Competitiveness of Indonesian Footwear Commodities in the International Market

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Abstract

This research was conducted to analyze the competitiveness of Indonesian footwear exports and to know the factors that influence footwear exports in 2013 to 2018. The data used are secondary data obtained from WITS, World Bank, UNCTAD. The analytical method uses Revealed Comparative Advantage (RCA) and Trade Specialization Index to determine the competitiveness, position of the Indonesian footwear market share, and regression analysis to analyze the factors that affect exports. The results of this study indicate that Indonesian footwear has comparative competitiveness, this is indicated by an RCA value > 1. Whereas based on the results of the analysis of Indonesian footwear Trade Specialization Index's, the footwear product produced by Indonesia has a strong competitiveness and is included in the class of products that are already in the maturity stage with a value showing close to 1. The regression analysis results show that GDP per capita, population and volume exports have a significant and influence on the value of footwear exports.

I. Introduction

International trades could support the state's economics, improve state income source, expand employment opportunities and also accelerate the application of technology to facilitate industrial activities. Economic integration based on the need for free trade with the least barriers, has an impact on the formation of organizations that are able to provide goods, services and money facilities, such as: World Trade Organization (WTO), International Monetary Fund (IMF), North American Free Trade Area (NAFTA), Association South East Asian Nastion (ASEAN) (Nădrag & Bala, 2014). Organization must have a goal to be achieved by the organizational members (Niati et al., 2021).

The forms of international trade activities are in the form of exports and imports. According to Law no. 17 of 2006 concerning customs, export is the activity of removing goods from the customs area. Meanwhile, import is the activity of bringing goods to the customs area. Exports enable the national economy to be better off to enrich foreign exchange reserves, provide jobs, and ultimately achieve a better quality of life. Indonesia is a country that makes exports one of the sources of state revenue in both the oil and gas and non-oil and gas sectors. One of the leading commodities and has great opportunities in Indonesia's economic growth is footwear (Winarno, 2013). The economic condition of the population is a condition that describes human life that has economic score (Shah et al, 2020). Economic growth is still an important goal in a country's economy, especially for developing countries like Indonesia (Magdalena and Suhatman, 2020).

Footwear industry is one of the priority industries and the mainstay industry in accordance with RIPIN 2015 – 2035, where the industry can absorb 795 thousand direct workers and is labor-intensive. The footwear industry together with the leather goods

industry have contributed 0.30% to the National GDP in Q2 2018. This have made the footwear industry become one of the priority industries (Ministry of Industry of the Republic of Indonesia, 2018). In addition.

Indonesia ranks 4th as a footwear producer after China, India and Vietnam with a share of total world production of 4.6%. China, India and Indonesia, apart from being the biggest producers, are also the biggest consumers. Indonesia is also the world's 6th largest exporter of footwear (Ministry of Industry of the Republic of Indonesia, 2019). This makes Indonesia have the potential to increase the value of exports in the footwear industry.

There are several statistical methods that can be used to analyze and assess the potential for footwear exports. Sarma et al (2014) conducted a study in Bogor (regency and city) which is one of the centers of footwear in Indonesia using descriptive statistics and Structural Equation Modeling (SEM) directly by the business motivation of entrepreneurs and government policies that are able to facilitate entrepreneurs in this industry. Improvements in business development have a significant effect on business sustainability, where business sustainability is also directly influenced by the characteristics of entrepreneurs who are able to optimize their productivity and the implementation of CAFTA which is responded to by the good competitiveness of the local industry concerned. (Sarma, Dewi, & Siregar, 2014).

Based on the description above, research on increasing exports in the footwear industry is very necessary to know Indonesia's competitive position in the footwear commodity trade in the international market. So, the purpose of this study is to analyze the development of Indonesian footwear exports, analyze the competitiveness of Indonesian footwear, and to know the factors that influence Indonesian footwear exports.

II. Research Method

This research is descriptive research with qualitative and quantitative approaches. The location of this research was carried out in Indonesia with the object of research being the comparative and competitiveness of the Indonesian footwear trade in 2013 to 2018 with China, Vietnam, Italy, Germany, and Belgium as a comparison with the consideration that these countries are the largest footwear producers in the world.

