BUKTI KORESPONDENSI

ARTIKEL JURNAL TERAKREDITASI SINTA 2

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Judul Artikel   : "ANALYSIS OF COMPETITIVENESS AND EXPORT DEVELOPMENT STRATEGY FOR INDONESIA'S CREATIVE ECONOMY SECTOR IN THE ASEAN MARKET".

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Penulis   : Haryadi Haryadi; Etik Umiyati; Sony Tian Dora

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[PPD] Submission Acknowledgement

From: Junaidi Junaidi (ojs-unja@unja.ac.id)

To: haryadi_kamal@yahoo.com

Date: Saturday, January 23, 2021 at 11:06 PM GMT+7

Haryadi Haryadi:

Thank you for submitting the manuscript, "ANALYSIS OF COMPETITIVENESS AND EXPORT DEVELOPMENT STRATEGY FOR INDONESIA'S CREATIVE ECONOMY SECTOR IN THE ASEAN MARKET" to Jurnal Perspektif Pembiayaan dan Pembangunan Daerah. With the online journal management system that we are using, you will be able to track its progress through the editorial process by logging in to the journal web site:

Submission URL: https://online-journal.unja.ac.id/JES/authorDashboard/submission/11832
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If you have any questions, please contact me. Thank you for considering this journal as a venue for your work.

Junaidi Junaidi

BUKTI KONFIRMASI DAN HASIL RIVIEW

Re: [PPD] Editor Decision

From: haryadi kamal (haryadi_kamal@yahoo.com)

To: ojs-unja@unja.ac.id

Date: Tuesday, July 6, 2021 at 07:32 AM GMT+7

Assalamualaikum Wr. Wb. Dear Editors (Dr.Syaparuddin).

I hereby send an article on behalf of Haryadi to be published. I need to say that we have made revisions in accordance with suggestions and requests from the Editor team. Some of the revisions that have been made are:

1. Revising the editorial including making corrections to word writing errors.

2. Completing the literature review with theories and previous studies.

3. Added recommendation session

4. complete the reference

Thus we can convey, for thanks a lot for your kindness and

 thank you.

Warms regard

 Prof. Haryadi

> On Sunday, February 28, 2021, 11:15:16 PM GMT+7, Syaparuddin Syaparuddin <ojs-unja@unja.ac.id> wrote:
>
> Haryadi Haryadi, Etik Umiyati, Sony Tian Dhora:
>
> We have reached a decision regarding your submission to Jurnal Perspektif Pembiayaan dan Pembangunan Daerah, "ANALYSIS OF COMPETITIVENESS AND EXPORT DEVELOPMENT STRATEGY FOR INDONESIA'S CREATIVE ECONOMY SECTOR IN THE ASEAN MARKET".
>
> Our decision is: Revisions Required (major revision)

Article of Creative Industry that has been revised.docx
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Paper Review
Title: ANALYSIS OF COMPETITIVENESS AND EXPORT DEVELOPMENT STRATEGY FOR INDONESIA'S CREATIVE ECONOMY SECTOR IN THE ASEAN MARKET

Part 1: Manuscript Rating

Criteria	Score (1-10 points)
Fitness for Journal	8
Novelty	6
Creativity	7
Technical Strength	6
Language	5
Average	**6.2**

Part 2: Overall Recommendation (Color the choice in Yellow)
A. Published as is
B. Accept after minor revision
C. Reconsider after major revision
D. Rejected

Part 3: Paper Review Report
1. General comments
   Overall, this manuscript needs major revision

2. Constructive criticism
1. A literature review should include theories and previous studies in a series of discussions. Develop a literature review with as few sub-chapters as possible.
2. A literature review should include theories and previous studies in a series of discussions. Develop a literature review with as few sub-chapters as possible.
3. Add a recommendation section
4. The titles of articles and books that are not in English do not need to be translated into English. Use the original language.
5. In some cases, the language used must be grammatically correct in English.
6. Another comment: check the rest of the comments in the manuscript

ANALYSIS OF COMPETITIVENESS AND EXPORT DEVELOPMENT STRATEGY FOR INDONESIA'S CREATIVE ECONOMY SECTOR IN THE ASEAN MARKET

Abstract. The main objectives of of this study are (1) to analyze the competitiveness of Indonesian exports in the ASEAN market (2) to formulate a strategy that will be able to support the export competitiveness of Indonesia's creative economy. Revealed Comperative Advantage, Acceleration Ratio, Export Competitveness Index and SWOT analysis (to determine a creative economy export development strategy by using Quantitative) were used as tools of analysis. in this study, we focused our examination in the subsectors of architectures, movies, animation and video, craft, culinary, music, fashion, publishing and art. Based on the results, we conclude that all subsectors have export competitiveness in the ASEAN market. Among them, craft and culinary appears as subsectors that have a strong competitiveness and meet all the criteria of analysis. The results also show that SO strategy (growth) could be chosen as a strategy in developing the creative economy.

Keywords : *ASEAN, Export Competitiveness, Accelereation Ratio, Creative economy, and SWOT Analysis*

1. INTRODUCTION

Economic growth is one of the most important indicators in measuring the achievement of the national economy of a country. One of that indicators that can be used to trigger the growth is export. Salvatore (2014) states that export can become an engine of growth. Many reseaches such as Balassa (1978); Nushiwat (2008); Sumiarty (215); Mimuna (2017); Athanasia et.al (2020); Mohamed and Abdelgadir. (2020); Johnson and Olatunde (2020); Byoungki et.al. (2020); Genesis (2020); Herzer (2010) ; Sannassee (2014); Athanas (2020) prove that export has been an important part of government effort in trigering an economic growth.

Indonesia is one of the countries that continues to encourage exports. Hitorically until 1986, Indonesia still relied its exports on oil sectors. This become a phenomenon in Indonesia. Since oil price tended to fall, Indonesia has changed its export orientarion to non oil exports. Starting from 1987, Indonesian export has been dominated by non oil exports.

Theoretically development of exports is affected by various factors, both from domestic and overseas. Based on Indonesian statistics (2016), during the period 2010 to 2015, Indonesia's non-oil and gas exports tended to decline continuously. Some of influencing factors include: the economic crisis in America and Europe, unstable global market conditions, and an increase in production costs due to price increases that are thought to have contributed to the decline in non-oil and gas exports.

