DIAN LESTARI PUJIASTUTI. Competitiveness of Indonesian Seaweed Products. Supervised by ARIEF DARYANTO and IDQAN FAHMI.

Seaweed is Indonesia’s prime commodity because of its high value commodity, very wide spectrum of utility, high absorber in labour, low cultivation technology, quick yield and has very cheap unit cost per production. Responded to world’s high demand, Indonesia developed seaweed commodity until it become biggest seaweed producer in the world in 2011. But those exports not yet resulted in feasible value. Seaweed exported mainly as raw dry seaweed as raw material for industries. Seaweed products exported by Indonesia among others are agar-agar and carrageenan. Worse, Indonesia importing those products with increasing trend.

The increasing world’s demand intensifies the seaweed production and its intermediate products. Producing countries competed to producing the best quality and quantity. Therefore, high competitiveness required to maintain and increase the market share of the products of Indonesian seaweed and its role in international trade.

The purposes of this study are to analyze comparative and competitive advantage of Indonesian seaweed products, and to formulate upgrading priorities to increase its competitiveness.

Using Revealed Comparative Advantage (RCA) to measure competitiveness, revealed that Indonesian agar-agar has competitiveness in international market in the period of 2007-2011. While carrageenan in the same period has competitiveness also, but the value decreased below one in 2009 and increased again in 2010 and 2011. By using Porter’s Diamond, obtained 31 (thirty one) sub determinant of Indonesian seaweed products competitiveness. The result of performance scoring shows that the determinants factors have competitiveness on resource factor (3,47), demand condition (3,86), and strategy, structure, and rivalry (3,67). The other two is on the level of mediocre, that are related and supporting industry (3,07) and government roles (3,27).

The result of evaluation using the IPA method indicated that the sub determinant of competitiveness that should get priority development (Quadrant A / Under Act), are availability of good quality seeds, availability of continuous raw materials, good quality raw materials, the development of derivative industries of seaweed products-based, availability of seaweed farmers skilled and mastered a good aquaculture practices, willingness and ability to compete globally, the government’s role in maintaining the availability of good quality and continuous raw materials, the role of government to provide conducive business climate, and government role to encourage the development of seaweed processing industry. While the conditions that must be maintained (Quadrant B / Maintain) are climatic and geographical conditions that favor the seaweed farming, the amount of export market demand, strengthening of the national seaweed industry structure, and the government’s role in capacity building of human resources. Factors in Quadrant C also need to be fixed because the performance still under average, although the attention not as big as factors in Quadrant A and B. On the other side, resource allocation in Quadrant D can be given to sub factors which need to be prioritized.
Some suggestions to improve the competitiveness of Indonesian seaweed intermediate products are: it is necessary to coordinate among the relevant parties to execute the strategy to improve the competitiveness of Indonesian seaweed products with priority attention to the improvement of selected components; need further research on future strategies for improving the competitiveness of Indonesian seaweed products; and for similar research, identification of sub-determinant of competitiveness can be made more detailed and questionnaires carried out to more experts in order to get better results.

Keywords: competitiveness, agar-agar, carrageenan, rca, diamond porter