

Existence of Natural Rubber Exports to America Efforts to Improve the Economy of Indonesian People

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Abstract

The purpose of this research is to find out whether Indonesia sends natural rubber to America to help the income of the Indonesian people, especially from an Islamic economic perspective. To better understand Indonesia's natural rubber exports to America, a qualitative descriptive research method with a critical review analysis method was used. This research data was obtained through comprehensive literature analysis, including critical review techniques and utilizing secondary data from various sources, such as websites and previous research. The research results show that the number of rubber exporters varies every year, influenced by fluctuations in rubber output levels. This aspect can hurt the survival of Indonesian rubber because it affects income. Despite this, there was a consistent increase in demand for natural rubber throughout the year, indicating growth in the overall value of global natural rubber exports. The increase in export value shows that there is a big opportunity for Indonesia to expand its exports, especially considering the increasing world demand for natural rubber. In 2021, Indonesia exported 9.8 tons of natural rubber to the American continent, while world natural rubber production in 2022 reached 10.03 tons, showing growth. On the other hand, the production and use of artificial rubber has decreased. The huge growth in money generated from Indonesia's natural rubber exports to the United States plays an important role in increasing the country's foreign exchange reserves, which can be used for various purposes such as imports, debt settlement, and driving economic progress. Apart from that, the natural rubber sector in Indonesia also creates jobs, both in the plantation sector and processing businesses. Indonesian rubber exports can significantly increase the automotive sector, especially in tire manufacturing. The increasing demand for Indonesian natural rubber as the main component of tires has quite big prospects for the progress of the automotive sector in Indonesia.

Keywords: Natural Rubber Exports, Community Economy, Indonesia

Article History

Received: 25-02-2024

Accepted: 27-03-2024

Published: 29-04-2024

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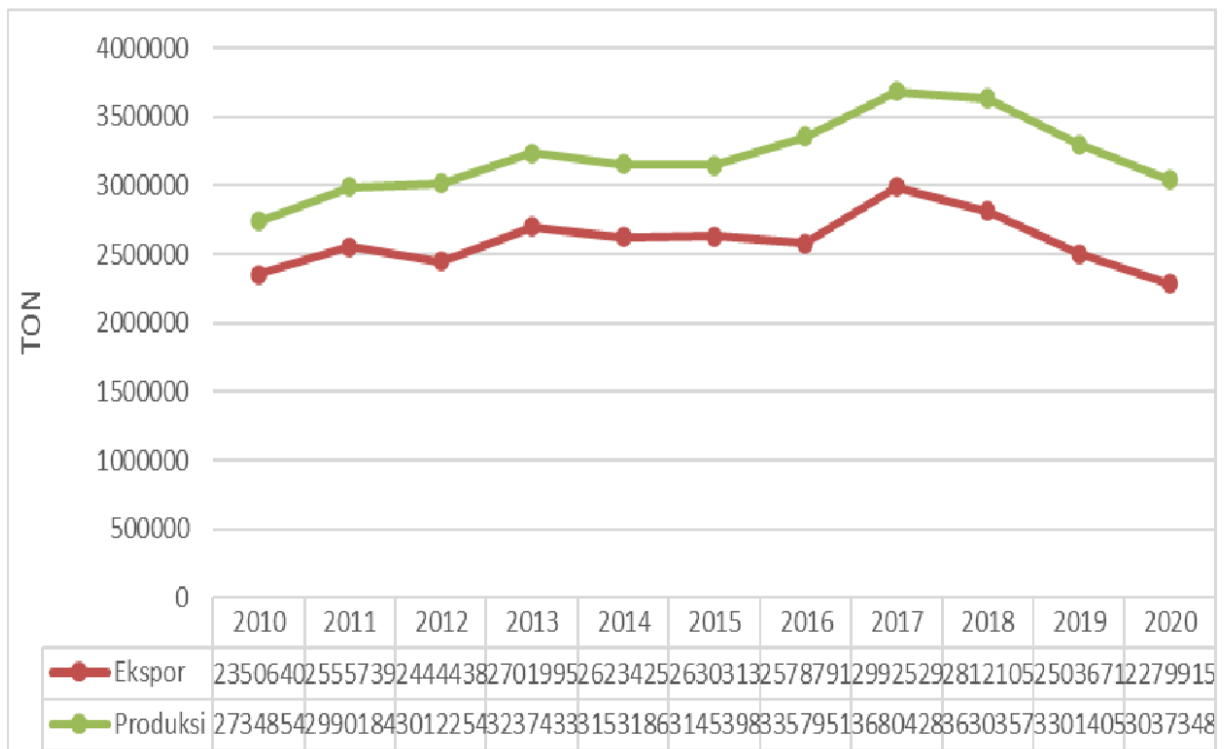
To Cite this Article

