



International Journal of Economic Research

ISSN : 0972-9380

available at <http://www.serialsjournal.com>

© Serials Publications Pvt. Ltd.

Volume 14 • Number 13 • 2017

Strategic Efforts of East Java Province government to Develop Industrial Area in Increasing the Number of New Investors in the Region

Dwi Wulandari¹, Sugeng Hadi Utomo^{1*}, Thomas Soseco¹, Bagus Shandy Narmaditya¹, Prih Hardinto¹, Mit Witjaksono¹ and Ni'matul Istiqomah¹

¹ Faculty of Economics, Universitas Negeri Malang

* E-mail: sugeng.shu.fe@um.ac.id

Abstract: The purpose of this research is to identify and to know the strategic efforts of the government to develop the industrial area in increasing the number of new investors in the region. This research uses qualitative and quantitative approach to describe the responses of respondents to the object based on the questionnaire given. The population of this research is local government of East Java Province. While the sample of this research is local government of 5 districts/municipalities we interviewed some relevant local government work units that related to industrial area and business entity. Samples were taken purposively from each section, which is considered relevant and important for this study. The result of this study are the strategic efforts to develop industrial area which are proposes the acceleration of safe guard and anti-dumping, preparing the Indonesian National Work Competency Standards, develop industrial development strategy according to national industrial policy, provide the joint responsibility of industrial core competencies between districts/cities, establish industrial activities and development programs in synergistic and sustainable areas between the central government and local government, The Regional government is asked to proactively conduct industrial development in accordance to the roadmap that has been established.

Keywords: Industrial area, Regional Development, Government policy.

JEL Classification: O14, O38, P25.

INTRODUCTION

The development of the Industrial area is one of the means to develop environmentally sound industry and provide easiness and attractiveness to invest. Industrial development is a key issue of economic development (Marktanner and Nasr, 2009; Utomo, 2015). This is in line with the mandate of Law No. 5, 1984 on Industry that stated: efforts to encourage industrial development need to be acquired through the

construction of industrial location that is in the form of Industrial area. In order to encourage the acceleration of the development of the Industrial area, the government has issued Government Regulation No. 24 in 2009 in the Industrial area, where every new industrial company after the enactment of such Government Regulation shall enter the Industrial area. The basic consideration is so that the industries are in the right and proper spatial, familiar environment, effective and efficient management and ease in planning and procurement of necessary infrastructure.

The development of Industrial area requires certain requirements that must meet technical, economic and financial feasibility principles; supported by supportive regulatory and government policies, which are regulated in Industrial area Technical Guideline. With the Technical Guideline of this Industrial area, it is expected that the Regional Government and other related institutions can provide the maximum service for investors in the effort to develop the Industrial area in the region. The role of investment is important in supporting economic development of a region (Khuzaini and Suwito, 2007). While the objectives are for the Industrial area to be developed in accordance with the spatial plan, minimize negative impacts and develop positive impacts on the environment, efficient and effective, so it can attract investment opportunities for industrial development in the region. Industrialization is often essential for economic growth and for long run poverty reduction. The pattern of industrialization, however, impacts remarkably on how the poor benefit from growth (Kniivilä, 2007).

The development of industrial area should also take into account the environmental impacts. The development of industrial area is one of the means to develop environmentally friendly industries and provide convenience and attractiveness for investment (Utomo, 2015). The industrial area can have negative externalities on community environment. The industrial area needs to provide Corporate Social Responsibility (CSR). Carrol (1979) confirmed there are four categories of Corporate Social Responsibility (CSR), Discretionary Responsibilities, Ethical Responsibilities, Legal Responsibilities, and Economic Responsibilities. The research from Arli and Tjiptono (2014) found the applicability of Carroll (1979) categorization of CSRs to consumers in Indonesia but challenged the order of importance of these responsibilities.

Java is an island that has a large industrial area compared to other islands. Some big cities are located on the island of Java that is very possible for the establishment of the industrial area because Java is an island where the central government of Indonesia is located. The potential of Java island is also influenced by strategic geographical location. This is in line with the views of Kuncoro and Wahyuni (2009) and their research includes some focus. First, the main industrial areas in Indonesia have been located overwhelmingly in Java. Most of the Indonesian modern designs have been located in Java and to a lot lesser extents, Sumatra Island during 1976-2002. Second, Java with more than half of Indonesians inhabitants offers a huge potential market and its importance by its own rights. Third, most of the investments, either foreign or domestic, have been concentrating in Java.

