



ANALYSIS OF ECONOMIC GROWTH IN THE FISHERIES PROCESSING INDUSTRY IN BANDUNG CITY

Junianto¹, Isma Utari²

1) Professor at Faculty of Marines and Fisheries, University of Padjadjaran

2) Students of Faculty of Marines and Fisheries, University of Padjadjaran

Departement of Fisheries, Faculty of Marines and Fisheries, University of Padjadjaran

Jl. Raya Bandung – Sumedang Km 21, Jatinangor 40600

e-mail: anto_lisc@yahoo.com

ABSTRACT

This study aims to analyze the potential of the fishery product processing industry and the growth rate of the processing industry sector which affects the development of the Bandung area during 2013-2017. The research began in May 2019 until July 2019. The research method was carried out with a literature survey survey technique which was collected either through decision surveys which were then analyzed quantitatively and presented descriptively. This research data consists of two types, namely primary data and secondary data. Data analysis included Shift Share Analysis and Location Quotient Analysis (LQ). Based on the research of potential fishery processing industries in Bandung, namely dozing / surimi / jelly (LQ 3.68) and fresh handling (LQ 3.51). Shows the growth value of the shift in the production of the processing industry in Bandung with an average from 2013-2017 of -25286.04. The manufacturing industry sector shows PB value > 0, meaning that the manufacturing sector in Bandung has a slow growth rate.

Keywords: Bandung City, Location Quotient Analysis (LQ), Processing Industry Potential. Shift Share Analysis.

INTRODUCTION

Sustainable development is development that is implemented in developing countries, especially Indonesia. Prioritizing economic growth, which is supported by the presence of a leading sector in an area that utilizes natural resources in the area. The implementation of development basically aims to produce a better community life and lead to a prosperous, safe and fair society. In order to realize the development objectives there needs to be a harmonious interaction between the three determinants, namely the local government, the private sector and the local community. (Cikitha 2019)

One indicator of the success rate of development and community welfare in an area is in terms of the per capita Gross Regional Domestic Revenue (GRDP) which illustrates the level of average income achieved by the community (Sutiardi 2001).

Potential fisheries in the city of Bandung, based on statistical data the Department of Food and Agriculture of the City of Bandung consists of fisheries processing 276.6 tons (2013), 285.4 tons (2014), 298.9 tons (2015), 308.8 (2016) and 319 tons (2017). This potential is possible if the fisheries processing sub-sector can act as an economic base in regional income. Thus, if the fisheries sub-sector is managed optimally it will be able to make a large contribution to the regional economic development. The fishing industry as a system has an important role in providing food, employment opportunities, trade and welfare and recreation for the community at large. The development of the fishery products industry is one of the priorities in national development in the industrial sector (Rizal, 2013).

In these conditions shows that Bandung could potentially for the construction and development of fishery product processing industry, if intensively through appropriate measures, such as implementing training managing the fishery resources of the Bandung itself. Based on this, a study with the title Analysis of Economic Growth Potential in Fishery Product Processing in Bandung City was conducted.

RESEARCH METHODS

The research method was conducted using literature survey data collected through surveys which were then analyzed quantitatively and presented descriptively (Rizal 2013).

The data used consists of primary data and secondary data. Primary data obtained from observations, both in the form of questionnaires, interviews with relevant parties and documentation.

Primary data is more focused on the performance of the industrial sector, social economy, environment and the problems faced. This primary data is needed to determine the conditions and management problems in the fishing industry. Secondary data was obtained through gathering information from previous studies and the latest developments from data obtained from the Central Statistics Agency of Bandung, the Department of Fisheries and Maritime Affairs of the Province of West Java and the Department of Food and Agriculture of the City of Bandung. Secondary data used include time series data which includes production data and gross regional domestic product data.

Analysis of the data used in this research is descriptive quantitative while the analysis used is the Shift Share analysis and Location Quotient (LQ) analysis.

RESULTS AND DISCUSSION

Geographical location and Regional Conditions of Bandung City.

Bandung City is located in the West Java region and is the Capital of the Province of West Java. Astronomically, Bandung is located between 107°36' East Longitude and 6°55' South Latitude. Based on its geographical position, Bandung City has boundaries: North - Bandung Regency and West Bandung Regency; Selatan - Bandung Regency; West - Cimahi City; Timur - Bandung Regency. Bandung city is located at an altitude of 700 meters above sea level (asl). The highest point is in Ledeng Subdistrict, Cidadap Subdistrict with an altitude of 892 meters above sea level and the lowest in Rancanumpang Subdistrict, Gedebage Subdistrict with an altitude of 666 meters above sea level.