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INTRODUCTION

The performance of plantation businesses cannot be separated from the country's economic growth. This can happen because livestock businesses bring in a lot of foreign exchange and create jobs. Rubber is an important product for agricultural businesses. Plantation goods, such as natural rubber, constitute a large share of the foreign currency earnings the country earns through trade. Around 68.8 trillion rupiah or 5.1 billion US dollars was obtained from natural rubber exports in 2017. A total of 2.9 tons of natural rubber were exported, resulting in this money (Rahma, 2019). It should be noted that 84% of Indonesia's rubber production is sent abroad in raw form. In contrast, only 16% of rubber is used in the United States. The main goods that contribute the most foreign exchange from the agricultural subsector are rubber and palm oil. Rubber accounted for 25% to 40% of all foreign currency earned from agricultural products over the past five years. Apart from that, natural rubber is also able to provide employment opportunities for 2.4 million people who have an average land area of 1.25 hectares (Rahma, 2019). The future development of Indonesian natural rubber looks promising considering the consistent increase in exports every year. The future of rubber production has great potential because of the availability of large tropical lands suitable for cultivating rubber trees. From an economic perspective, Indonesia's natural rubber production is focused on expanding exports and meeting domestic demand (Nurbaiti, 2023). The high demand for rubber goods shows that the need for rubber raw materials will continue to increase in world markets and the United States. The Central Statistics Agency (BPS) stated that between 2010 and 2020, Indonesia's natural rubber production and trade always fluctuated (Segoro, 2018).

Figure 1: Production and Export Volume of Natural Rubber



Source: Central Statistics Agency, 2023

Based on figure 1, shows that between 2010 and 2020, the amount of Indonesian rubber production and sales experienced changes. Thailand and Indonesia are the main rivals in the world's natural rubber export market. They both send almost the same amount of rubber overseas. Based on information in table 1 from the International Trade Center (ITS). Indonesia is one of the largest natural rubber producers from 2017 to 2021 only Thailand is bigger (Segoro, 2018). Although its value is not yet clear, Indonesian natural rubber has great growth potential in the future because exports continue to increase every year. The opportunity to increase rubber production in the future is very large because there is a lot of warm land that can be used to plant rubber trees. Rubber supplies in Malaysia and Thailand continue to decline due to government policies, but this is not the case there (Dewi, 2018). In 2020, FAO data shows that Indonesia produces more natural rubber than any other country in the world, except Thailand. 32% of the world's raw rubber comes from Indonesia. The United States is the main supplier of natural rubber for Indonesia and has the largest market in the world. Indonesia was the largest supplier of natural rubber to America from 2008 to 2019, this can be seen from its large market share. Its exports are worth 71.96% more than other countries (Arwanto et al., 2023). The minimum requirement for natural rubber content in tires is 35%, which indicates a significant dependence on natural rubber. The majority of global natural rubber production is allocated to making tires, and the remainder is used for various other goods. Goodyear Tire and Rubber Company, located in Akron, Ohio, United States, is one of the largest tire companies in the world (Daulika, 2020).

Control of the natural rubber market in the United States has great potential for Indonesia. This will lead to increased export demand, thereby increasing the competitiveness of Indonesian natural rubber and allowing it to compete effectively in the United States. Islamic economics focuses on the principles set out in Islamic teachings, especially in the field of business activities. These principles include elements such as justice, freedom, openness, and societal integration that have the potential to impact a country's economy. Indonesia has the potential to improve its economy by expanding its natural rubber exports to the United States, in line with Islamic economic principles (Aqwa, 2020). Rizkyanti, (2017) found that in the 2009 period, rubber and rubber goods businesses showed oligopoly characteristics indicating the existence of several dominant companies. Therefore, the government needs to implement strict supervision to prevent negative impacts on consumers. Similar results are also seen in the natural rubber market structure in the province, where the dominant marketing organization plays an important role in determining prices (Ambarwati, 2019). Analysis of the natural rubber market structure from 2011 to 2015 was still oligopoly. This conclusion was reached by measuring the Herfindahl Index (HI) and Concentration Ratio (CR).