The data used in this study is secondary data in the form of time series from 2013 to 2018. The data used in this study included the volume and value of exports and imports of Indonesian footwear and other footwear producing countries for RCA and ISP calculations. International footwear prices, total footwear export volume, GDP per capita, and population. The data was obtained from the Central Statistics Agency (BPS), Investment Coordinating Board (BKPM), Ministry of Industry, UNCOMTRADE, and World Bank. In this study, data from the literature and previous studies were also used.

The method of collecting data in this study was carried out by recording directly from various libraries such as scientific writings, journals, reports and websites related to research. Most of the secondary data was processed according to research needs.

2.1 Revealed Comparative Advantage (RCA)

The level of competitiveness of a country's or industry's export commodities can be analyzed using various methods or measured by a number of indicators. One of them is Revealed Comparative Advantage (RCA).

$$C = \frac{Xi/Xj}{Xij/Xw}$$

Where:

C = RCA

Xij = commodity export value *i from the country* j

Xj = total value of country's exports j

Xiw = commodity j export value in the world

Xw = total world export value

If the RCA index value of a country for a particular commodity is greater than 1, then the country concerned has a comparative advantage over the world average in that commodity. If the RCA value is less than 1, the comparative advantage for that commodity is low or below the world average (Rousseau, 2019)

2.2 Trade Specialization Index Analysis (ISP)

The Trade Specialization Index is generally used to measure the general methods used as a means of measuring the level of competitiveness. This index is used to see whether a type of product in a country makes that country an exporter or importer. ISP is formulated as follows:

$$ISP = \frac{Xia - Mia}{Xia + Mia}$$

Where:

Xia is the export value of product i in a country

Mia is the import value of product i in a country

ISP value calculation is between -1 to +1. If 0 -1 then the commodity in question can be said to have strong competitiveness between countries or the country tends to be an exporter of the commodity (domestic supply is greater than domestic demand). Meanwhile, if the ISP value is below 0 to -1, it can be said that competitiveness is low or tends to be an importing country (Febriani, Yulida, & Kausar, 2014).

According to the ISP Index, it can also be used to identify the growth rate of a commodity in trade which is divided into 5 stages as follows (Darwanto, 2004):

a. Introduction Stage

When an industry (forerunner) in a country (say A) exports new products and an industry later entrant (latecomer) in country B imports these products. In this stage, the ISP index value of this latecomer industry is -1.00 to -0.50.

b. Import Substitution Stage

The ISP index value rose between -0.51 to 0.00. At this stage, the industry in country B shows very low competitiveness, because the level of production is not high enough to achieve economies of scale. The industry exports products of poor quality and domestic production is still smaller than domestic demand. In other words, for the commodity, at this stage country B imports more than it exports.

c. Growth Stage

The value of the ISP index rose between 0.01 TO 0.80, and industry in country B produced large-scale production and began to increase its exports. In the domestic market, the supply for the commodity is greater than the demand.

d. Maturity Stage

The index value is in the range of 0.81 to 1.00. At this stage the product in question is already at the standardization stage regarding the technology it contains. At this stage country B is a net exporter.

e. Re-import Stage
    ISP index value again decreased between 1.00 to 0.00. At this stage, the industry in country B is unable to compete in its domestic market with industry from country A, and domestic production is less than domestic demand.

III. Results and Discussion

Export Value of Footwear 2012 until April 2019
(US$ Billion)

2012	2013	2014	2015	2016	2017	2018
3,52	3,86	4,11	4,51	4,64	4,91	5,11

Source: Ministry of Industry (2018) (Ministry of Industry of the Republic of Indonesia, 2018)

Figure 1. *Export Value of Indonesian Footwear*

The exports of Indonesian foorwear from year to year have continued to experience an increase in the international market, such as shown in Figure 1. The value grew from 2012 which was only US$ 3.52 billion or around 42 trillion rupiah (Ministry of Industry, 2019). The increase of footwear exports have increased positively, therefore Indonesia have many chances on the activities of footwear exports.

