. However, India has some excellent products Indonesia as large exporters of these products to India, one of them is the coffee including ranking fourth.

This Thesis review of the above research results shows, in the fact that the AIFTA enforcement as a free trade area market has had a positive impact on the development of bilateral relations between Indonesia and India within the framework of the *ASEAN-India Free Trade Area (AIFTA)*, particularly in increasing Indonesia’s exports to India.

1.5. Theoretical and Conceptual Framework

1.5.1. Free Trade Concept

The flow of free trade were pioneered by the liberalism state that commercial goods traders should be allowed to exchange money and goods without being bothered by the State. Where, it there should be a legal limitation on international trade, and it’s not as if there is

¹¹ Puteri, L. (2015). *Pengaruh ASEAN-India Free Trade Agreement (AIFTA) Terhadap Industri Petrokimia Indonesia*. Dalam Jurnal Online Mahasiswa FISIP, Vol. 2, No. 2. Hubungan Internasional : Universitas Riau. Page: 6.

protection or subsidies that impede freedom of exchange rate. So, every country is free to establish trade policy in accordance with its comparative advantage. This concept of free trade was first formulated by Adam Smith which was later developed by David Ricardo in 1887.

Adam Smith has said and shows that free trade and capitalism in general is a superior system than the other dominant trading system.¹² Free trade is defined as an economic concept that refers to the sale of products between countries without import-export tax or other trade barriers.¹³ Therefore that means, that any actor who commits an international trade whether an individual, an MNC, or a country within a country can trade without trade barriers such as tariff and non-tariff barriers. Beside, it is not much different about free trade also has been said by Sukirno, among which States that free trade is a system of foreign trade where each country doing trade with no barriers to trade.¹⁴ International trade barriers can be taxes, quotas, dumping, and other protection policies.

In this research, it uses the concept of free trade to explain the flow of free trade between ASEAN and India in accordance with the agreement of the AIFTA. The concept of free trade will explain how a free trade between a region between India and ASEAN has an impact on each country that is directly related to it. Thus, the concept of free trade will explain from the beginning to the regulation of the law of international trade initiated the WTO covered the AIFTA, and how can the process of economic integration in the AIFTA, until how

¹² Schumacher. Reinhard. (2012). "*Free Trade and Absolute and Comparative Advantage. A Critical Comparison of Two Major Theories of International Trade*". Thesis. Magister, University of Postdam, Germany. Page. 13.

¹³ Apridar. 2009. *Ekonomi Internasional-Sejarah Teori, Konsep dan Permasalahan dalam Aplikasinya*. Yogyakarta: Graha Ilmu. Page. 182

¹⁴ Sadono Sukirno. 2008. *MakroEkonomi Teori Pengantar*. Jakarta: PT. Rajagrafindo Persada. Page. 360

the AIFTA bring impact on the associated countries, in particular the bilateral economic relationship between Indonesia and India in the framework of the AIFTA.

1.5.2. Trade Cooperation in Islamic Worldview Concept's

This study will add a scientific integration of trade in accordance with Islamic Shari'a, then how the views of Islam on international trade such as case studies taken that is about the trade, which based on Al-Qur'an and Hadith. Cooperation activities between bilateral and regional countries in the era is more increasing, because a country will need other countries like humans Islam teaches two kinds of interaction in humans or often called in Islam namely by *Mu'amalah*, the two kinds namely; *Mu'amalah Ma'annaas*, and *Mu'amalah Ma'Allah*. In short, *Mu'amalah Ma'annaas* is an interaction between humans and other human beings to achieve an brotherhood or in Islam said by *Ukhuwah*. One of the activities in *Mu'amalah Ma'annas* is a trade. Trade is permitted in Islam, but of course in compliance with the trade in the teaching of the Islamic religion. The export-import activity in this research is a *mu'amalah* activity between countries with other countries for the existence of mutual interdependence and useful between them, in addition to achieving economic improvement in their respective countries.

Trade is a step of a country in order to establish good bilateral or regional relationships against other countries. Allah SWT says in the Al-Qur'an, Al-Hujurat verse 13;

يَا أَيُّهَا النَّاسُ إِنَّا خَلَقْنَاكُمْ مِنْ ذَكَرٍ وَأُنْثَىٰ وَجَعَلْنَاكُمْ شُعُوبًا

وَقَبَائِلَ لِيَتَعَارَفُوا ۗ إِنَّ أَكْرَمَكُمْ عِنْدَ اللَّهِ أَتْقَاكُمْ ۗ إِنَّ اللَّهَ عَلِيمٌ
خَبِيرٌ