The Revealed Comparative Advantage (RCA) method can be used to find out how competitive natural rubber goods are compared to similar products from other countries and what role Indonesia plays as a provider of natural rubber in the American rubber market (French, 2017). The fact that Indonesia's RCA value is higher than other ASEAN competitors shows that Indonesia has a big advantage in the main plantation sector. (Jayadi & Aziz, 2017). According to research conducted by Daulika, (2020), Indonesia's natural rubber exports have shown a competitive

advantage in the global market from 1995 to 2017, as indicated by the average value of $RCA > 1$, namely 1.01 (Arianti, 2019). A method called Export Product Dynamics (EPD) is used to see whether the performance of Indonesian natural rubber is dynamic in the United States. Not all goods can be exported at high prices, but that does not mean they are not competitive. Porter's Diamond model, which looks at the factors that determine competitive advantage, is a better way to study competitive advantage (Dewi, 2018).

LITERATURE REVIEW

Export Theory in Macroeconomics

Export operations involve the trade of goods when products are taken from within a country and sent to another country, following relevant laws and regulations. Exports refer to the aggregate value of products, insurance, and services sold by a country abroad in a particular year (Arianti, 2019). Export activities involve trading goods from one country to another, following applicable laws and regulations. Exports refer to the aggregate value of products, insurance, and services that a country sells to other countries in a given year. Exports are an important economic sector that facilitates market expansion between several countries. It can stimulate the growth of a particular industry, which in turn encourages the growth of other industries and economic sectors. A large part of the industrial sector's market growth is the export industry. This, in turn, helps other industry sectors and overall business growth. In conclusion, exports have a big influence on the value of the rupiah, both decreasing in value and increasing in value. Trading businesses do the following things classical economics says that a business can grow quickly if it sells its goods in other countries or in its own country, where the local market is more limited. Exports increase the amount of real demand. Therefore, products in the local market are looking for new ways to work more efficiently. Increasing exports helps development because it allows some businesses to grow without requiring much input of social capital. This is because selling goods abroad can overcome problems in the domestic market, such as low real income or a poor transportation system (Ardanari, 2020).

Indonesia's exports reached 57,158.8 US dollars in 2002, which was the first year such growth was seen. The total value of the two sectors is divided into two groups: the oil and gas sector worth 12,112.7 US\$, and the non-oil and gas sector worth 45,046.1 US\$. The amount of money exported in 2003 was 61,058.1 US dollars, 3,899.3 US dollars more than the previous year. The non-oil and gas sector provided 47,406.9 US dollars, while the oil and gas sector provided 13,651.4 US dollars. This year, changes in exports grew much greater than changes in imports which only grew by US\$ 1,261.8. In 2004, exports reached 124,962.7 US dollars, which was a big jump of 63,904.6 US dollars. Sectors that do not involve oil and gas, including agriculture, manufacturing, and other fields, are the largest export sectors. Total exports fell in 2005 to 77,536.3 US\$. In contrast, Indonesian products brought in foreign exchange of US\$ 84 million in 2005. In 2005, total imports reached US\$ 57 billion, and the trade balance was considered unfavorable at around US\$ 27 billion. The large income that can be obtained from exports can be seen from the fact that from January to November, exports generated US\$ 77.3 billion. In addition, the

number of exports in December 2005 is estimated to be the same as the number of exports in November. The main thing that still makes exports grow is the growth of non-oil and gas exports, especially in the industrial sector. Goods such as linen, textile products (TPT), crude palm oil (CPO), shoes, and industrial products such as coal and copper are all part of this (Heru Kurniawan & Abdul Aziz, 2023).

