THE INFLUENCE OF EXPORT AND IMPORT ON TIMOR-LESTE'S ECONOMIC DEVELOPMENT

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Abstract: This paper is entitled "The Influence of Export and Import on Timor-Leste's Economic Development" at Ministério Do Plano E, Das Finanças Direcção Naçional De Estatistc, Dili Timor-Leste. The method used is quantitative and qualitative analysis using the classic assumption test, Multiple Linear Regression T test, and correlation coefficient with the help of SPSS version 20. From Statistical Calculations it is known that the multiple linear regression, it can produce a Multiple Linear Regression as follows, It is known that: The Export variable (X1) has a negative effect on economic development (Y) because the tcount value obtained from export (X1) is -774 with a significance level of 0.444 where ttable is 2.021 or tcount<ttable at a confidence level of 95% and an error level of 5%. Based on the results obtained, it can be concluded that Ho (null hypothesis) is accepted and the alternative hypothesis (Ha) is rejected, because the tcount value falls in the rejection area, which means that export (X1) have no effect on economic development (Y), the Import variable (X2) has an effect. positive and significant for economic development (Y) because the tcount value obtained from the import variable is 9.544 with a significance level of 0.000 which is greater than ttable of 2.021 or tcount>ttable at a confidence level of 95% and an error level of 5%. from these results.

Keyword: Export, Import and Development of Economics

1. Introduction

Each country is always different in terms of natural resources, climate, geographical location, population, expertise, workforce, price levels, economic and social structure. These differences cause one country to always need each other so that international trade is created. International trade is an important aspect of a country's economy, because apart from being able to meet domestic needs, international trade is also a source of state income.

International trade can be interpreted as trade transactions between economic actors in one country and economic actors from other countries. International trade is divided into two, namely exports and imports. Exports are sales of goods and services sold to other countries to obtain foreign exchange from other countries. Meanwhile, imports are the opposite of exports, namely the purchase of goods and services from abroad into the country. Export and import activities are economic activities in each country in entering development, thus, the importance of the foreign sector of each country is different in carrying out exports and imports, for some countries exports and imports include.

This can be seen from superior products which have been known as non-oil and gas export products. One of the inhibiting factors in exporting is the lack of knowledge of business actors in the field of information regarding export management. In the course of export activities in Timor-Leste over the past ten years, trade economic statistics reports show that exports for Timor-Leste in the last ten years have experienced quite large fluctuations where in 2005, the State of Timor-Leste exported coffee amounting to 8,093 million dollars per year, in 2006 exports amounted to 8,455 million dollars, in 2007 exports amounted to 7,734 million dollars, in 2008 exports amounted to 12,899 million dollars, in 2009 exports amounted to 8,491 million dollars, in 2010, the country of Timor-Leste exported 41.7 million dollars, in 2011 exports amounted to 53.3 million dollars, or an increase of 28%, in 2012, Timor-Leste exported and exported commodity goods amounted to 76.9 million dollars, or an increase of 45 percent, whereas in 2013 and 2014, Timor-Leste exports and re-exported experienced a decrease of 53.3 million dollars, and 39.1 million dollars, or with a decline in exports of 30% and 26%, this was influenced by the decline in domestic production and also restrictions on re-exports in neighboring countries.

Imports are goods and services transaction activities carried out by other countries to Timor-Leste. The main purpose of imports is to stimulate the economy towards an independent economy. Many countries do similar things in order to stimulate their economy from various sectors to grow in accordance with the State's goals, but for a short period of one or less than five years. Currently, Timor-Leste is the largest consumer country and has undergone restoration to date. This shows Timor-Leste's economic dependence on exporting countries. In terms of economic size, Timor-Leste has experienced quite rapid decline. Where data sources from statistics show that the costs incurred by the country of Timor-Leste to import goods and services over the last ten years have increased, namely in 2005, amounting to 101,619 million dollars, in 2006, amounting to 87,695 million dollars, in 2007, amounting to 199,369 million dollars, then in 2008, it was 258,429 million dollars, in 2009, it was 282,595 million dollars, in 2010 it was 298,091 million dollars, and in 2011 it was 339,630 million dollars or around 12%, then in 2012, imports of goods and services with a percentage of 49%, from an import value of 670,121 million dollars, then in 2013 imports of goods and services decreased by 528,824 million dollars, or decreased by 27%, while imports of goods and services for 2014 increased again by 553,659 million dollars, or 4%. Overall, over the last ten years, Timor-Leste's economy has experienced a fairly large deficit or setback, where data sources show that from 2010 to 2014, total exports from Timor-Leste to other countries amounted to 264.3 million dollars, while goods and services from other countries destined for Timor-Leste amounted to 2,390,325 million dollars, in terms of balance of payments calculations, they experienced a very large economic deficit or setback.

Economic development is a process of increasing total income (economic growth) in a country by taking into account the increase in population, fundamental changes in economic structure and equal distribution of income. Thus, economic development cannot be separated from economic growth, The implementation of economic development in a country, especially the State of Timor-Leste, is often hampered by limited availability of capital and this is one of the main obstacles for the State of Timor-Leste to carry out its development. Economic development is a process that causes an increase in the real income per capita of a country's population in the long term which is greater than the population growth rate and is accompanied by various changes that will increase productive sources which will ultimately increase real income per capita.

