

Competitiveness of Export-Based Small and Medium Industries (IKM): Case Study of Creative in DKI Jakarta

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Abstrak: Ministry of Industry assesses that the processing industry is still consistently contributing the most to the achievement of export value national. There are manufacturing industry sectors that have achieved low scores on the contribution of export value. Namely the apparel industry, wood industry, and industrial furniture. There are obstacles and problems for the three industries to increase export value. The problem is the low competitiveness of the three industries in exporting. This study aims to analyze and see the condition of the competitiveness of the Small and Medium Creative Industry in the KI Jakarta based on exports from the supply-side analysis. This research is qualitative research using interview and survey methods. The samples of this research were Furniture / Furniture IKM, Batik IKM, and Handicraft IKM which succeeded in contributing the export contribution value to IKM. The results of this study indicate that the conditions of the three creative SMIs in Jakarta have different capabilities and strategies in contributing to export value. Based on the results of the SWOT and SPACE matrix analysis, a special strategy is needed to increase competitiveness. Among them, the right strategies are Furniture IKM and Handicraft IKM located in the quadrant size "aggressive" which indicates that the Furniture IKM in DKI Jakarta is in a very good position in using its internal strength. Therefore, the strategies suitable for use by IKM Furniture in DKI Jakarta include market penetration strategy, market development, product development, backward integration, forward integration, horizontal integration, or diversification. Meanwhile, IKM Batik is in the quadrant position "Conservative" which indicates that IKM Batik is in a low or weak competitive position and must improve the company's strategic position to have strong competitiveness.

Kata Kunci: Development Strategy, Competitiveness, Creative SMIs, Exports, SWOT analysis.

1. INTRODUCTION

Exports an important measure to determine how much economic growth in a country is. As well as supporting domestic producers to compete in international markets (Agustina, 2014). Also, exports are a source of foreign exchange that can be used to finance imports and state debt, Sasono (2013). According to Sukirno (2002), the benefits and urgency of export activities are; Expanding the Market for Indonesian products, Expanding Employment for People, Accelerating Economic Growth, and Economic Development.

In this case, following the government's long-term plan in Indonesia's vision for 2045, by the National Development Planning Agency on sustainable economic development, it is estimated that in 2045 Indonesia will become the world's 10 largest exporting country with a market share of 2.0% of world exports of goods and services. The government's efforts are currently being made to boost export value through optimization of Small and Medium Industries. Because the Small and Medium Industry (IKM) has a strategic role in the national economy. Based on data from the Ministry of Industry, 2019 the IKM sector was able to absorb a workforce of 15.53 million people in 2015 to 17.9 million in 2018, an increase of 17.4%. To increase its strategic role, the Ministry of Industry emphasized that the empowerment of IKM is currently directed to have long and medium-term goals.

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Namely, directing SMIs to be able to penetrate international markets and be globally competitive. One of the industries that still consistently makes a major contribution to export achievements in the manufacturing industry. Exports of processing industrial products were able to penetrate up to the US \$ 126.57 billion or contributed 75.5% of Indonesia's total exports which touched the figure of US \$ 167.53 billion throughout 2018. This is the reason for the ministry of industry, making the processing industry an export priority sector. Indonesia today. Five sectors have contributed most to the achievement of the export value of the processing industry throughout 2019, as well as having a positive impact on the national balance of payments, namely the

Table of Export Value Achievements of the Processing Industry in 2019

Name of	The export value
of the Food	The US \$ 27.16 Billion
Base Metal Industry	The US \$ 17.37 Billion
Chemical Industry	The US \$ 12.65 Billion
Apparel Industry	The US \$ 8.3 Billion
Paper and Paper Goods	The US \$ 8.3 Billion
Industry Leather and Footwear Industry	US \$ 2.4 Billion
Wood Industry	US\$ 2.3 Billion
Rubber Industry	US \$ 2.2 Billion
Industry Furniture	US \$ 970 million
Tobacco Processing Industry	US \$ 424 million
Other Processing Industry	US \$ 1.5 million

Source: data processed by researchers, 2020

Based on the data above, there is a processing industry sector that has achieved low scores on the contribution of export value. Namely the apparel industry, wood industry, and industrial *furniture*. There are obstacles and problems for the three industries to increase export value. The first problem is the imbalance between Indonesia's natural resource potential and export production (Kompas, 2018). The second problem that becomes the biggest obstacle for IKM is the low competitiveness of industrial exports in Indonesia. Competitiveness according to (Nikensari, 2018) is the ability of companies, industries, regions, countries or regions to produce relatively high and sustainable income and employment factors to face international competition. Competitiveness is a determinant of the success of the export of goods.