Development of Exports and the Indonesian Economy

Typically, there are two main types of economic growth theories: classical economic growth theories and current economic growth theories. Classical economic growth theory is based on the idea that free markets work best. The main idea is classical economic theory, created by economists between the 18th and early 20th centuries. Adam Smith, David Ricardo, and W.A. Lewis are well-known traditional economists. Another way to explain economic progress is the modern theory of economic growth. This idea recognizes that the role of government in the economy is important to overcome the problems of a free market system. This group does not seem to care about the pros and cons of the free market system if it is not controlled. One of the modern growth theories is the theory put forward by Harrod and Domar for economic growth. From short-term Keynesian macroeconomic theory to long-term macroeconomic theory, the Harrod-Domar model shows how macroeconomics has changed. These two economists say that investment spending (I) changes production capacity, which in turn changes aggregate demand (AD) and aggregate supply (AS). From a broader perspective, investment leads to an increase in the capital stock (K). According to the Harrod-Domar theory, every increase in capital accumulation in a society will cause an increase in the society's capacity to produce output. The output in question refers to prospective production that can be achieved using the amount of capital currently available. However, it is important to note that actual output may differ from potential output, as this depends on the level of aggregate demand (Amalna & Ardyansyah, 2023).

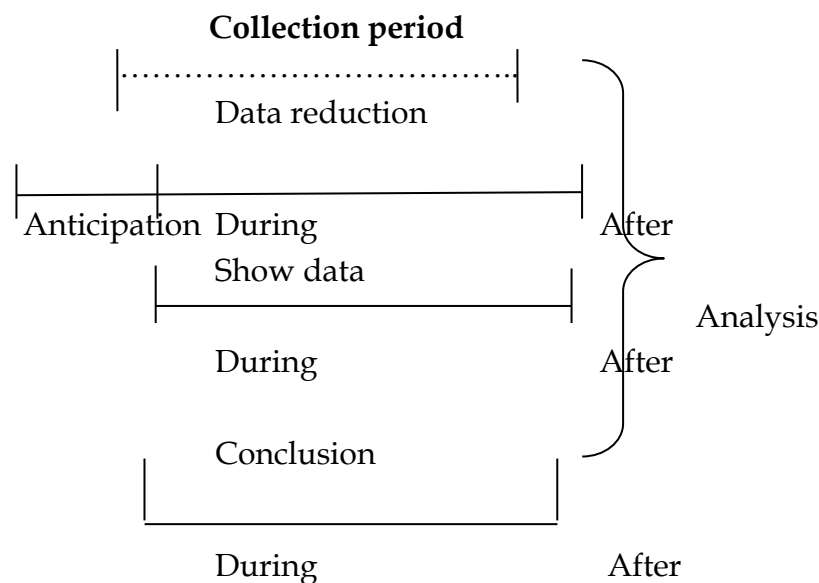
Economic development refers to the collective progress of human society in terms of social structures, norms, and practices in a particular context. The aim of improving the economy is to increase the level of the economy through the development of productive and independent businesses, with a special focus on effective business management. Imron Zulkarnain defines a people's economy as an economic system that is in line with the philosophy of our country, prioritizing justice, economic democracy, and the interests of the people (Imron, 2021). Understanding of the people's economy can be analyzed from two points of view: first, a study of economic activities carried out by small-scale economic actors, which is called the people's economy. This method aims to empower individuals economically through empowering small company economic actors. Participatory development is a term used to describe an economic system approach known as economic democracy or a democratic development system. According to this alternative method, the aim is to utilize democratic ideals in development to empower society economically. The concept of people's economics refers to an economic system that involves the participation of all levels of society in the growth process, with each level acting as a driving force (Nurhalisa & Nawawi, 2023).

RESEARCH METHODOLOGY

Qualitative and descriptive methods were used for this research. Descriptive analysis is used to describe the qualitative data used in the research process. The main topic of this study is whether Indonesia sends rubber to America or not. The main objective of this research is to see how the supply of Indonesian natural rubber to the United States has helped Indonesia's economic growth, especially from an Islamic economic perspective. The critical study method was used in this research to improve the inspection of Indonesian natural rubber exports to the United States. The data used comes from secondary sources such as journals and archives of previous research data. These sources come from ideas and concepts that make the topic more important. This research uses research and its theoretical basis as a guide so that the research remains by the facts in the field (Rahmani, 2018).