As the second largest province in Indonesia, East Java has a great potential for investors to invest and grow their businesses in this province. The incoming private investment will push the economy of East Java to a more modern direction, increasing the status of the Province as a center of regional economic growth in Indonesia while helping to reduce the number of poor people. However, in fact for the Province that has been recovering from the monetary crisis a decade ago, private investment that is expected to trigger economic growth is still far from the expectations. Current development still faces many challenges, especially to revive the weakening industrial sector, stimulate the low growth of agricultural sector, and to move the trade and services sector as a stimulant for other economic activities.

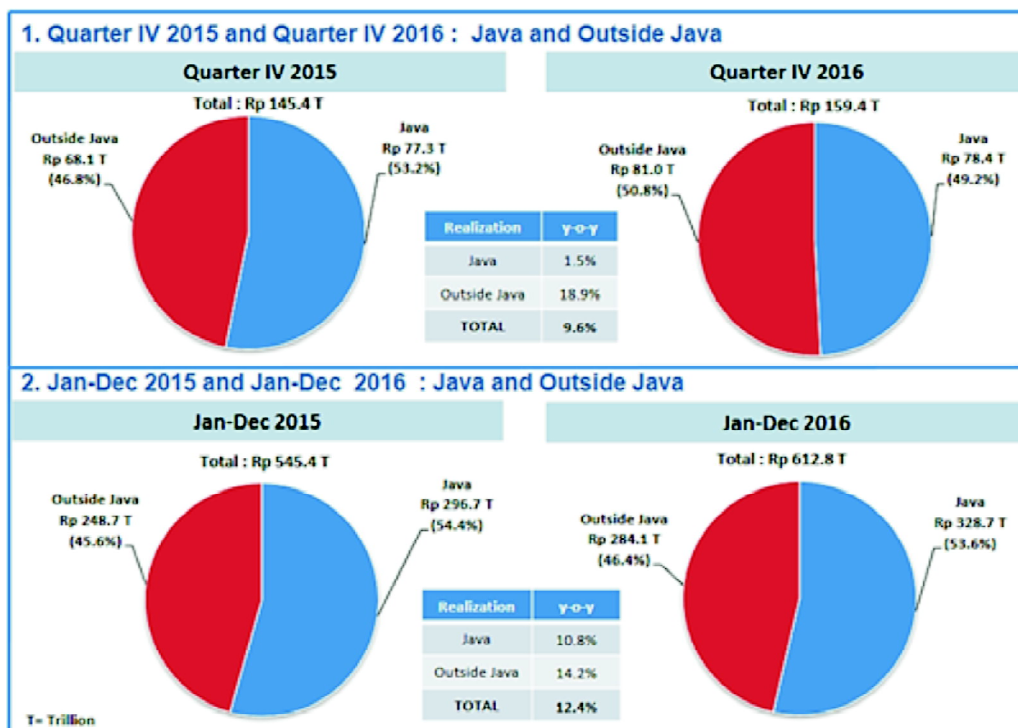


Figure 1: Investment Realization in Quarter IV and January-December 2016 Compared with the Same Period of 2015: Java and Outside Java

Source: BKPM, 2016.

East Java Province is the second largest contributor to the Indonesian economy with a growth rate equivalent to national and other large provinces in Java. However, for the Province that is expected to be one of the major economic centers in the country, the Province has experienced only slight changes in economic structure in the past 10 years. Since 1995, the contribution of industrial and agricultural sectors in the economy has remained almost unchanged. In addition, the growth of these two sectors is also low, while the industrial sector has been a major driver of East Java's economy in the past. Employment in sectors with high productivity is also slow in recent years where most of the workforce remains in the agricultural with the lowest productivity compared to other economic sectors in the Province. Private investment which is expected increase sectors with higher growth is relatively small proportion in East Java compared to Jakarta and West Java. The overall condition affects the number of poor people in the province, which remains the highest in Indonesia although over the past few years the poverty rate has declined.

