

SUMMARY

MUNAWAR ASIKIN. Total Factor Productivity and Market Dynamic of Fishery Processing Industry in Indonesia. Supervised by ARIEF DARYANTO, MACHFUD and SUBAGIO DWIJOSUMONO.

Indonesian fishery products have the potential to have strong competitiveness and have the potential to be developed in the global market. However, research and identification of sources of productivity and efficiency growth in the manufacturing industry sector are still very lacking. The 2015-2035 National Industrial Development Master Plan (RIPIN) is aimed at realizing national industry as a pillar and driver of the national economy, realizing the depth and strength of the industrial sector, creating independent, competitive, advanced industries and green industries, and realizing business certainty healthy competition and preventing centralization or control of the industry by one group or individual that harms the community. At present, the food and beverage industry market is one of the drivers of economic growth.

This study aims to (1) analyze the development of technical efficiency and identify sources of inefficiency, (2) analyze the development of total factor productivity and its sources of TFP growth, and (3) analyze market dynamics by employing a simultaneous relationships between market structure, market behavior, and market performance. The analysis was carried out according to six Indonesian Fish Processing Industry (IPI) groups, industrial types, and regionally according to five selected provinces.

The results for the first purpose. Growth in technical efficiency varies and tends to decrease. Industry / sector, fish shading industry (15125) is the most efficient industry at 72%. Large industry is the most efficient industry by 50%. North Sumatra Province has the highest efficiency level of 82%. Fuel expenditure is not a variable that affects efficiency in almost all sectors, large scale industries, and provinces. Fish fumigation has only one source of inefficiency, namely the type of industry variable.

The research results for the second goal are as follows: TFP and its growth tended to increase over years. The fish smoked industry (15123) is an industry that has the highest TFP growth rate of 25.33% or 1,15% per year. The medium size industry (15123) is an industry that has the highest TFP growth rate of 7.94% or 0,36% per year. The Province of West Java is a province that has the highest TFP growth rate of 9.63% or 0,44% per year. Technological change is the main sources of TFP growth.

The third purpose. Market structure is still very potential in increasing efficiency. Market structure also improves market performance. Company behavior also increases market efficiency. Increasing industrial growth, corporate profits are also increasing. The increased scale of business will also reduce the quality of the market structure, but unfortunately it becomes increasingly oligopoly. The role of industrial growth and capital output ratio (COR) can increase profits. Market structure reduces exports. Unit costs will reduce exports. The size of the company increases exports. Technical efficiency makes the export ratio also increase.

From all the analysis of market dynamics studied, the size of the company has a different market behavior when it is in the system of market performance equations. Company size does not affect company profits. Company profits generate a tendency to improve market structure, but economies of scale do not improve market structure.

Based on the results of the first, second, and third objectives, some managerial implications can be taken as follows: it requires the support of cheap capital for the fish freezing industry and medium industries to be more efficient. The government needs to help in getting faster, cheaper and better raw materials so that the production process does not stop. The government needs to regulate regulations so that companies do not tend to increase in the fumigation industry, frozen fish and also processing / preserving other fish. The government needs to intensify technical guidance and technical training to improve the competence of human resources. The market structure in the fish processing industry must be improved so that perfect competition continues by continuing to improve the efficiency of the company.

Keywords: fish processing industri, structure conduct and performance, total factor productivity