The data analysis in this study used the theory of the Miles and Huberman model by suggesting that the activities in qualitative data analysis were carried out interactively and continuously until they were completed. These are the steps that the author must take to analyze the data that has been collected from all the informants as something that must be passed before making a decision. After all the data needed for this study were collected, the researcher used an analytical model because the activities in qualitative data analysis were carried out interactively and continued until they were completed. Researchers use thematic analysis as a research method to obtain the meaning of interviews that can enrich qualitative data (Kasri, 2018). The following is the flow of components in the data analysis of the Miles and Huberman model

Figure 1. Model Miles Huberman



The last step is drawing conclusions and verification. Thus the conclusions in qualitative research may be able to answer the formulation of the problem that was formulated from the start. Conclusions in qualitative research are new findings that have never existed before. Findings can be in the form of a picture or description of

an object that was previously dim or still dark so that after research it becomes clear that it can be a causal relationship or interaction, hypothesis, or theory.

RESULT AND DISCUSSION

Property Protection Efforts to Maintain Indonesia's Natural Wealth

Natural rubber market conditions continue to improve over time. This is in line with the increasing development of the industrial sector, both domestic and global. This surge especially occurred in the automotive industry. Increased economic development has resulted in increased demand for various automotive products. The automotive sector is experiencing an increase in demand for natural rubber in line with improving global economic conditions after the global financial crisis. One industry that is experiencing significant growth is the tire industry (Basri, 2010). As a result of this situation, there has been an increase in the need for natural rubber as the main material for tire production. The gradual increase in world oil prices has a direct impact on the increasing demand for natural rubber. This is because the increasing production costs of synthetic rubber make natural rubber a more viable alternative. Production and consumption of natural rubber continue to increase every year. In 2021, the amount of rubber exported to America will be 9.8 tons, while natural rubber production will be 10.2 tons. In 2022, global production is projected to increase to 10.03 tons, while consumption is estimated to reach 10.08 tons. This condition is inversely proportional to the production and use of synthetic rubber which has decreased. Synthetic rubber production in 2021 was 13.4 tonnes, decreasing to 12.79 tonnes in 2022. The decline in production was also accompanied by a decline in consumption. Specifically, the use of synthetic rubber has decreased from 13.28 tonnes in 2021 to 12.57 tonnes in 2022. The abbreviation IRSG stands for International Rubber Study Group. This growth certainly has a positive impact on Indonesia, which is known as one of the main suppliers of natural rubber. Rising rubber prices provide better prospects for increasing foreign currency reserves through trading efforts. Indonesia has great potential to increase its rubber production because of its status as the country with the largest rubber-producing region in the world. The current condition of globalization has led to an increasing number of international opportunities (Chaidir & Muslim, 2022)

Indonesia has the largest land area dedicated to cultivating natural rubber. However, Indonesia is also not the largest exporter. Thailand is the only country that exports more natural rubber than Indonesia, making Indonesia the second largest exporter of natural rubber globally. Indonesia has achieved significant progress in natural rubber exports. This can be seen from the export value which is increasing every year. Indonesian rubber production not only functions to meet domestic consumption needs. Increasing domestic demand stimulates exports to foreign markets. Expanding exports directly contributes to the growth of foreign exchange reserves. The increase in Indonesian rubber exports is in line with the increase in rubber output produced. The list of potential destination countries for Indonesian rubber exports currently includes the United States, Japan, and China. Indonesia's rubber exports are influenced by global economic conditions and the countries where rubber is sent. Indonesia's natural rubber exports provide significant foreign exchange earnings, which are used to fund imports, pay debts, and facilitate other

economic improvements. Apart from boosting foreign exchange, the presence of the natural rubber sector in Indonesia opens up employment opportunities in both the plantation sector and the processing industry. Rubber farmers and rubber factory workers have an important role in creating jobs to reduce unemployment in Indonesia. Natural rubber exports are a reliable and consistent source of income for farmers in rubber plantation areas. Setting optimal rubber prices has the potential to increase farmers' income and contribute to narrowing the economic gap between urban and rural areas (Wusqo et al., 2022).

Development of the Indonesian Economy Post Natural Rubber Exports

Demand for natural rubber continues to increase every year. This can be seen from the increase in the overall value of global natural rubber exports. This increase indicates a surge in demand as a result of progress in the global industrial sector. Indonesia has a great opportunity to expand its export potential in line with the increasing demand for natural rubber globally. Indonesia has great potential to become the world's leading natural rubber exporter. This annual growth has a significant influence on Indonesia's natural rubber trade. Industrial advancements around the world have led to a significant increase in the global trade of this particular item at a rapid pace. This certainly has a significant impact on the expansion of rubber production at the national level. The increasing value of natural rubber commodities on the global market has also encouraged the expansion of domestic production. Currently, Indonesia's natural rubber trade is largely focused on a few select countries, with particular emphasis on the United States. The increasing demand for natural rubber in industrialized countries has had a significant impact on Indonesian rubber exports to other countries. The majority of these countries are involved in automobile manufacturing. This increase was partly due to the shift to the use of synthetic rubber caused by increasing world oil prices.

