

Coconut Fiber Export Competitiveness: Implementation of Corporate Advantages Business Strategy

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Abstract

This research aims to analyze the factors that determine the coconut fiber export competitiveness of PT. Weida Indocoir Prima by using Porter's theory of competitive advantage. This research uses qualitative methods with data collection techniques through interviews and documentation. The results show that there are three factors that determine the export competitiveness of PT. Weida Indocoir Prima, namely first, factor condition which includes workers who receive direct training from China, abundant natural resources/coconut fibers in Southeast Sulawesi Province and adequate infrastructure with the construction of the Kendari New Port which facilitates direct exports to destination countries, secondly, the demand condition from China which requests a large enough quantity of coconut fiber, and thirdly, support from the Southeast Sulawesi government represented by the Industry and Trade Office by providing guidance technical marketing, efforts to diversify export market products as well as carrying out administrative functions in the form of making a Certificate of Origin document. From the results of this research, it can be concluded that the export competitiveness of coconut fiber by PT. Weida Indocoir Prima is quite good, while the export share needs to be expanded beyond China.

Keywords: Coconut Fiber, Competitiveness, Export

INTRODUCTION

Export-import activities are part of policies developed by one country and another in order to meet the interests of each country. Indonesian exports have a large market share, and its commodities continue to grow in a variety of sectors. Cocoa is one of Indonesia's agribusiness commodities that has the potential to be exported. For example, cocoa exports to Japan, which, unlike Western countries, does not commonly consume chocolate (made from cocoa beans).

However, the Japanese have now adopted this habit, so it is not surprising that demand for chocolate will rise in the future.

Coconut, in addition to cocoa, is a commodity with a market value. The coconut fiber processing industry is growing in Indonesia because raw materials derived from coconuts are readily available. The development strategy for coconut coir processing into coconut fiber is to establish a production area unit, with each area unit consisting of a finishing business and a coconut coir processing business (A.H. Intan, E.G. Said, 2003). If coconut fiber is processed further, it can be used to make a variety of other products such as car seats, canvas, spring beds, dashboards, pillows, furniture, and pots (JUNARDI et al., 2017).

Coconut fiber, which was previously considered waste but has recently been recognized as having export potential, has prompted the Indonesian government to take special care of it. One manifestation is the establishment of collaboration with countries that have the potential to become coconut fiber export destinations, such as China. As we all know, China is one of the world's largest industrial countries, not just on the Asian continent. After President Joko Widodo took office, Indonesia and China established intense cooperative relations and signed the One Belt One Road / OBOR cooperation agreement. OBOR is a Chinese policy implemented in every country that collaborates with it in the form of agreements on infrastructure development, economic development, and industry, as is currently being carried out by PT. Weida Indocoir Prima, one of the companies producing cocofiber in Southeast Sulawesi.

On July 7, 2020, PT. Weida Indocoir Prima exported one container of coconut fiber for the first time. This activity is the result of a collaboration between Kendari Customs and the Agricultural Quarantine Center to promote the export of commodities from Southeast Sulawesi. The two agencies that make up the Southeast Sulawesi export clinic team have been actively assisting PT. Weida Indocoir Prima from the start of the business until the first export. This is consistent with one of Customs and Excise's functions, namely industrial assistance (*Official Website Direktorat Jenderal Bea Dan Cukai, 2020*). Coconut fiber is sourced from Kolono and Moramo sub-districts in South Konawe Regency, as well as several sub-districts in North Konawe Regency.

The first export activity was also praised by Ali Mazi, Governor of Southeast Sulawesi, who was present at the symbolic release of containers at Kendari New Port. The governor hopes that the export of processed coconut fibers will spur investment in fields other than mining,

which currently dominates Southeast Sulawesi exports (Sulawesibisnis.com, 2020). Meanwhile, Customs and Excise has promised to continue assisting domestic industries in order to increase the competitiveness of export products. It is hoped that the success of this assistance will serve as an inspiration for other business actors to begin penetrating the export market, which is still relatively untapped.

