

ABSTRACT

The aim of this study is to analyze the structure and performance of crumb rubber industry in Indonesia during the 2010-2014 period using the Structure-Conduct-Performance paradigm (SCP). The crumb rubber market structure were analyzed using the concentration ratio of the four largest firm (CR4) and the Herfindahl-Hirschman Index (HHI). While crumb rubber industry performance was analyzed using panel data to determine the relationship and influence of market share (MS), productivity (PRODUCTIVITY), growth (GROWTH), efficiency (XEF), and foreign direct investment (FDI) on price cost margin (PCM).

The results of the study using the analysis of CR4 and HHI show that the market structure of crumb rubber in Indonesia is monopolistic competition, this is known from the low CR4 and HHI values each year. Subsequent results using the random effect model (REM), market share and growth share are negatively related to PCM, while productivity, efficiency, and FDI are positively related to PCM.

Keyword: structure-conduct-performance, crumb rubber, random effect model