By the end of 2012, East Java's economic performance in 2012 reached 7.27 per cent, higher than 2011 (7.22 per cent) and national economic growth at 6.23 per cent. As informed, East Java's economic growth in the last 8 (eight) years tends to be higher than the national level, except in 2007 which is slightly below the national level. If measured further, East Java's economic performance continues to increase, while the national start slowing down in 2012. Seeing the increase in economic growth of East Java, the presence of both domestic and foreign investors is important in developing the East Java industry. Tambunan (2007) stated that theoretically, FDI positively affects economic development or economic growth in particular in host countries through several lines of factory development, supply, employment opportunities, and technology transfer.

Based on the figure above we can see a comparison of domestic and foreign investors in 2015 and 2016. Comparison of the number of domestic investors and foreign investors also dominated by foreign investors. In 2015 is 365.9 and in 2016 is 396.6.

East Java's economic growth shows a positive trend from year to year, and it can help the national economy from the industrial side in Java. Therefore, this research is intended to identify and know the strategy of East Java Provincial Government towards the development of Industrial areas in order to develop new investors in the region.

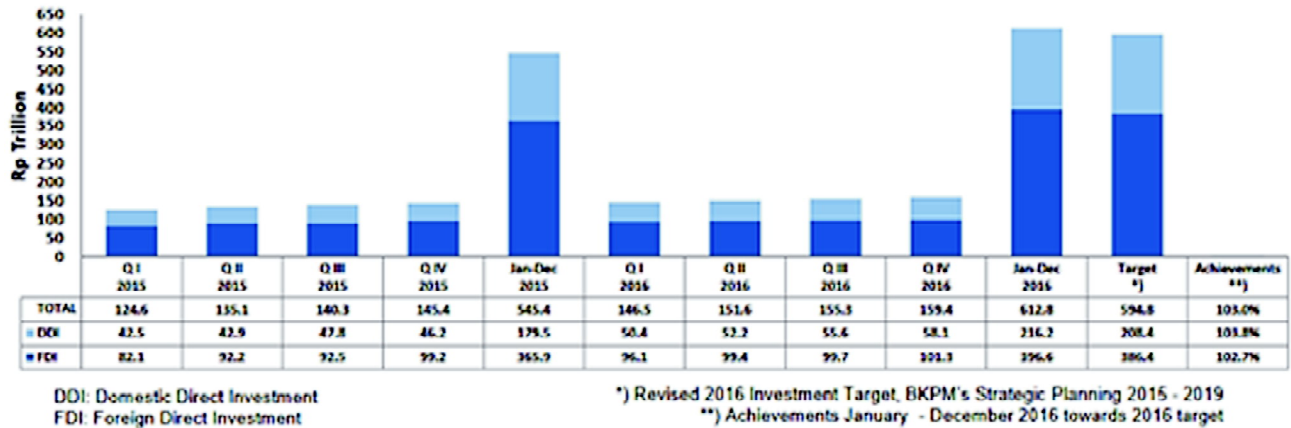


Figure 2: Investment Realization in Quarter IV 2016

Source: BKPM, 2016.