To overcome the problem of declining exports, the Indonesian government has launched a breakthrough by encouraging the creative industry to appear as a

mainstay of Indonesian exports. In line with this policy, the government has launched a "creative economy program" which is expected to become the backbone of the Indonesian economy. Unlike other sectors that are highly dependent on the exploitation of natural resources, the power of the creative economy rests on the superiority of human resources (Bekraf, 2017). The presence of the creative economy is believed to have a positive impact on forming the image and identity of the nation, increasing competitive advantage and providing a positive social impact (Agung, 2014).

The development of export-based creative economy as well as the human resource based on science and technology has great potential to encourage re-growth of the Indonesian economy (Maimuna, 2017). More over, Exports creative economy showed an increase from year on year (Table 1). During the period 2010 to 2015, the export value of the creative economy continued to increase. The largest increase occurred in 2014 amounting to US $ 19,364 million (Arina, 2016).

The role of the creative economy in Indonesia's non-oil and gas exports is very promising. During this period, Indonesia's total exports grew by an average of 11.56% and 9.63%, respectively. These encouraging conditions will continue into 2020. In the first quarter, creative industry exports have grown by 17.05 percent (Iwan, 2017). This development is expected to offset the decline in the export contribution of other commodities that has shown a relative decline during the era of the COVID-19 pandemic (Bekraf, 2020).

Table 1. The export value of Indonesian creative economy and Indonesia total exports in 2010- 2015

	Description	2010	2011	2012	2013	2014	2015
Export value	Ecraf (million US $)	13 507	15 641	15 840	15 871	18 165	19 364
	Total exports (sales of US $)	157 779	203 497	190 020	182 551	175 980	150 366
Craft	For non-oil exports (%)	10.41	9.65	10.09	10.59	12.45	14.69
Export	For Export Total (%)	8.56	7.69	8.13	8.69	10.32	12.88
Changes in Exports	Ecraft (%)	-	15.8	-1.29	2,79	14.46	6.6
	Total Exports (%)	-	28.98	-6.62	-3.93	-3.6	-14.55

Source: Bekraf, Agency Creative Economy and the Central Bureau of Statistics. (2017)

To encourage the growth and development of creative industry exports, the factors influencing it must be considered. One of the factors affecting the export is competitiveness. This is becoming increasingly important considering the competition in the international market, including the ASEAN market, will be tighter. Asean Economic Community (AEC) can indeed be a threat to business actors if it is not accompanied by an increase in competitiveness. Moreover, the Indonesian market could also come under attack from foreign products. This will also cause a high competition in the creative economy trade in the future. This topic is important to discuss so that the export of creative industries can become one of the mainstays of Indonesia's exports.

The main objectives of of this study are (1) to analyze the development of exports of creative economy in the ASEAN market, competitive conditions and the position of creative economy subsectors Indonesia, (2) to formulate a strategy that will be able to support the export competitiveness of Indonesia's creative economy.

2. LITERATURE REVIEW

2.1. Export concepts and theories

As a variable forming GDP, exports occupy an important position in the national economy (Haryadi, 2014). Exports are important because they are a contributor to a country's foreign exchange. In various literatures, exports are said to be the driver of economic growth.Therefore, various studies have shown that there is a positive relationship between exports and economic growth.

Various literatures state that the foreign exchange rate, inflation, GDP of the destination country, the income of the destination country. Apart from these factors, government policies are also very much needed. In other literary sources it is also stated that to encourage exports, a country must have competitiveness and its products must have advantages compared to products of other countries. With these advantages, domestic products will be able to compete with products from other countries. Research results by Amalia and Firdaus (2014); Bathanasia and Trevor (2016);.Fadhlan & Suharno (2015); Meidiana et.al. (2014). Ghalib and Darwanto (2015) prove that competitiveness has a positive effect on a country's exports

2.2 The Concept of Economic Competitiveness

The discussion regarding the concept of competitiveness cannot be separated from the evolution of the competitiveness theory itself. At first, the theory of competitiveness specifically discusses the ability of a company to survive in a dynamic market. From the theory of competitiveness at the company level in a country, then it develops into a competitiveness concept between countries. According to Heckscher-Ohlin (1990), the factors of production which are generally categorized as land, labor and capital are too general to be able to show competitive advantages in the strategies of different industries. Another competitiveness theory is Porter's theory of competitive advantage. According to Porter (2000), comparative advantage can be found at the company level and at the national level. There are four things in building the advantages of a country described by Porter as a diamond-shaped scheme, namely the condition of factors such as skilled personnel and infrastructure, conditions of domestic demand and quality demands for certain industrial products, the existence of competitive and supporting industries that are competitive, and strategy, structure and competition between companies. In addition, there is a significant correlation with the variable role of government in creating a competitive advantage.

To develop competitiveness, a strategy is needed. The SWOT (Strength-Weakness-Opportunity-Thread) matrix can be used as a tool to determine strategies in developing competitiveness. This matrix is an important matching tool to help managers develop four types of strategies (Purwanto, 2008). The types of strategies referred to are: 1. SO (Strengths Opportunities) strategy is a strategy that the company uses by utilizing or optimizing its strengths (S) to take advantage of various opportunities / Opportunities (O). 2. WO (Weaknesses Opportunities) strategy is a strategy that the company uses to minimize the existing weaknesses / Weaknesses (W) to take advantage of opportunities/Opportunities (O). 3. ST (Strengths Threats) strategy is a strategy that companies use by utilizing or optimizing their Strengths (S) to reduce the various threats / Threats (T) that may

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surround the company. 4.WT (Weaknesses Threats) strategy is a strategy used to reduce weaknesses (W) in order to minimize or avoid threats / Threats (T).

SW OT	Strengths Internal Strengths	Weakness Internal Weaknesses
External Opportunity	SO strategy	WO Stategy
External Threats	ST strategy	WO strategy

2.3. Creative economy

The term or concept of the creative economy was first introduced by John Howkins (2001) stated that the emergence of a new economic wave based on creativity after seeing in 1997 the United States produced US $ 414 billion worth of Intellectual Property Rights (IPR) products, making IPR the number one export item in the United States. In Indonesia itself, the development of the creative economy began in 2006 when President Susilo Bambang Yudhoyono instructed the development of the sector (Dellyana et.al. (2015).

This development process was manifested for the first time with the formation of the Indonesian Design Power by the Ministry of Trade to help develop the creative economy in Indonesia. In 2007, Indonesian Creative Industry Contribution Mapping Study was launched at the Trade Expo Indonesia. And so on, until the establishment of BEKRAF by President Joko Widodo in 2015 (Bondan, 2015). The creative economy in Indonesia is currently in the spotlight because it contributes significantly to the economy in Indonesia, based on BEKRAF data, the contribution of the creative economy to Indonesia's 2017 gross domestic product is 7.28% (Dina, 2015).

