
ANALYSIS OF GLOBAL VALUE CHAIN IN INDONESIA RUBBER EXPORT TO UNITED STATES VIEWED FROM AN ISLAMIC TRADING PRESPECTIVE

Aprilia Restuning Tunggal¹ & Azwar Fadillah Zulham²

^{1,2}Universitas Darussalam Gotor

Email: aprilia@unida.gontor.ac.id

Abstract

This study will examine further the problems of rubber export procedures through the concept of the global value chain in 2013, which led to cross-opinions both among elites and ordinary Indonesians, as a form of advice to the Indonesian government in the field of exports and effectiveness in business concepts, Indonesia and America. The union has been cooperating since 2010 and in 2013 the value of Indonesian exports to America in the rubber sector specifically decreased by 14.5%, therefore there were two issues behind the emergence of the concept of global value chain to change in terms of product design, marketing, and the process and export process from Indonesia to the United States with the legality of the government and how the concept of trade in Islam which includes Tawhid, Maqasidh Syariah, Rububiyah, Keadilan, sees this phenomenon. Thus, through the Islamic trade approach, Indonesian rubber exports to America do not guarantee freedom from the elements of maysir, usury and gharar which are strongly opposed in Islamic law, therefore the concept of trade in Islam based on the Al-Quran surah An-Nisa is offered as an alternative solution formula in realize justice and benefit in the process of each trade, especially for good policies for the Indonesian government.

Keywords: *rubber, export, global value chain, Islamic economy trading system.*

A. INTRODUCTION

Plantation commodity is one of mainstay export. Indonesian export well in trade balance foreign exchange income. The Author aims that the Rubber will impact trading goods in Indonesia and America as the bigger consumption of Rubber's Indonesia. Recorded by 2013 total export reached US \$ 29, 476 billion dollar or equal with Rp 353.371 Trillion (Assumption 1 US\$: Rp 12.000) for this contribution the Author seeing that plantation sector will pay take attention for developing Indonesian's economy (Kemeperin, 2014).

One part of production is the production of rubber plantations. As the Author know, the biggest Rubber Production supply held by Thailand and

Indonesia. Thailand is the biggest country for rubber production. And also the first largest of rubber producer in the world with 3, 5 million ton accounted for rubber and followed by Indonesia with 3, 04 million ton, and the third is Malaysia as 9,500 thousand ton for rubber production. On the other hand, the last one for rubber production is Vietnam as 863,3 thousand Ton (Kemendag, 2015). In the Industry, rubber industry as material is processed into the import-export in Indonesia state boosters, as noted has produced more than 5000 type stuff. On the other hand, rubber can produce some of goods such as shoes, sandal, tires, and another function (Setyamidjaja, 2012). Rubber plantation was establish since for a years ago, and can be founded in several places in Indonesia, such as Sumatera, Sulawesi, Kalimantan, and Riau.

Since 2013, the rubber of Indonesia has been decrease than 2012, noted in 2013, from January until December, United State of America has been imported the Indonesian's rubber attain US\$ 2.316,86 million, decrease 14,5% from the years before, and market place 8,46%. From this data, the researcher can seek that Indonesia as the fourth of biggest country after China, Canada, and Japan. While the reason of researcher to take the topic related some factors which involve decreasing of rubber export of Indonesia in 2013 (Washington, 2014).

B. LITERATURE REVIEW

1. Global Value Chain Concept

Global value chain is part of Value Chain, value chain analysis which elaborate the primary activities and support activities, the concept of value chain has been popularized with Michael Porter in his book *Competitive Advantage*, he defined the value chain into five process consist of: inbounds logistic, operations, outbond logistics, marketing and sales, and service (Porter, 1985).

Figure 1: Porter's Generic Value Chain



Global value chain also part concept of supply chain. Although there are some definition of value chain own: Value chain analysis is a technique widely applied in the fields of operations management, process engineering and supply chain management, for the analysis and subsequent improvement of resource utilization and product flow within manufacturing processes (Womack, 1990).