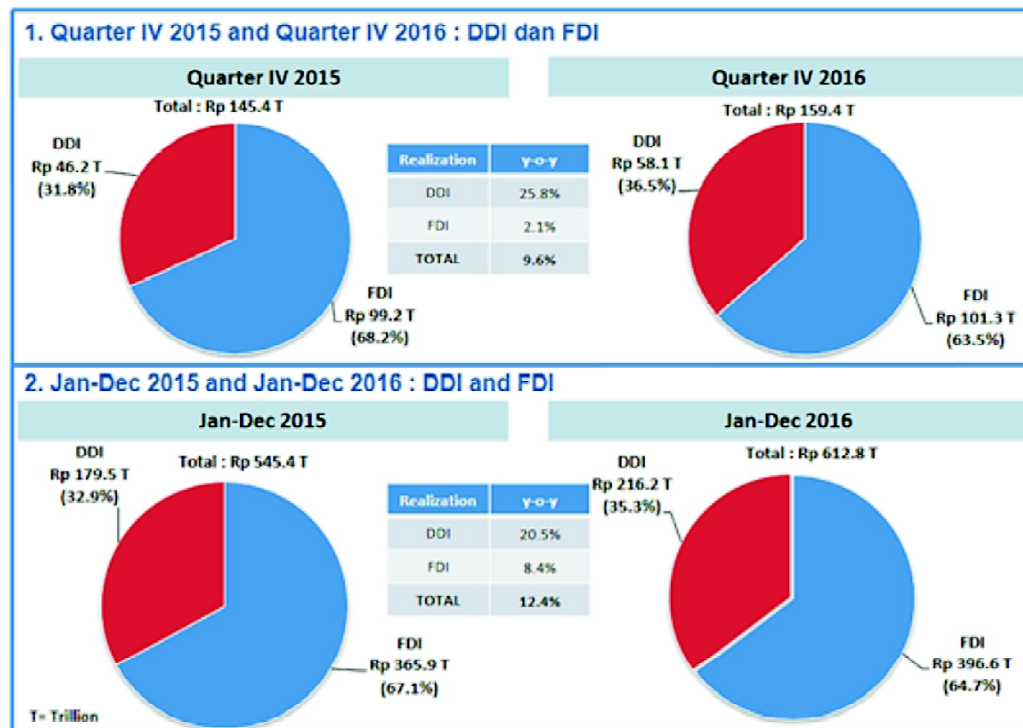


Figure 3: Investment Realization in Quarter IV and January-December 2016 compared with same period of 2015: DDI and FDI

METHOD

This research is descriptive qualitative and quantitative research. Descriptive is a method of research to describe a phenomenon systematically, factually, and accurately (Natsir, 1998). Descriptive research is used so that researchers can better describe the properties that are known to exist and relevant to the variables studied. The approach in this study is a qualitative and quantitative approach to describe the responses of respondents to the object based on the questionnaire given. The assumption is made because the location of the Industrial area is in a potential area to develop as the Industrial area is built and not built. These conditions become the basis of this research study, so it is expected that the development of the Industrial area can synergize with the use of existing land nearby because the Industrial area is directly related to economic factors.

The data collection methods used in this research process can be divided into two activities:

1. Primary survey, a survey conducted to obtain authentic data or direct data of land use in the planning area. To obtain the primary data we did some data retrieval techniques which are observation, questionnaire, and interview. Interviews are conducted to local governments according to the location of research that is considered understand the development of industrial areas in the study area and related agencies in preparation of research.
2. The secondary survey, a survey was undertaken to obtain authentic data or indirect data from library literature, UU, PP, ministerial decree, local regulations, and the internet.

The research was conducted in local government of Malang Regency, Jember Regency, Kediri Regency, Bangkalan Regency and Tuban Regency, while the duration of this research is 7 (seven) months. The population of this research is a local government of East Java Province. While the sample of this research is a local government of 5 districts/municipalities in some relevant local government work units and related to industrial area and business entity that handle industrial area in their search area. Samples were taken purposively from each section, which is considered relevant and important for this study.

The techniques of data collection are:

1. observation techniques include various matters relating to observation of physical conditions and activities at the location of research;
2. questionnaire technique is a form of structured questions given to respondents in accordance with research problems;
3. activities to ask questions through interviews to obtain information through question and answer directly with respondents and informants;
4. documentation techniques are activities of collecting and reviewing some information from periodicals, books, document literature, photographs, newspapers, electronic media, and statistical references;
5. document and literature study; ie collecting available data in the form of reports or in other documented forms relevant to the phenomena studied under applicable government guidelines and regulations;
6. study of Evaluation Result, that is evaluation study to the various product of local government policy concerning process and implementation of various policies which have been decided.

The qualitative data analysis model used in this study is a data analysis developed by Miles and Huberman 1984 which is done with the interactive model through data reduction, display data, and verification process. The results of research both through quantitative and qualitative approaches need to be tested for validity. Validity is the degree of accuracy of what happens to the object of research with the data that can be obtained. While reliability relates to the degree of consistency and stability of data or findings. In the view of quantitative research, a data is said to be reliable if two or more researchers in the same object produce the same data, or the same researchers in different times produce the same data. Objectivity with respect to the degree of agreement or interpersonal agreement between many people against a single data.

RESULTS AND DISCUSSION

Industrial area growth in Indonesia has always been slower than growth in demand for land in the past three years, Indonesia's positive economic growth triggered high demand but the growth is not balanced with the development of new Industrial areas.

