

## **ABSTRACT**

### **ANALYSIS OF THE COMPETITIVENESS OF CASHEW (*Anacardium Occidentale L.*) IN THE ERA OF FREE TRADE**

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Cashew is one of the plantation commodities which is quite important as a contributor to the foreign exchange. Cashew is originally developed as a conservation plant to improve critical land. The paradigm shift in the end make it used as a source of farmers' income. Increased production makes cashew as one of the leading export commodities. That is because Indonesian cashews has the potential and are well received in the international market. The purpose of this research is to determine the competitiveness of Indonesian cashew in terms of either competitive advantage or comparative advantage which focused on two comparison countries, namely India and Vietnam. The comparative advantage factor can be found using the analysis of RCA (Revealed Comparative Advantage), RCTA and ISP (Trade Specialization Index), where the theory describes whether Indonesian cashew has a comparative advantage and knowing whether Indonesia's cashew commodity tends to be an exporter or importer country, as well as measuring the position of the stages of development of Indonesian cashew. The competitive advantage factor can be found through the analysis of the Export Competitiveness Index (ECI), where the theory describes whether Indonesian cashew has a competitive advantage. The results of this research indicates that, Indonesia has a comparative advantage with an average RCA value of 2.44 and an RCTA of 20.54 and tend to have a declining competitive advantage with an average ECI value of 0.96. Indonesia is classified as an exporter country because the ISP value shows a positive (+) number with an average value of 0.88.

Keywords: Cashew, Competitiveness, comparative advantage, competitive advantage