Natural rubber from Indonesia is sent to many places in the world. So far, the United States, Japan, and China have been the largest countries that buy raw rubber from Indonesia. Almost half of Indonesia's natural rubber products go to these three countries. This information makes it clear that the United States is the destination for the majority of Indonesia's natural rubber exports. India is buying more Indonesian rubber, but Indonesia's share of natural rubber exports has declined compared to the total amount of rubber Indonesia sends abroad. Indonesia exports raw rubber, which is very popular in industrialized countries. However, Indonesia also buys a lot of synthetic rubber because it has many companies that process synthetic rubber. For Indonesian rubber to be more competitive in the world market and to be prepared to face the possibility of natural rubber running out, the rubber industry needs to come up with new ideas that can add value to the rubber itself. To increase the value of rubber goods, the industry can be helped to grow after the initial production stage, and rubber wood can be used as raw material for the furniture industry. Derived from rubber trees and has a rubber base. Many things can be made from rubber. However, the maximum potential of old rubber wood has not been fully realized (Sevina, et., al., 2022).

The use of rubber wood opens up a new way for the rubber industry to make more money. Currently, the demand for rubber latex and rubber wood is very large.

Rubber wood is in great demand both in the United States and other countries because it is considered to have bright colors and a shape similar to ramin wood. Apart from that, rubberwood is a tropical wood that meets ecolabel requirements because it can be planted repeatedly. Often used as a building material for furniture, particle board, wood, MDF (Medium Density Fiberboard), and others. Today, the rubber industry does not only produce rubber latex; it is also about making rubber and wood seeds. Rubber trees mostly produce latex, which can be bought and sold in various forms, such as fresh latex, coagulated sheets, or dried and smoked sheets. Apart from that, this item is also the main ingredient for companies that make rubber waste which is then used as raw material for the industry to make goods such as tires, rubber shoes, gloves, and others. To get rubber wood from rubber trees, things must be done such as rehabilitating plantations or reviving old rubber plants that do not produce latex. Generally, the rubber wood traded comes from old rubber plants that have been revived. This process is related to the planting of new rubber trees. Rubber wood is useful in many ways, including as a building material for houses, as firewood, as charcoal, and as sawn wood for making furniture (Widayanti, 2015).

Utilization of rubber wood resulting from efforts to revive rubber plants can be carried out simultaneously or simultaneously with forest planting projects such as Saigon or acacia for making pulp and paper. Land that has been converted into gardens again, land owned by farmers, and important properties near settlements are all used in planting areas. The technology and management used in production systems and processes have a major impact on how rubber is made into industrial goods. Products in the rubber business need to change to meet growing market needs. The Indonesian rubber sector is expected to experience a transition from providing raw materials to providing finished or semi-finished commodities whose value will increase through additional processing of rubber products. Obtaining industry-wide technology support requires involvement in research and development operations to obtain the necessary technology. Indonesia has a rubber research institute that offers science, technological advances, and innovative solutions in the rubber industry, under the jurisdiction of the Ministry of Industry (Wajdi, 2020).

Rubber is one of the export goods that can contribute to Indonesia's efforts to increase foreign exchange reserves. In recent years, Indonesian rubber exports have consistently shown growth, resulting in profitable foreign exchange profits from this commodity. Driven by human tendencies towards durable and flexible products, demand for rubber is expected to increase along with the development of the automotive sector, health needs, medical equipment, household needs, and other related sectors. Rubber demand is expected to continue to increase in the future. Undoubtedly, this provides good prospects for Indonesia to export rubber and its derivatives from the local rubber industry to international markets. Considering the increasing demand for natural rubber in developed countries for rubber products in the coming years, it is recommended to make efforts to increase the supply of natural rubber and develop rubber production businesses. To ensure the success of these efforts, it is critical to focus on growing rubber plantations and expanding downstream industries to increase the value of raw industrial products. Global

rubber demand is increasing, surpassing current production levels. Indonesia has the potential to become the world's leading rubber producer due to limited land availability and a scarcity of cheap labor in competing countries such as Thailand and Malaysia. This gives Indonesia a comparative and competitive advantage, which can contribute to the growth of its rubber industry (Wahyuni, 2022).

