

**MNC ON OIL AND GAS EXPLORATION:
ExxonMobil Gas and Oil Exploration in The Spratly Islands.**

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Abstrak

Peran MNCs dalam proses politik internasional saat ini tidak dapat dianggap remeh, karena ia memiliki peran yang sangat menentukan dalam perkembangan baru yang ditandai oleh munculnya aktor-aktor non negara yang ikut memainkan peran penting di dalam hubungan ekonomi lintas batas negara. ExxonMobil adalah salah satu MNCs milik AS yang berbasis energi yang bergerak di bidang minyak dan gas, dimana secara implisit menjadi pembahasan dalam penelitian ini. Sektor energi minyak dan gas sebagai lahan operasi paling subur bagi MNCs tersebut, sebab minyak dan gas merupakan sektor yang paling menentukan jalannya ekonomi dunia. Patut diketahui bahwa ExxonMobil melakukan eksplorasi di kepulauan Spratly yang mana sebagai wilayah strategis dan kaya akan sumber daya alam. Seiring dengan melimpahnya kekayaan sumber daya alam yang berupa minyak dan gas di kepulauan Spratly, berdampak kepada negara-negara sekitar, dimana mereka ingin mengeksploitasi sumber energi yang ada di Spratly untuk menunjang perekonomian negara. Metodologi yang digunakan dalam penelitian ini yaitu metode deduktif analitik, yaitu penelitian yang memiliki tujuan untuk memberikan penjelasan mengenai realitas pada objek yang diteliti secara objektif dan komprehensif. Penelitian ini juga didasarkan pada pandangan dunia Islam. Sedangkan metode pengumpulan data yang digunakan melalui penelitian kepustakaan (*library research*), yaitu dengan mencari berbagai informasi, berita analysis, konsep-konsep hasil pemikiran para ahli yang dimuat dalam buku, jurnal, artikel, internet, serta media cetak yang berkaitan dengan tema. Bagaimanapun, ExxonMobil tidak boleh melewatkan kesempatannya dalam melakukan eksplorasi di Spratly, sebab dengan melakukan eksplorasi Exxonmobil dapat meraih keuntungan sebabnyak-banyaknya dan dapat membangun citranya dengan berekspansi ke wilayah Spratly.

Kata Kunci: MNCs, ExxonMobil, Spratly, Minyak dan Gas.

Abstract

The role of MNCs in the current of international political process should not be underestimated, since it has a very decisive role in the new development is characterized by the emergence of non-state actors who play a vital role in the economy of engagement across borders. ExxonMobil is one of the US-owned MNCs based energy engaged in the oil and gas, which are implisit is discussed

in this study. The energy sector as oil and gas operations of the most fertile land for the MNCs, because oil and gas were the sectors most determine the course of the world economy. should be know that ExxonMobil conducts exploration in the Spratly Islands which as a region of strategic and rich in natural resources. Along with the abundant wealth of natural resources such as oil and gas in the Spratly Islands, have an impact on neighboring countries, where they want to exploit energy resources in the Spratlys to support the country's economy. The methodology used in this study is an analytical deductive method, That means research that has a purpose to provide an explanation of the reality on the object studied in an objective and comprehensive. This study is also based on an Islamic worldview. While the data collection methods used by library research, is to find a variety of information, news analysis, concepts of the ideas of experts published in books, journals, articles, internet, and print media relating to the theme. However, ExxonMobil should not miss its opportunity to explore in the Spratly, because by doing the exploration, Exxonmobil can get the profit as much as possible and can build its image by expansion to the Spratly region.

Keywords : MNCs, ExxonMobil, Spratly, Oil and Gas.

Introduction

MNCs are an organization involved in productive activities in two or more countries. In general, MNCs have a general office as a center in their home country which is then extended to other countries by establishing or purchasing various business assets or opening a branch in the host country (Mas'ood, 1997). Today, MNC has a very fast development, not only in developed countries but also in developing countries. The present of MNCs can have a very significant impact on global politics, because of their great economic influence as well as the financially viable source of community relations in political mobilization. Because many multinational companies now in various countries that have very large funds even exceed the funding of a country (Fauzi, 2016).

MNCs have a major influence on contemporary international relations systems, that is by the allocation of factors of production and by the flow of capital investment (Holsti, 1992). The MNCs are scattered in various parts of the world, usually stir in the Energy sector like (ExxonMobil, Gulf oil, Chevron Texaco, British Petroleum, Royal Dutch Shell and Conoco Philips), so many more MNCs are a stir in the oil sector which has a world-class basis. MNCs are

the owner is none other than superpower states and industrialized countries such as United States of America¹ (USA), Japan, China, India and some countries in Europe.

