ABSTRACT

In the era of globalization, international trade serves as a key pillar in supporting a country's economic growth, particularly through free trade agreements such as the ASEAN-China Free Trade Area (ACFTA). This agreement aims to strengthen economic integration and enhance trade relations between Southeast Asia and China by reducing trade barriers. For ASEAN countries, ACFTA presents opportunities to boost exports and expand international markets.

This study aims to analyze the impact of the ACFTA agreement on the export value of ASEAN-5 countries to China during the period 2001-2023 using the Random Effect Model (REM) estimation approach. It also examines whether GDP, real effective exchange rate, population, and distance influence ASEAN's export growth.

The analysis results indicate that after the implementation of the ACFTA upgrade protocol in 2019, ACFTA had a negative impact on ASEAN-5 exports to China. ASEAN-5 and China's GDP significantly increased exports. Higher GDP created a production surplus. China's GDP boosted demand. The real exchange rate significantly affected exports. Currency appreciation reduced competitiveness. Currency depreciation increased exports. Population had a negative impact. Rising population increased domestic consumption. Exports declined due to higher domestic demand. Distance had no significant effect. Governments need strategies to enhance competitiveness. Trade policies must be adaptive. Export product competitiveness must be strengthened.

Keywords: ACFTA, Exports, GDP, Real Effective Exchange Rate, Population, Distance, Random Effect Model