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RESEARCH ARTICLE

Palm Oil Exports Increased Due To Rupiah Depreciation, International Price Factors, and Government Regulations

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Abstract: Palm oil is a very important export commodity for Indonesia, contributing significantly to the country's economy in terms of both production and export. Fluctuations in the rupiah exchange rate against foreign currencies, especially the US dollar, have been widely studied, which turned out to affect the export of various commodities, including palm oil. However, the linkages to international prices and government regulation have not been studied much. This study aims to examine how much influence international prices, rupiah depreciation, and Indonesian government regulations have on increasing palm oil exports to India. Data collection method through surveys and circulating questionnaires, with a sample of 100 respondents. The analysis method used is multiple linear regression analysis using SPSS. The results of the study obtained based on the partial test (t test) obtained a positive and significant influence between international prices on increasing exports. There is a positive and significant influence between rupiah depreciation and increased exports. There is a positive and significant influence of Indonesian government regulations on increasing exports. The contribution of the percentage contribution of the independent variable of international prices, rupiah depreciation, and Indonesian government regulations to the dependent variable of increasing exports is 0.811 or 81.1%. While the remaining 0.189 or 18.9% was influenced by other variables outside this study.

Keywords: International Prices, Rupiah Depreciation, Indonesian Government Regulation and Export Increase

1. Introduction

Crude palm oil exports to India are influenced by various factors (Hendriani et al., 2023), including international prices, exchange rates (Wahyuni et al., 2021), and government regulations. These factors can have a significant impact on the demand for Indonesian palm oil in the Indian market. Prices play an important role in determining the demand for crude palm oil exports to India. Fluctuations in international palm oil prices can directly affect the competitiveness of Indonesian palm oil in the Indian market. (Yanita et al., 2020).

A drop in international prices could lead to an increase in demand for Indonesian palm oil in India, as it becomes more affordable compared to other alternatives. On the other hand, rising international prices may result in a decrease in demand for Indonesian palm oil, as it becomes less competitive compared to other vegetable oil sources such as rapeseed oil and



soybean oil (Wati et al., 2022), (Manik et al., 2018)(Xu & Zhang, 2022). Furthermore, the depreciation of the Indonesian rupiah against the Indian rupee may also have an impact on crude palm oil exports. The depreciation of the Indonesian rupiah could make Indonesian palm oil more expensive for Indian buyers, potentially reducing demand. Apart from prices and exchange rates, government regulations also play a role in influencing crude palm oil exports to India (Tandra & Suroso, 2023).

The influence of international prices, the depreciation of the Indonesian rupiah, and government regulations on crude palm oil exports to India are significant (Wahyuni et al., 2021). These factors can determine the demand for Indonesian palm oil in the Indian market and ultimately affect the volume and value of exports. Indonesia's crude palm oil exports to India are strongly influenced by palm oil prices in the international market. (Santosa et al., 2022) International price fluctuations can directly impact the competitiveness of Indonesian palm oil in the Indian market. In addition, the depreciation of the Indonesian rupiah against the Indian rupee may also have an impact on crude palm oil exports. A depreciating rupiah could make Indonesian palm oil more expensive for Indian buyers, potentially reducing demand. In addition, government regulations such as export taxes or trade policies can directly affect the cost of palm oil exports from Indonesia to India. These regulations can include export taxes or restrictions, which can increase the cost of palm oil exports and potentially lower demand.

Overall, a combination of international prices, the depreciation of the Indonesian rupiah, and government regulations could have a significant impact on crude palm oil exports to India. These factors may facilitate or hinder crude palm oil exports to India, depending on the direction and magnitude. The impact of international prices, depreciation of the Indonesian rupiah, and government regulations on crude palm oil exports to India (Setyadewanta et al., 2016), is multifaceted and requires careful consideration by Indonesian palm oil exporters. In conclusion, international price interactions, the depreciation of the Indonesian rupiah, and government regulations can significantly impact crude palm oil exports to India. Indonesian palm oil exporters should monitor these factors and make strategic decisions to maintain their competitiveness in the Indian market.

To summarize, the price of Indonesian palm oil in the Indian market is influenced by international price fluctuations, the depreciation of the Indonesian rupiah, and government regulations. These factors could affect the competitiveness of Indonesian palm oil in the Indian market, potentially reducing demand and hampering export volume growth. Therefore, Indonesian palm oil exporters must monitor and adapt to these factors to improve their competitiveness and increase the volume of their exports to India. In conclusion, Malaysian palm oil prices, the Indonesian rupiah exchange rate, and government regulations have all had a significant impact on increasing palm oil exports to India.