Coconut coir, as previously stated, can be processed into a variety of products, including cocopeat, cocofiber, cocomesh, cocopot, coco fiber board, and cococoir. These are raw materials used in the mat industry, as well as pots and dry compost. Because of these advantages, coconut fiber is a good candidate for export to other countries. Furthermore, Indonesia is the world's largest producer of coconuts, particularly in Southeast Sulawesi. This export potential, if properly managed, will undoubtedly benefit the country. This is consistent with Porter who believes that a country gains a competitive advantage when its companies are competitive. A country's competitiveness is determined by its industry's ability to innovate and improve its capabilities (Porter, 1990). This is what motivates the author to examine PT. Weida Indocoir Prima's export competitiveness of coconut fiber in Southeast Sulawesi Province.

METHODS

This study targets PT. Weida Indocoir Prima because it was the first to successfully export coconut fiber directly from Kendari to China. The data used is qualitative, with data collected via interviews and literature reviews. The research informants interviewed were the Head of Warehouse PT. Weida Indocoir Prima and the Head of the Southeast Sulawesi Disperindag's Foreign Trade Section. The data analysis technique begins with the gathering of research data, both primary data from informants and secondary data from the literature. Furthermore, after the data is collected, it is reduced and then presented. The final stage is to draw conclusions based on the data reduction and data presentation.

RESULT AND DISCUSSION

INTERNATIONAL TRADE

International trade is an economic activity conducted by one country and another in the form of goods and services, where international trade activities are a country's primary source of

income. Simorangkir contends that international trade between different countries results in the emergence of foreign exchange, which affects the country's trade balance (Simorangkir, 1994). International trade is not that dissimilar to domestic trade; it is just that international trade is much more complicated and complex due to the following factors: (1) Buyers and sellers are separated by national boundaries; (2) Goods that must be sent or transported from one country to another through various regulations, such as customs regulations originating from restrictions issued by each government; and (3) Differences in language, currency, estimates and scales, trade laws, and others are not uncommon between one country and another. (Aprita, S dan Adhitya, 2020).

International trade is defined as trade between or between countries, including exports and imports of commodities (goods) and services. The World Trade Organization is an intergovernmental organization that governs global trade that was established on January 1, 1995. The WTO is a forum for countries to agree on the exchange of liberalization commitments. The WTO's primary mission is to promote free trade by lowering and eliminating trade barriers such as tariffs and non-tariff barriers (such as regulations); providing a forum for international trade negotiations, resolving trade disputes, and monitoring trade policies in its member countries.

Understanding the theory is the first step in improving a country's free trade or export performance. Tambunan divides international trade into two categories: Classical Theory and Modern Theory. The most well-known classical theories are Adam Smith's theory of absolute advantage and John Stuart Mill and David Ricardo's theory of comparative advantage. Adam Smith first proposed the concept of free trade. The logic behind this theory is that a country will specialize and export a specific type of good where it has an absolute advantage and does not produce comparable goods. In other words, a country will export (import) a type of good if it can (cannot) produce it more efficiently or cheaply than other countries, or a country will export an item that can be produced with lower production costs and import goods that would require a high production cost if produced locally (Tambunan, 2001).

According to Ricardo, mutually beneficial trade can take place even if a country suffers a loss or an absolute disadvantage in producing both commodities when compared to other countries. The less efficient country will concentrate on export production of the commodity with the lowest absolute loss. The country has a comparative advantage in this commodity. On the other hand, the country imports commodities with higher absolute losses. The country

suffers a comparative loss as a result of this commodity; this is known as the law of comparative advantage. International trade theory investigates the fundamentals of international trade and the benefits derived from it. International trade policy delves into the causes and consequences of trade disputes, as well as issues concerning protectionism. (Diphayana, n.d.)

EXPORT

Export is a type of industrial activity that is one of the topics covered in international trade. Exports are defined as when one country sends its goods to another country for profit. Exports are also one of the sectors of state income, so export activities are critical for all countries. Tandjung defines export as the release of goods from the Indonesian customs area for shipment abroad in accordance with the applicable provisions, particularly customs regulations (Tandjung, 2011). According to Mankiw (2006), a variety of factors can influence a country's exports, imports, and net exports, including: (1) Consumers' appetite for domestic and imported goods; (2) Domestic and international product prices; (3) The exchange rate that determines how much domestic currency is required to purchase foreign currency; (4) Domestic and foreign consumer income; (5) The cost of transporting goods across borders; (6) Government policies governing international commerce. (Mankiw, 2006).