Source : BPS, 2018 (processed) (BPS-RI, 2018)

Figure 2. *Growth of Footwear Industry Commodity*

From the figure above, it can be seen that the growth of the Indonesian footwear industry has fluctuated. In 2018, the growth of the footwear industry increased by up to 5%. The footwear industry experienced a significant decline in 2012 to below the national average growth. However, from 2013 to 2018 there were quite positive fluctuations and were above the national average growth. Meanwhile, the non-oil and gas processing industry and the processing industry tend to be constant.

Table 1. Footwear Production (million pairs)

NO	Producer Country	Production (million pairs)	Share
1	China	13.523	57.5%
2	India	2.409	10.2%
3	Vietnam	1.100	4.7%
4	Indonesia	1.083	4.6%
5	Brazil	909	3.9%
6	Bangladesh	428	1.8%
7	Turki	400	1.7%
8	Pakistan	398	1.7%
9	Mexico	259	1.1%
10	Italia	191	0.8%

Source: BPS, 2019 *(processed)*

Based on the table, it can be seen that Indonesia ranks fourth as the country with the largest footwear production in the world after China, India and Vietnam. The contribution value to total production in the world is 4.6% with total production of 1083 million pairs.

The national footwear industry have produced a variety of quality and innovative products. Throughout 2018, the Indonesian footwear industry have recorded a total production of 1.41 billion pairs of shoes or contributed 4.6% of the total world shoe production. From this achievement, Indonesia have occupied the fourth position as a footwear producer in the world after China, India and Vietnam. In addition, Indonesia is also the fourth largest shoe consumer country with consumption of 886 million pairs of footwear (Ministry of Industry of the Republic of Indonesia, 2019). Currently, there are 18,687 medium-scale business units and 155 large-scale business units in Indonesia. Of the tens of thousands of business units, the footwear industry has absorbed 795,000 workers.

3.1 Revealed Comparative Advantage (RCA) Analysis

David Ricardo's theory of comparative advantage states that international trade occurs when there are differences in comparative advantage between countries. Comparative advantage will be achieved if a country is able to produce more goods and services at a lower cost than other countries, therefore efficiency in production can be achieved and trade profits can be maximized. (Narulita, Winandi, & Jahroh, 2014)

Revealed Comparative Advantage (RCA) is the most frequently used method to measure the competitiveness of a country's export performance on certain commodities. RCA is also able to describe the comparative advantage of a country against other countries, over trading a type of commodity. In this study, the RCA calculation was carried out in the period from 2013 to 2018 in five destination countries/partners for Indonesian footwear exports, namely America, China, Belgium, Germany, and Japan. If the RCA value is more than one, it means that Indonesian footwear to the destination country has a comparative advantage or strong competitiveness, on the other hand, if the RCA value is less than one, it means that Indonesian footwear to the destination country has weak competitiveness. (Suharsih & Sriwinarti, 2012).

Table 2. Indonesia's RCA Value in Destination Countries 2013 – 2018

Year	RCA Index				
	USA	China	Belgium	Germany	Japan
2013	5,92	6,37	32,77	10,77	1,12
2014	6,03	10,70	33,12	10,12	1,40
2015	6,27	12,64	32,67	11,59	1,76
2016	6,79	12,10	28,17	11,64	2,12
2017	6,77	10,53	27,37	11,34	2,34
2018	7,28	9,02	30,42	12,94	2,37

Source: UN Comtrade 2019 (processed)

Based on the results of the calculation of the RCA index, during the period 2013 to 2018 it shows that Indonesian footwear has a comparative advantage or has high competitiveness in five export destination countries. The highest RCA index value for Indonesian footwear is in the Belgian market, while the lowest is in the Japanese market. Although Indonesia has competitiveness in Japan, it can be seen in the table above that the resulting RCA value is still relatively low compared to other destination countries. This could be due to the fact that the value of Indonesia's exports to these countries is still low, so the RCA value produced is small compared to the RCA of other countries.

