THE PROSPECTIVE ANALYSIS OF ECONOMIC DEVELOPMENT AREAS BASED INDUSTRIES IN TUALANG SUBDISTRICT, SIAK DISTRICT RIAU PROVINCE

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ABSTRACT

Industry has a dual effect on the surrounding area such as improving the economy, environmental quality, public participation and diversification efforts in promoting local economic development. The industrial sector is a sector in Tualang Subdistrict superior form of oil palm processing industry, paper processing industry and wood processing industry, nationwide. The third location processing industry is a growth area in Tualang (Trilogy of Power) as the dominant factor in promoting equitable development and creating nodal for other areas of slow or underdeveloped. The presence of industry also serves as a leading sector to develop the other sectors. This study uses SWOT analysis, analysis of SAP (Strategic Advantage Profile) for internal conditions, analysis ETOP (Environment Threat Opportunity Profile) for external conditions. Aspects to be focused is the influence of the industrial area to the surrounding region, the role and functions of an industrial are ain the Tualang against Siak District. Based on the analysis found that the internal conditions of the region are at the development effort can be sustained, externally development of the area is in a ripe/mature, and the SWOT matrix shows that the development of industry-driven economic strategic area is prospective to be developed in the future.

Keywords: Indusry Area, Economic Development, Processing Industry

I. INTRODUCTION

The main function of the industry for social and economic development of society is the employment opportunities for the locals, increase state revenues from the export of industrial products, saving shopping with the dollar and the acquisition of dollars from exports, improve the quality of the highway. In addition to industrialization can also be obtained investment from abroad, the influx of high technology and the opening of industrial cities with the use of local raw materials.

Siak is one of the district in Riau Province which has a rapid development and progress, physical development and activities of the city's growing. All subdistricts in Siak have the potential industrial of small, medium and large as Palm Oil Industry, Manufacturing Paper, Industrial Wood processing. This can be proved from Siak GDP from the year 2006 - 2009 is the largest business sector in contributing to the development and construction in Siak is Manufacturing Sector.

II. RESEARCH METHODS

The aim of this study was the development of industry-based economic area in Tualang subdistrict, Siak District in Riau Province. Geographically, its coastal area which is close to a number of countries included in the Growth Triangle Indonesia-Malaysia-Singapore. The scope of micro-regions in this study is the subdistrict of Tualang with an area of 37 385 hectares. The scope of the material based on the objectives to be achieved in this study include internal and external assessment of the study area, as well as analysis for the economic development of the area.

3.1. SWOT ETOP & SAP Analysis for Economic Development Areas

This analysis is done by identifying the internal and external conditions in the development will be done, it will be known that the strategy will be based on internal and external conditions that exist. Then analyzed each element using the internal conditions of the analysis of SAP (Strategic Advantage Profile) as well as external conditions using analysis ETOP (Environmental Threat Opportunity Profile) to know the prospects and strategies in the development of a strategic area in the subdistrict of Tualang. Analysis is equipped with a calculation using a specific formula in order to achieve measurable results.

The SWOT ETOP analysisis uses weights to strengthen the value of the analysis with so me elements such as strengths, weaknesses, opportunities and threats. The weights based on the importance of the other elements follows ; a. Not important (1), b. Less Important (2), c. Neutral (3), d. Important (4), and e. Very Important (5). Value is based on a large influence on the development effort, namely: a. Not Influential (1), b. Small (2), c. Moderate (3), d. Large (4), and e. Very Large (5).

The steps that must be done in a SWOT ETOP and SAP analysis are as follows:

a. External Variables Analysis (ETOP Matrix)

Through ETOP (*Environmental Threats Oppurtunity Profile*) matrix can be seen where the position of a business development, whether in an ideal business, mature business, speculative business or critical business.The following are the ways of determining ETOP matrix, namely:1. Identify the elements that are the opportunities and threats. 2. Assigning weights to each element. 3. Multiplying the weight by value, to obtain the weighted value. 4. Adding up the value of opportunities weighted. Having in mind the value of the element opportunities and threats, it can be seen that position in the ETOP matrix.