The total area of the city of Bandung is 167.31 km² which is divided into 30 sub-districts covering 151 sub-districts with 1,584 neighborhood units (RW) and 9,873 neighborhood units. In 2017, relative rainfall occurs throughout the year with varying intensity each month. The highest rainfall occurred in April, which amounted to 559.6 mm. While the lowest rainfall was in December where rainfall only reached 59.9 mm. During 2017, the average temperature of Bandung City was 23.8°C. The highest temperature in Bandung in 2017 reached 30.5°C in September and a minimum temperature of 18.8°C in August.

General Economic Conditions

The development of economic development in an area, can be seen from the level of economic growth. Gross Regional Domestic Product (GRDP) is a macro indicator that is often used in addition to other micro indicators such as the level of job creation and price stability. Sustainable development is a development strategy that is widely applied by developing countries, including Indonesia. Because government policies in the last few years have prioritized economic growth, thus exploitation of natural resources is very striking without taking into account environmental damage.

. Based on the 2010 constant prices, the value of Bandung's GRDP in 2017 increased compared to 2016. The increase was influenced by increased production in all business fields that were free from the influence of inflation. Bandung City's GRDP value in 2017 based on 2010 constant prices reached 172.85 trillion rupiah. This figure increased by 11.62 trillion from 161.23 trillion rupiah in 2016. This shows that during 2017 there was an economic growth of 7.21 percent, slower than the previous year's economic growth which reached 7.79 percent (Central Statistics Agency, 2017).

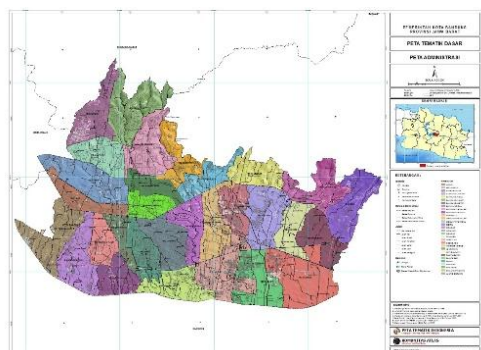


Figure. 1. Map of Bandung City Area

Table 1. Calculation Results for the 2013-2017 LQ Processing Industry.

Year	LQ value
2013	0.5255
2014	0.5106
2015	0.4963
2016	0.4830
2017	0.4704

Table 1 shows the results of analysis calculation with a value of Manufacturing LQ $LQ < 1$ means that a particular commodity in the region can not meet its own needs must obtain supplies from outside the region. This is because the processing industry in Bandung only smemiliki Processing Industry category includes economic activity in the field of chemical or physical change of materials, elements or components into new

products. Raw materials processing industries derived from agricultural, forestry, fishery, mining or quarrying as products of other manufacturing industries activities one example is based on interviews that the processed fishery. Processed fishery products in the city of Bandung consist of scavenging, dozing, handling fresh fish and other processing.

Table 2. Results of calculation of fisheries industry LQ 2013-2017.

Type of Industry	LQ Value					Ave rage	Information
	2013	2014	2015	2016	2017		
Scanning	0,911	0,974	0,976	1,055	0,868	0,96	No Potential
Dozing / Surimi / Jelly	5,710	4,670	3,522	2,690	1,802	3,68	Potentially
Fresh Handling	4,043	1,364	2,053	2,581	7,528	3,51	Potentially
Other Prosscening	0,014	0,013	0,011	0,010	0,051	0,02	No Potential

Source : Murfida Lefizani 2019

Industrial branches that have potential in the city of Bandung with an average value of $LQ > 1$ include dozing / surimi / jelly ($LQ 3.68$) and Fresh Handling ($LQ 3.51$) meaning superior industrial branches in the city of Bandung, where the industry branch can meet the demand both inside and outside the region.

This is because culinary processed products in the city of Bandung are in great demand by the surrounding community and are well-known outside the region, besides that processed food and fresh handling itself has a good processed taste and good government support for the processing of fisheries products in the Small and Medium Scale Unit according to the actors processing industry business in the city of Bandung. In addition, this industry meets the needs of its own region and get supplies or enthusiasts from outside the region. Fresh handlers also have the potential in the city of Bandung and the amount of production can meet demand both locally and

outside the region, besides that there are indeed many interested people from the community so that demand continues to increase.

While the fishery processing industry branches that have a LQ value of < 1 include the Pemindangan industry ($LQ 0.96$) and other processing ($LQ 0.02$). Shows that the industrial branch is a non-base sector and the amount of production is only sufficient to meet the needs in the Bandung City area. Based on interviews with several industry managers, this is because the raw materials used must be supplied from outside the region.

Table 3. Ratio of Manufacturing Industry Production in Bandung City and West Java Province in 2013-2017.

Year of Analysis	ri	Ri	Ra
2013/2014	0.047	0,52	1,1
2014/2015	0,039	0,44	1,1
2015/2016	0,040	0,48	1,1
2016/2017	0,045	0,53	1,1

Information:

ri = ratio of industrial production in Bandung City

Ri = ratio of industrial production in West Java Province

Ra = provincial industrial production ratio

Table 3 shows that the growth rate of fish processing industry in Bandung and West Java province in the period 2013/2014 to 2016/2017 can be said to have a growth rate that is progressive, it ditunjukkan with a positive value ratio. Ra value is the value of production growth obtained based on the count of total provincial production in the final year of analysis (2014) divided by the total provincial production of the base year of analysis (2013) and beyond. Ra value is the value that indicates the growth of the reference.