Comparative advantage is dynamic, where if a country is not able to maintain and compete with other countries, the level of comparative advantage can decrease. Factors that can change the condition of a country's comparative advantage are the world's economic conditions, the domestic environment and technology (Setyari, 2017).

Indonesia ranks sixth as a footwear exporter in 2017 after China, Vietnam, Germany, Belgium and Turkey with a share of world exports of 1.5%. This means that from the export of footwear in Indonesia, it is one of the manufacturing sectors that is able to make a major contribution to the national economy. As a comparison, other RCA calculations were also carried out in the period from 2013 to 2018 in which footwear exporting countries were China, Vietnam, Italy, Germany, Belgium, and Indonesia. (Ministry of Industry of the Republic of Indonesia, 2019).

Table 3. Calculation Results of RCA Value of Exporting Countries (2013-2018)

Year	China	Vietnam	Italy	Germany	Belgium	Indonesia
2013	3,36	9,67	3,33	0,52	1,47	3,10
2014	3,19	9,47	3,09	0,52	1,57	3,11
2015	2,89	9,44	2,82	0,48	1,67	3,69
2016	2,75	9,32	2,83	0,55	1,83	3,92
2017	2,67	8,92	2,82	0,66	1,92	3,65
2018	2,41	9,98	2,87	0,70	1,94	3,62

Source: Comtrade, 2019 (processed)

Based on the table above, it can be seen that the Indonesian footwear industry has competitiveness in the international market. This can be seen in the RCA value of the Indonesian footwear industry which has a value of more than 1. It can also be seen that the RCA value of Indonesia has a higher value than China, Italy, Germany, and Belgium. This can be interpreted that although Indonesia ranks sixth as an exporter country in the world, it still has high competitiveness in the footwear industry. This can be used as an

opportunity for the Indonesian footwear industry to increase the value of footwear exports in the international market.

3.2 Trade Specialization Index Analysis

Trade Specialization Index is an index used to analyze the position or stages of commodity development (Turnip, Suharyono., & Mawardi, 2016).

Table 4. ISP Calculation Results of Footwear Exporting Countries (2013-2018)

Year	China	Vietnam	Italy	Germany	Belgium	Indonesia
2013	0,93	0,91	0,32	-0,32	0,19	0,98
2014	0,92	0,91	0,30	-0,32	0,18	0,82
2015	0,90	0,91	0,28	-0,34	0,20	0,83
2016	0,88	0,90	0,27	-0,30	0,20	0,81
2017	0,86	1,00	0,29	-0,25	0,18	0,78
2018	0,82	0,85	0,26	-0,21	0,18	0,75

The results of the calculation of the footwear ISP of six footwear exporting countries show that China, Vietnam and Indonesia are countries with a high specialization index because the value is close to one. These three countries since 2013 have almost ISP values, which means that the products produced in this case are footwear that have strong competitiveness and are included in the product category that is already in the maturity stage. It can also be seen that the value of Indonesian ISPs has decreased since 2013. Germany has an average ISP value of -0.29 meaning that Germany is in the introduction stage. Italy and Belgium have average scores below 0.80 which means that these countries are in a growth stage, while China, Vietnam, and Indonesia have average ISP scores above 0.80 which means that these countries are in a maturity stage. It can also be seen that almost all countries experienced a decline in the value of ISPs from 2013 to 2018. This also affected the higher import value.

3.3 Analysis of Factors Affecting Indonesian Footwear Exports
a. Normality Test

The normality test aims to test whether the regression model, the dependent variable and the independent variable both have a normal distribution or not. A good regression model is to have a normal or close to normal data distribution (Sugiyono, 2017).
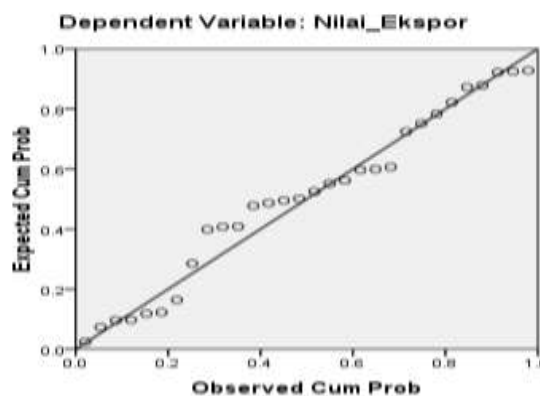