2. Export

According to Amir S, Export is the activities of removing goods from the community and sent to foreign country, in accordance with the provisions of the government and expect payment via foreign exchange form (Amir, 2003). Although, according to Hutabarat Rosselyne, Export is trade by way of removing the goods from the customs area in out of Indonesia by fulfilling the provisions applicable (Hutabarat, 1996).

3. Export Procedure Indonesia to US

The mapping of export producing can mentioned with following below:

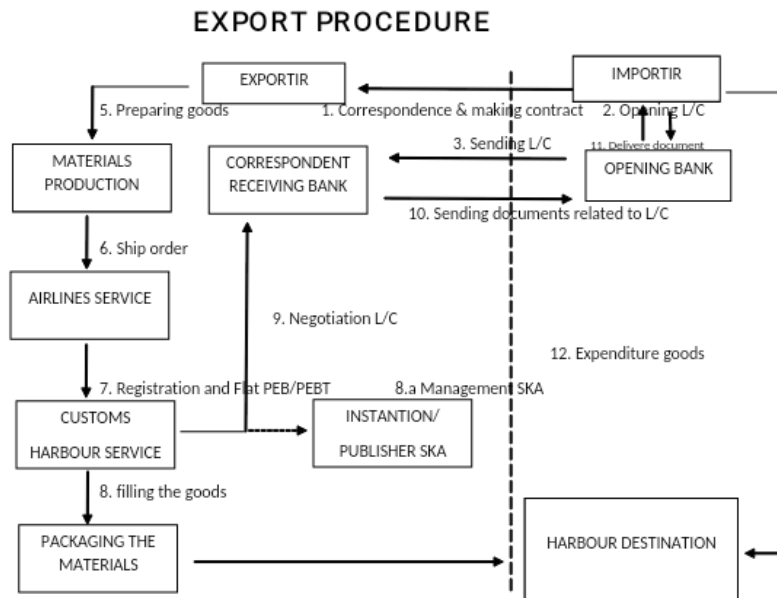


Figure 1 Export procedures

Export procedure, In this procedure explain that the first should be doing are: (1) Determine of correspondence and making contract between importer country, (2) even having a contract each other, (3) the Exporter will open the L/C (Letter of Credit). (4) after the Bank removing LC, (5) LC will be sent to *correspondence receiving bank* and sent it to the exporter (6) after receiving the LC from Bank, the Exporter should to clarification about the goods which exported accord with goods code defined by customs according to regulation which issued by Ministry of Trade such as 29/BC/2016 *tentang Perubahan atas peraturan Direktur Jenderal Bea Cukai no PER-32/BC/2014 tentang tata laksana kepabean di bidang ekspor*, (7) After making the clarification product then the shipping stage presence or the delivery of the goods to a vessel under Customs regulations, (8) and regulation and flat PEB (*Pemberitahuan Ekspor Barang*) and PEBT after that a shipment of an item and send it to the publisher instance of SKA (*Surat Keterangan Asal*) to the legality of the goods, (9) after that it was only existence of negotiations between the bank and agencies receiving Publisher

SKA related LC (10) after that, the goods can be sent to the importing countries, before the goods are removed to the Harbour. (11) Checking of the presence of LC by importing Bank to ensure again for legality requirements of the exporting country is already filled or not. (12) It was only after the check of the goods can be taken by the importing countries and sent to the address of company or associated in the importing countries.

4. Islamic Trading System

Exporter sector as producer and importer as consumer in their transaction, even there is several verses according to this issue, Surah An Nisa number 29:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ وَلَا تَقْتُلُوا أَنْفُسَكُمْ إِنَّ اللَّهَ كَانَ
بِكُمْ رَحِيمًا

Meaning: “O you who have belived, do not consume one another’s wealth unjustly but only (in lawful) business by mutual consent. And do not kill yourselves (or one another). Indeed, Allah is to you ever Merciful.”

According to tafsir Jalalayn that the Muslim must be mutual between them, and don’t tacking each other’s treasures especially in usuary, illegal trading, or hijacking (except by road of Allah Swt). Therefore, the willingness of each one should be preffered, do not take the wealth of others as well as the things that cause deprivation or detriment without willingness each other. According to tafsir At Thobari that not allowed to eat other’s people possession, both from usuary, or another thing unless you actually do the trade or commerce in which the two are mutually agreed (Idri, 2015).