ExxonMobil is a US-based oil and gas multinational company engaged in oil and gas (ExxonMobil, 1999) which implicitly into the discussion of this research. In this case, ExxonMobil was discussed because in addition to being one of the major US corporations stir in oil and gas, ExxonMobil is also the company with the highest total profit to five, under other US companies such as CocaCola, City Group, Microsoft, General Electric and Procter Gamble (ExxonMobil, 1999). But, among the other US oil and gas companies such as Chevron and Conoco, ExxonMobil include companies that fill the highest profits. In the upstream oil and gas industry sector, ExxonMobil is competing with other US oil and gas companies in order to fulfill the US demand for oil by controlling several strategic areas of oil and gas located in various parts of the world, such as the Spratly Islands.

The Spratly Islands is a collection of 750 reefs, islets, atolls, coral islands located in the South China Sea. This island located in the waters of the Philippines and Malaysia (Sabah). The Spratly Islands contain more than four square kilometers of land area in a sea area of more than 425,000 square kilometers. The Spratly Islands are one of three islands in Southeast Asia with more than 30,000 reef islands. Spratly Island is a strategic crossroad that is rich in fishery resources, natural resources including gas and oil (Muzwardi, 2017).

It should be understood that the ambitions of the MNCs occur in a very strategic and resource-rich area that is the Spratly Islands. Geographically, the Spratly islands consist of several parts, among others, covering small chains of coral reefs and sandy islands surrounded by deep waters. Most of the islands are uninhabited and 230 islands contain coral reefs, only about seven of which have an area of more than 0.1 square kilometers (Gallagher, 1993). In economic terms, the Spratly region is an untapped area and is believed to be a resource-rich region with the potential to have oil deposits, natural gas, fish and other minerals (Ruixiang, 1994). The Spratly islands region is the main sea route connecting the western Pacific Ocean to the Malacca Strait and to the Indian Ocean. This route as the main fuel supply for economic power such as Japan, Taiwan, and South Korea.

¹ Oxforddictionaries.United States (of America) | English to Indonesian.)

Then the limitation of resources also becomes a problem for the country itself, so the claiming state needs the help of MNCs to seek new natural resources in the Spratly Islands in order to improve the people's welfare. The help is only able to be realized by MNCs who have high technology and modern equipment in conducting oil and gas exploration activities in the region. In this case, ExxonMobil as a large oil and gas based on energy company, ExxonMobil is expected to conduct oil and gas exploration activities through its technology in the Spratly Islands. However, with the presence of ExxonMobil able to create welfare for claiming states and mutually beneficial to each other. So, in this study, the research will analyze *Why is ExxonMobil doing Oil and Gas Exploration on the Spratly?*

Theoretical Framework

In this study, the authors will use the concept of Multinational Corporation (MNCs) by Colman and Nixon (1994:344). According to Colman and Nixon, Multinational Companies as "business units that own or control assets such as factories, mines, plantations, outlets (sales centers), and offices located in two or more countries" (Hadiwinata, 2002). In the ability to control production activities which include investment and technology transfer in many countries, multinational companies have more room to influence and intervention the economic policies of a country. In this case, in line with the increasing need of each country for foreign investment in the interests of expanding industrial territory and the provision of employment, therefore multinational corporations can no be called again as "Secondary Actors" in international business, but as a new actor who can step by step "undermine" the sovereignty of the state (Strange, 1996).

There are three kinds of explanations related to how the background of the cross-border activities do multinational corporations, and factors that push an expansion of multinational companies since the decade of the 1950s, they are:

1. The explanation of Profit emphasizes the description of the character of multinational companies as profit-maximizer (profit maximizer)
2. The explanation of "product life cycle" said that multinational corporations are forced to expand internationally because to keep their products into the expiration phase, where almost all producers master the technology of a particular product segment, then they

Should reduce the cost of production as low as possible reaching out to countries that offer low cost.

3. The explanation of technology that sees multinational companies as the most successful economic unit in attracting profits, from technological breakthroughs by developed countries since the last several decades (Hadiwinata, 2002). In developing productivity with right technology using, the superpower country can develop over time, and increase the allocation of funds for interests research and development (R & D).

Collective Property in Islamic Perspective

Collective Property is all the wealth that Allah has established for the Muslims, so that wealth belongs to the Muslims. Individuals may benefit from the wealth, but it is forbidden to have it in person. In the opinion of Ibn Qudama, in his book al-Mughny says: "The mine goods that human beings coveted and used without cost, as well as salt, water, sulfur, gas, mummia, petroleum, diamonds, etc, should not be preserved (individual property rights) other than by all the Muslims, because it will harm them" (Qudamah, 2017).