Figure 3. *Normality Graphic*

Based on the statistical results of the Normality Test in the regression results image, it shows that the data is normally distributed because the shape of the curve has a slope that tends to be balanced and the curve is shaped like a bell (close to the normal distribution pattern).

b. Heteroscedasticity Test

Heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residual of one observation to another observation (Ghozali & Ratmono, 2018).
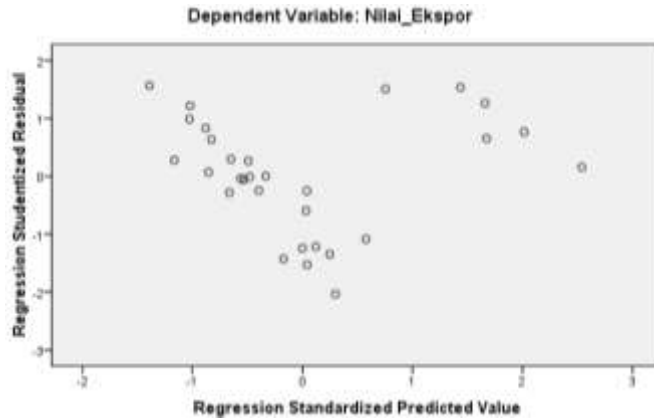

Figure 4. *Scatter Plot Heteroscedasticity Test*

Based on the scatter plot in the image (Heteroscedasticity Test) it can be seen that the points spread randomly and are spread above and below the number 0 on the Y axis. It can be concluded that in this regression model there is no heteroscedasticity.

In testing heteroscedasticity in this study also used the Glejser test. The test can be said to pass if the significant value in each independent variable is greater than the 5% level significance value. The following is Heteroscedasticity testing using the Glejser test:

c. Multicollinearity

The test method in proving the presence or absence of multicollinearity symptoms in this study is by looking at the tolerance value and VIF (Variance Inflation Factor). If the tolerance value is greater than 0.01 and the VIF value is less than 10.00, it can be concluded that the regression model used does not have symptoms of multicollinearity. Here are the results of the multilinearity test (Ghozali & Ratmono, 2018)

Table 5. Multicollinearity Test Results

Model		Tolerance	VIF
1	(Constant)		
	Population	.203	4.925
	GDP	.299	3.340
	Export Volume	.384	2.603
	Export Price	.856	1.169

a. Dependent Variable: Export Value

From the table above, it can be seen that the Multicollinearity test uses the tolerance value and VIF as a reference as follows:

1. The population variable has a tolerance value of 0.203 > 0.10 and a VIF value of 3.340 < 10
2. The GDP (Gross Domestic Product) variable has a tolerance value of 0.299 > 0.10 and a VIF value of 4.925 < 10
3. The Export Volume variable has a tolerance value of 0.384 > 0.10 and a VIF value of 3.603 < 10
4. The Export Price variable has a tolerance value of 0.856 > 0.10 and a VIF value of 1.169 < 10

Based on the data above shows that all independent variables have a tolerance value greater than 0.10 and a VIF value less than 10, it can be concluded that in this regression model there is no multicollinearity symptom.

d. Autocorrelation Test

The autocorrelation test aims to test whether in a regression model there is a correlation between the confounding error in period t and the error in period t-1. The test that can be used to detect deviations from this classical assumption is the Durbin Watson test (D-W statistic).) (Ghozali & Ratmono, 2018).