On the other hand, there is another verse to explain the concept of trade in Islam, when usury is forbidden in Islam, in Surah Al Baqarah number 275:

الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يَقُومُونَ إِلَّا كَمَا يَقُومُ الَّذِي يَتَخَبَّطُهُ الشَّيْطَانُ مِنَ الْمَسِّ ۚ ذَٰلِكَ بِأَنَّهُمْ قَالُوا إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَا ۗ وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا ۚ فَمَنْ جَاءَهُ مَوْعِظَةٌ مِنْ رَبِّهِ فَانْتَهَىٰ فَلَهُ مَا سَلَفَ وَأَمْرُهُ إِلَى اللَّهِ ۗ وَمَنْ عَادَ فَأُولَٰئِكَ أَصْحَابُ
النَّارِ ۗ هُمْ فِيهَا خَالِدُونَ

Meaning: "Those who consume interest cannot stand (on the Day of Resurrection) except as one stands who is being beaten by Satan into insanity. That is because they say, "Trade is (just) like interest." But Allah has permitted trade and has forbidden usury. So, whoever has received an admonition from his Lord and desists may have what is past, and his affair rests with Allah. But whoever returns to (dealing in interest or usury) - those are the companions of the Fire; they will abide eternally therein.

According to Ibn Katsir tafsir that the perpetrators of usuary will be resurrected on the day after like a raging crazy person. Allah insists that trading was permitted but usuary is forbidden (Ar rifa'i, 1999). According to Tafisir Ibn Thobari that the man who did the usury in the world will be made in the day after as human being who has no sense, because the people doing the usury is the people persondies, although the supervisors are the one who did not eat the treasures usury when they live in the world.

C. RESULT AND DISCUSSION

1. The Analysis of Global Value Chain in Rubber Export Based on Islamic Trading System

Before we start to analyze the concept of global value chain, as the author know that Indonesia has implemented export procedure to another countries with any factors such as United States as the 10th biggest country of Indonesian rubber export destination since 2009 until 2013 which has been described in the table mentioned below:

Table 1
Indonesian Rubber Export By Country Destination

No	Countries	2009	2010	2011	2012	2013	2014	Share %	2015
1	USA	394,3	546,5	607,9	572,3	609,8	597,8	23,8	624,7
2	China	457,1	418,1	409,4	437,8	511,7	367	11,0	289,5
3	Japan	272,9	313,2	387,7	389,2	425,9	409	16,2	425,0
4	Singapore	100,2	117,6	104,3	63,5	21,8	18,3	1,2	31,5
5	Brazil	58,5	110,1	94,4	71,1	87,7	103,5	3,6	95,5

6	India	83,6	99,3	68,8	107,8	144,5	195,8	7,8	204,6
7	Korea	99,5	91,8	120,1	142,7	147,3	158,7	7,0	182,9
8	Canada	51,2	69,5	77,3	76,7	72	74,3	2,9	76,8
9	Germany	36,6	57,5	60,8	59,8	72,1	74,8	2,7	70,4
10	Turkey	38,3	55,7	71,6	55,1	71,6	75,8	2,8	73,0
		399	472,5	553,7	468,6	537,6	548,3	21,2	556,4
		1.991,30	2.351,90	2.555,70	2.444,40	2.702,00	2.623,50	100	2.630,3

Source: BPS 2013 & 2015

The main countries destination of rubber export in Indonesia is United States, even from this reason, the Author should to revealed from data above can be concluded that United States has a remarkable consistency from 2009-2015. Recorded in 2012, United States import the natural rubber 572,3 Ton from Indonesia. Thus in 2013 the United States import 609,8 Ton rubber form Indonesia. However, in 2014 United States import rubber of Indonesia decreased to 597,8 Ton. The result of export volume from Indonesia to United States since 2009-2014 are 23,8% and Followed by Japan 16,2% and China 11,0% and another consumer countries.