Indonesian Industrial Area Association highlights some of the things that cause the difficulties of developing new industries that are land acquisition process and land maturation process. In addition, for industrial areas outside Java, infrastructure is still very minimal, making it difficult to develop the industry in a fast time. The government regulation on the limitation of the area of the industrial area is also an obstacle. The growth of the industrial area is lower than the growth of demand, it does not directly make investors avoid to invest to Indonesia. The impact is more on delays in the realization of investment.

Industrialization in East Java itself succeeded in shifting the economic activities of the people, from the agriculture sector to the industrial sector. However, since most of East Java community livelihoods as farmers and abundant economic resources in the agricultural sector, the Industrial Development Policy in East Java prioritize the development of three industry pillars, one of which is the agro industry. With the economic endowment in the agricultural sector, then the industry should be based on the sector, so it will not cause unemployment problems and income inequality.

Agroindustry is one branch of industry that has a close and direct link with agriculture. If agriculture is defined as a process that produces agricultural products at the primary level, then its relation with industry can be backward linkage or forward linkage. East Java (Pasuruan, Sidoarjo, Gresik, Ngoro, and surrounding areas) have a large potential to become the base of growth of industrial area serving national and multinational companies.

Companies with specific types of labor intensive industries such as food, beverage, and consumer goods industries will open factories in East Java industrial areas. They open new factories as part of the business expansion and there are also new companies opening factories in industrial areas according to Minister of Finance Regulation No. 120 of 2013, which requires companies to operate their factories in industrial areas. Although in general the growth of industrial areas slowed down in 2014, and land absorbed by the market is predicted to be only 350 hectares, but East Java will grow rapidly. This is driven by abundant labor and minimum wages.

These two factors triggered the industrial area in East Java by the new company or already operating in Bekasi and Cikarang (West Java), but want to expand or even relocate their business. Not surprisingly, sales during the quarter of 2014 alone, according to Indonesian Industrial Area Association data, sold an

area of 35 hectares of industrial area land in East Java from West Java relations. Type of industry that can be developed in the industrial area in East Java Province is one area that has the potential and strong competitiveness through the best superior industrial products. This is because it is supported by innovative human resources as a capital for the economic development of the people of East Java. The development and growth of SMEs today, can not be separated from the commitment and policies and programs run by the East Java provincial government is sustainable until now. All this is done with a determination and passion for the growth of SMEs in East Java Province can continue to grow so that it can be an integral part of all industrial activities, and able to contribute significantly to strengthening the domestic economy.

In the meantime, several East Java Provincial Government programs have been implemented in efforts to develop SMEs' potentials in districts/ municipalities, including restructuring machinery and equipment, entrepreneurship development, fostering and approaching One Village One Product (OVOP) products for food, clothing and handicrafts, SMEs' through cluster approach, in which there are assisted design experts who are able to produce products of interest to the public even for export purposes.

With regard to the enactment of the ASEAN Economic Community (AEC) in 2015, SMEs are expected to be more eager to work harder and more creatively in improving product competitiveness, such as registering intellectual property rights (IPWs), as well as quality improvement and design development to provide value added and strengthening the competitiveness of products. Below is the main commodity product (superior) exported from East Java Province in Table 1 and 2.

The mapping of an industrial area in East Java is preparing thousands of hectares of land for industrial areas spread across a number of Regencies/Municipalities for prospective domestic and foreign investors who want to invest. The number of East Java industrial areas continues to grow for 18,700 Hectares. The area of manufacturing development is scattered in various regions, especially in the north. In addition to meeting the needs of industrial expansion, new investors also continue to arrive. Head of East Java Investment Board said in 2014 there is an increase in the number of industrial areas with a total area of 18,700 hectares. For example, in Mojokerto there is an addition of 10,000 hectares, including Jetis, Gedeg, Kemlagi, and Dawar Blandong. The new industrial area is much wider than the previous area, namely Ngoro.

In addition to the Mojokerto, industrial areas spread in Gresik, Jombang, Tuban, Banyuwangi, and other areas. The details are in Pasuruan Industrial area Rembang (PIER) 400 hectares, Ngoro Industrial Park (NIP) 300 hectares, Sidayu Gresik, 1,000 hectares, Ploso Jombang 3,000 hectares, Wonorejo Banyuwangi 1,000 hectares, Tuban Industrial Estate 1,000 hectares, and Brondong Lamongan 2,000 hectares.