According to (Megasari, 2014) competitiveness is the level of a country's ability to produce goods or services that are under the international market and at the same time the ability to create sustainable welfare for the country's colors. According to the *World Economic Forum*, currently, the competitiveness of Indonesian products at the international level ranks 41 out of 137 countries surveyed. At the level of ASEAN countries, Indonesia is in fourth place after Singapore, Malaysia, and Thailand. Increasing the competitiveness of IKMs must be carried out amidst globalization and the high level of competition makes IKMs have to be able to face global challenges. As well as increasing productivity, such as increasing product and service innovation, developing human resources and

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technology, and expanding marketing flows.

This is very necessary to increase the selling value, to compete with foreign products and be able to boost Indonesia's industrial centers. Low competitiveness is triggered by (Supriyadi, 2010) triggered by the low productivity of IKM in Indonesia. Matters related to the analysis of competitiveness in the international arena are divided into two sides, namely in terms of supply and demand. According to (Megasari, 2014) IKM must have an analysis of competitiveness which can be used as a basis for determining policies related to the owner's efforts in facing ongoing business competition. According to (Porter, 1999) competitiveness is identified with productivity where the level of output produced for each unit of input is used. Increased productivity includes increasing the number of physical inputs (capital and labor), increasing the quality of the inputs used and improving technology (total factor productivity).

According to (Lantu, 2013) industrial competitiveness is a phenomenon at the micro-level of companies, so the development of the national industry must be preceded by a comprehensive study of the industrial sector as a measurement basis. The large number of IKM in DKI Jakarta are still struggling to export and with their limitations, causing low productivity in increasing competitiveness, so that strategic efforts to increase competitiveness are treated in various ways. One of them is viewed from the supply side, including Productivity, Internationalization, Export Coverage, Import Dependence. In this study, researchers wanted to see the level of supply-side competitiveness of creative small and medium industries towards exports by conducting case studies in the small and medium industries of batik, furniture and handicrafts in DKI Jakarta. The internal environment consists of factors that are within the company's control, such as marketing and distribution, human resources, production management (operations), finance and accounting, and research and development. This internal environmental analysis is needed to identify the company's internal strengths and weaknesses (Lukiastuti and Hamdani, 2011: 43).

According to (David, 2009) external environmental analysis aims to develop a limited list of opportunities that can benefit a company and the threats that must be avoided. The external environment consists of factors beyond control that influence a company's choice of direction and actions, which in turn also affect its organizational structure and internal processes (Pearce & Robinson, 2013: 92). The Internal Factor Evaluation Matrix (IFE Matrix) is a strategy formulation tool that summarizes and evaluates the main strengths and weaknesses in the functional areas of the business, and also serves as a basis for identifying and evaluating the relationships between these areas (David, 2009). The External Factor Evaluation Matrix (EFE Matrix) is a tool for summarizing and evaluating economic, social, cultural, demographic, environmental, political, government, legal, technological, and competition information (David, 2)

2. RESEARCH AND METHODOLOGY

2.1 Type of Research

This type of research is qualitative research

2.2 Research Population

Small and medium industry entrepreneurs regarding the components of supply-side competitiveness.

2.3 Data Collection Methods and Techniques

The research method used in this research is a survey method with a descriptive analysis approach. Sources of data obtained from this study include Primary data, namely data obtained

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from in-depth interviews with small and medium industry entrepreneurs regarding the components of supply-side competitiveness. Secondary Data, namely data obtained from the Ministry of Industry, the Ministry of Trade, the Central Bureau of Statistics and Customs and from Bank Indonesia and related export agencies.

Data collection techniques used; observation techniques, interview techniques, literature techniques, and questionnaire techniques.