3. RESEARCH METHODS

This study uses secondary data (time series data). Those data is obtained from Ekraf (Creative Economy Buerau), the United Nations Commodity and Trade Database (UNComtrade), and the previous studies 2010-2019.

To gauge a level of competitiveness, Revealed Competitive Advantage (RCA) has been used. The greater the coefficient of RCA index for a commodity, the stronger its competitiveness. It means that these subsectors is feasible to be developed, or the country must specialize on the sub-sectors in order to be able to compete in the ASEAN market. The formula used is:

$$\text{RCA index} = \frac{Xij/A_i}{X_{tj}/At}$$

Where: Xij = The value of exports subsector i j countries to the ASEAN market

X_{tj} = j country's total export value to ASEAN market

A_i = Value of ASEAN exports to the sub-sector i

At = total export value of ASEAN

i = Subsector studied creative economy

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To measure the ==seize== of market, we use the formula namely (AR). If AR is close to or more than one, it means that subsector of these countries can size the market. Vice versa, if AR is less than zero or close to -1 , it means nothing to grab market share suppliers so that the state can not seize the market (Fajar, 2013). Mathematically, AR can be formulated as follows:

$$AR = \frac{Trend\ Xij + 100}{Trend\ Xib + 100}$$

Where: Xij = Value of export subsectors i country j into ASEAN market

Xib = Value of ASEAN exports to the sub-sector i

i = Subsector studied creative economy

Analysis of export competitiveness index (ECI) has been used in measuring a trend of competitiveness**.** If the value of ECI a subsector greater than one (the value of ECI> 1), the sub-sector is facing an increasing competitiveness trends in the ASEAN market, whereas if the value is smaller than the ECI (ECI value <1) (Fajar, 2013). ECI can be formulated as follows:

$$ECI = \frac{\left(\frac{Xij}{Ai}\right)t}{\left(\frac{Xij}{At}\right)t-1}$$

Where: Xij = The value of exports subsector i countries j to the ASEAN market

Ai = Value of ASEAN exports to the sub-sector i

t = Year 2010-2015

t-1 = previous year

i = Subsector studied creative economy

Grouping subsector creative economy

The results of the three analyzes will be grouped into two categories (subsectors are competitive and not competitive).

Table 2. Grouping matrix subsector creative economy competitiveness

Criteria			==criteerion==
RCA	AR	ECI	
More than 1	More than 0	More than 1	Competitive Strong
More than 1	More than 0	Less than 1	Competitive
More than 1	Less than 0	More than 1	Competitive
Less than 1	More than 0	More than 1	Competitive
More than 1	Less than 0	Less than 1	Not Competitive
Less than 1	More than 0	Less than 1	Not Competitive
Less than 1	Less than 0	More than 1	Not Competitive
Less than 1	Less than 0	Less than 1	Very Not Competitive

Analysis strenghts, weaknesses, opportunities, threats (SWOT)

SWOT analysis is used to identify the various factors systematically formulating a corporate strategy in order to be able to compare between external factor opportunities and threats to internal factor strengths and weaknesses. Internal and external factors incorporated into the matrix of IFAS and EFAS (Rangkuti, 2016). Once the matrix of factors internal and external strategy finalized Creative Economy can be developed quantitatively through calculation of SWOT analysis.

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The calculations are carried out in several stages, namely:

1. Give weight to each factor in column a, from 1.0 (very important) to 0.0 (not important). How to determine the weight of each indicator from internal and external factors, namely by using a priority scale starting from 4 (very important), 3 (important), 4 (quite important) and 1 (not important) on positive variables. Meanwhile, negative variables are given the opposite value, namely 1 (very important), 2 (important), 3 (quite important), and 4 (not important). Then multiply the priority scale value (SP) by the constant (K). The determination of the constant value is based on the highest value, namely 4, with the assumption that all indicators are considered good. Each value of SP x K is divided by the total value of SP x K to obtain the weight value.
2. Give a rating (in column b) for each factor by giving a scale ranging from 4 (very good) to 1 (below average). The rating for the strength and opportunity factors is positive (the greater the strength and opportunity is given a rating of 4, but if the strength and opportunity are small, it is given a rating of 1). Weakness and threat rating is the opposite. For example, if the score for the weakness and threat is very large, the rating is 1 and if the weaknesses and threats are low the rating is 4.
3. Multiply the weight in column a by the rating in column b to get the score (c) for each factor.
4. Subtracting the total number of factors S and W and the factor O and T, the resulting difference between the factors S and W then becomes the value or point on the X axis, while the difference between the factors O and T becomes the value or point on the Y axis. .
5. Looking for the position of the creative economy sector indicated by the point (x, y) in the SWOT quadrant / diagram as a strategy determination.

4. RESULTS AND DISCUSSION

4.1. Analysis of the competitiveness of creative economy subsectors Indonesia in the ASEAN market

Table 3 shows that all sub-sectors meet the criteria for being a competitive sector. However, among all sectors, Craft and Culinary meets the criteria as a Strong competitive creative industry. This indication is shown by the fulfillment of the three analysis criteria used (RCA, AR, and ECI). Based on these findings, this commodity is very necessary and is a top priority that needs to be developed in the ASEAN market. meanwhile, architecture, film, animation, and video, music, fashion, publishing and fine arts meet only two of the three competitiveness criteria. this group still needs to be developed but occupies the second priority to be developed.

Table 3. Grouping matrix of subsector of Indonesian creative economy competitiveness in the ASEAN Market

No.	subsector	RCA	AR	ECI	Criteria
1	Architecture	0.940	0.922	3.027	Competitive

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No	Subsector				
		Less than 1	More than 0	More than 1	
2	Film, Animation and Video	0,017	3.404	2.791	Competitive
		Less than 1	More than 0	More than 1	
3	Craft	1.49	1.097	1.109	Competitive Strong
		More than 1	More than 0	More than 1	
4	Culinary	1.335	1.073	1,071	Competitive Strong
		More than 1	More than 0	More than 1	
5	Music	0.023	1.267	1.222	Competitive
		Less than 1	More than 0	More than 1	
6	Fashion	2.295	0.964	0.965	Competitive
		More than 1	More than 0	Less than 1	
7	Publishing	0.205	1,287	1.292	Competitive
		Less than 1	More than 0	More than 1	
8	Art	1.196	0.926	0.936	Competitive
		More than 1	More than 0	Less than 1	

Source: UNComtrade (processed), 2017

4.2. Prioritization strategies that support the export competitiveness of the creative economy sector

Mapping priority creative economy development strategies in Indonesia in order to support the increased competitiveness of exports carried out by using factor analysis of the Internal and External Factors, namely IFAS and EFAS. Once the matrix of factors internal and external strategy finalized Creative Economy can be developed quantitatively through calculation Quantitative SWOT analysis.