According to Head of Data Processing and Information Systems BPM East Java, the available industrial areas are still adequate to meet the needs of investors. The spread of industrial parks also makes it easier for investors to find suitable locations. Of course, every investor has a consideration before deciding to choose an industrial area that will be occupied. There are various factors that become consideration which are finance, availability of electricity, water, and the ease of access to transportation to the port. Hence, almost the entire industrial areas are in northern Java because it is close to the port.

There are also other factors that make foreign investors choose a particular industrial area. For example, there are foreign investors who tend to choose locations adjacent to the investors who come from one country. Almost most of the investors from East Asia choose in *Surabaya Industrial Estate Rungkut* (SIER).

Table 1
Main Commodity Products (Export) East Java Province

<i>No.</i>	<i>Main Commodity</i>	<i>Export Destination Country</i>
1.	Textile and Textile Product	United States of America, Japan, Germany, Turkey, Korea, United Kingdom, United Arab Emirates, China, Brazil, Malaysia, Belgium, Italy, Netherlands, Spain, Canada, Saudi Arabia, Thailand, France, Vietnam, Taiwan
2.	Electronics	Singapore, United States, Japan, Hong Kong, China, Germany, Malaysia, Netherlands, Korea Philippines, France, Thailand, India, Australia, United Arab Emirates, United Kingdom, Taiwan, Vietnam, Belgium, Italy
3.	Rubber	United States, Japan, China, Korea, Singapore, Brazil, Germany, Canada, Netherlands, Turkey, France, India, Spain, Italy, United Kingdom, Belgium, Taiwan, South Africa, Australia, Argentina
4.	Palm Oil	India, China, Malaysia, Bangladesh, Netherlands, Egypt, Singapore, Italy, Spain, Ukraine, Iran, Pakistan, Germany, Tanzania, Brazil, South Africa, Vietnam, Myanmar (formerly Burma), Kenya
5.	Forest Product	Japan, China, United States, Korea, Australia, Malaysia, Taiwan, Saudi Arabia, United Arab Emirates, India, Germany, Netherlands, United Kingdom, Viet Nam, Singapore, Belgium, Italy, France, Bangladesh, Thailand
6.	Footwear	United States, Belgium, Germany, United Kingdom, Netherlands, Italy, Japan, Mexico, France, Brazil, China, Denmark, Panama, Korea, Singapore, Spain, Australia, Russian Federation, Chile, South Africa
7.	Automotive	Thailand, Japan, Saudi Arabia, Philippines, Malaysia, Singapore, United Arab Emirates, South Africa, Brazil, Vietnam, China, Mexico, Oman, United States, Taiwan, United Kingdom, Myanmar (formerly Burma), Germany, India, Kuwait
8.	Shrimp	United States, Japan, China, United Kingdom, Belgium, Hong Kong, Vietnam, Singapore, France, Canada, Australia, Malaysia, Taiwan, Russian Federation, Netherlands, Italy, Germany, Korea, Denmark
9.	Cacao	Malaysia, United States, Singapore, China, Spain, Germany, France, Netherlands, United Kingdom, Australia, Philippines, India, Canada, Thailand, Japan, Brazil, United Arab Emirates, Estonia, Russian Federation, New Zealand
10.	Coffee	United States, Japan, Germany, Italy, Malaysia, Belgium, United Kingdom, Russian Federation, Egypt, Morocco, India, Taiwan, Canada, Australia, Georgia, Singapore, Algeria, Ecuador, France, South Africa

Source: East Java Export and Import.

In addition, Japan is leaning towards PIER, while Taiwan is in NIP. While most Chinese origin investors spread. Based on data on investment realization until the first semester of 2014, Gresik became the main destination to invest by 23 percent. Then, Sidoarjo 18 percent, Surabaya, and Probolinggo each 15 percent. The rest are scattered in several cities and other districts. We can see further in Table 3.

