



## **DEMAND FOR NATURAL RUBBER INDONESIA MARKET IN THE WORLD**

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### **ABSTRACT**

Development of agricultural sector in Indonesia is still strategic especially for Plantation as a commodity beyond oil and natural gas. Which has the potential and prospects in the world market. Rubber is the main commodity plantation sector in Indonesia as well as to palm and coconut, which need attention from the government. This study will studied an performance of Indonesia's natural rubber exports, export demand, and integration of Indonesian natural rubber market. Export destinations are the United States, China, Japan, Singapore, and South Korea.

Export performance were analyzed using analysis of export growth continued with the analysis of the acceleration of export growth (AR), and market share analysis (RCA). While export demand used multiple regression analysis (OLS) and to measure market integration was be used analysis of market connection Index (IMC). The research data is time series of annual data from five export destinations in the time period 1980-2013.

Results of the study are: (1) on the performance of exports, show that average export growth of the United States, China, Japan, and South Korea increase in export volumes, while Singapore as the country experienced a decline in exports during the period 1980-2013. However, accelerated growth of Indonesia's natural rubber exports have not been able to offset the acceleration of growth in the world's natural rubber imports. Market share of Indonesian natural rubber commodity is greater than the average share of the world's natural rubber exports. (2) demand for Indonesia's natural rubber exports to the United States positively influenced by the volume of exports last year, the real price of synthetic rubber, income per capita, and population. China's demand for exports to countries affected by the volume last year of exports, income per capita, and population. Demand for exports to Japanese affected by the volume of last year exports, per capita income, the real price of synthetic rubber, and population. Singapore's demand exports to influenced by the volume of exports last year, the real price of synthetic rubber, income per capita, and population. Meanwhile, demand for South Korean exports was affected by the volume of exports last year, income per capita, and population. (3) There was a long-term integration of the United States with China, Japan and South Korea. Whereas in the case of Singapore state long-term and short term integration with the United States.

**Keywords:** *export performance, demand, market integration, natural rubber Indonesia*