According to the Minister of Trade Regulation of the Republic of Indonesia, export is the activity of releasing goods from the customs area, whereas exporters are companies or individuals who carry out export activities. The sale of goods abroad using the payment system, quality, quantity, and other terms of sale agreed upon by the exporter and importer is known as export. The amount of goods/services requested to be exported from one country to another is referred to as export demand (BR Silitonga et al., 2019). In general, the export process is the act of transferring goods or commodities from one country to another. Exports are various types of goods and services that are manufactured in the United States and then sold abroad (Mankiw, 2006). Exports are one of the most important factors of Gross National Product (GNP) in terms of expenditure, so changes in the value of exports will directly affect people's income. On the other hand, a country's high exports will make the economy very sensitive to fluctuations in international markets and the global economy (Irham I dan Yogi, 2003).

Mankiw (2007) explains that export activities are divided into 2, namely:

1. Direct export is a method of selling goods or services without the use of intermediaries/exporters in other countries or export destinations. Distributors and company sales representatives make sales. The advantage is that production is centralized in the country of origin, allowing for better distribution control. Higher transportation costs for large-scale products, as well as trade barriers and protectionism, are disadvantages.
2. Indirect export is a technique in which goods are sold through a country of origin intermediary/exporter and then sold by the intermediary. Through an export management firm and an exporting firm. The advantage is that production resources are concentrated, and no direct handling of exports is required. Weaknesses include a lack of distribution control and knowledge of operations in other countries (Mankiw, 2007).

COMPETITIVE ADVANTAGE

According to Porter in Priono and Sinansari, competitiveness is defined as the level of output produced for each input unit. Increased productivity can be achieved by increasing the number of physical inputs (capital and labor), improving the quality of the inputs used, and improving technology (total factor productivity). The approach that is frequently used to measure a commodity's competitiveness is based on two indicators, namely comparative advantage and competitive advantage (Priono, 2020).

The law of comparative advantage was first described in 1817 in David Ricardo's book *Principles of Political Economy and Taxation*. According to the law of comparative advantage, even if a country has an absolute disadvantage or loss in producing two commodities in comparison to other countries, trade mutual benefit can still occur. This can occur if one of the countries specializes in producing and exporting a commodity with a lower absolute loss (a commodity with a comparative advantage) while importing a commodity with a higher absolute loss or a commodity with a comparative disadvantage (Ustriaji, 2017).

According to Porter, a country with a competitive advantage can compete in the international market if it has four determining factors and two supporting factors. The four main factors that determine a commodity's competitiveness are:

1. Conditions factor. Conditions factor are inputs that are used as production factors, such as labor, natural resources, capital, and infrastructure.

2. Demand conditions. The availability of a domestic market that is ready to play an important role in generating competitiveness is referred to as demand conditions.
3. Related and supporting industry refers to the availability of a series of and strong linkages between supporting industries and companies, this relationship and support is positive, which leads to an increase in company competitiveness, and structural conditions refer to the strategies and structures that most companies have and their intensity.
4. Firm strategy, structure, and rivalry refer to the strategies and structures that exist in some businesses, as well as the level of competition in specific industries (Porter, 1990).

Furthermore, two factors influence the interaction of the four factors, namely chance events and government factors. These factors, when combined, form a system for increasing competitive advantage known as Porter's Diamond Theory. Zahir conducted a similar study with the title analysis of the international competitiveness of Indonesian cashew nuts. The purpose of this research is to determine whether Indonesia has a comparative advantage in the international market, with a focus on two comparison countries: India and Vietnam. The competitive advantage factor is sought by employing Porter's diamond theory, which describes what factors influence Indonesian cashews' competitive advantage. According to the study's findings, Indonesia has a comparative advantage in the type of cashew logs, but no competitive advantage in the type of shelled cashew. Because the ISP value is (+), Indonesia is included as an exporter country. Indonesia has a competitive advantage in several areas, but it still needs to improve in others, such as technology, infrastructure, and government support and regulations. The difference between Nuaim's research and this paper is the commodity, with the previous article focusing on cashew and this paper focusing on coconut fiber (Zahir & Sanawiri, 2018).

ANALYSIS OF PT. WEIDA INDOCOIR PRIMA COCONUT FIBER EXPORT COMPETITIVENESS

Dewi Sartika street, Petoaha, Abeli, Kendari City, Southeast Sulawesi is the address of PT. Weida Indocoir Prima. This company was established on May 16, 2019 and will begin operations in early April 2020. The company, which manages coconut fiber and began exporting for the first time in 2020, is one of the first in Kendari city to process coconut fiber for export. PT. Weida Indocoir Prima is led by Mr. Irwan Pontoh as Director of the company,

with a vision of creating quality coconut fiber products that can compete in big cities and create jobs for Kendari residents.