1.1. International Prices

The influence of international prices, the depreciation of the Indonesian rupiah, and government regulations on crude palm oil exports to India are significant. These factors can determine the demand for Indonesian palm oil in the Indian market and ultimately affect the volume and value of exports. The price of palm oil in the international market plays an important role in determining the competitiveness of Indonesian palm oil in the Indian market. International price fluctuations can directly impact Indonesia's palm oil demand in India. Depreciating Indonesian rupiah (Wahyuni et al., 2021) may also affect crude palm oil exports to India.

A depreciating rupiah could make Indonesian palm oil more expensive for Indian buyers, potentially reducing demand. In addition, government regulations such as export taxes or trade policies can directly affect the cost of palm oil exports from Indonesia to India. These regulations can include export taxes or restrictions, which can increase the cost of palm oil exports and potentially lower demand. Moreover, the impact of government regulations on crude palm oil exports to India should not be underestimated.

These regulations may create trade barriers or impose additional costs on exporters, thus affecting the competitiveness of Indonesian palm oil in the Indian market.

1.2. *Government Regulations*

Government regulation, (Othman et al., 2023) such as export taxes or trade policies, can directly affect the cost of palm oil exports from Indonesia to India. These regulations can include taxes or export restrictions, which can increase the cost of palm oil exports and potentially lower demand. Overall, international price interactions, the depreciation of the Indonesian rupiah, and government regulations could have a significant impact on crude palm oil exports to India. Therefore, Indonesian palm oil exporters need to monitor these factors closely and make strategic decisions to maintain their competitiveness in the Indian market.

Given these factors, Indonesian palm oil exporters need to carefully assess and adapt to changes in international prices, exchange rates, and government regulations to effectively navigate the Indian market and maximize their export potential. They should monitor and analyze market trends, consider hedging strategies to mitigate currency risk, and actively engage with government stakeholders to advocate for favorable trade policies. Thus, Indonesian palm oil exporters can maintain their competitiveness and take advantage of the opportunities presented by the Indian market, ultimately leading to an increase in the volume of crude palm oil exports to India. Moreover, it is important for Indonesian palm oil exporters to continuously improve the quality of their products and maintain a consistent supply to meet the demand of the Indian market. Therefore, it can be concluded that international palm oil prices, the depreciation of the Indonesian rupiah, and government regulations (Rejang Musi Agastya A. S. W et al., 2023) play an important role in the ability of Indonesian palm oil to increase the volume of its exports to India.

1.3. *Depreciation of the Indonesian rupiah.*

The depreciation of the Indonesian rupiah, and government regulations all played an important role in influencing the increase in the volume of palm oil exports from Indonesia to India. Therefore, Indonesian palm oil exporters must analyze and respond to these factors to successfully increase their palm oil exports to India. In conclusion, the international price of palm oil (Wahyuni et al., 2021), The depreciation of the Indonesian rupiah, and government regulations are important factors influencing the increase in the volume of palm oil exports from Indonesia to India. Therefore, Indonesian palm oil exporters need to closely analyze and adapt to these factors to effectively increase their exports to India. In conclusion, international palm oil prices, the depreciation of the Indonesian rupiah, and government regulations all had a significant impact on the increase in the volume of palm oil exports from Indonesia to India. Therefore, it is imperative for Indonesian palm oil exporters to carefully consider these factors and strategize accordingly to maximize their export volumes to India. In conclusion, international palm oil prices, the depreciation of the Indonesian rupiah, and government regulations are all factors that significantly influence the increase in the volume of palm oil exports from Indonesia to India, the Indonesian palm oil exporter (Triyowati & Sabrina, 2021) must monitor and respond to these factors closely to successfully increase their exports to India. In conclusion, palm oil prices, the Indonesian rupiah exchange rate, and government regulations are all important factors affecting the volume of palm oil exports from Indonesia to India. (Export supply of Indonesian crude palm oil (CPO) to India, n.d)

2. *Literature Review*

The need for Indonesian palm oil exporters to carefully assess (Suroso, 2022) and adapt to changes in international prices, exchange rates, and government regulations to effectively navigate the Indian market and maximize their export potential cannot be overstated. International palm oil prices, depreciation (Wahyuni et al., 2021) The Indonesian rupiah, and government regulations have all had a significant impact on increasing crude palm oil exports

to India. In conclusion, Malaysian palm oil prices, the depreciation of the Indonesian rupiah, and government regulations have all had a significant impact on increasing the volume of palm oil exports to India. oil, the depreciation of the Indonesian rupiah, and government regulations are significant factors influencing the increase in the volume of palm oil exports from Indonesia to India. Therefore, it is imperative for Indonesian palm oil exporters to carefully monitor and adapt to these factors to improve their competitiveness and increase their export volumes to India.