2.4 Research Location and Time

This research was conducted in the DKI Jakarta area. This location was chosen by researchers because DKI Jakarta is apart from being an industrial center on the island of Java. The research time lasted for three months, from February 2020 to April 2020

2.5 Data Analysis Techniques

Data analysis techniques performed; Analyzing internal factors of entrepreneurs in the industry, SWOT matrix analysis is used to develop four types of alternative strategies, namely SO (*strengths - opportunities*), WO strategy (*weaknesses - opportunities*), ST strategy (*strengths - threats*), and WT strategies (*weaknesses-threats*), and the SPACE matrix used to determine organizational conditions using the Cartesian diagram model which consists of two dimensions and four quadrants with the same size scale (Aswara, 2017).

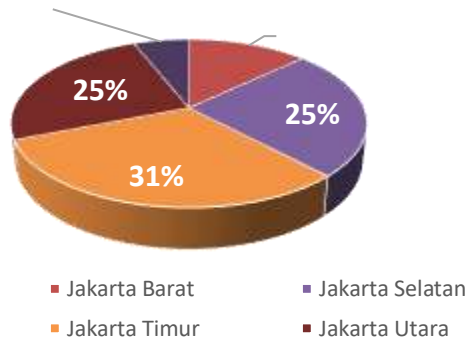
3. RESULTS AND DISCUSSION

Researchers took 20 samples from the total sample of Creative IKM in DKI Jakarta which is related. These 20 IKMs have successfully exported. Which is a list of names for furniture, batik and handicrafts IKM which are registered on the website of the Ministry of Industry? Image of DKI Jakarta IKM Furniture Area Mapping Characteristics

supply-side competitiveness. Secondary Data, namely data obtained from the Ministry of Industry, the Ministry of Trade, the Central Bureau of Statistics and Customs and from Bank Indonesia and related export agencies. Data collection techniques used; observation techniques, interview techniques, literature techniques, and questionnaire techniques. Data analysis techniques performed; Analyzing internal factors of entrepreneurs in the industry, SWOT matrix analysis is used to develop four types of alternative strategies, namely SO (*strengths - opportunities*), WO strategy (*weaknesses - opportunities*), ST strategy (*strengths - threats*), and WT strategies (*weaknesses-threats*), and the SPACE matrix used to determine organizational conditions using the Cartesian diagram model which consists of two dimensions and four quadrants with the same size scale (Aswara, 2017).

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Tabel
Karakteristik Pemetaan Wilayah
IKM Furniture di DKI Jakarta



Source: data processed by researchers, 2020

The figure of Characteristics of Mapping IKM Batik Areas in DKI Jakarta that carry out export

Tabel
Karakteristik Pemetaan Wilayah
IKM Batik di DKI Jakarta



Source: data processed by researchers

Image Characteristics of mapping Handicraft IKM areas in DKI Jakarta

Tabel
Karakteristik Pemetaan Wilayah IKM
Kerajinan Tangan di DKI Jakarta



Source: data processed by researchers, 2020

a. Conditions the competitiveness Furniture IKM The Small and Medium Creative Industry in the furniture sector has supported by the existence of a handicraft center for the furniture industry in DKI <https://equity.ubb.ac.id/index.php/equity>

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Jakarta which is managed by the DKI Jakarta Provincial Government. IKM Exports for the DKI Jakarta furniture industry which currently has reached four continents, namely; Europe, America, Asia and Australia. The main market share is the Asia Pacific region, such as Japan, the Philippines, Thailand. DKI Jakarta continues to increase its export market expansion to various countries. The furniture industry export activities in Jakarta Capital City are dominated by PT Nagase Import-export Indonesia, and PT Funisia Perkasa. Types of items that are a priority for export products are bedroom, drawer, wardrobe, table, and kitchen set. To determine the right strategy to develop competitiveness. Then internal and external analysis must be carried out.