Table 2
Export Indonesia to Other Countries on HS 400110 of Natural Rubber

HS	RUBBER	Country	2012	2013	2014	2015	2016
400110	Natural Rubber	Vietnam	1.495.271,00	1.890.157,00	2.126.236,00	2.625.923,00	3.332.480,00
400110	Natural Rubber	Turki	7.663.640,00	5.887.287,00	4.175.214,00	2.423.096,00	2.054.064,00
400110	Natural Rubber	USA	322.780,00	134.375,00	193.665,00	859.655,00	1.187.955,00
400110	Natural Rubber	China	772.750,00	314.000,00	374.550,00	776.600,00	938.550,00
400110	Natural Rubber	Belgia	-	30.600,00	420.110,00	350.558,00	200.165,00

According to this data, United States has decrease the import of rubber industry from Indonesia, noted in 2012, the import of natural rubber are 322,780,00 US\$ but in 2013, decrease until 188.405 therefore the Indonesia rubber export only 134,375,00. This case caused by the price of natural rubber all over the world, the otomotif industry in United States did not use the rubber more than previous year, and many of entrepreneur of rubber in Indonesia

which have the company and rubber plantations are switch to palm oil industry. From the data of the Ministry of Trade of the Republic of Indonesia regarding rubber exports to America, it can be said that in January to June 2017 reached 1,000 million USD. while in January to June 2018 a decrease to 800 million USD.

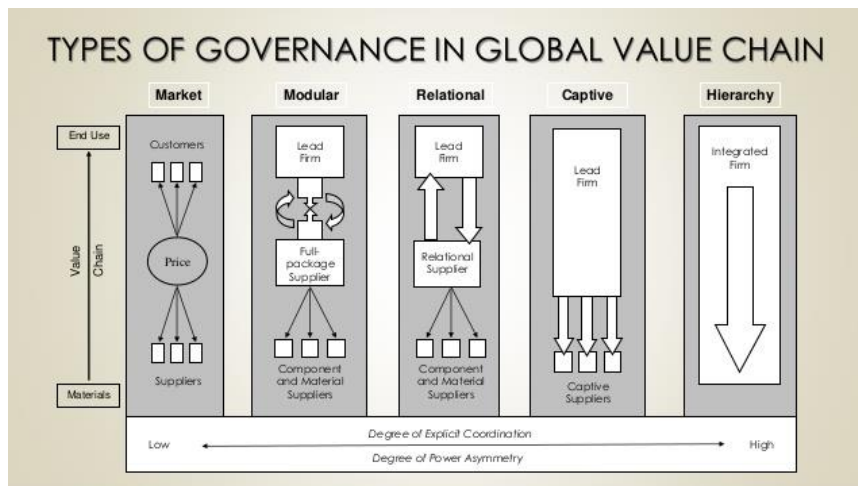


Figure 2 Scheme of Global Value Chain

From the picture above, the governance have five kind for using global value chain concept they are:

1. The governance as market, establish when the goods of trade has the simple specific and producer so easy to trade some goods to consumer. Therefore, in this concept the governance a little more role and there is not intervention because there are the specific relation between producer and consumer
2. The governance as modular, in this concept the goods must have the terms are complex and more different than before, as the terms of environment, the size of certain materials, as a requirement.
3. The governance as relational, appears when the goods have no specific row, then involve many parties and the role of government are very big especially on this concept.

4. The governance as captive, appears when goods are traded and have the specific complex and instruction. Thus, the functions of government are very important.
5. The governance as hierarchy, preset when the goods of trade have no specific, then some product of goods are more complex and a competent supplier resulted in the less.

Although the global value chain concept, from this concept offers how the state can cooperate with their partner countries. The purposes of this relationship are to get the profit between Indonesia as the producer and US as the consumer of rubber in Indonesia. As said by John Hurmeyer and Hubert Schmitz in their article titled: *"Governance and Upgrading": Linking Industrial Cluster and Global Value Chain Research: IDS Working Paper 120* that *Global Value Chain (Humphrey & Schmitz):*

Global Value Chain is concept one of number of approaches to inter-firm relations that draws on the simple idea that design, production and marketing of products involves a chain activities divided between different enterprises often located in different places. Single companies rarely turn raw materials into finished products and then sell them to customers.

