ABSTRACT

Strategy On Biodiesel Industry Development Using The Used Cooking Oil In Indonesia

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The global research on Biodiesel has increased the variety of raw material needed to produce it. Some countries such as United States (Hawaii) and Japan has begun to use used cooking oil as one of the alternative sources available. The high consumption of cooking oil in Indonesia has presented a potential to develop biodiesel using this source of raw material. A similar level can be seen in diesel fuel consumption which supports the potential development of this used cooking oil based biodiesel. The purpose of this study was to determine strategies for developing a used cooking oil biodiesel industry here in Indonesia that is in line with the industrial internal and external environment, while also considering its financial feasibility. Data was collected from interviews using questioners to 14 different respondents in Jakarta, Bandung, Banjarmasin, and Purworejo. Internal and external environment of the biodiesel industry were analyzed using the Internal Factor Evaluation Matrix (IFE) and external Factor Evaluation Matrix (EFE). Financial feasibility studies were done using criteria such as NPV (Net Present Value), IRR (Internal Rate Return) and Net Benefit Cost Ratio (net B/C Ratio). The result of the study showed that the used cooking oil Biodiesel industry can be developed at various scales based on its financial feasibility. This is due to the fact that each criteria have produced a positive value. The ideal strategy for this industry was determined using the internal-eksternal matrix. This study have shown that the appropriate choice would be using the growth strategy for big scale manufacturing which includes market penetration strategy, market development strategy, product development strategy, backward integration, forward integration, and horizontal integration. The hold and maintain strategy are used for medium scale manufacturing which includes market penetration and product development. The appropriate strategy for small scale manufacturing is the divest strategy. Future government support is required for the development of the used cooking oil biodiesel industry, especially for small scale production ones, in order to increase work opportunity in Indonesia.

Key Word: used cooking oil biodiesel, NPV, IRR, B/C ratio, strategy management.