

CONTENTS

Acknowledgments	vi
Table of Contents	ix
List of Tables	xi
List of Figures	xi
List of Appendices	xii
Abstract	xiii
Intisari	xiv
CHAPTER I: INTRODUCTION	1
1.1. Background	1
1.2. Problems Identification	5
1.3. Problem Formulation	6
1.4. Research Objectives	7
1.5. Research Benefits	7
1.6. Writing Systematic	8
CHAPTER II: CONCEPTUAL FRAMEWORK AND HYPOTHESIS	9
2.1. Literature Review	9
2.2. Theoretical Foundation	13
2.2.1. Market	13
2.2.2. Demand	14
2.2.3. Supply	18
2.2.4. The Consumer Behavior	20
2.3. Hypotheses and Assumptions	22
CHAPTER III: RESEARCH METHODOLOGY	23
3.1. Type and Sources of Data	23
3.2. Operational Data	23
3.3. Data Analysis Methods	24
3.3.1. Externalities Identification	25
3.3.2. Choosing the Proper Model	25
3.3.3. Choosing Between Linear and Log-Linear Regression Model	26
3.3.4. Statistical Hypotheses Testing	26
3.3.5. F-Statistic Testing	27
3.3.6. Testing Violation of Classical Assumption	27
3.3.7. Causality in Economics	28

CHAPTER IV: NATURAL RUBBER, A POTENTIAL CASH CROP COMMODITY	29
4.1. Introduction	29
4.2. World Data	30
4.3. Indonesian Natural Rubber Structure (Market Opportunity)	33
4.4. Industry Status	34
4.4.1. Natural Rubber Production	34
4.4.2. Import-Export of Natural Rubber	35
4.4.3. Natural Rubber Consumption	37
CHAPTER V: DATA ANALYSIS AND INTERPRETATION	40
5.1. Description of data	40
5.2. Externalities Identification	40
5.3. Choosing the Proper Model	41
5.3.1. Unit Root Test	41
5.3.2. Cointegrating Regression Durbin-Watson (CRDW) Test	42
5.4. Choosing Between Linear and Log-Linear Regression Model	44
5.5. Statistical Hypotheses Testing	45
A. Test of the Variable $\ln PNR_t$, Price of Natural Rubber (NR)	45
B. Test of the Variable $\ln GDP_t$, total real GDP	46
C. Test of the Variable $\ln PSR_t$, Price of Synthetic Rubber (SR)	46
D. Test of the Variable D_t , Dummy Variable	47
E. Test of Variable $\ln C_{t-1}$, consumption for NR at previous year	47
5.6. F-Statistic Testing	48
5.7. Partial Adjustment Model (PAM)	48
5.7.1. The Short-Run Domestic Consumption for NR, 1980-2003	49
5.7.2. The Long-Run Domestic Consumption for NR, 1980-2003	52
5.8. Testing Violation of Classical Assumption	53
5.8.1. Detecting Autocorrelation	53
5.8.2. Detection of Heteroscedasticity	54
5.9. The Granger Causality Test	55
CHAPTER VI: CONCLUSION AND IMPLICATION	56
6.1. Conclusion	56
6.2. Implication	58
REFERENCES	59

TABLES

Table 1.1.	Summary of the World Output	1
Table 4.1.	Supply/Demand Balance for Rubber ('000 tonnes)	31
Table 4.2.	Total Production of NR ('000 tonnes)	31
Table 4.3.	World Consumption for NR ('000 tonnes)	32
Table 4.4.	Planted Area and Production of NR	34
Table 4.5.	Export Volume of NR by Major Country of Destination	36
Table 4.6.	Export Value of NR by Major Country of Destination	36
Table 4.7.	Indonesian Production, Export and Consumption for NR	38

FIGURES

Figure 2.1.	Demand for Product A	15
Figure 2.2.	Supply for Product A	19
Figure 2.3.	Downward Sloping MU Curve	20
Figure 5.1.	The 95% Confidence interval for $t(18df)$	45
Figure 5.2.	The 95% Confidence interval for $t(18df)$	46
Figure 5.3.	The 95% Confidence interval for $t(18df)$	46
Figure 5.4.	The 95% Confidence interval for $t(18df)$	47

APPENDICES

A-1	Contents
A-2	Comprehensive Data
A-3	Raw Data Table
A-4	OLS Multiple Regression Model Spesification Error: Ramsey's RESET Test
A-5	Partial Regression Model (PAM) <ul style="list-style-type: none">A. Non Linear ModelB. Linear Model
A-6	MWD Test <ul style="list-style-type: none">A. Linear ModelB. Non Linear Model
A-7	Heteroschodasticity <ul style="list-style-type: none">A. Glejser TestB. Goldfelt Quant Test
A-8	Autocorrelation Breusch-Godfrey Test
A-9	Data of Goldfeld-Quant Test
A-10	Causality Test
A-11	Unit Root Test <ul style="list-style-type: none">DF Test Random Walk Random Walk with Incercept Random Walk with Incercept and TrendADF Test (Lag-1 Random Walk with Incercept and Trend)
A-12	Test in the 1st Different
A-14	Cointegration Test