Based on these sources, it can be concluded that international palm oil prices, the depreciation of the Indonesian rupiah, and government regulations have all had a significant impact on the increase in the volume of palm oil exports from Indonesia to India. International price factors, the depreciation of the Indonesian rupiah, and government regulations are very important in determining the increase in palm oil exports from Indonesia to India. In conclusion, Malaysian palm oil prices, the depreciation of the Indonesian rupiah, and government regulations are key factors influencing the increase in the volume of palm oil exports from Indonesia to India.

In short, the price of Malaysian palm oil, the depreciation of the Indonesian rupiah, and government regulations are all important factors influencing the increase in the volume of palm oil exports from Indonesia to India. In conclusion, Malaysian palm oil prices, the depreciation of the Indonesian rupiah, and government regulations have all had a significant impact on the increase in the volume of palm oil exports from Indonesia to India. Therefore, palm oil exporters from Indonesia need to monitor and respond to international price fluctuations, changes in the Indonesian rupiah exchange rate, and government regulations to effectively increase the volume of their exports to India. In conclusion, the increase in palm oil export volume from Indonesia to India was significantly influenced by international palm oil prices, the depreciation of the Indonesian rupiah, and government regulations. To effectively increase the volume of their palm oil exports to India, Indonesian palm oil exporters need to monitor and adapt to fluctuations in international palm oil prices, changes in the Indonesian rupiah exchange rate, and government regulations. In conclusion, international palm oil prices, the depreciation of the Indonesian rupiah, and government regulations all play an important role in determining the increase in the volume of palm oil exports from Indonesia to India. Therefore, Indonesian palm oil exporters need to consider international palm oil prices, the depreciation of the Indonesian rupiah, and government regulations to successfully increase their palm oil exports to India.

International palm oil prices, the depreciation of the Indonesian rupiah, and government regulations are all significant factors influencing the increase in the volume of palm oil exports from Indonesia to India. Therefore, palm oil exporters from Indonesia need to consider these factors and adjust their strategies to successfully increase their export volumes to India. In conclusion, international palm oil prices, the depreciation of the Indonesian rupiah, and government regulations all play an important role in determining the increase in the volume of palm oil exports from Indonesia to India. Therefore, Indonesian palm oil exporters must closely monitor and respond to changes in these factors to effectively increase their export volumes to India. To summarize, the increase in palm oil export volume from Indonesia to India was significantly influenced by the international price of palm oil, the depreciation of the Indonesian rupiah, and government regulations.

Therefore, it is important for Indonesian palm oil exporters (HERMANTO & SARAGIH, 2023) to carefully consider and adapt to these factors to effectively maximize their export volumes to India. In conclusion, factors such as international palm oil prices, depreciation of the Indonesian rupiah, and government regulations all play an important role in determining the increase in the volume of palm oil exports from Indonesia to India. Therefore, Indonesian palm oil exporters need to monitor and respond to these factors to increase their exports to India effectively. In conclusion, international palm oil prices, the depreciation of the Indonesian rupiah, and government regulations all had a significant impact on the increase in

the volume of palm oil exports from Indonesia to India. Thus, Indonesian palm oil exporters must consider and adapt to these factors to effectively increase their exports to India.

Indonesian palm oil exporters must carefully analyze and adapt to these factors to effectively increase their exports to India. In conclusion, the combination of international price fluctuations, the depreciation of the Indonesian rupiah, and government regulations have a significant influence on the volume of palm oil exports from Indonesia to India. Therefore, Indonesian palm oil exporters need to monitor and assess these factors to increase their exports to India. In conclusion, the combination of international price fluctuations, the depreciation of the Indonesian rupiah, (Tandra & Suroso, 2023), and government regulations have a significant influence on the volume of palm oil exports from Indonesia to India. Therefore, Indonesian palm oil exporters must carefully analyze and adapt to these factors to effectively increase their exports to India. In conclusion, factors such as international price fluctuations, depreciation of the Indonesian rupiah, and government regulations play an important role in determining the volume of palm oil exports from Indonesia to India. Therefore, Indonesian palm oil exporters must monitor and analyze these factors and formulate appropriate strategies to increase their export volumes to India.