Table 4 shows the results of determining the weight of the internal factors of the creative economy. As shown in Table 4, abundant natural resources and the presence of local raw materials have the highest weight because these factors are a priority scale for the development of the creative economy. This means that this subsector is a very important force in advancing the creative economy. Meanwhile, the biggest weaknesses in the creative economy are: there is still an assumption that the creative economy sector is not a promising place to work and there is still weak product design both in terms of quantity and quality.

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Table 4. Determining the weight of internal factors of the creative economy

No.	Internal factors Strength	Scale Priority (SP)	Cons-tants (K)	SP x K	Weight
1	Potential residents and population	3	4	12	0.10
2	Rich culture and heritage	3	4	12	0.10
3	Abundant natural resources and attractive	4	4	16	0.13
4	Creative economy in all regions of the country	3	4	12	0.10
5	Most creative industrial raw materials instead of imported, but it comes from a local	4	4	16	0.13
No.	Weakness				
1	Weak in product design, both in number and quality of job design	3	4	12	0.10
2	Weak in product pengomersialisasian	2	4	8	0.07
3	Lack of understanding of the production and business manajamen	2	4	8	0.07
4	Work ethic and productivity are still lacking	1	4	4	0.03
5	Considers that the creative economy is not the place promising career	4	4	16	0.13
6	Lack of creative economy development movement that touches the lower level and a new stage of discourse	1	4	4	0.03
	Total SP x K			120	1.00

Table 5 shows the simulation results of calculations using the creative economy subsector IFAS matrix. From Table 5, it can be seen that the score for the strength factor is 1.78 and the score for the weakness factor is 0.60. Based on this table, it can be interpreted that the strengths in the development of Indonesia's creative economy are actually higher than the weaknesses they have. Quantitatively, the difference is 1.18.

Table 5. Internal matrix factor analysis summary (IFAs) sectors of the creative economy

No	Internal factors Strength	Weight	rating	Score
1	Potential residents and population	0.10	4	0.4
2	Rich culture and heritage	0.10	3	0.3
3	Abundant natural resources and attractive	0.13	4	0.52
4	Creative industries are scattered in various regions of the country	0.10	3	0.30
5	Most creative industrial raw materials instead of imported, but it comes from a local	0.13	2	0.26
	total Power			1.78
No	Weakness			
1	Weak in product design, both in number and quality of job design	0.10	1	0.10

2	Weak in product pengomersialisasian	0.07	2	0.14
3	Lack of understanding of the production and business manajamen	0.07	2	0.14
4	Work ethic and productivity are still lacking	0.03	1	0.03
5	Considers that the creative economy is not the place promising career	0.13	1	0.13
6	Lack of creative economy development movement that touches the lower level and a new stage of discourse	0.03	2	0.06
	total weakness			0.60
	Difference Total Total Strength with Weakness			1.18

Table 6 shows the results of determining the weight of the internal factors of the creative economy. As shown in Table 6, a growing tendency enthuses creative economy outcomes has a highest weight score (0.18), followed by market share and consumers expectation with weight 0.14 respectively. This means that the opportunity in developing economy creative more than this subsector is a very important force in advancing the creative economy. Meanwhile, the biggest weaknesses in the creative economy are: there is still an assumption that the creative economy sector is not a promising place to work and there is still weak product design both in terms of quantity and quality.

Table 6. External Factors Determining Weights Creative Economy

No.	External Factors Opportunities	Scale Priority (SP)	Constants (K)	SP x K	Weight
1	The market share of the results of the creative economy, both locally, nationally and globally is likely to increase	4	4	12	0.14
2	There is a growing tendency enthuses creative economy outcomes	4	4	16	0.18
3	Consumer expectations towards creative economy higher product	3	4	12	0.14
4	Backed by their colleges in the provision of quality human resources and appropriate industry needs	2	4	8	0.09
No.	Threats				
1	Globalization and free trade that requires high competitiveness	1	4	4	0.05

No.	External Factors	Weight	rating	Score
2	Increasing competition of foreign products and the number of competitors	1	4	4	0.05
3	the quality of competitors' products is relatively higher because it uses technology devices	2	4	8	0.09
4	Technology advances faster	3	4	12	0.14
5	Less enthuses domestic product by the majority of society	3	4	12	0.14
	Total SP x K			88	1.00

Table 7 shows the results of calculations using the EFAS matrix for the creative economy sector. Based on Table 7, it can be seen that the value for the sub-sector opportunity is 1.97, while the value for the threat sector is 1.31. This means that there is a difference between the two sectors 1.31. It can be said that the opportunities for economic development are greater than that of the region

.**Table 7.** Matrix external factor analysis summary (EFAS) sectors of the creative economy

No.	External Factors Opportunities (Opportunities)	Weight	rating	Score
1	The market share of the results of the creative economy, both locally, nationally and globally tend Rises	0.14	4	0.56
2	There is a growing tendency enthuses creative economy outcomes	0.18	4	0.72
3	Consumer expectations towards creative economy higher product	0.14	3	0.42
4	Backed by their colleges in the provision of quality human resources and appropriate industry needs	0.09	3	0.27
	total Opportunities			1.97
No.	Threats (Threaths)			
1	Globalization and free trade that requires high competitiveness	0.05	2	0.10
2	Increasing competition of foreign products and the number of competitors	0.05	1	0.05
3	the quality of competitors' products is relatively higher because it uses technology devices	0.09	1	0.09
4	Technology advances faster	0.14	2	0.28
5	Less enthuses domestic product by the majority of society	0.14	1	0.14
	total Threats			0.66
	Difference Total Total Opportunities with Threats			1.31