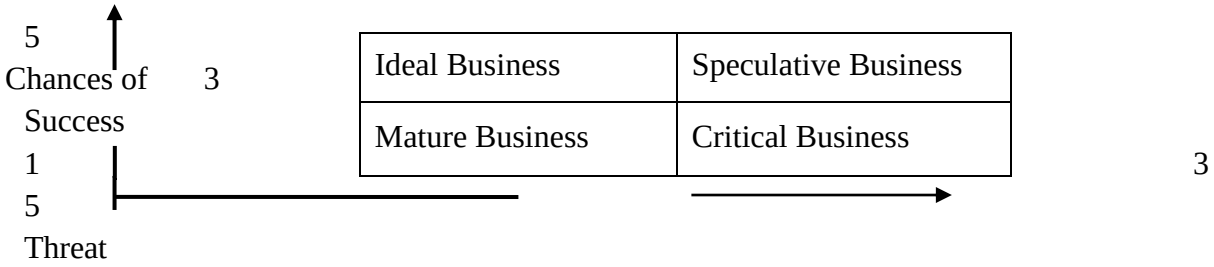

Figure 1. ETOP Matrix (Source: Oktora, 2004).

Table 1. Explanation of ETOP Matrix

IDEAL BUSINESS	SPECULATIVE BUSINESS
Development goal scan be enjoyed by all the stake holders and the expected benefits to be achieved.	Implementation of good development, helped rescue a poor strategy formulation, or prevent failure.
MATURE BUSINESS	CRITICAL BUSINESS
Implementation is lacking in development will hindera good strategy.	Poor development strategy is characterized by an inability to execute/implement good.

Source :Oktora,2004

b. Internal Variable Analysis (SAP Matrix)

The steps of internal variables analysis can be done with the same procedure with the determination ETOP matrix, but using the elements of strength and weakness based on internal variables then can be a strategic advantage profile or Strategic Advantage Profile (SAP). To determine SAP, we need to hold the classification of internal variables as follows:

1. Determination Scale
   I =(maximum scale-the scaleat least) /number of classification
   I =(5-1) /6 = 0.67
2. Grouping competitive position, can be seen in the following table:

Tabel 2. Grouping Position SAP

Value	Position
1 – 1,66	Avoid
1,67 – 2,33	Weak
2,34 – 3	Tenable
3,01 – 3,67	Favourable
3,68 – 4,34	Strong
4,35 – 5,01	Dominant

Source :Oktora,2004

Table 3. Explanation SAP

Position	Explanation
Avoid	Business development effort that has many risks. Strategy development used to be really guarantee.
Weak	Development of a business that is in a weak position,has quite alot of hurdles to make a profit. Moreover, in this position, the development requires substantial investment sources.
Tenable	To develop a business that is in this position, then there must be aggressive measures to keep this development effort.
Favorable	Development in the advantages position means that the development is ata very low uncertainty and have a little extra effort.
Strong	Development of this position must be followed by the flexibility designed anticipation with environmental controls and a careful evaluation of the routine so that it can respond to the needs and opportunities that further strengthen the position.

Source : Oktora,2004

c. SWOT Matrix Analiysis

SWOT matrix analysis is an analytical matrix that is used to determine whether or not prospective effect of the coastal town development based on waterfront city. In the analysis, the variable used strenghts, weakneses, opportunities and threats. From analysis SWOT matrix can be made as follows :

Tabel 4. SWOT Matrix

ETOP / SAP	Ideal	Mature	Speculative	Critical
Avoid	Prospective (P)	P	P	P
Weak	P	P	P	P
Tenable	P	P	P	U
Favourable	P	P	U	U
Strong	P	U	U	U
Dominan	Unprospective (U)	U	U	U

Source :Oktora,2004

III. RESULT AND DISCUSSION

3.1. Internal Variables

Tualang Subdistrict is the center of trade and services for Siak as well as regional and international industrial scale. The driving force for the economy of the region because people have a steady income from the industrial sector. It has the potential of human resources as a potential workforce for industrial activity. Amounting to 30% of the Siak population stay in Tualang. Physically, its has a relatively flat landscape, so that the development in the scope of the Tualang not have the constraints of the physical development of the city. As the region crossings to and from the capital city of Riau Province, Tualang has a strategic location with access to regional roads, river transport access and infrastructure is quite good and can be utilized by the community. In addition, conditions fertile soil for agriculture and plantations.