Ibn Qudama's means is that the goods of the mine are the property of many, though derived from the land of special property rights. So whoever finds a miner or petroleum on his property, it is not lawful for him to have it and must be given to the state to manage it. In this case Islam has its own way of perspective that oil and gas are natural resources in the area of public ownership (Collective Property). Thus, access to public ownership is open to the public (Muslims), but the regulation is still regulated by the state with trust (amanah) and proprietary. It is also in accordance with the word of God in QS. Hud (11): 61 (Qur'an, 2016) which mentions:

هُوَ أَنشَأَكُم مِّنَ الْأَرْضِ وَاسْتَعْمَرَكُمْ فِيهَا فَاسْتَغْفِرُوا لَهُ ثُمَّ تُوْبُوا إِلَيْهِ

The Meaning: "He has created you from the earth and made you prosperous², so ask forgiveness for him".

² Manusia dijadikan penghuni dunia untuk menguasai dan memakmurkan dunia. QS. Hud (11): 61

The verse explains that in addition to the participation of the community to manage the existing resources, the state has an important role in allocating and distributing the income that is in the community.

In the explanation described above we can correlate and take the conclusion from this research that the existing energy resources in the Spratly islands of oil and gas are collective property rights, where the resources must be provided to the state as a manager in allocating or distributing them. However, the state has limited technology, human resources, etc., to manage the resource exploration, so that the state needs the private sector (ExxoMobil) who has the ability and powers in the fields of technology, human resources, etc. to manage oil and gas energy resources in the Spratlys.

Research Methodology

The method used for this research is the analytic deductive method, is research that has goals to give an explanation of the reality of the object studied in an objective and comprehensive. The data gate is explained in agreement with their respective sector and analyzed and give by minimizing the parts of the problem rationally and comprehensively. The object of his research was explained in detail, systematic, and regularly in agreement with the identity of the problems that have been determined at the beginning of the study.

On this Researcher to do some steps in data collecting Technique that will be prepared in this research, There are: literature study, the author refers to existing information and is considered to have a degree of relevance to the incident analyzed. The data used as supporting material which is kind of secondary data. In this situation, the authors use several sources of information including Books of International Relations Program Study of Darussalam University, so private collection such as books, journals, and articles, and the Internet media.

Discussion

Analysis of the Reasons for ExxonMobil's Oil and Gas Exploration in the Spratly Islands.

A. Profit

In this era of globalization today which became the benchmark of a company's success is the gain of profit. If the company has not been able to achieve a profit figure per year or at least stick to the figures achieved in previous years, then it can't be said as a success. In this case ExxonMobil as an MNCs should increase the company's profit in oil and gas exploration, which will become one of the key successes in running the business in the Spratly Islands.

Furthermore, to support these profits, ExxonMobil must be able to increase international competitiveness which will become its own attract for claiming countries to invite these companies to join in exploration activities in their territory. So with that, ExxonMobil can improve the country's economy and certainly get more profits in the exploration and exploitation of resources that exist there. This below we can see the oil and natural gas concessions given to companies operating in the South China Sea region where the Spratly Islands are also included.

The Concessions of Oil & Gas in the South China Sea³

Perkiraan Sumber Daya Alam/Pertambangan Minyak & Gas di Laut Cina Selatan					
Aktor	Perhitungan jumlah		Aktor NGO		
Negara	produksi dari eksplorasi				
	Minyak & Gas (2011)				
	Minyak	Gas Alam	Wilayah	Perusahaan	Perusahaan Minyak & Gas Asing
	1000	Milyaran	eksplorasi	Minyak & Gas	
	barrels/Hari	Kubik m ³	dan produksi	Nasional	
Brunei	120	400	Baram Delta	PetroleumBRUNEI	BHP Billiton, ConocoPhillips, Hess Corporation, Kulczyk Oil Ventures, Mitsubishi Corporation, Murphy Oil, PETRONAS, Polyard Petroleum, QAF Brunei, Shell, Total
China	250	600	Pearl River	CNOOC Sinopec CNPC	BG Group, BP,

³ U.S. Energy Information Administration, Oil & Gas Journal, IHS, CNOOC, PFC Energy, 2013