Table Internal Factor Evaluation Matrix (IFE Matrix)

Strategic Internal Factors	Weight	Rating	Score Weight
Strength			
1. Producing quality products that have special characteristics in the form of engraving.	0.11	4	0.44
2. Regular customer loyalty to order products has the opportunity to increase sales.	0.11	4	0.44 The
3. The price of furniture products is affordable by several levels of society. It depends on the type of furniture.	0.09	4	0.36
4. The ability to meet the needs of foreign and domestic consumers	0.09	4	0.36
5. Making product designs in accordance with market demand	0.11	4	0.44
Weaknesses			
1. Only a few IKM can meet export demand	0.11	2	0, 22
2. Limited production capacity to meet the demand for furniture products	0.11	2	0.22 The
3. use of simple production tools	0.07	3	0.27
4. Lack of skilled human resources who do development	0.09	3	0.27
5. Raw materials that are difficult to obtain	0.09	2	0.18
Total	1.00		3.2

Source: data processed by researchers, 2020

Table. External Factors Evaluation Matrix (EFE Matrix)

Strategic External Factors	Weight s	Rating	WeightScor
Opportunities			
1. existence of job competence certification programs helps the Indonesian national standards for the furniture industry.	0.10	4	0.40
2. The widening market share of the furniture industry to the domestic and international markets.	0.13	4	0.52
3. Potential consumer growth opens up opportunities for increased demand	0.13	4	0.52
4. Government policy that supports the furniture industry to export.	0.08	4	0.32
5. The rise of internet-based trading. So that opens opportunities for business progress	0.10	4	0.40
Threat			

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1. Business competition by competitors outside the city and craftsmen around Jakarta are tight	0.08	4	0.32
2. Competition for raw materials is getting tighter	0.13	3	0.39
3. Changes in currency values	0.08	4	0.32
4. Political stability and national government security in providing volatile export policies.	0.10	4	0.40
Total	1.00		3.59

Source: data processed by researchers, 2020

Environmental analysis of external and internal factors next can identify strengths, weaknesses, opportunities, and threats which can be presented in the Table,

SWOT Matrix Table for Creative Industry IKM DKI Jakarta Furniture

	Strenght (Strength-S)	Weaknesses (Weaknesses-W)
	<ol style="list-style-type: none"> 1. Producing quality products that have special characteristics in the form of engraving. 2. Regular customer loyalty to order products has the opportunity to increase sales. 3. Prices of furniture products are affordable by several layers of society. It depends on the type of furniture. 4. The ability to meet the needs of international and domestic consumers. 5. Making product designs according to market demand 	<ol style="list-style-type: none"> 1. Only a few SMIs can meet export demand 2. Limited production capacity to meet the demand for furniture products 3. The use of production equipment is still simple 4. The use of production equipment is still simple. 5. Hard-to-find raw materials

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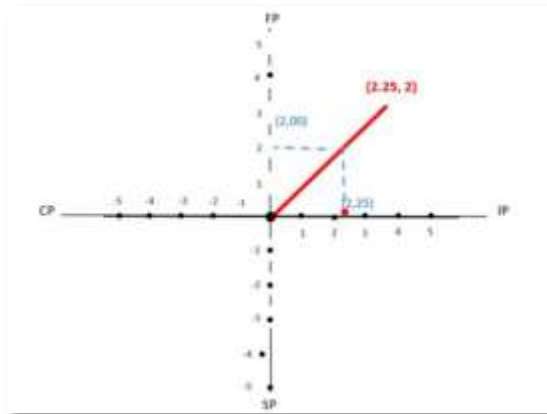
Opportunities (Opportunities-O). 1. The assistance of the Indonesian national standard work competency certification program for furniture industry players. 2. Widen the market share of the furniture industry to the domestic and international markets. 3. Potential consumer growth opens up opportunities for increased demand. 4. Government policies that support the furniture industry to export. 5. The rise of internet-based commerce. So that it opens up opportunities for business progress	SO Strategy, 1. Development of a marketing system for furniture industry products. 2. The government has simplified the regulatory process in terms of investment in the furniture industry sector. 3. Make it easier or facilitate exporters in obtaining raw materials local with the Facility of Local Export Destination (KLTE) and Optimizing the Use of PLB. There is a sales platform in the form of a website as a form of synergy in selling furniture products between companies, to make it easier for consumers to find furniture products.	WO Strategy 1. Human resource development for furniture industry players by training and increasing innovation and creativity. 2. Adding and improving the production of machine technology. 3. Increase the value of product output to encourage competitiveness in exports. 4. Expanding distribution network.
Threats (Threats-T) 1. Business competition by competitors outside the city and craftsmen around Jakarta is tight. 2. Competition for raw materials is getting tighter. 3. Currency value changes. 4. Political stability and national government security in providing volatile exptr policies.	ST Strategy 1. Increase the productivity value of furniture entrepreneurs by adding soft skills to the workforce. 2. Supporting government policies related to increasing the export value of the furniture industry.	WT Strategy 1. Improving cooperation patterns with producers in other countries through promotion. 2. Increase the number of workers who are experienced in furniture production. 3. Take advantage of exports to countries that need furniture industrial products more.