Table 4. Share Components of the Processing Industry of Bandung City with West Java Province 2013-2017.

Year	PGC
2013/2014	525485.48
2014/2015	552676.98
2015/2016	576913.35
2016/2017	604418.52

Note: PGC = Provincial Growth Component

Provincial Growth component or components Share is the component of economic growth explain the increase in the GDP level by the Provincial District / City level (Ghufron 2008). The value of the share component is obtained from the product of the Bandung City GRDP based on the analysis of Ra. Table 4 shows the value of the provincial growth component or share component. The value of the KPP of the Bandung processing industry with the Province of West Java shows a positive value meaning that the sector has a regional level of economic growth which has resulted in a positive growth in the city of Bandung.

Table 5. Mixing Components of the Processing Industry in Bandung City and West Java Province in 2013-2017.

Year	PG
2013/2014	-525,485.43
2014/2015	-552,676.94
2015/2016	-576,913.30
2016/2017	-578,221.68

N
o
t
e
:

PG = Proportional Growth

Table 5. shows the proportional growth (PP) contribution of the processing industry to the province. Based on Table 5 Growth proportional (PP) processing industry has a negative value from year to year can be concluded that the manufacturing sector growth rate slower than the city of Bandung in West Java province.

Table 6. Competitive Components of the Bandung City Manufacturing Industry with the Province of West Java 2013-2017.

Year	RSG
2013/2014	-24719.43
2014/2015	-22033.02
2015/2016	-25004.66
2016/2017	-29387.05
Average	-25286.04

Note: RSG = Regional Share Growth

Table 6 shows the competitive component has an average of -25286.04 is a value that shows that in general in the last five years development, namely 2013 to 2017 the processing industry in Bandung City has not had a good competitiveness compared to other regions in West Java Province, this due to the growth in the number of production in the city of Bandung less competitive with other regions in West Java Province.

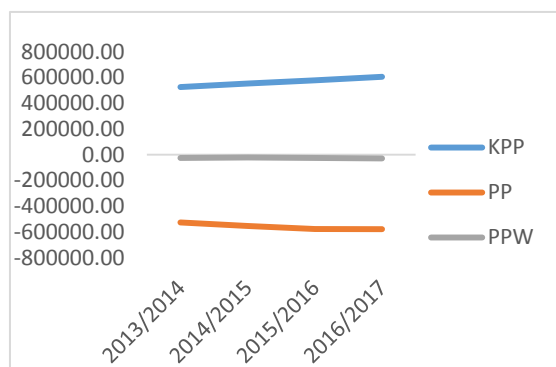


Figure 3. Trend Value of Share Components, Mix Components, Competitive Components

Table 7. Shifting Net Manufacturing Bandung

Year	Shifting Net
2013/2014	-550204.86
2014/2015	-574709.96
2015/2016	-601917.96
2016/2017	-607608.74
Average	-2334441.52

Table 7 shows the net shift in the value of the Bandung manufacturing sector with an average of -2334441.52 from 2013-2017. The manufacturing sector shows a PB value <0, meaning that the processing industry in Bandung has a slow growth rate.

CONCLUSION

Based on the research of potential fishery processing industries in Bandung, namely dozing / surimi / jelly (LQ 3.68) and fresh handling (LQ 3.51). Shows the growth value of the net shift in production of the processing industry in Bandung with an average from 2013-2017 of -25286.04 the fisheries processing industry shows a PB value <0, meaning that the processing industry in Bandung has a growth rate that is slow.

SUGGESTION

The need for special regional regulations governing the fisheries processing industry in Bandung and providing strategic marketing facilities for the fishing industry in Bandung.

ACKNOWLEDGMENTS

I wish to thank the sister Isma Utari and Murfida Lefizani who agreed to information.

REFERENCE

- Central Statistics Agency, 2010. *Indonesian Statistical Data*. Bandung. Statistics Indonesia, 2018. *Bandung City in number*. Bandung.
- Lefizani. 2019. *Study of Potential of Fishing Industry in Bandung City*. Thesis. Sumedang: FPIK
- Rizal A., Nurruhwati I, *Human and Capital Contributions Towards the Economic Growth of Garut Regency, West Java Province of Indonesia*. Global Scientific
- Rizal, A. 2013. *Banten Province Fisheries Sector Performance*. Journal of Aquatics Vol. IV No.1 / March 2013 (21-34).
- Sutiardi, E. (2001). *Thesis of the Faculty of Fisheries and Marine Sciences*. Bogor: IPB.