Meaning: “O mankind, We created you from a man and a woman and made you nation and tribe to know one another. the noblest of you, in the sight of Allah, is the best in conduct. Allah is the Knower, Aware”

(Q.S : Al-Hujurat : 13).¹⁵

In the verse it is explained that Allah has created us with all the differences that exist for us to know each other, then a cooperative relationship will be intertwined if there is a real interaction. The relationship of economic cooperation through trade includes efforts to realize the verses in the Qur'an. Briefly, Islamic trades are justified to achieve four main things: 1. Material and non-material profits, 2. Growth, 3. Sustainability, 4. Blessings.¹⁶ Allah SWT said in Al-Qur'an concerning about a trade in An-Nisa: 29:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُم بَيْنَكُم بِالْبَاطِلِ إِلَّا أَنْ
تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ ۗ وَلَا تَقْتُلُوا أَنْفُسَكُمْ ۗ إِنَّ اللَّهَ
كَانَ بِكُمْ رَحِيمًا

Meaning: “O ye who believe! Squander not your wealth among yourselves in vanity, except it be a trade by mutual consent, and kill not one another. Allah is ever Merciful to you”. (Q.S : An-Nisa : 29).¹⁷

In the letter of An-Nisa verse 29 contained explanations of trade

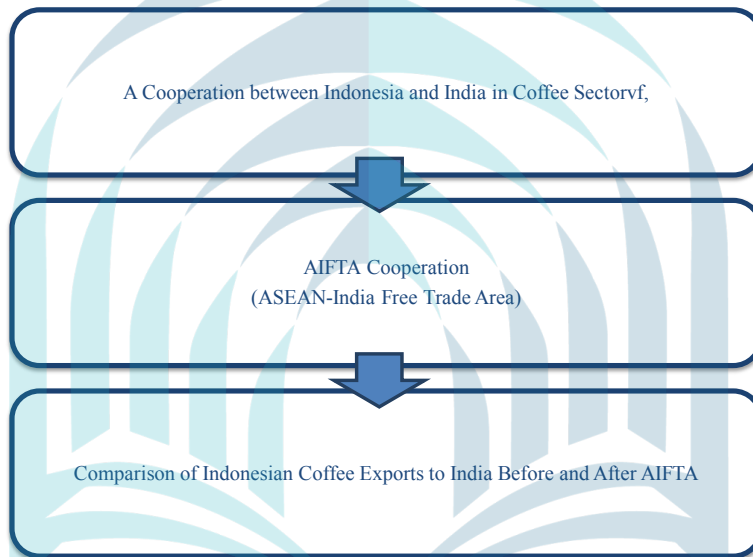
¹⁵ Al-Qur'an Surat : Al-Hujurat, Ayat 13

¹⁶ Norvadewi. (2015). Bisnis dalam Perspektif Islam. Dalam Jurnal Ekonomi dan Bisnis Islam *Al-Tijary*. Page. 43.

¹⁷ Al-Qur'an Surat : An-Nisa, Ayat 29

in accordance with Islamic teachings. By using the concept of trade in Islam and reinforced by the Qur'anic verse, the thesis explains in one of the sub-chapters of the discussion of how the Islamic view of trade relations between countries in bilateral or regional cooperation,

Research Framework



1.6. Main Argument

Using the concept of free trade in analyzing the impact of international trade and free trade on once country and the bilateral relations of the country to other countries and adding Islamic views to the relations of inter-state trade cooperation, this thesis propose the hypothesis that :

1. Export of Indonesian coffee to India in 2010-2017 increased, than before the established of AIFTA. Thus, it is because in 2000-2010 when ASEAN and India have not established of AIFTA, Indonesia just can only do the coffe export with the highest amount of 18 thousand tons in 2005, while in 2010-2015 after the enforcement of AIFTA, Indonesia have export the coffee to India with the highest

amount in 2012 and 2015 that is until 19 thousand tons.¹⁸ The increase in exports, due to a decrease in coffee tariffs in AIFTA.

2. The Increased of exports cannot be separated from the increasing demand for coffee, especially from India which is notebened is the largest importer of Indonesian coffee. The increase in Indian coffee demand was also due to the the increased of Indian domestic coffee consumption.
3. The increase of Indonesia's coffee exports to India is also based on increasing demand from European markets that take coffee exports from India. ¹⁹
4. Trade cooperation in Islam is one of the activities at this time in *Mu'amalah Ma'annas*. Meanwhile, *Hablumminannaas* or *Mu'amalah Ma'annaas* is an interaction between humans and other human beings to achieve an ukhuwah or bond between them. Thus, a Muslim who will become an actor or a principal in a trade cooperation must understand the laws and rules of Islam that govern all things related to *mu'amalah ma'annas*.