During these five years, the Indonesian rubber production industry experienced quite significant improvements, as can be seen from the consistent growth in total rubber exports every year. Even though Indonesia has larger rubber plantations than other countries, the total value of rubber exports from these competing countries exceeds the value of Indonesian exports. This is because these countries rely on advanced technology in their industry to export synthetic rubber in larger quantities. Even though the Indonesian rubber industry is currently unable to produce synthetic rubber-like its competitors, it has the potential to increase the output of the natural rubber industry. Due to the increasing need for synthetic rubber in many industries, Indonesia imports synthetic rubber to meet its increasing needs. Based on data from the last five years, Indonesia's import value always grows every year. This is mainly due to the limited types of rubber products produced and exported by Indonesia, most of which are raw materials and some are finished goods. The government has implemented a strategy to expand the national rubber and rubber goods sector which is divided into two categories: supply side and demand side. The supply side refers to national rubber production which includes intensification and expansion of rubber cultivation, development of raw materials for rubber products, increasing human resource capacity, providing investment incentives in products made from national rubber raw materials, and easy access to capital. The demand side is focused on improving the quality of domestic rubber products, increasing the variety of rubber products, and increasing market share both domestically and internationally. This is achieved through participation in various exhibitions, promotions, and exports (Usaman, 2020).

The prospects for rubber and rubber goods are expected to continue to grow, thereby providing profits for corporations. Domestic business actors must take advantage of this opportunity by increasing the competitiveness of their companies and the products they produce. Efforts are being made to increase plantation productivity and operational efficiency of rubber product businesses, as well as improve the quality of processed materials. The surge in income generated from Indonesian natural rubber exports to the United States made a significant contribution to Indonesia's foreign exchange earnings. These profits are used to finance imports, repay loans, and facilitate other economic progress. Apart from boosting foreign exchange, the presence of natural rubber businesses in Indonesia opens up employment opportunities in both the plantation and processing industry sectors. Rubber farmers and rubber factory workers have an important role in creating jobs to reduce unemployment in Indonesia. Exporting natural rubber serves as a reliable and consistent source of income for farmers in rubber plantation areas. Setting optimal rubber prices has the potential to increase farmers' income and contribute to narrowing the economic gap between urban and rural areas. Indonesian rubber exports to America have the potential to increase the productivity of the automotive industry. The tire industry is experiencing significant growth,

especially in the automotive sector. The current situation has caused an increase in the need for Indonesian natural rubber as the main material for tire production. The gradual increase in world oil prices has a direct impact on the increasing demand for natural rubber. This is due to the increasing production costs of synthetic rubber which functions as a substitute for natural rubber. Apart from that, the large contribution of Indonesia's natural rubber production also greatly supports the tire manufacturing industry in the automotive sector (Sari et al., 2023).

Natural Rubber Exports in the Context of Islamic Economics

From an Islamic economic perspective, export activities are related to individual involvement in economic endeavors. These activities involve the use of natural resources by society to generate wealth, ultimately aiming to meet the needs of humanity. Allah's words in the Koran surah Ibrahim verse 32 are as follows.

اللَّهُ الَّذِي خَلَقَ السَّمَوَاتِ وَالْأَرْضَ وَأَنْزَلَ مِنَ السَّمَاءِ مَاءً فَأَخْرَجَ بِهِ مِنَ الثَّمَرَاتِ رِزْقًا لَكُمْ وَسَخَّرَ لَكُمْ
 الْفُلْكَ لِتَجْرِيَ فِي الْبَحْرِ بِأَمْرِهِ وَسَخَّرَ لَكُمْ الْأَنْهَارَ

Meaning: It is Allah who created the heavens and the earth and sent down water (rain) from the sky, then with that (rainwater) He brought out various fruits as sustenance for you; and He has subjected ships for you to sail the seas according to His will, and He has subjected the rivers for you. (Quran Surah Ibrahim verse, 32).