Perkiraan Sumber Daya Alam/Pertambangan Minyak & Gas di Laut Cina Selatan ⁶					
Aktor Negara	Perhitungan jumlah produksi dari eksplorasi Minyak & Gas (2011)		Aktor NGO		
	Minyak 1000 barrels/Hari	Gas Alam Milyaran Kubik m ³	Wilayah eksplorasi dan produksi	Perusahaan Minyak & Gas Nasional	Perusahaan Minyak & Gas Asing
Malaysia	500	1,800	Mouth Basin Qiongdongnan Basin Sabah Sarawak Malay Basin (w/ Thailand Palawan Basin	Sinopec CNPC PNOC	Chevron, ConocoPhillips, Eni, ExxonMobil, Husky, Newfield, Shell, Total Lundin, BHP Billiton, ConocoPhillips, ExxonMobil, Hess, KUFPEC, MDC O&G, Murphy Oil, Newfield, Nippon, Petrofac, Roc Oil, Shell, Talisman Energy ExxonMobil, Shell
Philippines	25	100			
Vietnam	300	300	Cuu Long Basin	PetroVietnam	Oil, PTTEP, Santos, SK Corp, Total, ONGC KNOC, ConocoPhillips, Geopetrol, Premier

From the table above we can see that the wealth of energy resources in the form of oil and gas located in the region can not be question again. The table above shows that ExxonMobil's contribution is quite dominant in conducting production from exploration such as Malaysia and the Philippines. This is what made fundamental that ExxonMobil as an oil and gas-based company to exploit oil and gas resources, all of which are just to meet the economic needs of each country. Oil and gas become a one of priority, because until this moment the struggle for non-renewable resources can not be separated from long-term economic interests. When the wishes of the state have been made by ExxonMobil to explore and exploit the oil and gas resources in the Spratly Islands, however this is where the company's desire should be given also by the state.

If the countries surrounding the Spratly Islands have been dependent on the company, so this is where ExxonMobil's opportunity to implement its goal of Profit Explanation. There are several profit-making strategies such as: first, by raising the price so that the profit limit can be enlarged (Hadiwinata, 2002). In this case ExxonMobil may raise the selling price of the oil and gas to the claiming country in accordance with the mutual agreement. Second, increasing of market share. In that case ExxonMobil can increase its sales share in local, national, even international markets.

Third, through the "conglomeration"⁴ of doing diversification to the company with the formation of new divisions that handle various types of business. In this case ExxonMobil has formed several divisions in its business type which goals to increase their profits such as production, trade and investment and even banking.

Through these three strategies ExxonMobil can increase its profits in doing business to the Spratly region even to various countries in the world. Increased profit is one of the real successes that ExxonMobil can show in doing business in the Spratly region. ExxonMobil's ability to improve international competitiveness is also can not be question again, where its operations both in the public and private sectors are always based on good governance principles. The ways of ExxonMobil of improving it there are: Advancing the Safety factor, Business Conduct Standards, Ethics, Long Term Financial Management, Employment Policies and Implementation, Management of safety training sessions (ExxonMobil, Increasing Indonesia's energy supply, 2017).

From the above description it can be concluded that Profit Explanation is a driving force and also a reason for ExxonMobil to maximize its profit in oil and gas exploration in the Spratly region. In maximizing its profit, Exxonmobil uses three previous strategies: first, by raising the price so that the profit limit can be enlarged. Second, increasing of market share. Third, through the conglomeration process. Later in the context of its business ExxonMobil is also a businessman in the Spratly region and able to produce goods and services that meet the principles of good governance and in accordance with international standards, and at the same time can also increase the profitability of the resulting products it.

B. Product Life Cycle

Basically every company must have felt the period where the market competition is going more tight because of rising producers who flood the market and consumers are getting saturated with the company's products (Hadiwinata, 2002). So the demand decreases and even tends to disappear. In this case, if the ExxoMobil product is in a declining stage, the solution is to

⁴ Istilah "*konglomerasi*" dikembangkan dari terminologi dalam Geologi yang merujuk pada jenis bantuan tertentu yang terdiri dari berbagai fregmen dengan karakter yang berbeda-beda. Di dalam bisnis, konglomerat merujuk pada unit industri skala besar yang merupakan gabungan dari pelbagai unit usaha yang digabungkan melalui proses merger dan akuisisi.

significantly reduce prices in order to stay competitive with other manufacturers in an competitive market system that's going more tight. As for the consequence, ExxonMobil concerned should be able to keep its production cost down to the lowest possible level.

To facing the challenge, the concept of Product Life Cycle is considered relevant as another alternative that can be taken by ExxonMobil in developing its business. By expanding its production to developing countries, ExxonMobil will be able to enjoy the extra benefits from before, shortening the distance between production sites and suppliers and markets that have consequences for reducing transfer cost and transportation. Raymond Vernon said that MNCs tend to experience various problems in conducting their business activities, such as determining the scale of operations in foreign countries that are difficult to predict, competition from local companies to dominate the market, fulfillment of certification of imported raw materials by certain standards, and limited accurate information about market Strength in other countries (Vernon, 1971).

