

ABSTRACT

This research analyze about trading between Indonesia and China in manufacture expecially in textile and theese product (TPT). By intra industri trading analyze, this research could give explaination about the way trading of intra industri in textile comodity between Indonesia and China. Beside that, this research also analyze comparative advantage comodity textile and his product between Indonesia and China.

The metode we use in this research is counting the index of intra industri trading that use the model's of Herbert G Grubel and Peter J Lloyd. This model is called index intra industri trading (IIT Index) or GL index. And then to measure comparative advantage value in textile and his product industry trading between Indonesia and China we use RTA index (Revealed Trade Advantage). The comodity in this research based on the clasification of SITC (Standard International Trade Classification) 3 digits that include: Fiber Textile (SITC 261,263 to 269), Textile (SITC 651 TO 659) and Garment (SITC 841 to 846 and SITC 848).

We find the indicate value of intra industri index trading TPT between Indonesia and China in period 1997-2006 is low that is less than 50 ($GL < 50$). In TPT comodity that include SITC 266,651,653,657,841 and SITC 848 has high index Intra Industry Trading ($GL > 50$). Besides has high value IIT index that comodity, also the trade overlap rasio and unit value rasio is high too, theese, indicates that trades model for the six's comodity descripts two way trading in vertical differensiation where the products has different quality. And also, this research find that Indonesia does not have comparative advantage in TPT industry with China. Theese also indicates that Indonesian TPT industry in period 1997-2006 has smaller market than China market's both of export side and import side.

Key word : Intra Industry Trade, Comparative Advantage