But there are also geographical constraints in Tualang, subdistrict administrative area split in two by the Siak River (the West and the East), resulting in a gap between the West and the East of Siak River. Some alternative connecting roads need improvement to be easily accessible by the public. The decline in the quality of life in neighborhoods due to deteriorating environmental sanitation and settlements were sporadic. Density of buildings are quite high in residential areas of settlements in the city center. Neighborhood service centers are still concentrated in the downtown area and population distribution is uneven. In addition, the circulation of vehicles in anticipation of the transition due to the construction of the road and bridge.

3.2. SAP Analysis of Internal Variables

Here is a table calculation SAP analysis to obtain a score of strength and weakness elements :

Tabel 5. Element of Strenghs (S)

SR	WEIGHT OF ELEMENT						VALUE OF ELEMENT					
	S1	S2	S3	S4	S5	S6	V1	V2	V3	V4	V5	V6
1	5	4	3	4	5	4	4	4	5	4	3	4
2	3	5	5	4	3	4	5	4	5	3	3	5
3	4	5	4	5	4	5	3	4	4	5	3	4
4	4	3	5	3	4	5	2	4	5	2	4	4
5	5	3	5	4	3	4	4	4	5	5	3	4
6	3	3	4	4	3	4	4	5	4	4	3	5
7	5	5	4	4	3	4	5	5	4	4	3	4
8	4	4	4	4	4	5	5	4	4	3	3	5
9	3	3	2	4	3	4	4	3	4	5	4	5
10	4	5	4	3	2	3	5	5	4	4	3	3
J	*40*	*40*	*40*	*39*	*34*	*42*	*41*	*42*	*44*	*39*	*32*	*43*
235	0.07	0.07	0.07	0.07	0.06	0.07	4.10	4.20	4.40	3.90	3.20	4.30

Sources: Calculation of Questionnaire, 2014

Tabel 6. Element of Weakness (W)

SR	WEIGHT OF ELEMENT								VALUE OF ELEMENT							
	W1	W2	W3	W4	W5	W6	W7	W8	V1	V2	V3	V4	V5	V6	V7	V8
1	3	2	3	4	3	4	3	2	3	3	2	2	4	4	4	3
2	2	2	3	2	3	3	4	5	4	5	3	1	4	3	2	3
3	2	4	5	4	5	2	3	4	4	5	3	4	2	4	2	5
4	2	3	4	4	5	2	4	3	3	2	2	4	4	3	2	4
5	2	3	4	3	2	1	2	2	1	2	2	1	4	1	1	2
6	4	5	2	3	3	4	3	4	4	2	2	3	3	2	3	4
7	3	4	4	4	3	3	3	3	3	3	4	4	3	3	3	3
8	4	3	2	3	3	3	3	4	2	3	3	4	3	3	3	4
9	5	5	2	2	2	4	5	3	5	5	3	4	3	4	4	5
10	3	4	3	3	4	5	5	3	3	4	5	3	5	4	5	4
J	*30*	*35*	*32*	*32*	*33*	*31*	*35*	*33*	*32*	*34*	*29*	*30*	*35*	*31*	*29*	*37*
261	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	3.20	3.40	2.90	3	3.5	3.1	2.9	3.7

Sources: Calculation of Questionnaire, 2014

Tabel 7. Calculation of Strenght Element

Strenght	Weight	Value	W x V
S1	0.07	4.1	0.29
S2	0.07	4.2	0.29
S3	0.07	4.4	0.31
S4	0.07	3.9	0.27
S5	0.06	3.2	0.19
S6	0.07	4.3	0.30
Summary			1.66

