IMPLEMENTATION ACCELERATION STRATEGY FOR THE DEVELOPMENT OF HTI : SUPPORT TOWARDS INDUSTRIAL WOOD SUPPLY AND COMPETITIVENESS IN THE PULP COMMODITY

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ABSTRACT

This thesis research discusses the question concerning what strategy can be formulated to speed up the development of the forest plant industry (HTI) that would be able to supply the requirement of wood for the pulp industry continuously. The research questions and discuss specifically as follows: (1) how is the Indonesian pulp commodity compete in the international market at the moment? (2) how is the supply-demand pattern between HTI and the pulp industry and the source of additional wood supplies in the transition period? (3) how is the worthiness of HTI investment as the source of wood supply of the pulp industry? (4) what kind of external and internal factors that influences the success of the acceleration of the HTI pulp development in Indonesia? (5) what kind of alternative strategy that could be applied in the implementation acceleration of the HTI pulp development in Indonesia?

The volume of Indonesian pulp export during 2005 reached 2,493,000 ton with an export value of USD 905,256,000, placed the Indonesian pulp export value (4.35%) in the seventh position in the world after Canada (24.76%), the USA (15.37%), Brazil (10.76%), Sweden (9.09%), Chili (6.13%), and Finland (4.93%). The competitiveness rating (RCAI) of Indonesian pulp during 2005 is 1.51 and was placed fifth amongst pulp exporter countries after Chili (4.25), Brazil (3.66), the USA (1.68) and Canada (1.56). The Similarity Index of Indonesian pulp in the China market during 2005 is 10.45% or was placed third after Brazil (10.90%) and Russia (10.56%). The competitiveness of Indonesian pulp relies on wood supplies from natural forests and was influenced significantly by the decline of export value in other forest products.

The projection of HTI wood supplies in 2008 - 2017 in accordance with the level of production capacity of the pulp industry, shows positions as follows: (1) in 2008 - 2012, HTI wood supplies to the pulp industry deficits 113,402,018 m³, and (2) in 2013 - 2017, HTI wood supplies to the pulp industry surplus 45,234,500 m³. To pacify supply-demand of HTI wood to the pulp industry needed a superior HTI company and uses a pattern where one HTI unit was integrated with more than one industrial unit that would give the opportunity of competitive wood price. Whereas the source of additional legal and reserved raw material that would be able to supply the pulp industry in the transition period is received by increasing the utilization of natural forest production through the practice of sustainable natural forest management (PHAPL).

Results from the financial analysis shows that factors that is most influential towards the worthiness of investment in HTI pulp is with the increase growth of crops, repairing the structure of HTI wood market to push the formation of competitive wood price, and the capitalization regulation. The acceleration strategy formulation of the HTI development (from the SWOT matrix) produces seven steps strategies, these are: (1) planning and organization optimization of HTI, (2) the increase in planting productivity of HTI that had definitive Instruction Letter, (3) build a competitive HTI wood market, (4) developed partnership and motivate the development of economy for the community inside and around HTI, (5) intensification of education and training of human resources, (6) utilization of the international support in the sustainable plantation production forest management (PHTL), and (7) pushing HTI capitalization regulation.

Key words: HTI, pulp industry, competitiveness, supply projection, analysis of investment, strategy formulation