ABSTRACT

ADI SETIYANTO. Analysis of Special Safeguard Mechanism for the Indonesia’s Main Foodstuff Commodities under the Auspice of World Trade Organization Agreement (DEDI BUDIMAN HAKIM as Chairman and NOER AZAM ACHSANI as Member of the Advisory Committee)

Based on July Framework 2004 as a mandate of the sixth World Trade Organization (WTO) Ministerial Conference, Special Safeguard Mechanism (SSM) is a temporary protection mechanism for the developing countries due to import surges as a negative impact of WTO agreement implementation. This research was aimed to formulate SSM scheme of rice, corn, and soybean as Indonesia’s main foodstuff commodities and used monthly time series data from September 1994 to October 2009. This research used Structural Vector Auto Regression (SVAR) model, International Price Pass-Through Effect (IPPTE) analysis, and Hodrick-Prescott Filter (HPF) analysis. This research found that import surges frequency of rice was more than the others, and Indonesia is eligible country to apply the SSM for rice, corn and soybean. The remedial tariff based on the price trigger will be better and must be higher than the amount of the producer’s price decline, with the duration time of SSM implementation is about four years. The SSM scheme for the next negotiation schedule needs to be redesign including the policy of foreign trade, domestic market and production development.

Key words: WTO, SSM, Rice, Corn, Soybean, SVAR Model, IPPTE Analysis, HPF Analysis