Strategic Steps of East Java Provincial Government

1. Establish industrial products prioritized for development and enhanced competitiveness, intensify the socialization of AEC 2015 to industry stakeholders;

Tabel 2
Potential Product of East Java Province

<i>No.</i>	<i>Main Commodity</i>	<i>Export Destination Country</i>
1.	Coal	Korea, Arab, Jerman
2.	Leather and leather product	Hongkong, India, Vietnam, China, Germany, Singapore, Korea, Italia, Malaysia, Thailand, Spain, Taiwan, Japan, Cambodia, Sri Lanka, South Africa, France, Philippines, United States of America, Mexico
3.	Medical Equipment	Singapore, Germany, Japan, United States, India, China, Holland, Malaysia, Afghanistan, Thailand, Taiwan, Kenya, Iran, Canada, Hong Kong, France, Australia, Timor Leste, Saudi Arabia, Philippines
4.	Medicine Plants	India, Malaysia, United States of America, Taiwan, Japan, Singapore, France, Holland, Germany, Switzerland, Korea, Vietnam, Australia, Hong Kong, Argentina, Thailand, United Kingdom, Saudi Arabia, United Arab Emirates, Jordan
5.	Processed Food	United States, Malaysia, Philippines, Singapore, Japan, China, Cambodia, Thailand, Vietnam, Saudi Arabia, Netherlands, Germany, Hong Kong, Australia, Belgium, United Kingdom, India, Spain, Korea, Republic of Taiwan
6.	Essential Oil	United States of America, Singapore, France, India, Switzerland, Spain, Germany, Netherlands, China, United Kingdom, Mexico, United Arab Emirates, Turkey, Italy, Brazil, Japan, Pakistan, Hong Kong, Taiwan, Timor Leste
7.	Fish and Fish Product	Japan, United States of America, Thailand, Vietnam, China, Singapore, Malaysia, Italy, Korea, Hong Kong, Taiwan, Spain, Russian Federation, Australia, Belgium, Netherlands, France, Germany, United Kingdom, Iran
8.	Handicraft	United States of America, Japan, United Kingdom, Germany, Australia, France, Netherlands, Korea, Spain, Singapore, Italy, Canada, Taiwan, Belgium, South Africa, Malaysia, Sweden, United Arab Emirates, China, Brazil

Source: East Java Export and Import.

Table 3
Mapping of Industrial Estate Development in East Java

<i>No.</i>	<i>Industrial Area in Municipality</i>	<i>Development Area Hectare</i>
1.	Mojokerto	10.000
2.	Pasuruan <i>Industrial Estate</i> Rembang (PIER)	400
3.	Ngoro <i>Industrial Park</i> (NIP) Jombang	300
4.	Sidayu Gresik	1.000
5.	Ploso Jombang	3.000
6.	Wonorejo Banyuwangi	1.000
7.	Tuban <i>Industrial Estate</i>	1.000
8.	Brondong Lamongan	2.000
	Jumlah	18.700

Source: BKPM

2. Propose the acceleration of safeguard and anti-dumping application for certain imported products, add test laboratory facilities and improve the competence of industrial human resources;
3. Preparation of Indonesian National Work Competency Standards (SKKNI) in each industry sector, as well as strengthening SMEs and developing new entrepreneurs throughout industry District/City;
4. The industrial development strategy according to the National Industrial Policy (KIN) is through 2 (top) approaches through the development of 35 priority and bottom-up industry clusters through the development of Provincial Superior Industry and Core Industry Competencies;
5. Establish Roadmap Development of Provincial Superior Industry and 48 Regulation of the Minister of Industry on Roadmap Development of Core Industry Competencies;
6. In its implementation, Roadmap Provincial Industry Development and Core Industry Competencies are the joint responsibility of the Central Government through the Ministry of Industry, Local Government and other relevant stakeholders
7. Therefore, it is necessary to develop industrial programs and activities in a synergistic and sustainable area between the Central Government and the Regional Government.

