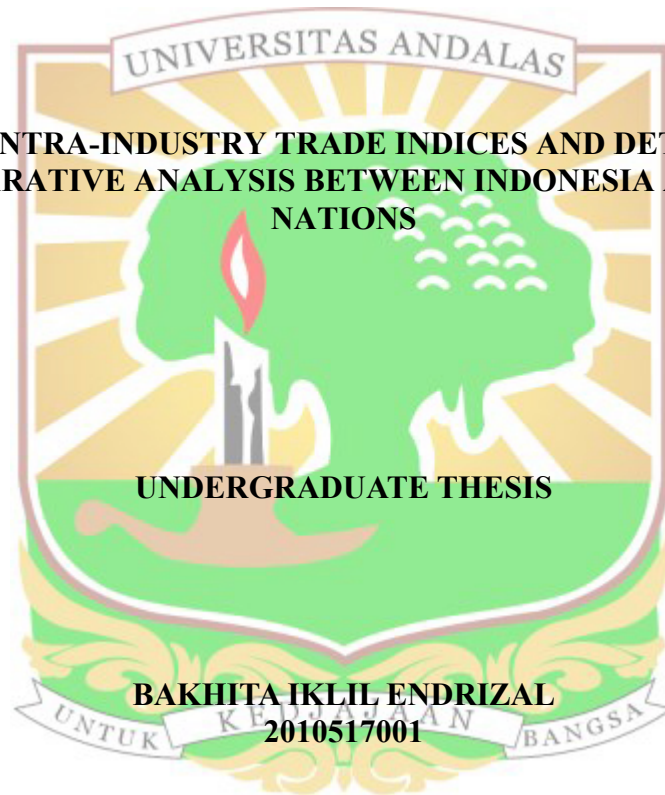




UNIVERSITAS ANDALAS

**ASSESSING INTRA-INDUSTRY TRADE INDICES AND DETERMINANTS:
A COMPARATIVE ANALYSIS BETWEEN INDONESIA AND BRICS
NATIONS**



UNDERGRADUATE THESIS

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Assessing Intra-Industry Trade Indices And Determinants: A Comparative Analysis Between Indonesia And BRICS Nations

by

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ABSTRACT

This research examines Intra-Industry Trade (IIT) between Indonesia and the BRICS nations (Brazil, Russia, India, China, and South Africa) for 2018 and 2023, analyzing key determinants. Using the Grubel-Lloyd (GL) index, it identifies industries engaged in IIT ($GL \geq 50\%$) and evaluates the impact of average per capita income, relative income differences, economy size, distance, and trade orientation. Other identifications include the classifications of Horizontal Intra-Industry Trade (HIIT), Vertical Intra-Industry Trade (VIIT), and a dynamic analysis of Marginal Intra-Industry Trade (MIIT). In 2018, 43 industries were involved in IIT across Indonesia-BRICS partnerships, which adjusted to 41 in 2023. Despite the overall decrease, Indonesia-Brazil saw an increase from 14 to 20 industries and Indonesia – South Africa from 9 to 12 industries. Findings indicate that distance and trade orientation significantly affect IIT, while average per capita income, economics size, relative difference of income, and trade imbalance do not. The study recommends that Indonesia consider applying for BRICS membership to enhance trade integration and economic cooperation.

Keywords: Intra-Industry Trade, BRICS, Horizontal Intra-Industry Trade, Vertical Intra-Industry Trade, Marginal Intra-Industry Trade, Trade Determinants

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