Tabel 8. Calculation of Weakness Element

Weakness	Weight	Value	W x V
W1	0.05	3.2	0.16
W2	0.05	3.4	0.17
W3	0.05	2.9	0.15
W4	0.05	3	0.15
W5	0.05	3.5	0.18
W6	0.05	3.1	0.16
W7	0.05	2.9	0.15
W8	0.05	3.7	0.19
Summary			1.29

Sources : Analysis, 2014

Based on the score obtained, then adjusted his position in the matrix of SAP in the table. The result is a development effort undertaken in a position to be Maintained (Tenable), when viewed from the internal condition, the development of which is in a position to be maintained means that the development is in a state of uncertainty is very low and has little resistance in its development.

3. External Variables

Here is a table ETOP analysis calculations to get a score of opportunities and threats elements :

Tabel 9. Elements of Opportunities (O)

SR	WEIGHT OF ELEMENT						VALUE OF ELEMENT					
	O1	O2	O3	O4	O5	O6	V1	V2	V3	V4	V5	V6
1	5	4	3	3	2	5	5	4	4	5	4	5
2	5	4	4	5	3	3	5	5	5	5	3	2
3	5	4	3	4	3	2	5	5	2	2	5	4
4	5	3	4	3	2	4	5	4	2	2	3	2
5	3	5	4	5	4	5	5	5	5	2	2	3
6	4	2	3	4	3	3	4	5	3	3	3	3
7	4	4	4	5	3	4	4	5	5	5	3	4
8	4	5	3	4	3	3	4	5	3	4	3	3
9	2	2	3	4	3	3	3	5	3	4	3	3
10	3	4	4	3	5	5	4	4	5	5	5	4
J	40	37	35	40	31	37	44	47	37	37	34	33
220	0.07	0.07	0.06	0.07	0.06	0.07	4.4	4.7	3.7	3.7	3.4	3.3

Sources: Calculation of Questionnaire, 2014

Tabel 10. Elements of Threats (T)

SR	WEIGHT OF ELEMENT			VALUE OF ELEMENT		
	T1	T2	T3	V1	V2	V3
1	2	3	1	2	4	2
2	2	2	3	1	3	3
3	2	3	2	1	1	4
4	2	3	2	2	1	4
5	5	4	3	4	4	5
6	2	3	4	3	4	4
7	5	4	3	5	5	3
8	3	3	3	3	3	3
9	4	5	3	4	3	3
10	4	5	5	4	5	5
J	31	35	29	29	33	36
95	0.13	0.15	0.12	2.9	3.3	3.6

Sources: Calculation of Questionnaire, 2014

Tabel 11. Calculation of Opportunites Elements

Opportunities	Weight	Value	W x V
O1	0.07	4.4	0.31
O2	0.07	4.7	0.33
O3	0.06	3.7	0.22
O4	0.07	3.7	0.26
O5	0.06	3.4	0.20
O6	0.07	3.3	0.23
Summary			1.55

Tabel 12. Calculation of Threats Elements

Threats	Weight	Value	W x V
T1	0.13	2.9	0.38
T2	0.15	3.3	0.50
T3	0.12	3.6	0.43
Summary			1.31

Sources: Analysis, 2014

Based on the weighted values have been obtained, then adjusted his position in the matrix ETOP at the table. The result is a development effort undertaken in the position Mature or Adult. In this position, the development of which do have a lower risk of failure and have the chance of success is low anyway, meaning that if the development is failed then the consequences are not fatal and does not suffer significant losses. Once known position ETOP and development in SAP, then adjusted to the following SWOT matrix (Tabel 4) that the development of economic area based on industry in the Tualang subdistrict is prospective to be developed in the future.

III. CONCLUSION

Based on the research that has been done is concluded that the development of the region are in a position of development effort can be maintained (Tenable), the region is in a position ripe / adult (mature) and prospective to be developed as an area of economic development based on industries in the future.

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