The Ministry of Industry has allocated the Deconcentration Fund to the Provincial Government, and facilitated the development of regional industries through the provision of machinery equipment, skills training for industrial human resources, the development of new entrepreneurs of SMEs, expert assistance and vocational education, facilitation of capital access, and the facilitation of exhibition of regional superior products. The Regional Government is required to proactively conduct industrial development in accordance with the established Roadmap, and provide adequate funding allocation for the development of Provincial Superior Industry and Core Industry Competencies. In addition, local governments can also learn from each other, share experiences and problems with other regions

CONCLUSION

The Mapping of industrial area in East Java that can be developed and has a good prospect is Sidayu Gresik, Tuban Industrial Estate, Wonorejo Banyuwangi, Pasuruan Industrial Estate Rembang (PIER), Ngoro Jombang Industrial Park (NIP), Wonorejo Banyuwangi, Tuban Industrial Estate, and Brondong Lamongan. Strategic efforts of East Java Government to develop this industrial areas are:

1. propose the acceleration of safe guard and anti-dumping;
2. preparing the Indonesian National Work Competency Standards;
3. develop industrial development strategy according to national industrial policy;
4. provide the joint responsibility of industrial core competencies between districts/cities;
5. Establish industrial activities and development programs in synergistic and sustainable areas between the central government and local government;
6. The Regional government is asked to proactively conduct industrial development in accordance to the roadmap that has been established.

RECOMMENDATION

In order to accelerate the development of industrial area in East Java so that potential investors are interested in investing in East Java, the East Java Provincial Government should immediately encourage/motivate and assist the problems in priority areas into industrial areas. It is also necessary to give an information on the spread of the location of industrial estates that have been developed and industrial areas planned to be developed in East Java, East Java Provincial Government should map the industrial area in a map through the website (internet) and exhibitions abroad.

REFERENCES

- Arli, D., and Tjiptono, F. (2014), Does corporate social responsibility matter to consumers in Indonesia? *Social Responsibility Journal*, 10(3), 537-549.
- BKPM. (2016), Domestic and Foreign Direct Investment Realization in Quarter IV and January-December 2016. Retrieved from <http://www.bkpm.go.id/>
- Carroll, A.B. (1979), A three-dimensional conceptual model of corporate performance. *Academy of management review*, 4(4), 497-505.
- Government Regulation No. 24 in 2009 about Industrial area. Retrieved from <http://www.hukumonline.com/>
- Kniivilä, M. (2007), Industrial development and economic growth: Implications for poverty reduction and income inequality. In: O'Connor D and Kjollerstrom M. (eds), *Industrial development for the 21st Century: Sustainable development perspectives*. United Nations, Department of Economic and Social Affairs: New York.
- Kuncoro, M., and Wahyuni, S. (2009), FDI impacts on industrial agglomeration: the case of Java, Indonesia. *Journal of Asia Business Studies*, 3(2), 65-77.
- Khuzaini., and Suwito. (2007), Analisis SWOT Daya Dukung Daerah terhadap Pengembangan Kawasan Industri Kabupaten Blitar. *Ekuitas*, 11(2), 193-218.
- Law No. 5 of 1984 about Industry. Retrieved from <http://pelayanan.jakarta.go.id/download/regulasi/undang-undang-nomor-5-tahun-1984-tentang-perindustrian.Pdf>
- Marktanner, M., and Nasr, J. (2009), Potentials of Democratization, demilitarization, industrialization, and contraception, *Journal of Economic Studies*, 36(3), 236-249.
- Miles, M. B., and Huberman, A. M. (1984), Drawing valid meaning from qualitative data: Toward a shared craft. *Educational researcher*, 13(5), 20-30.
- Minister of Finance Regulation No. 120 of 2013 about Bonded Zone (Kawasan Berikat).
- Natsir, M. (1998), *Metode Penelitian*. Jakarta: Ghalia Indonesia.
- Roulac, S., Adair, A., McGreal, S., Berry, J., Brown, L., and Heaney, G. (2005), Corporate strategic decision making: A comparative analysis of companies in the industrial and non-industrial sectors. *Journal of Property Investment and Finance*, 23(4), 364-378.
- Tambunan, T. (2007), Daya saing Indonesia dalam menarik investasi asing. In *Kerjasama Pusat Studi Industri dan UKM, Universitas Trisakti, dan Kadin Indonesia*. Disampaikan pada acara Seminar Bank Indonesia. Jakarta.
- Utomo, S.H. (2015), Analysis of Regional Supporting Force of the Development of Industrial area in order to Improve Regional Income in East Java, Indonesia. *International Journal of Financial Research*, 7(1), 219-225.