The concept of global value chain is the concept which relate between some firms and other companies or one country to other country where the production of goods produced in different place, and the one firm as primary sector for completing this goods, while if we make a tire of motorcycle for example, the rubber as the fundamental resource from Indonesia, even the processing to some shape of wheel which produced in Japan, and Thailand as the producer of wheel rims from wheel own, on the other hand, Malaysia is the primary of trading this wheel. Furthermore, the concept of global value chain will result many countries or companies for making the goods, this is what the expected of researcher, in order for the concept of global value chain can be adopted by Indonesia in marketing natural rubber production to United State by revisiting toward the policy of Indonesia.

Global value chain is a series of activity that to connect a company to another company which the production and procession take in many location, and there is one of company as the promontory of final process for resulting rubbers industry. The first series is the Simple Value Chain, in this type, all forms of activity involves products of service from the stage of conception to stage of different production is covered in its entirety. Through the conception of different products (includes any combination of physical transformation and the input of the service as a producer), delivered to the end consumer and the result of it will be thrown away after use completely (Kaplinsky & Moris, 2000).

In this type is Extended Value Chain in this stage more link are required and absolutely this concept more complex than other, because the Simple Value Chain that I was explained before are only using one network as value added. For the example, the special agency of market designer in some goods is not affected toward the characteristic of process production and marketing, but also instead when the designers are impressionable with downstream network in chain. Even in this stage, one or many of Value Chain will produce the intermediary in a value chain sector, and may meet some of the value chain are different. In this concept, the role of sales itself is to advise more information scattered blurs or the crucial role that said some suppliers control the technological key or input (which tends to be a small part of the output) on the next part of the value chain.

Advantages of Indonesia are increasing the GDP, if using all of this concept, Indonesia as production raw materials does not have the good production and a new technology to have special tools that are categorized as expensive to produce a raw materials into finished goods as well. However, by leveraging relationships multilateral or bilateral in terms of goods or services and in order to generate maximum production of goods, hoped the Indonesia's rubber can be exported as quality (international standard) to foreign countries. Types of Governance In the global Value chain will be

described briefly the related role of the Government in the concept that researchers offer to increase the export of rubber Indonesia in the international rubber market.

2. Operational Concept

The global value chain concept will increase the production of rubber in Indonesia using a system of cooperation between another company and companies, so that the value of rubber produced by periodically, as a concept in the usual international business science applied by other companies, it can increase the value of GVCs Valuation of commodities such as rubber in Indonesia. In carrying out this work, the Government of Indonesia, which belongs to government actors able to manage the concepts of the Global Convention on Commodities basic as the primary market, i.e.

Governments can take the festival of commodities related to the country's government, where the government can do any Improve the units on the rubber industry by expanding the rubber groves in Indonesia and note that the rubber is grown in the environment of the place, so that the Diheit was more valuable, and the Indonesian government as a link between Indonesia and the United States through some forums such as APEC and American investments Indonesian and others, the government of Caser for the relevant systems that give the government any standard Indonesian rubber that more complex to compete in the international arena, such as the government hierarchy, i.e., the existence of a composite concept of rubber in Indonesia.

The researchers then argued that the concept of governance in global value chains could be understood by the Government as the fourth of the five concepts of the resident coordinator system in judgment unless the verdict as a hierarchy and so the researchers link the concept of hierarchy problems to be solved in the rubber industry in Indonesia.

3. The Resources Which Influent in Global Value Chain Perspective

United States regulations related Import goods in the form of good rubber from Indonesia as well as from other countries: regulations or procedures that may affect import in Trade Act of 2002 and the Customs Modernization Act (Title VI of the North American Free Trade Agreement Implementation Act).

Indonesia have any regulation of export especially for rubber product which consist of: 97/M-DAG/PER/12/2014 about the provisions of Export. Regulations of Ministry of Trade (PERMENDAG) No 10/M-DAG/PER/4/2008 about the conditions of natural rubber Indonesia technical specifications (Standard Indonesian Rubber/SIR) traded abroad.