Source: analysis results and processed by researchers, 2020

The next analysis is the SPACE matrix analysis. SPACE Matric dimensions, namely the internal dimensions consisting of financial strength (FS) and competitive advantage (CA) and the external dimensions consisting of environmental stability (ES) and industrial-strength (IS).

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Figure SPACE Matrix IKM Furniture DKI Jakarta



Source: images processed by researchers

That the vector direction of SME furniture competitiveness is located in the "aggressive" quadrant- the upper right quadrant of the SPACE Matrix, which indicates that IKM Furniture in DKI Jakarta is in a very good position in using its internal strength. Therefore, suitable strategies for IKM Furniture in Jakarta to use include: market penetration strategy, market development, product development, backward integration, forward integration, horizontal integration or diversification.

b. Competitiveness condition of DKI Jakarta Batik IKM Jakarta's

The batik exports through these two companies have penetrated various countries abroad, namely: European countries, Britain, the United States, Australia, Canada, Japan, Switzerland, Norway, Russia and countries in Asia. The batik industry's export activities in Jakarta are dominated by PT Batik ^{IP}Wayang Indonesia. PT Batik Wayang Indonesia is a PT that produces accessories, clothing and souvenirs made from batik motifs. And PT Delapan Satu, the exported products include batik cloth, batik silk clothing and souvenir accessories. Based on data from the internal analysis of the condition of the batik industry in DKI Jakarta, it shows that the batik industry in DKI Jakarta has the following characteristics:

Internal Factor Evaluation Matrix Table (IFE Matrix)

Strategic Internal Factors	Weight	Rating	ScoreWeight
Strength			
1. Having a known batik brand name	0.11	4	0.44
2. Labor is easy to obtain	0.11	4	0.44
3. Has a clear market segmentation	0.09	4	0.36
4. Batik products have attractive characteristics, are unique and distinctive and have a price that is easily accessible to the public.	0.09	4	0.36
5. The opening of domestic and foreign markets	0.11	4	0.44
Weaknesses			
1. Batik production technology still uses traditional technology.	0.11	3	0.33
2. Limited capital capacity	0.11	3	0.33
3. Limited quality human resources, which has an impact on the total production of batik.	0.07	3	0.27

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4. There are only two IKM that can meet export demand in DKI Jakarta.	0.09	1	0.09
5. Limited sales force who is less than optimal.	0.09	3	0.27
Total	1.00		3.33

Source: data processed by researchers

Table. External Factor Evaluation Matrix (EFE Matrix)

Strategic External Factors	Weight	Rating	ScoreWeight
Opportunity			
1. Widened market share of the batik industry in the domestic market and the international market.	0.10	4	0.40
2. Batik products are currently becoming a fashion trend so that the people's purchasing power of batik products has increased.	0.13	4	0.52
3. Support from the local government, namely the formation of batik centers and batik exhibitions at home and abroad to facilitate the industry in selling products.	0.13	4	0.52
4. Government policy that supports the batik industry to export.	0.08	3	0.24
5. The occurrence of free markets in the ASEAN Region (AFTA) which is an opportunity for free batik exporters to expand their international market share.	0.10	4	0.40
Threat The			
1. various types of batik on the market	0.08	3	0.24
2. Competition with the batik industry from domestic Competitors	0.13	3	0.39
3. Weak coordination between stakeholder Institutions	0, 08	3	0.24
4. Stability of the business climate and the ability to compete for <i>market share</i> among competitors.	0.10	3	0.30
5. Political stability and national government security in providing a volatile export policy.	0.10	2	0.20
Total	1.00		3.45

Source: data processed by researchers, 2020

Environmental analysis of external and internal factors can then identify strengths, weaknesses, opportunities and threats which can be presented in the