1.7. Research Methodology

The research method is a systematic and necessary way to perform data collection during the analysis of a phenomenon related to the research being analyzed by this thesis.

¹⁸ BPS Indonesia. (2017). *Ekspor Kopi Menurut Negara Tujuan Utama, 2000-2015*. Diakses pada tanggal 12 26, 2017, dari <https://www.bps.go.id/statictable/2014/09/08/1014/ekspor-kopi-menurut-negara-tujuan-utama-2000-2015.html>

¹⁹ Prihtyani, Eni. *Harga Kopi di India Naik Karena Permintaan Ekspor*. (2012). from <http://tekno.kompas.com/read/2012/04/10/1436127/harga.kopi.di.india.naik.karena.permintaan.ekspor>. Retrieved on February, 14, 2018.

1.7.1. Research Method

The analysis method that is chosen by this thesis is a qualitative method by secondary data. In Gumilar's writings in the journal *Makara, Social Humanity* entitled *Understanding Qualitative Methods*, that the qualitative method is a method that seeks to raise various phenomena and a social reality, which it will shape the development or even the development of a conceptual framework or social theory, so that a theory or concept will be reinforced by a reality of existing phenomena.²⁰

1.7.2. Scope of Research

The Scope of Research or can also be called the boundary of research is a method for a study can produce a consistency of research from the existing problems in the study and not out of the core discussion of the study.

The Scope of this research can be measured as this paper tries to determine the Therefore, the scope of research in this study will focus on 1) How the export of Indonesian Coffee to India before the AIFTA and 2) How the export of Indonesian Coffee to India within the framework of AIFTA agreement. This research will also explain some of the relevant actors in the research such as Indonesian Coffee Industry, The Cooperation of Indonesian coffee export-import to India, and AIFTA Free Trade Agreement itself.

1.7.3. Data Analysis

Using the qualitative methods is performing an understanding of a social problem that is descriptive. In the identify of a social phenomena, researcher ranging from collection of data derived from the literature or from informants and reports are found towards a generalization which will bring the concept and theories explain social

²⁰ Gumilar Rusliwa Somantri. 2005. *Memahami Metode Kualitatif*, *Makara Sosial Humaniora*. Vol.9 No.2, Desember 2005. Page. 64.

phenomena that is the case. In the research noticed an impact resulting from causal relationship phenomena that occurs through the scientific analysis. Therefore in this thesis, the research is not only analyzing the existing data, but also explaining how the impact of a relationship or phenomenon that occurs and why the relationship can occur.²¹ The phenomenon used as the object is how the change of Indonesian coffee exports to India before and after the existence of ASEAN-India Free Trade Area (AIFTA).

1.7.4. Data Collection

Data collection techniques are using secondary data collection, where the data through sources either in the form of journals, books, written reports and documents related to the object under study, especially concerning the influence of AIFTA and Indonesian coffee exports to the country of India. The Research using the annual time series from 2005-2010 before AIFTA and 2010-2012 after the enforcement of AIFTA by observing, studying and documenting the descriptions of literature, in the form of books, journals, theses, literature review (Library Research) official site.

The data in this study are sourced from ICO (International Coffee Organization), FAO (Food and Agriculture Organization), BPS (Central Bureau of Statistics), Ministry of Foreign Affairs, Ministry of Agriculture, Ministry of Trade, Scientific Journal, internet and references to previous studies related to this research.

1.8. Thesis Outline

This research has composed five chapters of discussion as a reference framework of thinking described systematically. The systematic design of

²¹ Ria Febrianti. 2015. *Pengaruh ASEAN-Free Trade Area Terhadap Pertumbuhan Ekspor Crude Palm Oil Indonesia 2003-2012*. Jom FISIP Vol.2 No.1, Februari 2015. Page. 6.

this research discussion is as follows:

- The First Chapter contains an introduction which is a general overview of the content of the research, while the first chapter consists of: 1. Background, 2. Research Question, 3. Research Purpose and Benefits , 4. Literature Review, 5. Hypothesis, 6. Research Methodology, 7. Systematical Research
- The Second Chapter contains the discussion, as for chapter two consists of: 1. WTO Roles on Free Trade, 2. Trade cooperation in Islamic Worldview, 3. *ASEAN-India Free Trade Area (AIFTA)* Agreement, 3. Indonesian Coffee Industry, 4. export-import coffee cooperation between Indonesia and India
- The Third Chapter contains the Results of Research, as for the third chapter consists of: The Impact of *ASEAN-India Free Trade Area (AIFTA)* Agreement on Indonesian coffee exports to India
- The Fourth Chapter contains the Final Chapter, as for chapter four it consists of: Conclusions and Suggestions



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