According to Porter, competitive advantage is the ability obtained through a company's characteristics and resources to outperform other companies in the same industry or market. Competitive advantage is a dynamic process rather than a static outcome. This is due to the numerous activities that a company engages in when designing, manufacturing, marketing, delivering, and supporting its products (Porter, 1990). Porter also stated that the government plays a critical role in developing a National Competitive Advantage (NCA). The intended role is not as an industrial player, but rather through its authority in facilitating, acting as a catalyst, and posing challenges to the industry. The government encourages and recommends that industry achieve a certain level of competitiveness. The government can accomplish these goals through incentive policies such as subsidies, taxation, education, focusing on creating and controlling condition factors, and enforcing industry standards.

A country's competitiveness is determined by its industry's ability to innovate and improve its capabilities. Due to pressures and challenges, businesses gain a competitive advantage. The company benefits from domestic market competition, aggressive domestic suppliers, and high demand in local markets. National differences in values, culture, economic structure, institutions, and history all contribute to competitive success. Companies become competitive through technological advancements in manufacturing processes or product quality. The following factors influence PT. Weida Indocoir Prima's national competitive advantage in exporting coconut fiber commodities:

1. Conditions Factors

This paper focuses on production factors such as labor, natural resources, and infrastructure required to compete in the coconut fiber export industry.

a. Labor

Labor is an important factor in a company's production. Employees at PT. Weida Indocoir Prima is made up of 15 people, all of whom are Abeli sub-district residents with prior experience using coconut fiber processing tools. These workers were trained directly by Chinese suppliers who go directly to PT. Weida Indocoir Prima will train employees on how to manage coconut fiber using the tools/machines provided, so that quality and management can be exported from PT. Weida Indocoir Prima. The benefits of the labor at PT. Weida Indocoir

Prima, which can process coconut fiber in one day. This is due to training that has made their labor agile and conscientious, allowing them to produce quality coconut fibers. Because the first coconut fiber export was only in 2020, the Chinese supplier provided understanding and learning to the coconut fiber company's labor, as expressed in an interview with Mr. Idris, the warehouse head of PT. Weida Indocoir Prima:

“PT. Weida Indocoir Prima employs 15 people. Before I and the workers went directly to the field, I first learned about the basics of coconut fiber, about the quality required by the destination country. After that, my staff and I were trained by the Chinese for more than 6 months to be able to get the quality needed, and at the same time we shared with the Chinese about the quality of coconut fibers that are ready to be exported.” (Interview: December 13, 2021).

Furthermore, the workforce at PT. Weida Indocoir Prima prioritizes consumer needs, specifically by checking pest-free on processed coconut fibers in order to increase the selling price to the international market. This is consistent with Mankiw's (2006) assertion that consumer appetite for goods produced both at home and abroad is one of the factors influencing the export process. Workers in the coconut fiber export industry face difficulties in the processing of large-scale machines that use electricity. As a result, the Southeast Sulawesi provincial government, in collaboration with PT. Weida Indocoir Prima as exporters, is attempting to obtain a large-scale transformer machine so that future exports of Southeast Sulawesi coconut fiber commodity can proceed without difficulty.

b. Natural Resource

Coconut is a plantation commodity with significant economic value in Indonesia. With an area of approximately 59,664 hectares, coconut is also one of the most important commodities for the people of Southeast Sulawesi. (Southeast Sulawesi Provincial Central Bureau of Statistics). Southeast Sulawesi is thus a relatively large coconut plantation area, as well as one of the primary supply areas for other regions in Indonesia to the international market. Bombana Regency has the most coconut plantation areas (15,799 hectares) of the 17 regencies/cities in Southeast Sulawesi Province. Meanwhile, other areas have a relatively large plantation area, but annual coconut income is low due to weather variations in each area. The following is a list of regencies/cities in Southeast Sulawesi Province that have coconut plantation areas.