Based on the identification of these factors and the determination of the difference in scores, it can be seen that IFAS and EFAS are positive. Based on these

results, then depicted in the SWOT diagram, where the strength and opportunity factors are given a positive value (+), while the weakness and threat factors are given a positive value (+) as well. The diagram is presented in Figure 1.
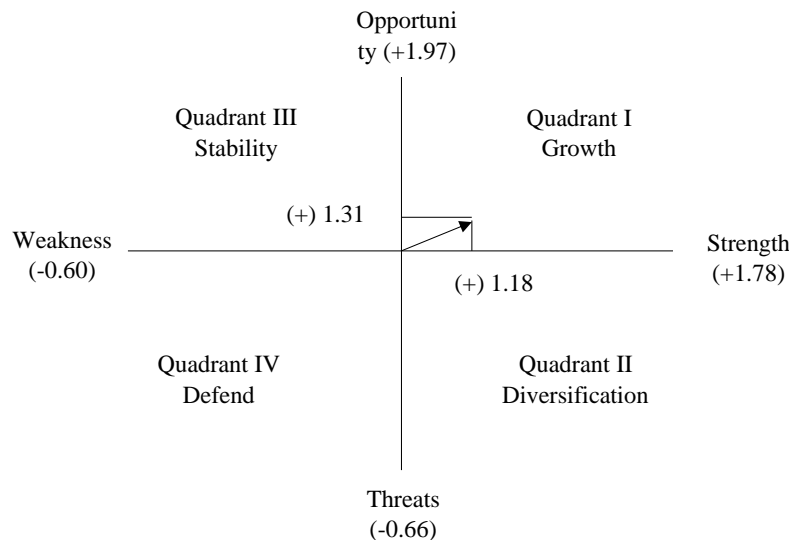

Figure 1. Cartesian diagram SWOT

Based on SWOT Cartesian diagram presented Figure 1 is produced that creative economy sectors are in the first quadrant means that the creative economy development strategy is SO strategy, the strategy of using all the power to take advantage of opportunities.

This strategy is known term growth strategy (growth), the implementation of SO strategy are:
1. Improving the quality of human resources to produce products in accordance with market demand.
2. Optimizing the utilization of information and communication technology
3. Improving cooperation between creative economy with colleges
4. Increasing cooperation between creative economy.
5. Creating quality products and competitiveness of existing natural resources to gain wide market share in the ASEAN market.

5. CONCLUSION

Based on the analysis and discussion described in the previous chapter, it can be concluded that all creative economy sub-sectors have advantages. Craft and culinary are two of the most excellent creative economic sub-sectors. Based on the SWOT Cartesian diagram, the creative economy sector is in the first quadrant meaning that the creative economy development strategy is an SO strategy, namely

a strategy to use all strengths to take advantage of opportunities. For the development of the creative economy in Indonesia, this leading sector must receive serious attention. Government support can be done by facilitating access to capital, improving the quality of human resources in the creative economy sector, easy market access, and ease of regulation, so that the hope that the creative economy can become the backbone of the Indonesian economy can be realized.

Recommendation

> **Commented [LI23]:** Add a recommendation section

Reference

> **Commented [LI24]:** The titles of articles and books that are not in English do not need to be translated into English. Use the original language.

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BUKTI KONFIRMASI SUBMIT REVISI, RESPON KEPADA REVIEWER DAN ARTIKEL YANG SUBMIT

Re: [PPD] Editor Decision

From: haryadi kamal (haryadi_kamal@yahoo.com)

To: ojs-unja@unja.ac.id

Date: Tuesday, July 6, 2021 at 07:32 AM GMT+7

Assalamualaikum Wr. Wb. Dear Editors (Dr.Syaparuddin).

I hereby send an article on behalf of Haryadi to be published. I need to say that we have made revisions in accordance with suggestions and requests from the Editor team. Some of the revisions that have been made are:

1. Revising the editorial including making corrections to word writing errors.

2. Completing the literature review with theories and previous studies.

3. Added recommendation session

4. complete the reference

Thus we can convey, for thanks a lot for your kindness and

 thank you.

Warms regard

 Prof. Haryadi

> On Sunday, February 28, 2021, 11:15:16 PM GMT+7, Syaparuddin Syaparuddin <ojs-unja@unja.ac.id> wrote:
>
>
> Haryadi Haryadi, Etik Umiyati, Sony Tian Dhora:
>
> We have reached a decision regarding your submission to Jurnal Perspektif Pembiayaan dan Pembangunan Daerah, "ANALYSIS OF COMPETITIVENESS AND EXPORT DEVELOPMENT STRATEGY FOR INDONESIA'S CREATIVE ECONOMY SECTOR IN THE ASEAN MARKET".
>
> Our decision is: Revisions Required (major revision)

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105.9kB

BUKTI KONFIRMASI ARTIKEL

SUBMISSION WAS ACCEPTED

[PPD] Editor Decision

From: Junaidi Junaidi (ojs-unja@unja.ac.id)

To: haryadi_kamal@yahoo.com; haryadikamal@gmail.com

Date: Thursday, July 22, 2021 at 09:56 PM GMT+7

Haryadi Haryadi, Etik Umiyati, Sony Tian Dhora:

We have reached a decision regarding your submission to Jurnal Perspektif Pembiayaan dan Pembangunan Daerah, "ANALYSIS OF COMPETITIVENESS AND EXPORT DEVELOPMENT STRATEGY FOR INDONESIA'S CREATIVE ECONOMY SECTOR IN THE ASEAN MARKET".

Our decision is to: Accept Submission

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BUKTI KONFIRMASI ARTIKEL DIKIRIM OLEH EDITOR KE BAGIAN PRODUKSI

[PPD] Editor Decision

From: Junaidi Junaidi (ojs-unja@unja.ac.id)

To: haryadi_kamal@yahoo.com; haryadikamal@gmail.com

Date: Friday, July 30, 2021 at 12:01 PM GMT+7

Haryadi Haryadi, Etik Umiyati, Sony Tian Dhora:

The editing of your submission, "ANALYSIS OF COMPETITIVENESS AND EXPORT DEVELOPMENT STRATEGY FOR INDONESIA'S CREATIVE ECONOMY SECTOR IN THE ASEAN MARKET," is complete. We are now sending it to production.

Submission URL: https://online-journal.unja.ac.id/JES/authorDashboard/submission/11832

BUKTI ARTIKEL SUDAH PUBLISHED ONLINE

Competitiveness and export development strategy for Indonesia's creative economy sector in the ASEAN market

Haryadi Haryadi*; Etik Umiyati; Sony Tian Dhora

Faculty of Economics and Business, Universitas Jambi, Indonesia

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Abstract
The main objectives of this study are (1) to analyze the competitiveness of Indonesian exports in the ASEAN market (2) to formulate a strategy that will be able to support the export competitiveness of Indonesia's creative economy. Revealed Comparative Advantage, Acceleration Ratio, Export Competitiveness Index, and SWOT analysis (to determine a creative economy export development strategy using quantitative) were used as analysis tools. This study focused on examining the subsectors of architecture, movies, animation and video, craft, culinary, music, fashion, publishing, and art. Based on the results, we conclude that all subsectors have export competitiveness in the ASEAN market. Among them, craft and culinary appear as subsectors with strong competitiveness and meet all the analysis criteria. The results also show that SO strategy (growth) could be chosen to develop the creative economy.