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SWOT Matrix Table for Creative IKM DKI Jakarta Batik Industry

	Strength (Strength-S) <ol style="list-style-type: none"> 1. Have a skilled and loyal workforce against the company. 2. Establishment of good communication between managers and workers. 3. Has a reputation for service in terms of customer service and has a quality product. 4. Batik products have attractive, unique and distinctive characteristics and have prices that are easily accessible to the public. 5. Open domestic and foreign markets 6. Product differentiation. 	Weakness (W) <ol style="list-style-type: none"> 1. Batik production technology still uses traditional technology. 2. Establishment of good communication between managers and workers. 3. Limited quality human resources have an impact on the total production of batik. 4. There are only two IKM that can meet export demand in DKI Jakarta.
Opportunities (Opportunities- O) <ol style="list-style-type: none"> 1. Widen the market share of the batik industry in the domestic market and the international market. 2. Batik products have become a current fashion trend so that the people's purchasing power of batik products has increased. 3. Support from the local government, namely the formation of batik centers and batik exhibitions at home and abroad to facilitate the industry in selling products. 4. Local community support to preserve national batik. 	SO Strategy, <ol style="list-style-type: none"> 1. Optimizing production capacity in the batik industry. 2. The development of product design motives is more creative. 3. Enlarge and expand market share by consistently increasing promotion and marketing through exhibitions both domestically and abroad. 4. Entering into business partnerships with major exporters. 5. Establishing a business info center with an e-commerce system. 6. The government simplifies the regulatory process for investment in the textile sector in the batik industry. 	WO Strategy, <ol style="list-style-type: none"> 1. Developing human resources for batik industry players with skills training and increasing innovation and creativity. 2. Improve production processes and company efficiency. 3. Improve production processes that are more efficient and use the latest technology. 4. Opening outlets or showrooms in strategic locations as a product promotion event.

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Threats (Threats-T)	ST Strategy	WT Strategy
<ol style="list-style-type: none"> 1. various types of batik on the market. 2. Competition with the batik industry from domestic competitors. 3. Weak coordination between stakeholder institutions. 4. stability pf the business climate and the ability to compete for market share among competitors. 5. stability of the business climate anf the ability to compete for market share among 	<ol style="list-style-type: none"> 1. Protection of batik with distinctive motifs through Intellectual Property Rights. 2. Enhancing human resource capabilities in the fields of 3. Doing segmentation and the right marketing mix 4. looking for alternative raw materials that are cheaper. 	<ol style="list-style-type: none"> 1. Improving cooperation patterns with producers in other countries through promotion. 2. Increase the number of workers who are experienced in furniture production. 3. improve quality management at the level of batik craftsmen. 4. capital facilities (industrial capital working capital).

Source: results of analysis and processed by researchers, 2020

The next analysis is the matching of the SPACE matrix to determine the most suitable conservative, defensive or competitive quadrant position for the company

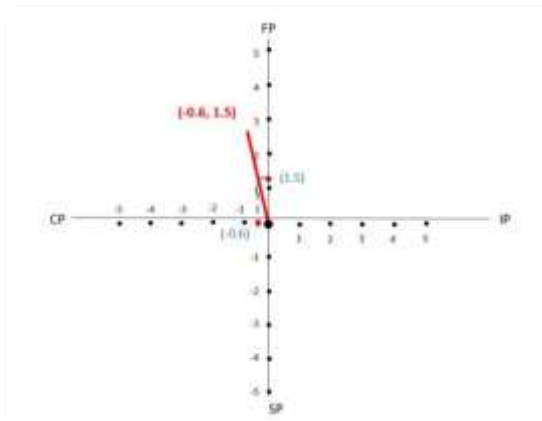


Image of DKI Jakarta Batik IKM SPACE Matrix

Source: images processed by researchers

That the vector direction of IKM Batik competitiveness against exports in DKI Jakarta is located in the “Conservative” - *the* quadrant upper left conservative quadrant of the SPACE matrix, which indicates that IKM Batik is in low or weak competitive position and must improve the company's strategic position to have strong competitiveness. Therefore, the appropriate strategies used by IKM Batik include; penetrate the market, develop market share, conduct product development, and diversify related products.

c. Competitiveness Condition of Handicraft SMIs.

