

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.