

UNDERGRADUATE THESIS

**The Impact of ASEAN-Australia and New Zealand Free
Trade Agreement (AANZFTA) to Economic Growth of
Indonesia (2011-2017)**



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STATEMENT OF ORIGINALITY

This is to certify that to the best of my knowledge, the content of this thesis and research is my own work. This thesis has not been submitted for any degree or other purposes.

I certify that the intellectual content of this thesis is the product of my own work and that all the assistance received in preparing this thesis and sources have been acknowledged.

Yogyakarta, 30 January 2018

Sarah Adiba

**The greater your expectation the greater the
disappointment**

-Pinocchio-

PREFACE

Praise and deep gratitude to Allah SWT for the abundance of grace, and guidance of Him given, so I was able to make this thesis can be completed. Sholawat and greetings may always be devoted to the Prophet Muhammad SAW. The thesis entitled **“The impact of ASEAN-Australia and New Zealand Free Trade Agreement (AANZFTA) to economic growth of Indonesia (2011-2017)”** is created to meet the requirements of undergraduate curriculum statum-1 (S-1) in the Department of International Relations, Faculty of Social and Political Sciences, Universitas Muhammadiyah Yogyakarta.

I would like to express my gratitude for all the help that has been given, either directly or indirectly during work on this undergraduate thesis. Specifically, I would like to say thank you to my parents for their support, pray and love that makes me can finishing this thesis. Moreover, thank you to my brother who alw. In the last, I should express my deepest gratitude to Bambang Wahyu N., S.IP ,MA. who has been guided me patiently and encourage me to completing this thesis.

I would like to send apologize if there is a mistake in thesis. Hopefully, it will be useful and provide guidance to students that will carry out the similar topic as this thesis in the future. Moreover, I will be happy if other students will use my thesis as the source to their research.

DEDICATION PAGE

This undergraduate thesis has been dedicated to:

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ABSTRACT

The globalization of the world economy has multiplied since the Second World War, and it makes the economic activities also increase, one of them is International trade. International Trade itself will help a state to fulfill their needs by exchange goods and services in any sectors between countries, but since the tax and tariff cost much and the amount of dependence of state toward other states increase, the government system create the idea to unleash trade flow which called Free Trade. ASEAN-Australia and New Zealand Free Trade Agreement (AANZFTA) is one form of Free Trade between ASEAN states, Australia, and New Zealand. It was approved because the market size between its countries, Australia, New Zealand, ASEAN regional have a large amount of territory and also populations which calculated around 662 million peoples. The purpose of the implementation of Free Trade Agreement itself is to improve trade flows by decreasing the cost also expand the region of trade between member states. Moreover, Indonesia as one of the member also hopes that the agreement will bring significant impact to increase the economic growth of its state effectively.

This research aims to see how effective the implementation of ASEAN-Australia and New Zealand Free Trade Agreement toward the Indonesian Economic Growth since Indonesia signed to the agreement in 2011 until 2017. Also, besides that, this research also will show the opportunities and challenges of Indonesia's economic growth on its implementation of Free Trade policy with ASEAN countries, Australia and New Zealand. This research itself will use a method of analysis qualitative descriptive in which condition I will describe the effectiveness of AANZFTA toward Indonesian economic growth in 2011-2017. Moreover, for the temporary hypothesis, the writer concludes that AANZFTA was helped Indonesia's economic growth time by time since its

establishment and provide its advantages, even there was still a deficiency in Indonesia's system toward the implementation of the policy.

Keywords: International trade, ASEAN-Australia, and New Zealand Free Trade Agreement, Indonesian Economic Growth.

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