

**ABSTRACT**

Inpres No. 4/1985 regulate the flow of goods in the port in order to speed up the flow of goods which through the port. The aim of that Inpres was to decrease the cost of goods, specially the raw material for manufactur processing. This research is to study the influence of Inpres No. 4/1985 to cost of good manufacturing for medium and large scale manufacturing industries in Indonesian, which were used imported raw material.

The population in this research was all of the medium and large scale manufacturing industries, which used imported raw material. It was classified in two sub populations. The first one is using imported raw material bellow 50%. The second one is using imported raw material up to 50%. The subject of research was medium and large scale manufacturing industries which is using imported raw material up to 50%, totaly are 17 industries group.

The model of analysis was *defference between mean*. There are three independent variables, there are raw material expenses, cost of good sold, and convection cost. Each variable was compared before and after Inpres No. 4/1985. This research used secondary data from The Statistic Center Bereau. The technical analysis to examine hypothesis was defference between mean at 1% level of

significance to know what was Inpres No. 4/1985 could decrease raw material expense and cost of good sold.

The result in this research were: Z observation for raw material expense and cost of good sold ratio, raw material expense and conversion cost ratio, and cost of good sold and conversion cost ratio were 2,51; 2,66 and 2,62. Z table at 1% level of significance was 2,33 so all of hypothesis were significance accepted. The conclusion were that The Inpres No. 4/1985 could decrease the raw material expense and the cost of good sold of product were resulted by the medium and large scale manufacturing industries which are using imported raw material up to 50%.

**Key words : raw material expense, cost of good sold, conversion cost**