The verse above states that Allah SWT has bestowed upon humans abundant natural resources, which they must utilize and maintain efficiently to meet their needs and ensure their survival. In the Islamic economy, exports are prohibited from involving the use of haram and immoral commodities. Implementing a production process that is by Islamic values will provide positive results, guaranteeing protection and appreciation to customers for adhering to halal practices in production and output. To achieve individual prosperity and satisfaction, both in this life and in the afterlife. Based on a hadith narrated by Anas, people came to Rasulullah and expressed their concerns about rising prices. Please give us a specific price. The Prophet Muhammad SAW said that Allah is the one who determines prices and controls the availability of resources (Terigan, 2019).

The Prophet expressed his desire to meet Allah without having to answer any unjust demands made to him regarding loss of life or wealth. (Abu Daud's Collection of Hadith). This hadith prohibits all forms of dishonest trading, fraud, usury, or exploitation because of the potential losses they can cause. During the time of Rasulullah SAW, price fixing could only occur if it was certain that certain groups were involved in manipulating trade and business, thereby causing price inflation. From an Islamic economic perspective, the natural rubber export industry is studied comprehensively and morally. Based on Islamic beliefs, it is important to think about fair trade, economic ethics, natural resource management, and giving more power to local communities when exporting natural rubber. Therefore, it is hoped that natural rubber exports can help more people, both natural rubber-producing communities and other communities (Setianto, et., al., 2018).

CONCLUSIONS

The research results show that the number of rubber exporters fluctuates every year. This phenomenon is caused by insufficient rubber production, which causes reduced income and the fluctuating nature of the Indonesian rubber industry. Apart from that, demand for natural rubber continues to increase every year. This can be seen from the increase in the overall value of global natural rubber exports. This increase indicates a surge in demand as a result of progress in the global industrial sector. Indonesia has a great opportunity to expand its export potential due to the surge in the use of natural rubber globally. In 2021, America exported 9.8 tonnes of natural rubber and consumed 10.2 tonnes. In 2022, global production is projected to increase to 10.03 tons, while consumption is estimated to reach 10.08 tons. This condition is inversely proportional to the production and use of synthetic rubber which has decreased. Synthetic rubber production in 2021 was 13.4 tonnes but fell to 12.79 tonnes in 2022. This decline in production was accompanied by a decline in consumption. Specifically, the use of synthetic rubber has decreased from 13.28 tonnes in 2021 to 12.57 tonnes in 2022. The abbreviation "IRSG" stands for International Rubber Study Group. In addition, the increase in income obtained from Indonesian natural rubber exports to America provides large foreign exchange profits for Indonesia. This income is then used to finance imports, pay off debts, and facilitate various economic improvements. Apart from boosting foreign exchange, the presence of natural rubber businesses in Indonesia opens up employment opportunities in both the plantation and processing industry sectors. Rubber farmers and rubber factory workers have an important role in creating jobs to reduce unemployment in Indonesia. Exporting natural rubber serves as a reliable and consistent source of income for farmers in rubber plantation areas. Setting optimal rubber prices has the potential to increase farmers' income and contribute to narrowing the economic gap between urban and rural areas. Furthermore, Indonesian rubber exports make a significant contribution to the progress of the automotive manufacturing sector in America. The tire industry is experiencing significant growth, especially in the automotive sector. As a result of this situation, the need for Indonesian natural rubber as the main material for tire production is increasing. The gradual increase in world oil prices has a direct impact on the increasing demand for natural rubber. This is because the increase in petroleum prices causes an increase in the production costs of synthetic rubber which is used as an alternative to natural rubber. Apart from that, natural rubber production in Indonesia also plays an important role in the tire manufacturing industry in the automotive sector.

ACKNOWLEDGMENT

We would like to express our deepest gratitude to the ³Faculty of Islamic Economics and Business, North Sumatra State Islamic for the support and research facilities provided. We express our highest appreciation to our fellow students who contributed to the course of this research, as well as to the respondents who took the time to fill out the questionnaire, thus providing valuable answers for data collection in this research. By the publication of the Indonesian Sharia Economic Journal (JESI), on this occasion, we would like to thank you for your efforts and membership as a

reviewer. Your help allows us to meet scheduled times and maintain journal observation standards. We appreciate your dedication as the number of manuscripts increases every year.

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