No.	Regency/City	Large (hectare)
1.	Buton	2.621
2.	Muna	4.855
3.	Konawe	2.159
4.	Kolaka	4.015
5.	South Konawe	5.004
6.	Bombana	15.799
7.	Wakatobi	1.371
8.	North Kolaka	2.873
9.	North Buton	5.378
10.	North Konawe	2.132
11.	East Kolaka	2.408
12.	Konawe Island	4.809
13.	West Muna	3.332
14.	Central Buton	1.596
15.	South Buton	739
16.	Kendari	449
17.	Baubau	125
Total	Southeast Sulawesi	59.664

Table 1. The Area of Coconut Plants by Regency/City in Southeast Sulawesi Province in 2020

Data Source: (BPS Prov. Sulawesi Tenggara, n.d.)

Southeast Sulawesi has a wealth of natural plantation resources, including cashew, cocoa, nutmeg, coconut, white pepper, and others with export potential. Southeast Sulawesi coconut plants, in particular, are among the superior products in high demand among residents. This resource is undoubtedly one of the most important plantation products in Southeast Sulawesi, especially given its numerous benefits. This is consistent with the findings of Mr. Muh's interview on natural resources in Southeast Sulawesi. Yasser Tuwu as Head of the Foreign Trade Section of the Southeast Sulawesi Industry and Trade Service:

"By 2020, Southeast Sulawesi's natural resources have export potential, with 12 plantation commodities capable of entering the international market." However, only four of the 12 commodities were exported, namely cashew nuts, pepper seeds, liquid cocoa, and coconut fibers, with a total export volume of 196.1 tons to China, India, Germany, Malaysia, and Vietnam. Coconut fiber is one of Southeast Sulawesi's natural resources with economic value and potential because it can be used to make raw materials such as car seats, sofa foam, carpets, boat ropes, materials for making

brooms, foot mats, and other household appliances, and organic fertilizer to increase crop productivity. Coconut is a source of income for rural communities in Southeast Sulawesi that live on dry and wet land to meet their daily needs" (Interview: September 4, 2021).

According to the explanation above, Southeast Sulawesi has plantation natural resources with a high export potential for a variety of commodities. Coconut is one of the commodities with export potential that is exported to be marketed in other countries. Outsiders are very interested in Southeast Sulawesi coconut fiber, especially because it serves so many purposes. In previous years, coconut fiber has always been the target of other regional business actors who will export to international markets. As stated by the Governor of Southeast Sulawesi, Ali Mazi, in his remarks at the inaugural export of coconut fiber in July 2020:

"Alhamdulillah, we can now announce the first export of Kendari City Coconut Fiber." It is hoped that in the future, cashew, cocoa, and other commodities will be exported directly from Southeast Sulawesi, and that products belonging to local entrepreneurs with export potential will be encouraged to export through Kendari New Port." (Welcoming speech: 10 July 2020)

According to the remarks above, the Southeast Sulawesi provincial government hopes that in the future, it will not only export coconut fiber but also other plantation commodities. Coconut fiber is a plantation commodity with significant economic value in Indonesia. Coconut fiber is currently one of the mainstay industries of the people of Southeast Sulawesi. Southeast Sulawesi, with a plantation area of approximately 59,977 hectares, is a large area for coconut fiber plantations in Indonesia, as well as a major supplier to other regions in Indonesia and international markets.

c. Infrastructure

The physical structure required to support export activities is referred to as infrastructure. Infrastructure development and utilization efforts will be able to support Southeast Sulawesi Province's increased exports. The construction of the Kendari New Port in Bungkutoko, Abeli District, Kendari City, Southeast Sulawesi, will make it easier to export commodities such as coconut fiber from the province. In other words, the port's presence is sufficient to support export activities. Muh. Yasser Tuwu, Head of the Foreign Trade Section of the Southeast Sulawesi Industry and Trade Service, explains:

"The technological infrastructure is more than adequate." Because we can easily ship export goods to the destination country using the Kendari New Port. We also make it easier for exporters by allowing them to input and issue Certificates of Origin online, eliminating the need for in-person meetings. In this case, physical separation is possible in the midst of the Covid-19 outbreak." (Interview: September 4, 2021)

The New Port Kendari port infrastructure, as a means of loading and unloading goods to be exported abroad, can facilitate and even support the direct export of coconut fiber commodities to the destination country, bypassing the Makassar or Surabaya ports. This certainly makes export activities more time and cost efficient.