Handicraft IKMs recorded as contributing to handicraft export value in Indonesia, namely; PT Resources Alam Mandiri and PT Batik Keris Jakarta. The export of handicrafts through the two companies has spread to various kinds of foreign countries, namely; the United States, Japan, Netherlands, and the United Kingdom. Handicraft export activities in DKI Jakarta are dominated by PT Batik Keris DKI Jakarta, which was founded in 1946. The products marketed include; handicrafts to accessories made from wood. The following is an analysis of the identification of internal and external factors of IKM Batik in DKI Jakarta.

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Table of Internal Factor Evaluation Matrix (IFE Matrix)

Strategic Internal Factors		Weight	Rating	Score Weight
Strength				
1.	Availability of local workers who master craft-making Techniques	0.11	4	0.44
2.	Availability of affordable local raw materials	0.11	3	0.33
3.	Have raw materials environmentally friendly	0.09	4	0.36
4.	Hand-crafted products have attractive, unique and distinctive characteristics and prices that are easily accessible to the public.	0.09	4	0.36
5.	SDM is cheaper.	0.11	4	0.44
Weaknesses				
1.	Production technology uses traditional technology,	0.11	3	0.33
2.	The work cycle of seasonal craftsmen	0.11	3	0.33
3.	The level of education of craftsmen is still low and does not come from their fields so that diversification and innovation the products produced are also still relatively low.	0.07	3	0.27
4.	There are only two IKM that can meet export demand in DKI Jakarta.	0.09	1	0.09
5.	The limited sales force is less than optimal. So that marketing is still very dependent on the expo exhibition organized by the government.	0.09	3	0.27
Total		1.00		4.03

Source: researchers processed data

Table External Factors Evaluation Matrix (EFE Matrix)

Strategic External Factors		Weight	Rating	Score Weight
Opportunities				
1.	government's commitment to improving the results of export of handicrafts typical regional products through various exhibitions regional handicraft products	0.10	4	0.40
2.	Handicraft products have a unique value so that the people's purchasing power of handicraft products increases.	0.13	4	0.52
3.	Handicraft products have been well known in the domestic community.	0.08	3	0.24
4.	The occurrence of free markets in the ASEAN Region (AFTA) is an opportunity for free handicraft exporters to expand their international market share.	0.10	4	0.40
Threat				
1.	Life cycle of short products caused by plagiarism culture	0.08	3	0.24
2.	Competition with the handicraft industry from domestic Competitors	0.13	3	0.39
3.	Not everyone likes handicrafts because its perishable nature.	0.08	2	0.15
4.	Stability of the business climate and the ability to compete for market share among competitors.	0.10	1	0.10
5.	Difficulty in pursuing large quantities of production due to workmanship cannot be replaced by machines.	0.10	2	0.20
Total		1.00		2.64

Source: data processed by researchers.

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Environmental analysis of external and internal factors can then identify strengths, weaknesses, opportunities and threats which can be presented in the following table;

SWOT Matrix Table for Creative IKM Handicraft Industry in DKI Jakarta.

	Strength (S) <ol style="list-style-type: none"> 1. Availability of local workers who master the techniques in making crafts. 2. Availability of affordable local raw materials. 3. Has environmentally friendly raw materials. 4. Handcrafted products have attractive, unique and distinctive characteristics and have prices that are easily accessible to the public. 5. HR is cheaper. 	Weakness (Weakness-W) <ol style="list-style-type: none"> 1. Handcraft production technology still uses traditional technology, namely from <i>handmade</i>. 2. The work cycle of seasonal handicraft craftsmen 3. The education level of the craftsmen is still low and not in line with their fields so that the diversification and innovation of the resulting products are still low. 4. There are only two IKM that can meet export demand in DKI Jakarta. 5. The lack of marketing personnel is less than optimal so that marketing is still very dependent on expo exhibitions organized by the government.
Opportunities (Opportunities-O) The <ol style="list-style-type: none"> 1. The government's commitment to increasing regional handicraft exports through various regional handicraft product exhibition events Handicraft 2. products have unique values so that increased power buy the community for handicraft products. 3. Handicraft products are well known in the domestic community. 4. The occurrence of free markets in the ASEAN Region (AFTA) is an opportunity for exporters of free handicrafts to expand their international market share. 	SO Strategy, <ol style="list-style-type: none"> 1. Optimizing production capacity in the handicraft industry. 2. The development of product design motives is more creative. 3. Enlarge and expand market share by consistently increasing promotion and marketing through exhibitions both domestically and abroad. 4. Entering into business partnerships with major exporters. 	WO Strategy, <ol style="list-style-type: none"> 1. Development of human resources for handicraft industry players with skills training and increasing innovation and creativity. 2. Improve production processes and company efficiency. 3. Providing education and training that is more geared towards increasing renewal and skills in terms of production techniques, design development and promotion