From Raymond's exposition we can relate to ExxonMobil which is the object of this research, therefore ExxonMobil will be more effective if it can shorten the distance between location with supplier and market position. In this case, the Spratly Islands is a new location for ExxonMobil to made as the company's expansion target in maintaining its survival both nationally and internationally level.

In order to expand into the territory of Spratly where the majority of countries claiming the region is a developing country. Basically developing countries in general will provide the relatively of low cost to invite foreign companies to explore in their region. This can be a benefit for ExxonMobil to expand into the Spratly region, besides to its exploration and exploitation activities in the region, ExxonMobil can also maintain its life by expanding into the region. This below is the claiming countries that conduct exploration in the Spratly.

Country exploring on the Spratly Islands (Muzwardi, 2017).

No	States	Location	Exploration	Exploration Value
1	Filipina	Palawan Island	Oil & Gas	3000 Barrel/day
2	Taiwan	north of the Spratly Island	Fishery	
3	Vietnam	400 km west of Blok Crestone	Oil & Gas	
4	Malaysia	4 rock Group	Oil & Gas	
5	Brunei	Louisa Reef	Oil & Gas	143.000 Barrel/day

From the table above can be concluded that these countries are competing to get the energy resources in the form of oil and gas in Spratly Islands. This is be evidenced by four of the above countries there are: Filiphina, Vietnam, Malaysia, and Brunei exploring in the Spratly region. So that energy resources really become the center of attention for every claiming country. Since Malaysia in the period 1992-1995 successfully conducted exploration in the Spratly Islands by producing income of 210 million US \$ (Muzwardi, 2017). The great profits make many foreign companies trying to get involved in the exploration of the Spratly region. The presence of abundant resources at Spratly give birth many actors in it from countries, corporations, national and multinational corporations even ASEAN institutions also involved.

In this case, ExxonMobil tries to expand into the Spratly region to realize the wishes of each claiming country by conducting exploration and exploitation. moreover, because the action of ExxonMobil to expand into the Spratly region is also caused by the pressure of situations where their production units still exist in the midst of increasingly tight competition. Furthermore, developing countries are considered by promising low production costs (due to cheaper land and building prices, lower wage labor, cheaper raw material prices, lower transportation costs, lower currency values, etc.). Besides to internal countries, there are also the external countries that want to exploit the outcome of energy resources in the region Spratly include there are:

The External State which involved in the Spratly dispute (Muzwardi, 2017)

States	Interests
United States of America	Military and Economy
Jepang	Economy
India	Economy

Looking at the table above we can judge how important the Spratly area so that the external parties also want to have economic interests in it. The countries that have no claims on the Spratly islands become other actors who try to take advantage of the resources there. The US has both military and economic interests. The US has a strategy of maintaining the Spratly through the Philippines, because the Philippines is a US military defense from the Chinese threat. Shell Group Companies from the US as other actors who bring the US interests. So next followed by Japan which has the same interest in Spratly, Japan is trying to protect its oil trade route, then Japan also has a company involved in exploration in the Spratly Islands region. The last is India that also became a new external actor where with the entry of India adds new problems in the Spratly Islands. These external actors indirectly play their role with the MNCs they own. The presence of these external actors is because internal actors are attracting them to engage in the Spratly region (Muzwardi, 2017). Economic factors became the main triggers of the increasingly crowded and complex actors involved in the Spratly Islands.

In the above case we can take the conclusion that as a new actor who wants to expand his business in the Spratly region, which has abundant natural resources, and according to China Geological Minister Song Ruixiang said that the oil and gas energy reserves contained in Spratly till 30 billion tons (Ruixiang, 1994). ExxonMobil does not want to miss its opportunity to explore in areas that are more contested by state and non-state actors. So according to the authors, ExxonMobil must be obliged to expand power in the Spratly region. By expanding, ExxonMobil can live its life unencumbered by the pressure of a situation that demands it to compete at domestic and international levels. Moreover, with the developing countries attracting ExxonMobil to join oil and gas exploration activities, they can provide the relatively of low prices to companies. So this

should not be missed because it can be convincing and become the main factor of the company to expand the region.

C. Technology

This era, the rapid development of MNCs can not be separated by sophisticated technological developments. The field of transportation and telecommunications is become a major projection in technological developments currently. In this case, as the nearness of the distance is no longer an inter-state problem, operations on a global scale become more possible. Through technological mastery, MNCs become more flexible to determine which countries can be targeted in their industrial relocation projects.