Keywords: *ASEAN, Creative economy, Export competitiveness, SWOT analysis*

JEL Classification: L53, M21, O10

INTRODUCTION

Economic growth is one of the most important indicators in measuring the national economy of a country. Exports are one indicator that can be used to trigger economic growth. Salvatore (2014) states that exports can be an engine of growth. Many studies prove that exports have become an essential part of the government's efforts to spur economic growth (Nushiwat, 2008; Sumiarty, 2015; Ibrahim & Abdalla, 2020; Kollie, 2020; Akter & Bulbul, 2017; Athanasia & Trevor, 2020, Kim et al. 2020; Adelakun & Olayiwola, 2020; Herzer, 2010; Sannassee et al. 2014)

Indonesia is one of the countries that continue to encourage exports. Historically, until 1986, Indonesia still relied on its exports to the oil sector. This is a phenomenon in Indonesia. Due to the downward trend in oil prices, Indonesia has changed its export orientation to non-oil and gas exports. Since 1987, Indonesia's exports were dominated by non-oil and gas exports.

Theoretically, the development of exports is affected by various factors, both domestic and overseas. From 2010 to 2015, Indonesia's non-oil and gas exports continuously declined (BPS, 2016). Some of the influencing factors include the economic crisis in America and Europe, unstable global market conditions, and increased production costs due to price increases that are thought to have contributed to the decline in non-oil and gas exports.

To overcome the decline of exports, the Indonesian government has launched a breakthrough by encouraging the creative industry to appear as a mainstay of Indonesian exports. The government has launched "a Creative Economy Program". The program is expected to become "a backbone" of the Indonesian economy. Unlike other highly dependent sectors on natural resource exploitation, creative economy rests on human resources optimization. The creative economy is believed to positively impact forming the new image and identity of the nation, increasing competitive advantage, and providing a positive social impact (Agung, 2014).

The development of an export-based creative economy, as well as the human resource based on science and technology, has great potential to encourage the re-growth of the Indonesian economy (Maimuna, 2017). Exports creative economy showed an increase from year on year (Table 1). During the period 2010 to 2015, the export value of the creative economy continued to increase. The largest increase occurred in 2014, amounting to US $ 19,364 million (Romarina, 2016).

The role of the creative economy in Indonesia's non-oil and gas exports is very promising. During this period, Indonesia's total exports grew by an average of 11.56% and 9.63%, respectively. These encouraging conditions will continue into 2020. In the first quarter, creative industry exports have grown by 17.05 percent (Subagja, 2017). This development is expected to offset the decline in the export contribution of other commodities that have shown a relative decline during the era of the COVID-19 pandemic (BEKRAF, 2020).

Table 1. The export value of the Indonesian creative economy and Indonesia total exports in 2010- 2015

Description		2010	2011	2012	2013	2014	2015
Export value	Ecraf (million US $)	13507	15641	15840	15871	18165	19364
	Total exports (sales of US $)	157779	203497	190020	182551	175980	150366
Craft Export	For non-oil exports (%)	10.41	9.65	10.09	10.59	12.45	14.69
	For Export Total (%)	8.56	7.69	8.13	8.69	10.32	12.88
Changes in Exports	Ecraft (%)	-	15.8	-1.29	2,79	14.46	6.6
	Total Exports (%)	-	28.98	-6.62	-3.93	-3.6	-14.55

Source: BEKRAF and BPS. (2017)

The creative economy industry does not have a singular definition. The concept will continue to develop as long as there is an interaction between human creativity and intellectual, knowledge and technology. The question that appeared is "what can be the determining factor in increasing human creativity in the creative economy?". One of the factors affecting the export is competitiveness. This is becoming increasingly important considering the competition in the international market, including the ASEAN market, will be tighter.

ASEAN Economic Community (AEC) can threaten business actors if an increase in competitiveness does not accompany it. Moreover, the Indonesian market could also come under attack from foreign products. This will also cause high competition in the creative economy trade in the future. This topic is important to discuss so that the export of creative industries can become one of the mainstays of Indonesia's exports. The main objectives of this study are (1) to analyze the development of exports of the creative economy in the ASEAN market, competitive conditions, and the position of creative economy subsectors Indonesia, (2) to formulate a strategy that will be able to support the export competitiveness of Indonesia's creative economy.

LITERATURE REVIEW

As a variable forming GDP, exports occupy an important position in the national economy (Haryadi, 2014). countries in the world in an open economy rely heavily on

exports to improve the economy (Zuhdi & Suharno, 2015). Greenaway et al. (1999) examined the relationship between exports and economic growth of 69 developing countries. The results showed that there is a positive relationship between total exports and economic growth.

Various kinds of literature state that the foreign exchange rate, inflation, GDP of the destination country, the income of the destination country. Apart from these factors, government policies are also very much needed. In other literary sources, it is also stated that to encourage exports, a country must have competitiveness, and its products must have advantages compared to products of other countries. With these advantages, domestic products will be able to compete with products from other countries. Research by Amalia & Firdaus (2014), Fadhlan & Suharno (2015), Purnamasari et al. (2014). Polnaya & Darwanto (2015) prove that competitiveness has a positive effect on a country's exports.

The discussion regarding the concept of competitiveness cannot be separated from the evolution of the competitiveness theory itself. At first, the theory of competitiveness specifically discusses the ability of a company to survive in a dynamic market. The theory of competitiveness at the company level in a country develops into a competitiveness concept between countries. According to Heckscher-Ohlin (Haryadi, 2014), the factors of production that are generally categorized as land, labor, and capital are too general to show competitive advantages in the strategies of different industries. Another competitiveness theory is Porter's theory of competitive advantage. Porter & Ramirez-Vallejo (2017) stated that comparative advantage could be found at the company and national levels. There are four things in building the advantages of a country described by Porter as a diamond-shaped scheme, namely the condition of factors such as skilled personnel and infrastructure, conditions of domestic demand and quality demands for certain industrial products, the existence of competitive and supporting competitive industries, and strategy, structure, and competition between companies. In addition, there is a significant correlation with the variable role of government in creating a competitive advantage.