2. Demand Conditions

Demand conditions are defined as the nature of domestic and international demand for specific industrial products or services. According to the findings of the author's interview with PT. Weida Indocoir Prima, the marketing of organic coconut fiber commodities from Southeast Sulawesi was able to penetrate the export market, namely China, in 2020. The demand condition for China's export destination countries wants coconut fibers in sufficient quantities, so the Southeast Sulawesi government, particularly the Kendari City government, along with the company PT. Weida Indocoir Prima, is very committed to the destination country's request. This was revealed in an interview with Mr. Idris, the warehouse manager at PT. Weida Indocoir Prima:

"According to the requests of export destination countries, China wants a large quantity of coconut fiber, approximately 30 tons for the first export." As a result, the export destination country requested that we export the coconut fiber in such quantities. Because they have a high demand for coconut fiber." (Interview: December 15, 2021).

According to the findings of the interview, the export destination country, China, requested that coconut fiber from Kendari City be of high quality and free of pests and diseases. Previously, the company had carried out sharing, training, and guidance for workers involved in the export of coconut fiber, in order to meet demand from export destination countries, as stated by Tanjung Marolop (2011: 63), namely by selecting coconut fiber with good quality, such as having smooth coconut fiber, being easy to manage, and, of course, being free of pests and diseases. The Kendari City Agricultural Quarantine Center is in charge of quarantining

coconut fibers to ensure they are free of OPTK in this coconut fiber export (Quarantine Plant Destruction Organisms). This coconut fiber quarantine is carried out for 1x24 hours via a fumigation process, with the goal of removing pests and plant-disturbing organisms from coconut fiber export commodities. This is done to ensure that the company's production is free of pests and diseases, because if there are pests, China will not accept coconut fiber products from PT. Weida Indocoir Prima.

No.	Product	Year	Demand Condition
1	Coconut fiber	2020	18 Ton
2	Coconut fiber	2021	18 Ton

Table 2. Demand condition of coconut fiber for China which has been exported

Data source: PT.Weida Indocoir Prima

According to the above-mentioned coconut fiber export data, PT. Weida Indocoir Prima has only exported to China twice, in 2020 and 2021, with a total of 18 tons each leaving through the Kendari New Port. PT. Weida Indocoir Prima is always ready to export, but due to the Covid-19 pandemic and rising shipping costs, shipments have been temporarily halted. According to Mr. Idris, the warehouse manager for PT. Weida Indocoir Prima:

"Because we are in the coconut fiber export business, we pay close attention to requests from export destination countries." The export of coconut fiber is determined by the desired quality of the export destination country; if the quality of the coconut fiber is high, the selling price will be higher. As a partner coach, I educate the workers on how to obtain high-quality coconut fiber, resulting in a close relationship between the company and the seller. Starting with the quality of the fiber to be processed, moving on to the printing process of the coconut fiber itself, and finally quarantining the coconut fiber to check for plant pests." (Interview: December 15, 2021).

The results of the above interview are consistent with Michael Porter's assertion that buyer experience and high standards will increase pressure on manufacturers to produce quality products and meet high standards, which include product quality standards, product features, and services. Similarly, Mr. Idris stated that the quality of exported products has a significant impact on demand in the destination country. Buyers will recognize and trust a product if it is of high quality.

3. Government Factor

The government has a central role in improving export strategies in encouraging export activities, as explained in Michael Porter's Competitiveness theory, which states that the government's role in increasing competitiveness is as a catalyst to trigger companies to increase their competitiveness and increase the development of innovation through determined policies (Porter, 1990). According to this theory, the government's efforts, particularly for export purposes, are increasing competitiveness by encouraging products to reach export markets, building capacity, increasing added value, and incubating technical marketing guidance.

There is also product diversification for the export market, market penetration (trade exhibitions, trade missions, and trade displays), expansion of export destination countries, imaging/branding, implementation of the 4P strategy (product, price, placement, and promotion), and the final administrative function. A more specific role of the government, through the Agricultural Quarantine Agency, is to continue to develop export-ready plantation production to increase the country's foreign exchange, one of which is the development of export commodities from Southeast Sulawesi, with the role of local governments being to develop the existing potential. The following are the findings of researchers related to several efforts made by the provincial government of Southeast Sulawesi to support the competitiveness of coconut fiber products.