Table 6. Autocorrelation Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.904ᵃ	.817	.787	1.78515E8	1.082

a. Predictors: (Constant), Export Price, GDP, Export Volume, Population

b. Dependent Variable: Export Value

Based on the table above, the Durbin Watson value is 1.082 which is between -2 to +2, it can be said that the regression coefficient is free from autocorrelation disorder.

e. Multiple Regression Test

To know the relationship between exogenous variables, namely population variables, GDP, export volume, and export prices to endogenous variables, namely the variable value of footwear exports, a simple regression model (ordinary least squares) was used. The extent to which the data available in proving the hypothesis will be explained in the calculations and tests of each of the obtained regression coefficients. Based on the results of data processing in this study, the following results were obtained:

Multiple regression in this study was carried out to obtain the equation for the effect of Population, GDP (Gross Domestic Product), Export Volume, Export Prices on the Export Value of Footwear. The regression results are as follows:

$$NE = -2{,}03 \times 10^{12} - 0{,}906\ POP + 68.345.450\ GDP - 3{,}46 \times 10^{11}\ VE - 10{,}371 HE$$

From the above equation, each independent variable can be interpreted as follows:
1) The constant value is $-2{,}03 \times 10^{12}$ means if all variables of Population, GDP (Gross Domestic Product), Export Volume, Export Prices are close to zero (0) then the value of the export value of footwear is around $-2{,}03 \times 10^{12}$.
2) In the population variable, the significance value is 0.000 ($p<0.05$) which indicates that the population variable has a significant effect on the value of footwear exports in Indonesia.

3) GDP (Gross Domestic Product) has a positive multiple regression of 68,345,450. This means that if all independent variables are fixed and GDP (Gross Domestic Product) increases by one, the export value of footwear will increase by 68,345,450.

4) The value of the export volume of footwear has a negative multiple regression of 3.46×10^{11}. This means that if all independent variables remain and the value of the Export Volume of footwear increases by one, the export value of footwear will decrease by 3.46×10^{11}.

5) In the export volume variable, the significance value is 0.002 ($p < 0.05$) which indicates that the export volume variable has a significant effect on the export value in Indonesia..

1. T Test

The partial hypothesis test is used to know the influence of each independent variable which includes Population, GDP (Gross Domestic Product), Export Volume, Export Prices on the Export Value of footwear. To partially test the hypothesis using the t test with a confidence index level of 95%. To find out whether there is an effect or not, it can be seen from the significance value.

a) Population Effect on Footwear Export Value

To test whether there is a population influence on the export value of footwear, the following is the basis for making decisions:

H_0 =   There is no population influence on the export value of footwear

H_1 =   There is a population of footwear export value

It can be seen that the significance value is $0.00 < 0.05$. So, it can be concluded that there is a significant influence between the population value variable on the export value of footwear and has a negative direction of influence. With this it can be concluded that if the population value increases, the export value of footwear will decrease.

b) The Effect of GDP (Gross Domestic Product) on the Export Value of Footwear

To test whether or not there is an effect of GDP (Gross Domestic Product) on the value of footwear exports, the following is the basis for decision making:

H_0 =   There is no influence of GDP (Gross Domestic Product) on the Export Value of footwear

H_1 =   There is GDP (Gross Domestic Product) to the Export Value of footwear

It can be seen that the significance value is $0.002 < 0.05$. So, it can be concluded that there is a significant influence between the GDP (Gross Domestic Product) variable on the export value of footwear and has a positive direction of influence. With this it can be concluded that if GDP (Gross Domestic Product) increases, the value of footwear exports will also increase.

c) The Effect of Footwear Export Volume on Footwear Export Value

To test whether or not there is an effect of the Export Volume Value of footwear on the export value of footwear, the following is the basis for making a decision:

H_0 =   There is no influence of the Export Volume Value of footwear on the Export Value of footwear

H_1 =   There is a value of the export volume of footwear against the export value of footwear

It can be seen that the significance value is 0.000 < 0.05. So, it can be concluded that there is a significant influence between the Export Volume variable on the export value of footwear and has a negative direction of influence. With this it can be concluded that if the Export Volume Value of footwear increases, the export value of footwear will decrease.

d) The Influence of Footwear Export Prices on the Export Value of Footwear
   To test whether or not there is an effect of the Export Price Value of footwear on the export value of footwear, the following is the basis for making decisions:

H_0 = There is no influence of the value of the export price of footwear on the export value of footwear

H_1 = There is a value of the export price of footwear against the export value of footwear

It can be seen that the significance value is 0.274 > 0.05 thus there is no significant effect between the variable value of the export price of footwear on the export value of footwear and has a negative regression direction. With this it can be concluded that if the value of the export price of footwear increases, the export value of footwear will decrease.