In this study, ExxonMobil's large-scale expansion into the Spratly region is closely related to technological developments that involving two strategic areas of transport and telecommunications. Transportation is an important factor in international business because as a tools to move raw materials, products, and even human resources from one place to another (Dicken, 1988). In the 20th century, in line with the sophistication of machine technology, the fleet of vessels soon mastered international trade.

In the 1950s, containerization systems in the transport of goods began to be introduced. Through the construction of massive carrier vessels (Superfreighter) with a load capacity of hundreds of tons, the flow of goods between countries is increasing quickly. In this case ExxonMobil assumes that the development of transportation technology is very expedite and facilitate the process in the transfer of factory location to the Spratly region, because it is considered as a more possible place to conduct of oil and gas exploration.

ExxonMobil considers oil to be the world's primary energy source, so oil will continue to play its primary role in energy mixes with fuel-driven demand, as well as superior transport. While natural gas leads the growth of energy, where natural gas is a huge fuel source, providing a quarter of global energy demand by 2040. In leading the market position, ExxonMobil is the world's largest integrated company with oil and gas market capitalist achieves \$ 360, 34 billion since December 7, 2010. ExxonMobil has interests in 37 refineries located in 21 countries and markets its products from 29,000 retail service stations (ExxonMobil, Outlook for Energy: A View to 2040, 2017).

ExxonMobil has a large and diverse presence in revenue streams in different regions. The revenue flow of the company is diversified in terms of geography. ExxonMobil divides its geographical divisions into US and non US. The US territories include countries in Indonesia, Japan, Canada, Britain, Germany, Belgium, Italy, Singapore and France. This below there is a table of sales and sales growth of ExxonMobil oil and gas.

The Table of Sales and Above Sales Growth⁵

Sales Growth	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
ExxonMobil	19.166%	23.823%	24.328%	2.094%	7.017%	18.536%	-35.172%	25.306%
Chevron	23.179%	26.528%	29.409%	5.634%	4.417%	25.073%	-37.560%	28.943%
Royal Dutch Shell	12.426%	31.461%	15.663%	3.951%	11.585%	28.831%	-39.386%	21.638%
ConocoPhillips	79.148%	31.194%	36.798%	3.185%	2.340%	31.443%	-39.662%	34.743%
Marathon	30.190%	10.185%	29.104%	2.825%	-0.881%	21.450%	-32.695%	38.805%
Hess	19.938%	16.924%	35.941%	23.388%	12.755%	30.076%	-28.060%	9.785%
Industry AVG*	30.675%	23.352%	28.541%	6.846%	6.206%	25.902%	-35.423%	26.537%

Sales	2002	2003	2004	2005	2006	2007	2008	2009	2010*
ExxonMobil	178.909	213.199	263.989	328.213	335.086	358.600	425.071	275.564	345.298
Chevron	91.685	112.937	142.897	184.922	195.341	203.970	255.112	159.293	205.398
Royal Dutch Shell	179.430	201.727	265.191	306.728	318.846	355.784	458.361	277.829	337.947
ConocoPhillips	50.512	90.491	118.719	162.405	167.578	171.500	225.424	136.016	183.272
Marathon	31.464	40.963	45.135	58.271	59.917	59.389	72.128	48.546	67.384
Hess	11.932	14.311	16.733	22.747	28.067	31.647	41.165	29.614	32.512
Industry AVG*	90.655	112.271	142.111	177.214	184.139	196.815	246.210	154.477	195.302

Through the table of two sales and sales growth above we can conclude that ExxonMobil is a major player in the oil and gas industry. ExxonMobil is also a global supplier of lubricant stock and marketing of finished lubricants, such as asphalt and specialty products. So far it has been a continuing sales growth for the past eight years except 2009, which has a negative impact on the overall economy. Especially during the period 2007-2008, ExxonMobil achieved growth of

⁵ ExxonMobi.salesandabovesalesgrowth.

18.536%, the main one coming from the skyrocketing oil prices in that year. A significant decline in 2009 could be due to a decrease in oil demand in the market as a result of a poor economy to the environment.

The description above explain that how big is the role of ExxonMobil in oil and gas companies, so that the transport of here indirectly is needed as a medium to send oil production in 37 refineries located in 21 countries. This can also be a reason for ExxonMobil to play its leading role in energy mixes with demand driven by a superior transport. So that this company can show its role either at national or international level.

In international business, ExxonMobil also depend on telecommunication technology used as a medium for spread information in the form of ideas, messages and even instructions. In the decade of the 1950s, the invention of telecommunication systems has been able to make business transactions between countries become more classy (Hadiwinata, 2002). The last few decades with the development of satellite systems, communication systems and fiber optic, so the spreading of information can be done more quickly and accurately. In this case, of course ExxonMobil applies fiber optic communication system into its exploration activities in order to facilitate the company in communicating with the workers to give instruction, direction, information even to the level of coordinator in the field quickly without any obstacles.