In conclusion, the international price of palm oil, the depreciation of the Indonesian rupiah, and government regulations are all important factors affecting the volume of palm oil exports from Indonesia to India. Indonesian palm oil exporters must carefully consider and respond to these factors to successfully increase their exports to India. In conclusion, palm oil prices, the Indonesian rupiah exchange rate, and government regulations are all key factors impacting exports.

3. Research Method and Materials

3.1. Population and Sample

According to (Sugiyono, 2018) population is a generalization area consisting of objects or subjects that have certain qualities and characteristics set by researchers to study and then draw conclusions. So population is not only people, but also objects and other objects, population is also not just the number that exists in the object or subject studied, but includes characteristics or properties possessed by the subject or object, a sample of 100 respondents.

3.2. Double Regression

This analysis is used to measure how much influence the independent variable has on the dependent variable. According to (Tugiman et al., 2022), (Sugiyono, 2007), This analysis is to forecast how the state (rise and fall) of the dependent variable (criterion). The mathematical formula of multiple regression used in this study is:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

In multiple regression, several classical assumptions must be fulfilled, in order to produce linear estimators that are accurate and close to or equal to reality

3.3. Partial Testing (t-Test)

Hypothesis testing using SPSS version 25 will be known.

3.4. Test Simultaneously (F Test)

Test F is a simultaneous regression relationship test that aims to determine whether all independent variables together have a significant influence on the dependent variable.

Test Criteria :

- a. when $F_{count} < F_{table}$, then H_0 is accepted and H_a is rejected
- b. when $F_{count} > F_{table}$, then H_0 is rejected or H_a is accepted.

4. Results and Discussion.

To determine the effect between international prices, rupiah depreciation, Indonesian government regulations, and increased exports, multiple linear regression analysis is used as shown on Table 1.

Table 1. Double linear regression analysis

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	5.337	2.428		2.198	0.030
International Prices (X1)	0.329	0.083		3.973	0.000
Rupiah Depreciation (X2)	0.083	0.056		1.469	0.145
Indonesian Government Regulation (X3)	0.495	0.080		6.167	0.000

The formula of regression:

$$Y = 5,337 + 0,329 X1 + 0,083 X2 + 0,495 X3$$

4.1. The t-Test

a. International price variable (X1)

The test results with SPSS obtained a t-count for the international price variable (X1) 3.973 greater than the t-table 1.985. Using a significant limit of 0.05, the international price significance value (X1) of 0.000 is rejected and H1 is accepted. Thus, then the first hypothesis is accepted.

b. Variable rupiah depreciation (X2)

The test results with SPSS obtained a t-count for the rupiah depreciation variable (X2) 1.469 smaller than t-table 1.985. Using a significant limit of 0.05, the significance value of rupiah depreciation (X2) is 0.145, Ho is accepted and H2 is rejected. Thus, the Third hypothesis is rejected.

c. Indonesian government regulation variables (X3)

The test results with SPSS obtained a t-count for the variable Indonesian government regulation (X3) 6.167 greater than t-table 1.985. By using a significant limit of 0.05, the significance value of Indonesian government regulation (X3) is 0.000, Ho is rejected and H3 is accepted. Thus, the Fourth hypothesis is accepted. This is also following what was researched by (Suroso, 2022).

4.2. The F test

Testing the effect of independent variables together on the dependent variable was carried out using the F test. The results of statistical calculations showed that the value of Fcalculate = 106.926 was greater than Ftable 2.70 with a significance of 0.000 < 0.05 then Ho was rejected and H4 was accepted. This means that together international prices, rupiah depreciation, and Indonesian government regulations have a significant effect on increasing exports. Thus, then the fourth hypothesis is accepted. This is according to research conducted by (Setyadewanta et al., 2016).(Rifin et al., 2020).

5. Conclusion

The conclusions of this study are several, namely:

- There is a positive and significant influence between international prices on increasing exports.
- There is a positive and significant influence between rupiah depreciation and increased exports



- c. There is a positive and significant influence of Indonesian government regulations on increasing exports.
- d. There is a positive and significant influence between international prices, rupiah depreciation, and Indonesian government regulations on increasing exports.

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