A strategy is needed to develop competitiveness. The SWOT (Strength-Weakness-Opportunity-Thread) matrix can be used as a tool to determine strategies in developing competitiveness. This matrix is an important matching tool to help managers develop four strategies (Purwanto, 2008). The types of strategies referred to are: 1). SO (Strengths Opportunities) strategy is a strategy that the company uses by utilizing or optimizing its strengths (S) to take advantage of various opportunities / Opportunities (O). 2). WO (Weaknesses Opportunities) strategy is a strategy that the company uses to minimize the existing weaknesses / Weaknesses (W) to take advantage of opportunities/Opportunities (O). 3). ST (Strengths Threats) strategy is a strategy that companies use by utilizing or optimizing their Strengths (S) to reduce the various threats / Threats (T) that may surround the company. 4). WT (Weaknesses Threats) strategy is a strategy used to reduce weaknesses (W) to minimize or avoid threats / Threats (T).

Furthermore, Howkins (2001) stated that the emergence of a new economic wave based on creativity after seeing in 1997 the United States produced US $ 414 billion worth of Intellectual Property Rights (IPR) products, making IPR the number one export item in the United States. In Indonesia itself, the development of the creative economy began in 2006 when President Susilo Bambang Yudhoyono instructed the sector's development (Dellyana et al. (2015).

This development process was first manifested by establishing the Indonesian Design Power by the Ministry of Trade to help develop the creative economy in Indonesia. In 2007, the Indonesian Creative Industry Contribution Mapping Study was

launched at the Indonesia Trade Expo. This success then results in the establishment of BEKRAF by President Joko Widodo in 2015 (Rambatan, 2015). The creative economy in Indonesia is currently in the spotlight because it contributes significantly to the economy in Indonesia. Based on BEKRAF data, the contribution of the creative economy to Indonesia's 2017 gross domestic product is 7.28%.

METHODS

This study uses secondary data (time series data). Those data are obtained from Ekraf (Creative Economy Bureau), the United Nations Commodity and Trade Database (UNComtrade), and the previous studies 2010-2019.

To gauge a level of competitiveness, Revealed Competitive Advantage (RCA) had been used. The greater the coefficient of the RCA index for a commodity, the stronger its competitiveness. It means that these subsectors are feasible to be developed, or the country must specialize in the sub-sectors to compete in the ASEAN market. The formula used is:

$$\text{RCA index} = \frac{Xij/A_i}{X_{tj}/At} \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots..(1)$$

Where: Xij = The value of exports subsector i j countries to the ASEAN market

X_{tj} = j country's total export value to ASEAN market

Ai = Value of ASEAN exports to the sub-sector i

At = total export value of ASEAN

i = Subsector studied creative economy

To measure the seize of the market, we use the formula namely (AR). If AR is close to or more than one, it means that the subsector of these countries can size the market. Vice versa, if AR is less than zero or close to -1, it means nothing to grab market share suppliers so that the state can not seize the market (Muslim, 2006). Mathematically, AR can be formulated as follows:

$$\text{AR} = \frac{Trend\ Xij + 100}{Trend\ Xib + 100} \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots.(2)$$

Where: Xij = Value of export subsectors i country j into ASEAN market

Xib = Value of ASEAN exports to the sub-sector i

i = Subsector studied creative economy

Analysis of export competitiveness index (ECI) has been used in measuring a trend of competitiveness. If the value of ECI is a subsector is greater than one (the value of ECI> 1), the sub-sector is facing an increasing competitiveness trend in the ASEAN market, whereas if the value is smaller than the ECI (ECI value <1) (Muslim,2006). ECI can be formulated as follows:

$$\text{ECI} = \frac{\left(\frac{Xij}{Ai}\right)t}{\left(\frac{Xij}{At}\right)t-1} \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots..\dots\dots\dots(3)$$

Where: Xij = The value of exports subsector i countries j to the ASEAN market

Ai = Value of ASEAN exports to the sub-sector i

t = Year 2010-2015

$t-1$ = previous year

i = Subsector studied creative economy

The results of the three analyzes will be grouped into two categories (subsectors are competitive and not competitive).

Table 2. Grouping matrix subsector creative economy competitiveness

Criteria			Criterion
RCA	AR	ECI	
More than 1	More than 0	More than 1	Competitive Strong
More than 1	More than 0	Less than 1	Competitive
More than 1	Less than 0	More than 1	Competitive
Less than 1	More than 0	More than 1	Competitive
More than 1	Less than 0	Less than 1	Not Competitive
Less than 1	More than 0	Less than 1	Not Competitive
Less than 1	Less than 0	More than 1	Not Competitive
Less than 1	Less than 0	Less than 1	Very Not Competitive

Analysis strengths, weaknesses, opportunities, threats (SWOT)

SWOT analysis is used to identify various factors that systematically formulate a company's strategy to be able to compare external factors, opportunities, and threats to the strengths and weaknesses of internal factors. Internal and external factors are included in the IFAS and EFAS matrices (Rangkuti, 2016). After the matrix of internal factors and external strategies is completed, the creative economy can be developed quantitatively through SWOT analysis calculations.

The calculation is carried out in several stages, namely:

1. Give each factor weight in column a, from 1.0 (very important) to 0.0 (not important). The way to determine the weight of each indicator from internal and external factors is by using a priority scale starting from 4 (very important), 3 (important), 4 (quite important), and 1 (not important) on positive variables. In contrast, the negative variables were given the opposite value, namely 1 (very important), 2 (important), 3 (quite important), and 4 (not important). Then multiply the value of the priority scale (SP) by a constant (K). The determination of the constant value is based on the highest value, which is 4, with the assumption that all indicators are considered good. Each value of SP x K is divided by the total value of SP x K to get the weighted value.
2. Give a rating (in column b) for each factor by giving a scale ranging from 4 (very good) to 1 (below average). The rating for the strength and opportunity factor is positive (the greater the strength and opportunity is rated 4, but if the strength and opportunity are small, it is rated 1). Weakness and threat rankings are the opposite. For example, if the score for weaknesses and threats is very high, then the rating is 1, and if the weaknesses and threats are low, then the rating is 4.
3. Multiply the weight in column a by the rating in column b to get a score (c) for each factor.
4. By subtracting the number of factors S and W and factors O and T, the resulting difference between factors S and W then becomes a value or point on the X-axis. At the same time, the difference between factors O and T becomes a value or point on the Y-axis.
5. Look for the creative economy sector position indicated by dots (x, y) in the SWOT quadrant/diagram as a strategy determination.