Table 3
Process of Institutionalization of Trade Policy in Indonesia

<i>Institution</i>	<i>Roles and Responsibilities</i>
<i>The Ministry of Economic</i>	The Ministry of Economic has the responsibility for maintaining coherence economy policy, including trade policy, through the coordination of cross ministry and was instrumental in the formulation of government regulations
<i>Timnas PEPI</i>	The agency was formed since 2003, is directly led by President of Indonesia and chaired by Coordinating Ministry for Economic Affairs. This institution consists of 20 minister and head of government agencies, the main purpose is accelerating economic development through increased export and investment. In 2007, a number of task force (satgas) was formed to conducting assessment and evaluation of export policy and investment as well as promoting to use a local product
<i>Ministry of Trade</i>	Carry out coordination in the field of trade policy and support Indonesia in international trade negotiations, include in the WTO, Secretariat Indonesia Anti-Dumping (KADI), Tim Intra-Ministry for non-tariff policy (KNT)
<i>Ministry of Finance</i>	Acts as the authority which sets and change the tariff, taxes export, and other taxes relating to exports and imports. The decision was issued in the form of decision of the Minister of Finance

<i>Tim Tariff</i>	This team consist of representatives of Ministry of Finance, Ministry of of Industries, Ministry of agriculture, and Coordinating Ministry for Economi Affairs to give advice in the formulation and manufacture of tariff policy
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Sumber: WTO Trade Policy Review

4. Strategy for Upgrading the Rubber Industry in Indonesia

The strategies which applied in this chapter is the elaboration of global value chain against Indonesia rubber industry by making *consumer, producer*, and based on technology to overcome some problems of rubber itself, such as downgrading competitiveness, and decreasing quality of rubber. On the other hand, in fixing and improving the competitiveness need the tools as specific system in global rubber market including following way below:

Dimension of global value chain analysis is constituted by four dimensions:

a. Input-output structure

A chain represents the entire input-output process that brings a product or service from initial conceptions to the customer's hand. The input of the rubber plant crop yield, then the outpur of structure resulting the rawmaterials of rubber industry towards United States such as tires. And several rubbers in SIR (Standard Indonesia Rubber) on HS 400110 as the natural rubber code.

b. Geographic scope

Firms and workers in widely separated locations affect one another more than they have in the past the georgraphic scope are the company who implemented this rubber such as PT Djambi Waras Jujuhan, PT Sumitomo, PT Seikom, Bridgestone, Michellin and other company related rubber production.

c. Governance

Governance as the market: market governance involves transactions that are relatively simple. Information on product specification is easily transmitted, and suppliers can make products with minimal input from buyers. Governance of this concept are Ministry of Trade, Industry, Plantation, and the GAPKINDO

as the association of rubber plantation. The Ministry in this role as the market make some expo festival of Indonesian commodity such as rubber, pepper, and coffee. One of this agenda was held on 32nd Trade Expo of Indonesia on 11-15th of October 2017 at Indonesia Convention Exhibition in Banten. On the other hand, GAPKINDO was controlled many rubber companies in Indonesia by increasing natural rubber export to be able to meet international rubber market needs (Purba and Pahlawan, 2005).

Governance as the modular: modular governance occurs when complex transactions are relatively easy to codify. Typically, suppliers in modular chains make products to a customer specification and take full responsibility for process technology using generic machinery that spreads investment across a wide customer base. This also has been applied by Ministry of Trade in their meeting of rubber production and several companies related to Rubber on the Agreement of natural rubber or International Natural Rubber Agreement (INRA) (Purba and Pahlawan, 2005).

Governance as the relational: relational occurs when buyers and sellers rely on complex information that not easily transmitted or learned. Governance as the hierarchy: hierarchical governance describes chains characterized by vertical integration and managerial control within lead firms that develop and manufacture product in-house (Gereffi & Stark, 2011). The governance try to shift the relationship between another country in Indonesia, such as Malaysia and Thailand, therefore there country tries to implement Agreed Export Scheme Tonnage System (AETS) or limiting the volume of natural rubber price when the rubber in the world are over capacity (Purba and Pahlawan, 2005).

d. Institutional context

How local, national and international conditions and international policies shape the globalizations in each stage of the value chain the international policies regarding to regulation between two country Indonesia-United States (Gereffi, 1995).

