## *ABSTRACT*

***Rista Gema Maratama (44306025).”The impact of the elimination of tariff barriers ASEAN-China Free Trade Area (ACFTA) on Indonesia Foreign Exchange from the Agricultural Sector”.*** *Studies Programme of International Relations, Faculty of Social and Political Sciences, University Computer Indonesia, Bandung 2012.*

*Trade relations between ASEAN and China was actually happened a long time before, departing from the relationship, ASEAN-China Summit held in 2001 was held at Bandar Seri Begawan, Brunei Darussalam. The fifth meeting between ASEAN and China approved the proposal of China for ACFTA formed within 10 years. There is five key areas of cooperation was agreed, which is agriculture, telecommunications, human resource development, inter-state investment and development in the surrounding area of the Mekong river. This is exactly what became the basic for the establishment of ACFTA, in this research focused on how they affect the implementation of ACFTA on Indonesia's foreign exchange generated from the agricultural sector.*

*Can be drawn from the discussion of two variables, namely the implementation of ACFTA as independent variables and Indonesia's foreign exchange from agricultural sector as the dependent variable. Methods and research techniques used in this study was descriptive-analytical methods and literature study. While the theoretical approaches used in this study is International Political Economy Theory. The hypothesis in this study is, "**The ACFTA implementation in elimination of tariff barriers have an affecting Indonesia's Foreign Exchange earnings from Agricultural Sector, it is seen from the increasing the surplus value on Agricultural commodities from Indonesia to China".***

*Based on the results of this research, it can be concluded that with the implementation of ACFTA on the ASEAN countries, especially Indonesia has been quite effective in providing a positive contribution to growth rate of trade in agricultural commodities Indonesia. This is evident from its contribution in increasing the surplus and the export value of Indonesian agricultural sector in 2010 when compared with previous years, namely the period before the effective enactment of ACFTA for Indonesia.*



*Keywords: ACFTA, International Trade, Indonesia Foreign Exchange and Agriculture Sector*