SUMMARY

ARDI VIRYAWAN. PT Perusahaan Gas Negara (Persero) Tbk Strategic Development Facing Natural Gas Business Competition in Indonesia. Supervised by MADE ASTAWAN dan KIRBRANDOKO.

PT Perusahaan Gas Negara (Persero) Tbk, also known as PGN, is the company dealing with the transmission and distribution of natural gas with consumers from all over the country. PGN is a leader in distribution and transmission business of natural gas in Indonesia, however with more competitive business in the field, PGN market is decreasing.

Business characteristic of gas is supply - gas transmission/distribution pipeline - market should be fulfilled. Without gas supply, PGN cannot advance the transmission or distribution pipeline demanded by the market. Determining the gas allocation is in government’s hands. It has already set the policy related to the utilization of natural gas in to promote the increase in domestic natural gas consumption to meet domestic demand (Presidential Regulation No. 5, 2005). The policy on the utilization of natural gas is promulgated, however, the availability of the infrastructure of transmission and distribution line of natural gas is not yet spread evenly all over Indonesia. Only big cities in Indonesia, Sumatera and Java in particular that have transmission and distribution of natural gas pipeline ready. The availability of infrastructure is often the obstacle in utilizing the natural gas for domestic consumption.

The objectives of this research are to identify influencing factors of PGN business, to formulate alternative strategies in developing business, and to recommend the priority strategies that could be applied on PGN business development in facing competition in natural gas business in Indonesia.

The research approach used was descriptive method with case study in PT. Perusahaan Gas Negara (Persero) Tbk. The research was conducted in April-August 2015. Data used was primary (interview and questionnaire) and secondary data with purposive sampling technique of data collection. The research used descriptive, internal, external, IE matrix, SWOT and QSPM (Qualitative Strategic Planning Matrix Analysis).

The analysis result using IFE and EFE entered into the Internal External (IE) analysis. The evaluation result put PGN in Quadrant I (Grow and Develop). The Strategy to be taken to optimize the development of PGN is by applying intensive strategy and integration strategy, and merger and strategic alliance. Intensive strategy can be done by market penetration and development and product development. Integration strategy can be done through backward integration, future integration and horizontal integration.

From the findings, it can be concluded that the first priority strategy to be done is developing the regulation management and increasing the cooperation with the stakeholders, and next priority strategy is increasing the reliable and competitive supply through independent gas domination. For the third priority strategy is running the competent, synergic business with international perspective while fourth priority strategy is increasing human resources capability technology, innovation, and information technology focusing on the future. Fifth priority
strategy is improving the solution of business domination based energy in the entire value chain of natural gas and sixth priority strategy is applying strategy based on strength and opportunity (SO1) that is building reliable and sustainable infrastructure.

Some recommendations for this research is that PGN should actively involve in the discussion about developing discourse in current gas natural business that is the establishment or appointment of business entity as natural gas aggregator functioning as collector business entity that collects and purchases the natural gas supply from several suppliers or producer of domestic natural gas so that the natural gas supply for domestic needs is guaranteed. PGN should make breakthroughs in opening new market by creating natural gas based integrated area. This integrated area includes industrial, commercial and property area including natural gas generating power plant. The development of this integrated area can give stimulant for the growth of economy around the area.

Key words : natural gas, priority strategies, QSPM, SWOT.