

V. CONCLUSION AND IMPLICATION

A. Conclusion

Based on the analysis results and the discussions, the conclusions of this research are as follows.

1. The variables that have significant effects on Indonesia milk import in 1995-2015 are Indonesia milk consumption, Rupiah exchange rate and Indonesia GNI per capita. Meanwhile, the variables that have insignificant effects are Indonesia milk production and Indonesia milk price.
2. The variable that has the most influential effect on Indonesia milk import in 1995-2015 is Indonesia milk consumption.

B. Implication

Based on the conclusions, the implications that may be implied as the recommendations for milk industry policy are as follows.

1. The government of Indonesia should develop a comprehensive blueprint for milk industry development with the related institutions (*IPS*, *GKSI* and dairy farmers) with the aim of increasing partnerships to create a conducive business climate to overcome the high demand of milk.
2. The government needs to encourage the optimization of existing production capacity and investment on supporting factors (employment, raw materials, energy and infrastructures) in order to increase the competitiveness of domestic milk industry.

C. Research Limitation

The limitation of this research is based on variables used. Independent variables in this research only five: domestic consumption, production, price exchange rate and GNI per capita. They are categorized as economic variables. Therefore, it would be better for the next researcher to add some non economic independent variables in developing model.