

COVID-19 Pandemic Impact on Rice Market in Indonesia: An Event Study Approach

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Abstract

The covid-19 pandemic, apart from leading to human cases and deaths, is also distracting the price market. This study is based on the initial COVID-19 case in Indonesia, confirmed on 2nd March 2020. The main objective is to analyze how the Covid-19 incident can affect Indonesia's rice market and rice prices. The research method used is an event study employing market models in the rice market with secondary data. The calculation of abnormal returns in the period from 2nd March 2019 to 2nd March 2022, a decreased abnormal return value. The data in this study is secondary in the form of sectoral indices on the Indonesian rice market. This study uses a market-model event study approach to investigate how fast and comprehensively rice markets react to the latest evidence. To quantify the pandemic's economic impact, estimate the abnormal returns; in a phase before and after the event, they may work as a measure of the unexpected effect of the event on the rice market. The expected results show that according to the key dates set as the event window, different results emerge about how the rice market and rice prices affect during the pandemic.

Keywords: Covid-19, Event Study, Indonesia, Market-model, Rice Price,

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