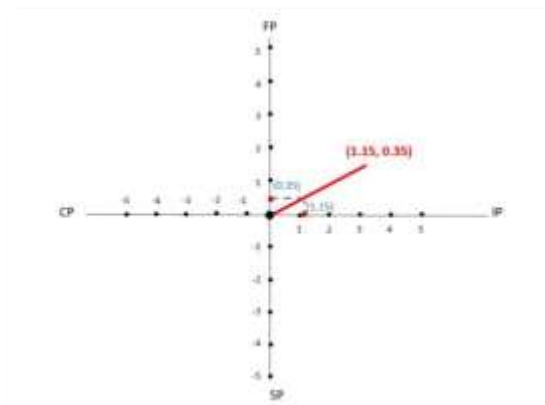
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Threats (Threats-T)	ST Strategy	WT Strategy
<ol style="list-style-type: none"> 1 Short product life cycle caused by plagiarism culture 2 Competition with handicraft industry originating from domestic competitors 3 Not everyone likes the handicrafts because they are easily damaged. 4 Stability of the business climate and the ability to compete for market share among competitors 5 Difficulties in catching large quantities of production due to workmanship cannot be replaced by machines. 	<ol style="list-style-type: none"> 1. Protection of distinctive motives through Intellectual Property Rights. 2. Providing a showroom as well as functioning as a place for consultation in the aspects of business development including production activities, marketing partnerships and application of appropriate technology and / or services in the aspect of financing 	<ol style="list-style-type: none"> 1. Creating market opportunities for craftsmen or companies for local, regional and export needs, while maintaining the current market. 2. Increase the number of workers who are experienced in handicraft production. 3. Capital facilities (industrial capital, working capital).

Source: results of analysis and processing of field data researchers, 2020

The next analysis is matching the SPACE matrix;

Picture of DKI Jakarta Handicraft IKM ROOM Matrix



Source: images processed by researchers

Whereas the vector direction of the competitiveness measure of handicraft SMIs is located in the “aggressive” quadrant - the upper right quadrant of the SPACE Matrix, which indicates that handicraft IKMs in DKI Jakarta are in a very good position in using their internal strength. Therefore, strategies suitable for use by handicraft SMIs in DKI Jakarta include: market penetration strategy, market development, product development, backward integration, forward integration, horizontal integration or diversification.

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4. CONCLUSIONS

1. The competitiveness of small and medium industries in the export sector, especially in creative SM furniture, batik and handicrafts can be measured and seen from the analysis of supply competitiveness according to industrial ministry, it is influenced by several factors, namely: first, productivity, the indicator of productivity is: the number of workers employed., worker performance conditions, entrepreneur expertise, limited company capital, company organizational system, technology availability conditions, input availability conditions, marketing techniques. Second, internationalization, the indicator is the number of countries that are the share of the export market, the state of the domestic market share, the condition of consumer satisfaction. The three are import dependency factors.
2. Seeing the condition of creative IKM competitiveness in Jakarta on exports, especially furniture, batik and handicrafts can be done by analyzing the components of the porter's diamond system. The dimensions measured include: condition factors, demand factors, industrial factors related to the support of demand factors, corporate strategy factors and competition, government factors, and opportunity factors that most influence development and growth.
3. Furthermore, in order to determine the right strategy in order to develop competitiveness in exports. Can be done by analyzing internal and external. External analysis aimed at developing a finite list of opportunities that can benefit a company and threats to be avoided. Meanwhile, internal analysis aims to develop to maximize the strengths of a company and minimize weaknesses. Environmental analysis of external and internal factors can identify strengths, weaknesses, opportunities, and threats.

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