2. F Test
   Simultaneous hypothesis testing was used to know the overall effect of independent variables including Population, GDP (Gross Domestic Product), Export Volume, Export Prices on the Export Value of footwear. To test the hypothesis simultaneously using the F test with a confidence index level of 95%. To know whether there is an effect or not, it can be seen from the significance value. Here is the hypothesis of this F test:

H_0 = There is no influence of Population, GDP, Export Volume and Export Prices on the Export Value of footwear

H_1 = There is an influence of Population, GDP, Export Volume and Export Price on the Export Value of footwear

To find out the calculated F, statistical tests have been carried out with the following results:

Table 7. F Test Results

ANOVA[b]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.547E18	4	8.867E17	27.823	.000[a]
	Residual	7.967E17	25	3.187E16		
	Total	4.343E18	29			

a. Predictors: (Constant), Export Price, GDP, Export Volume, Population

b. Dependent Variable: Export Value

From the table above, it can be seen that the significance values of (0,000) < α (0,05). Overall, it can be concluded that Population, GDP, Export Volume and Export Prices have a significant influence on the Export Value of footwear in Indonesia.

3. Coefficient of Determination Test

Correlation coefficient is a statistical technique used to test the presence or absence of a relationship and the direction of the relationship of two or more variables. The value of R lies between -1 to 1 (-1 R 1). The purpose of calculating the coefficient of determination is to know the relationship of the independent variable to the dependent variable. From the results of data analysis obtained the following results:

Table 8. Determination Coefficient

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.904[a]	.817	.787	1,79E+13

a. Predictors: (Constant), Harga_Ekspor, GDP, Volume_Ekspor, Populasi

b. Dependent Variable: Nilai_Ekspor

Based on the table above, it can be seen that the value of R Square is 0.817. This condition showed that 81.7% of the footwear export value variable is explained by population, GDP, export volume and export prices. While the remaining 21.3% is explained by other factors not examined in this study.

IV. Conclusion

Footwear exports in Indonesia experienced positive growth from 2012 to 2018. This can provide opportunities for Indonesia to carry out export activities. In addition, the contribution of the footwear industry in Indonesia to GDP also showed quite positive results where in 2018 the growth of the footwear industry increased by 5% and the average annual increase was 0.11%. Indonesia itself ranks fourth as the country with the largest footwear production in the world with a total production of 1083 million pairs. The number of workers absorbed was 867,084 workers and the export value reached US$ 4.78 billion.

The Indonesian footwear industry has a comparative advantage or has strong competitiveness in 5 (five) countries throughout 2013 to 2018 with the highest RCA value being in Belgium while the lowest RCA value being in Japan. The low value of RCA in Japan can be caused by the low value of Indonesia's exports to Japan. This comparative advantage is dynamic which is influenced by world economic factors, the domestic environment and technology. In addition, the Indonesian footwear industry has competitiveness against other countries such as China, Italy, Germany and Belgium therefore it can be used as an opportunity to increase the value of footwear exports in the international market. In addition, the products produced in the Indonesian footwear industry are already in the maturity stage, this can be shown by the ISP value which is close to 1.

Population, Gross Domestic Product, Export Volume and Export Price are factors that affect the export of footwear in Indonesia with each explanation as follows:

a. The population has a negative direction of influence which can be concluded if the population value increases, the export value of footwear will decrease.
b. GDP (Gross Domestic Product) on the value of footwear exports and has a positive direction of influence so that if GDP (Gross Domestic Product) increases, the export value of footwear will also increase.
c. Export volume to the export value of footwear has a negative direction of influence. It can be concluded that if the Export Volume Value of footwear increases, the export value of footwear will decrease. The value of the export price of footwear on the export value of footwear has a negative regression direction. It can be concluded that if the value of the export price of footwear increases, the export value of footwear will decrease.

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