Fundamentally, with ExxonMobil technology's ability to simultaneously transmit messages and images, it has narrowed the distance between exploration areas and even country companies, so remote operating system control becomes very possible. Through technological sophistication, telecommunication cost is no longer determined by distance, so until now the system is considered as a very economical communication tool (Hadiwinata, 2002). By mastering these telecommunication tools, ExxonMobil does not hesitate to operate its company on an international scale. In general, ExxonMobil utilizes communication technology in conducting activities, production, exploitation, sources, services, and even banking transactions. So, it is not surprising that in many developed and developing countries, many companies like ExxonMobil are obsessed with the spirit to become a world class company.

Therefore, from the above explanation it can be concluded that the use of sophisticated technology as specially in transportation and telecommunications into the company, is the thing that can play the main role in the mix of energy resources and can sustain performance as well as

the reason ExxonMobil in oil and gas exploration in the Spratly Islands . By using the company's transportation technology it is easier to move raw materials, products, and even human resources from the country to the exploration area in Spratly. Then the use of telecommunications technology as a medium to disseminate information in the form of ideas, messages and even instructions. Through telecommunication technology the cost is no longer a fundamental problem because telecommunications is no longer determined by distance, so the system is regarded as tools that most affordable and economically.

D. The Limitations of State in Exploration.

As we know, Allah has created human beings with the various completeness of natural resources that human beings need. Moreover to renewable natural resources, God also created human needs with non-renewable natural resources. The non-renewable natural resources such as minerals, including oil and natural gas. Oil and gas resources have the property tends to run out even extinct when explored and exploit continuously. Therefore, the exploit of natural resources as specially oil and gas must be wise and attentive to the power capacity of the environment (Rahmawati, 2014).

So related to the concept of natural resources management especially oil and gas, Islam itself has organize it in the concept of ownership of natural resources one of them is the concept of Collective Property (Rahmawati, 2014). This concept has been described in Chapter one which is essentially the wealth of resources created by Allah in this world, the ownership has been set for the Muslims, so that the wealth belongs to the Muslims together. No single individual may privatization to own it, but individuals may only benefit from such resources. In this case there are three types of public ownership among others:

1. Public facilities required by all citizens for daily needs, such as: water, irrigation channels, forests, energy sources, etc.
2. Wealth that its origin is forbidden for individuals to have it, such as: public road, sea, river, lake, field, mosque, etc
3. Minerals (natural resources) are abundant, either in the form of solid, liquid, or gas.

In this case we refer to the statement of Ibn Qudamah where in his book al-Mughny says that: "The goods of mine which the human being coveted and exploited without cost, as well as salt,

water, sulfur, gas, mummia, petroleum, diamonds, etc., should not be preserved (individual property rights) other than by all Muslims, because it would harm them" (Qudamah, 2017). The purpose of Ibn Qudamah's exposition is that all resources in the form of minerals, petroleum (oil and gas) belong to the people even though they are in our private land. Anyone who finds petroleum (oil and gas) is on his property, then it should not be for him to have it personally, but it must be given to the state as the authorities.

So in this explanation can be seen from the concept of Collective Property which is part of Islamic Perspective where the view that oil and gas are natural resources whose ownership is given to the public. Therefore, access to its ownership is open to the public (the Muslims) but the policy is still regulated by the state with trust and professionalism as well as the authorities to allocate and distribute it. In that cases, if associated with this research, the countries surrounding the Spratly Islands as the authorities shall be entitled to cooperate with the Private party (ExxonMobil) in conducting the exploration and exploitation of the existing resources of the territory. This below are some countries that have oil and gas reserves located in the China Sea Sealatan area, among others:

Oil and Natural Gas in the South China Sea region ⁶

No	Negara	Cadangan Minyak yang dikonfirmasi (milyar barrel)	Cadangan Gas yang Terkonfirmasi (Trillion Cubic Feet)	Produksi Minyak (Barrel/Hari)	Produksi Gas (Billion Cubic Feet)
1	Brunei	1.35	14.1	145,000	340
2	Cambodia	0	0	0	0
3	China	1 (est.)	3.5	290,000	141
4	Indonesia	0.2	29.7	46,000	0
5	Malaysia	3.9	79.8	645,000	1,300
6	Philippines	0.2	2.7	<1,00	0
7	Singapore	0	0	0	0
8	Taiwan	<0.01	2.7	<1,00	30
9	Thailand	0.3	7.0	59,000	482
10	Vietnam	0.6	6.0	180,000	30

