

The Analysis of Market Concentration of Indonesian Automotive Industry

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Abstract

The Indonesian automotive industry plays the significant role in Indonesian economy especially in transportation system of peoples and products. It passed the peak and trough since its emergence up to right now. This study aims to map the automotive industry based on brand and sales volume in suggesting the policy making of Indonesian automotive industry in the future. One of the important components of structure of the market is market concentration that determining the conduct and performance of concerned firm or industry. This study analyzes the Herfindahl Index for Indonesian automotive industry over the period 2008 to 2018 from 27 brands. The managerial implications and suggestions will be posed to the Indonesian government.

Keywords

Automotive industry, Indonesian, Herfindahl index, market concentration, SCP.

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