a. Capacity Building and Marketing Technical Guidance Incubator

To improve the competitiveness of coconut fiber exports, the government, in this case the Department of Industry and Trade of Southeast Sulawesi Province, seeks to improve product quality and quantity while also establishing cooperation with relevant agencies. This is according to Mr. Yasser Tuwu, S.E., M.Sc., as head of the Foreign Trade Section of the Southeast Sulawesi Industry and Trade Service:

"We are attempting to improve product competitiveness in terms of product quality and quantity through field guidance, recognizing exporters' constraints from the distribution network of their raw materials, and establishing synergy from technical agencies that foster, namely the Kendari Customs and Excise Supervision and Service Office."
(Interview: September 4, 2021)

The government works in various ways to increase Southeast Sulawesi exports through capacity building. According to the study's findings, capacity building activities were carried

out through FGD (Focus Group Discussion) between the Industry and Trade Office of Southeast Sulawesi Province and the Kendari Customs Office by describing the various efforts and facilities provided by the government to assist exporters in increasing exports. According to Mr. Yasser Tuwu, S.E., M.Sc:

"One method the government is using is to hold a FGD (Focus Group Discussion) with government and private sector agencies to discuss export/international trade issues." (Interview scheduled for September 4, 2021)

According to the interview, capacity building efforts for coconut fiber products such as holding FDG involve agencies such as Customs, PT. Pelindo, PT. Weida Indocoir Prima, and Quarantine. This is done in addition to improving the quality of exports and the technical aspects of the export process. Meanwhile, the government's marketing technical guidance incubator efforts are carried out by business incubators, which offer various guidance or business development services for problems encountered by business actors and provide access to business spaces/locations with flexible rules.

b. Export Market Product Diversification

The step to diversify trading partner countries' and export products is thought to be capable of increasing the value of national exports disrupted by the crisis. This effort is part of a long-term strategy to support economic growth. Building a processing plant is one option for expanding the downstream industry. The success of industrial downstreaming will also result in job creation and benefits from innovation in high-value-added products. Diversification opens up opportunities for coconut fiber companies in Southeast Sulawesi to develop new products, specifically coconut fiber. The Indonesian government, particularly the government of the Southeast Province, is currently reliant on the processing of coconut fibers into goods with added value. With the activity of diversifying coconut fiber products, demand will rise in tandem with the global development of coconut fiber.

c. Administration Function

Implementation of administrative functions carried out by the Industry and Trade Office of Southeast Sulawesi Province, namely by serving the manufacture of COO (Certificate of Origin), which is a document stating that the goods to be exported have complied with the Rules of Origin of Indonesia, and are accompanying documents based on the agreement in the bilateral, regional, and multilateral as well as unilateral provisions from a certain country must

be included when Indonesian export goods will enter the territory of a certain country which proves that the goods are originated, produced and or processed in Indonesia.

So, it can be concluded that the Southeast Sulawesi provincial government's efforts to increase competitiveness include capacity building in the form of FDG, which involves agencies such as Kendari Customs, PT. Pelindo IV Kendari, PT. Weida Indocoir Prima, Quarantine Center, and a technical incubator. The Kendari Customs Office, in collaboration with the Office of Industry and Trade of Southeast Sulawesi Province, PT. Weida Indocoir Prima, the Quarantine Center, and PT. Pelindo IV Kendari, organized an export clinic. Furthermore, the export market is diversifying, which provides opportunities for the coconut fiber industry to add value to its products. Finally, the Industry and Trade Office of Southeast Sulawesi Province provides documents or a Certificate of Origin (COO) for coconut fiber products to be exported.

CONCLUSION

The results showed that PT. Weida Indocoir Prima's export competitiveness of coconut fiber was quite good, with the fulfillment of three factors that determine competitiveness according to Porter, namely first, condition factors, which include a trained workforce, abundant natural plantation resources, and infrastructure that supports coconut fiber exports. Second, demand conditions, specifically demand for a sufficient amount of coconut fiber export from China. Third, the government will provide assistance by conducting capacity-building activities such as Focus Group Discussions between relevant agencies, encouraging the diversification of coconut fiber into value-added goods, and issuing Certificates of Origin for coconut fiber products to be exported to China. The writer believes that the export share of coconut fiber from Southeast Sulawesi should be expanded beyond China. Furthermore, additional research is required on two other competitiveness factors not covered in this study, namely related and supporting industry and firm strategy, structure, and rivalry.

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