⁶ Minyak dan Gas Alam di wilayah Laut China Selatan http://www.southchinasea.Org/scs_intro-t1.html

11	Total	7.5 (est.)	145.5	1,367,000	2323
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From the table above we can see how big the potential of oil and gas resources owned by each claiming country in the south china sea. The oil reserves bring out speculation that the Spratly and Paracel islands located in the southern region of the south china are rich in unexplored oil and gas reserves. Potential oil reserves in the Spratly and Paracel Islands are estimated at 105 billion barrels. While natural gas is estimated as the most hydrocarbon resource. In the US Geological Survey estimation (USGS) 60% -70% of hydrocarbons in the region are natural gas. The amount of gas predicted at 20 trillion cubic feet (Tcf) per year, is greater than any other fuel (Nugraha, 2015).

In that case we can see how big the oil and gas resources are in Spratly. The claiming countries feel unable to manage such large resources in the Spratly Islands. So that the surrounding countries feel the need to invite foreign companies like ExxonMobil to conduct exploration in their claims area. Because the state feels to have a great responsibility for the community to conduct exploration and exploitation to improve the country's economy through ExxonMobil's corporate intervention.

From the above explanation we can conclude that the concept of Collective Property has relevance to the natural resources whose ownership is allocated to the public. The oil and gas resources must be given to the state as a public trust to exploit the Spratlys. But the country has limitations in exploration and exploitation of oil and natural gas resources in the Spratlys. Finally, the state needs the private sector ExxonMobil as a foreign company with sophisticated capabilities and technology to explore and exploit. so this thing can be considered reasonable and become an reason for ExxonMobil as an oil and gas energy company to take advantage of this opportunity in conducting exploration activities in the Spratly region.

Conclusion

To know about why a foreign company is ExxonMobil exploring in Spratly, we refer to Colman and Nixon's concept that there are three factors that make ExxonMobil Exploration in the Spratly Islands are: Profit, Product Life Cycle, and Technology. Profit's first factor as a driving force and a separate reason for ExxonMobil to maximize profits in oil and gas exploration in the Spratly Islands region. In order to maximize the benefits there are stages to be done are; by raising

prices so that the profit limits can be enlarged, increasing market share, and conducting conglomeration processes.

The second factor, Product Life Cycle is expanding into a more productive and qualified area. ExxonMobil as a new actor in international business should expand into the Spratly region. Because, by expanding, ExxonMobil can continue its life with unencumbered by the urgency of the situation that demands it to compete at the domestic and international level. Furthermore, with existence of developing countries that's attracting ExxonMobil to join oil and gas exploration activities, they can provide a relatively low price to the company.

The third factor, Technology, the use of sophisticated technology and specialized in transportation and telecommunications in the company, can play a major role in the mix of energy resources and can sustain performance as well as the reason for ExxonMobil's oil and gas exploration of the Spratly Islands. Through technological sophistication, telecommunication cost is no longer determined by distance, so until now the system is considered as a very economical communication tools.

On the other side, if looked in Islamic Perspective that makes ExxonMobil exploration in the Spratly region is caused to the Collective Property factor so that natural resources in the form of oil and gas must be given to the state as the authorities and trusted by the public to manage it. In this case the state also needs the private sector to help it in realizing the utilization of these resources. So ExxonMobil as a private party must be able to realize the wishes of the claiming country by doing the exploration and exploitation of oil and gas in the Spratly region.

Suggestion

The Correlation with this research with the theme of oil and gas exploration conducted by ExxonMobil company, the authors suggest to further researchers to see from different theories and different perspective, that is by investigate how ExxonMobil's existence in developing its cooperation for exploration in the Spratly region. This is done in the hope that this research not only stops here, but can be developed through different studies, and also becomes a reference by many researchers.

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The major topographic feature of the South China Sea (1994) is a deep rhombus-shaped basin in the eastern portion, with reef-studded shoal areas rising up steeply within the basin to the south and northwest. A broad, shallow shelf extends up to 150 miles in width between the mainland and the northwestern side of the basin. To the south, off southern Vietnam, the shelf narrows and connects with the Sunda Shelf, one of the largest sea shelves in the world. Many of the so-called islands in the Spratly area are merely rocky outcroppings that are underwater at high tide. See, *The New Encyclopedia Britannica* Vol. 3, 15th edn (Chicago: Encyclopedia Britannica, Inc., 1993), p. 231. Also see Michael G. Gallagher, 'China's illusory threat to the South China Sea', *International Security* 19(1), (Summer), p. 171.

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