The global value chain framework allows one to understand how global industries are organized by examining the structure and dynamics of different actors. And there are four basic dimensions that GVC methodology explore: (1) an input and output structure, which describes that process of transforming raw and materials into final products, (2) a geographical consideration, (3) a governance structure, which explain how the value chain controlled, (4) in international context in which the industry value chain is embedded (Gereffi & Stark, 2011).

5. Islamization of Knowledge Based on Alternative of Islamic Economic System

Export is the one of economic science, the most of principle in economic system based on “capitalist” as satisfaction and gluttony in every transaction, Inseparable from import and export activities, where the capitalist concept to provide all of customer satisfaction. Literally. the author elaborates how system and principles of Islamic economics as the alternative of capitalist production or a unique and egalitarian alternative economic order, which aims to be a moral economy as coined by Tripp (2006).

Basically, International trade based on Islamic economics aims at a world order, where the *Al Quran* and *Sunnah* as the ontological and epistemological aspects. Then, Asutay (2007,)the economics system has a framework paradigm then the frameworks are based on ideology of Islam, having a conceptual foundation or the axioms of the Islamic economic system are as follows:

First, the axiom of *Tawhid*, then the Islamic worldview is based on tawhid or oneness of God. Therefore, the *tawhid* concept directly related with *risalah* concepts which Allah order all of people in this world to do some kindness and every activity which have done will impact to the practice in akhirat as the responsibility of charities that we have done in the world.

Secondly, the axiom of *Adl wa al ihsan* (Equilibrium and Beneficence or socio-economic Justice.) individualism are expected to establish justice (*adl*) and

promote the beneficence (*ihsan*) which consequently. Develop policies to fulfil need of individualism, then in export procedure, which applied in every country must be resulting the welfare and justice for society.

Third, the axiom of *Ikhtiyar* (Free-Will) after implantation of trading systems in export between Indonesia and United States as the wujud to increase the economy between them, therefore, the *ikhtiyar* or self-surrender for establishing the welfare which based from norms of economy activity in Islamic economy system.

Fourth, the axiom of *Fard* (Responsibility) is must have the responsibility from everythings according to trade such as buyer and seller both whom accept, transact and others.

And the fifth is *Rubbubiyah* to keep economic growth and development in terms of having harmony between various components of economics and social life all over the world. Especially in Indonesia and United States in their society.

The sixth, the axiom of *Tazkiyah* this is the natural consequence of tawhid, *ald fard* and *rububiyah* in an integrated manner as it directs the individual towards self-development. where this concept develops the harmony in social development with the growth activity requires purification. The result of *tazkiyah* is *falah* prosperity in the world and hereafter.

The seventh is the axiom of *khilafah*, and human accountability before God, Allah created human beings with the role of being His vicegerent on earth. then, the concept in fulfilling God in one earth, promoting what is good, forbidding, what is wrong, establishing justice, and promoting beneficence resulting in attaining high levels of good life (*hayat al tayyebah*).

Lastly *Maqosidh syariah*, or the objectives of syariah provides the legal rationale framework within which Islamic economic activities should be conducted. This is the final of principle aims to interpret the text and restore the principles of Islamic economics in relations between Indonesia-United states in rubber export in order to establish the harming in other.

D. CONCLUSION

Since 2013, rubber industry exports in certain fields have increased from before, especially in rubber prices. Although, the value in 2013 was reduced from the previous year. This case is caused by several factors, each of which is an increase in rubber exports in Indonesia due to the large demand for rubber from consumer countries such as China, the United States and other European regions in developing the automotive industry, where Indonesian rubber is as a raw material manufacturing industry. In this regard the Indonesian rubber trade to America has actually been in accordance with the export import procedure. Even from the perspective of Islamic trade itself as explained in Surat An Nisa, there were no violations in Islamic trade such as usury, fraud and gambling. Thus it is expected that trade relations between Indonesia and America can run harmoniously and there will be no trade war between both countries.

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