In the open economy model, the export variable together with imports forms the net export variable, namely the export value minus the import value. If the value of imports is greater than

e-ISSN 2746-5667

the value of exports, there will be a trade balance deficit, whereas if the value of imports is less than the value of exports then there will be a trade balance surplus, and this will also affect Timor-Leste's economic development due to lack of funds from the government so economic development will not running well, and could also result in products in Timor-Leste not selling.

2. Research Methods

The research used is survey research, because research is carried out on large and small populations, but the data studied is data from samples studied from the population. With a Cross Sectional technique design to describe things related to the situation, as well as exploring extensively about things that influence the occurrence of something Arikunto, (1992:110).

Table. 1 Coefficients[a] Regresi

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Costant)	4.059	.180		22.582	.000		
	Export X1	-.039	.051	-.070	-.774	.444	.951	1.051
	Import_X2	.337	.035	.858	9.544	.000	.951	1.051

This was done to determine the magnitude of the influence between the independent variables export as (X1) and import as (X2) Economic Development as the dependent variable (Y). Therefore, the analysis carried out obtained the following results:

Based on the multiple linear regression equation it can produce a multiple linear regression as follows 4.059 + -039X1 +.337X2 Where: α = 4.059 means the average result of Timor-Leste's economic development, before being influenced by exports which has a fixed value of 4.059

β_1=-0.39 is the regression coefficient of Export (X1) meaning that every 1 percent change in economic development (Y) in Timor Leste can reduce export (X1) by -0.39 or -39% assuming that Exports (X1) are constant.

β_2=0.337 is the regression coefficient of import (X2), meaning that every 1 percent change in economic development (Y) in Timor Leste can increase imports by 0.337 or 34% assuming that import (X2) are constant.

Results of the Determinant Coefficient

Analysis of the determinant coefficient in regression is used to find out the presentation or contribution of the independent variable (X1, X2) to the dependent variable (Y) of the regression result, look at the output of the summary model and generate the following.

Table 2. Test Results of Determination Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.846[a]	.715	.700	.12651	.715	46.484	2	7	.000	391

a. Predictors: (Constant), Export, Import

b. Dependent Variable:

Economic Developmet

The Results of the analytical calculations carried out produced a correlation coefficient (R) of 0.715 or 71.5%, which means that the export (X1) and import (X2) variables have a significant relationship with the economic development variable (Y). Apart from that, the determinant coefficient (r^2) is 0.715 or 71.5%, meaning that the contribution of imports is very important to economic development, 0.700 or 70.0%, while the rest is influenced by other factors that cannot be examined by researchers.

Results of Hypothesis Tests

For this research the researcher used hypothesis testing, this test to find out the value of influence can accept alternative decisions according to, with the risk value or error / tare level of revenue below 5%, with a confidence level of 95%.

Hypothesis Results Test (H1)

Based on the calculation results in the figure above, it can be seen that the Export variable (X1) has a negative effect on economic development (Y) because the tcount value obtained from exports (X1) is -.774 with a significance level of 0.444 where ttable is 2.021 or tcount<ttable at the level 95% confidence and 5% error rate. Based on the results obtained, it can be concluded that Ho (null hypothesis) is accepted and the alternative hypothesis (Ha) is rejected, because the tcount value falls in the rejection area, which means that exports (X1) have no effect on economic development (Y).

Hypothesis Results Test (H2)

From the results of the analysis above, it can be seen that the Import variable (X2) has a positive and significant effect on economic development (Y) because the tcount value obtained from the import variable is 9.544 with a significance level of 0.000 which is greater than ttable of 2.021 or tcount >ttable at this level. 95% confidence and 5% error rate. Based on the results obtained, it can be concluded that Ho (null hypothesis) is rejected and the alternative hypothesis

(Ha) is accepted, because the t value falls in the rejection area, which means that the import variable (X2) has an effect on economic development (Y).

Discussion

Influence of Export to Economic Development

Based on the results of the analysis above, it can be seen that the Export variable (X1) has a negative effect on economic development (Y) because the tcount value obtained from exports (X1) is -.774 with a significance level of 0.444 where ttable is 2.021 or tcount<ttable at the level of confidence 95% and error rate 5%.

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Conclusion

Based on the results of the analysis of the discussion, it can be concluded as follows:
β_1= -0.39 is the regression coefficient of Export (X1) meaning that every 1 percent change in economic development (Y) in Timor-Leste can reduce export (X1) by -0.39 or -39% assuming that Imports (X2) are constant.

β_2= 0.337 is the regression coefficient of import (X2) meaning that every 1 percent change in economic development (Y) in Timor-Leste can increase imports by 0.337 or 33.7% assuming that exports (X1) are constant, Based on the results of the analysis carried out, the correlation coefficient (R) was 0.715 or 71.5%, which means that the export (X1) and import (X2) variables have a significant relationship with the Timor-Leste economic development variable (Y).

Suggestion

The research results show that the export capacity of the Timor-Leste government is still very minimal, so it is recommended that the government or relevant agencies improve the quality of export and import data so that it can support or help data decision makers plan future economic development.

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