

CHAPTER I

INTRODUCTION

1.1 Background

In this modern era, very fundamental economic developments are driven by increasingly dynamic and fast developments. Especially in terms of international trade. International trade is trade carried out by residents of another country by mutual agreement, whether it is between individuals (individuals and individuals) between individuals and the government of a country, and the government of a country and the government of another country. International trade is one of the main factors to increase GDP. This activity is commonly known as Export and Import.

According to the Directorate General of Customs and Excise, Export is an activity of removing goods from the customs area. Meanwhile, in terms of economics, export is the process of transporting goods or commodities from one country to another. This process is often used by entrepreneurs. In order for the export-import business carried out by entrepreneurs to run smoothly, they must have sufficient understanding of matters related to the export-import process (Indonesian Export Smart Book 2014).

According to Annisa Anastasya (2020) direct export activities with importers are not simply easy. One of the challenges for SMES in this regard is finding various document requirements for conducting export transactions with importers. This is because export activities occur in two countries that have different regulations and needs. Moreover, export activities have big risks, so various documents are needed as inspection and guarantees, included; invoice, packing list, Bill of lading, PEB, Shipping instruction, Certificate of Origin, Certificate of Analysis and other additional documents.

According to Agoes Junaedy and Adi Kusrianto in the Indonesian Export Smart Book (2014). The process export start with documents required by the importer, Additional documents required by importers for agricultural, customs procedure, shipping export procedures, and export payment process.

In Indonesia, the development of exports is quite developed. Indonesia has a number of leading export commodities in the global market, the Central Statistics Agency categorizes commodities into two, namely oil and gas and non-oil and gas. Export development, especially non-oil and gas exports, both goods and services is basically a mainstay in the short and medium term to increase the national economy as well as foreign exchange reserves. Non-oil and gas exports still dominate Indonesia's total exports. The Central Bureau of Statistics reports that these non-oil and gas leading export commodities include; palm oil with total exports reaching 34 million tons worth US\$22.97 billion, rubber exporting 2.2 million tons worth US\$2.9 billion, and coffee, tea and cocoa being Indonesian agricultural products that excel in the export market.

Exports of non-oil and gas commodities, especially in Riau's agriculture, are the second largest in Indonesia, worth 1.077 trillion rupiah. Where Dumai itself has the largest export value of 1.052 trillion rupiah, it cannot be separated from the large role of export commodities. One of them is *CV Pemuda Tiga Satu*, Dumai. With export commodities such as petai, lemongrass, kincung, cabbage shoots and sweet potatoes.

The high number of export commodities requires a processed and detailed of export flow activities, in order to support the export process to continue to run properly. Based on the problems above, the amount of export value obtained in Dumai's export commodities, especially *CV Pemuda Tiga Satu*, cannot be separated from the management of export flow activities that have been carried out. Good management of export activities will have an impact on the export value obtained.

Based on the background described above, this research will be further investigated with the title **"The Analysis of Export Flow Process in Export Activities on *CV Pemuda Tiga Satu*, Dumai"**.

1.2 Formulation of the Problem

Based on the above background, this study will identify the following problems “How is the process of export flow activities at *CV Pemuda Tiga Satu Dumai?*”.

1.3 Purpose of the Study

Based on the formulation of the problem, the objectives of this study to analyze export flow activities at *CV Pemuda Tiga Satu Dumai*.

1.4 Significance of the Study

Based on the information above, the authors can mention the benefits of research, namely:

1. For Companies.

The benefit of this research for the company it is hoped that the company can develop its export business even more broadly by looking at the potential of existing goods in its environment first.

2. For Institutions.

The benefit of this research for the State Polytechnic of Bengkalis is that is expected to be reference especially about export flow process and add to the literature collection.

3. For Research.

The benefit of this research for Research to increase knowledge and insight about the process of exporting goods or services, train to apply the theories obtained during the lecture process, and to be a development of knowledge in future research.

1.5 Scope and limitation of the Problem

Based on the background of the problem that has been described, this study can identify the scope, namely *CV Pemuda Tiga Satu* in *Dumai City*. In analyzing how the export flow activities that occur in *CV Pemuda Tiga Satu*. This study is only limited to analysis of export flow process.

1.6 Writing System

In order for the writing of this thesis report to be systematic and neatly structured, a systematic writing is needed. The following is a systematic thesis report writing:

CHAPTER 1 :INTRODUCTION

Chapter 1 explains the background of the problem, the formulation of the problem, the research objectives, the scope of the research and the limitations of the problem as well as systematic report writing.

CHAPTER 2 :LITERATURE REVIEW

Chapter 2 describes the literature review and the previous theoretical basis that will be used in completing the research.

CHAPTER 3:RESEARCH METHODOLOGY

Chapter 3 will explain the implementation plan, starting from the location, and object of research, types and sources of data, data collection technique, data processing technique, types of the study, research schedule and budget.

CHAPTER 4:RESULTS AND DISCUSSIONS

Chapter 4 will explain the results and discussion of study.

CHAPTER 5:CONCLUSIONS AND SUGGESTIONS

Chapter 5 will explain the conclusions and suggestions from the study carried out.

REFERENCES

APPENDICES

WRITER BIOGRAPHY