RESULTS AND DISCUSSION

The competitiveness of creative economy subsectors Indonesia in the ASEAN market

Table 3 shows that all sub-sectors meet the criteria for being a competitive sector. However, among all sectors, craft and culinary meet the criteria as a strong competitive

creative industry. This indication is shown by fulfilling the three analysis criteria (RCA, AR, and ECI). This finding is in line with Rosnawintang (2015), which states that the Indonesian food and beverage industry products have a level of competitiveness that tends to fluctuate, bread and cake products have the highest competitiveness, the highest competitiveness value of these products is in Vietnam. Based on these findings, this commodity is very necessary and is a top priority that needs to be developed in the ASEAN market. Meanwhile, architecture, film, animation, and video, music, fashion, publishing, and fine arts meet only two of the three competitiveness criteria. This group still needs to be developed but occupies the second priority to be developed.

Table 3. Grouping matrix of the subsector of Indonesian creative economy competitiveness in the ASEAN Market

No.	subsector	RCA	AR	ECI	Criteria
1	Architecture	0.940	0.922	3.027	Competitive
		Less than 1	More than 0	More than 1	
2	Film, Animation and Video	0,017	3.404	2.791	Competitive
		Less than 1	More than 0	More than 1	
3	Craft	1.49	1.097	1.109	Competitive Strong
		More than 1	More than 0	More than 1	
4	Culinary	1.335	1.073	1,071	Competitive Strong
		More than 1	More than 0	More than 1	
5	Music	0.023	1.267	1.222	Competitive
		Less than 1	More than 0	More than 1	
6	Fashion	2.295	0.964	0.965	Competitive
		More than 1	More than 0	Less than 1	
7	Publishing	0.205	1,287	1.292	Competitive
		Less than 1	More than 0	More than 1	
8	Art	1.196	0.926	0.936	Competitive
		More than 1	More than 0	Less than 1	

Source: UNComtrade (processed), 2017

Prioritization strategies that support the export competitiveness of the creative economy sector

Mapping priority creative economy development strategies in Indonesia to support the increased competitiveness of exports is carried out by using factor analysis of the Internal and External Factors, namely IFAS and EFAS. Once the internal and external strategy matrix is finalized, the creative economy can be developed quantitatively through calculation Quantitative SWOT analysis.

Table 4 shows the results of determining the weight of the internal factors of the creative economy. As shown in Table 4, abundant natural resources and local raw materials have the highest weight because these factors are a priority scale for the development of the creative economy. It means that this subsector is a very important force in advancing the creative economy. Meanwhile, the biggest weaknesses in the creative economy are: there is still an assumption that the creative economy sector is not a promising place to work, and there is still weak product design both in terms of quantity and quality.

Table 4. Determining the weight of internal factors of the creative economy

No.	Internal factors Strength	Scale Priority (SP)	Cons-tants (K)	SP x K	Weight
1	Potential residents and population	3	4	12	0.10
2	Rich culture and heritage	3	4	12	0.10
3	Abundant natural resources and attractive	4	4	16	0.13
4	Creative economy in all regions of the country	3	4	12	0.10
5	Most creative industrial raw materials instead of imported, but it comes from a local	4	4	16	0.13
No.	Weakness				
1	Weak in product design, both in number and quality of job design	3	4	12	0.10
2	Weak in product commercialization	2	4	8	0.07
3	Lack of understanding of the production and business management	2	4	8	0.07
4	Work ethic and productivity are still lacking	1	4	4	0.03
5	Considers that the creative economy is not the place promising career	4	4	16	0.13
6	Lack of creative economy development movement that touches the lower level and a new stage of discourse	1	4	4	0.03
	Total SP x K			120	1.00

Table 5 shows the simulation results of calculations using the creative economy subsector IFAS matrix. From Table 5, it can be seen that the score for the strength factor is 1.78, and the score for the weakness factor is 0.60. Based on this table, it can be interpreted that the strengths in the development of Indonesia's creative economy are higher than the weaknesses they have. Quantitatively, the difference is 1.18.

Table 5. Internal matrix factor analysis summary (IFAs) sectors of the creative economy

No	Internal factors Strength	Weight	rating	Score
1	Potential residents and population	0.10	4	0.4
2	Rich culture and heritage	0.10	3	0.3
3	Abundant natural resources and attractive	0.13	4	0.52
4	Creative industries are scattered in various regions of the country	0.10	3	0.30
5	Most creative industrial raw materials instead of imported, but it comes from a local	0.13	2	0.26
	Total			1.78
No	Weakness			
1	Weak in product design, both in number and quality of job design	0.10	1	0.10
2	Weak in product commercialization	0.07	2	0.14
3	Lack of understanding of the production and business management	0.07	2	0.14
4	Work ethic and productivity are still lacking	0.03	1	0.03
5	Considers that the creative economy is not the place promising career	0.13	1	0.13
6	Lack of creative economy development movement that touches the lower level and a new stage of discourse	0.03	2	0.06
	Total			0.60
	Difference Total Strength with Weakness			1.18

Table 6 shows the results of determining the weight of the creative economy internal factors. As shown in Table 6, the growing trend in creative economy outcomes has the highest weighting score (0.18), followed by market share and consumer expectations, with each weighting 0.14. This means that the opportunity to develop the creative economy more than this sub-sector is a very important force in advancing the creative economy. Meanwhile, the biggest weakness of the creative economy is the assumption that the creative economy sector is not a promising place to work, and the product design is still weak in terms of quantity and quality.

Table 6. External factors determining weights creative economy

No.	External Factors Opportunities	Scale Priority (SP)	Constants (K)	SP x K	Weight
1	The market share of the results of the creative economy, both locally, nationally, and globally is likely to increase	4	4	12	0.14
2	There is a growing tendency enthuses creative economy outcomes	4	4	16	0.18
3	Consumer expectations towards creative economy higher product	3	4	12	0.14
4	Backed by their colleges in the provision of quality human resources and appropriate industry needs	2	4	8	0.09
No.	Threats				
1	Globalization and free trade that requires high competitiveness	1	4	4	0.05
2	Increasing competition of foreign products and the number of competitors	1	4	4	0.05
3	the quality of competitors' products is relatively higher because it uses technology devices	2	4	8	0.09
4	Technology advances faster	3	4	12	0.14
5	Less enthuses domestic product by the majority of society	3	4	12	0.14
	Total SP x K			88	1.00

Based on Table 7, it can be seen that the value for the sub-sector opportunity is 1.97, while the value for the threat sector is 1.31. This means that there is a difference between the two sectors 1.31. According to Rangkuti (2019), the industry has responded to the opportunities around it by avoiding threats in its industrial market. Lestariningsih et al. (2017) three dimensions in sustainable development include economic growth, social development, and environmental sustainability. The development of creative industries make a positive contribution to the business climate, the creation of innovation, and the formation of creativity which is supported in terms of (1) HR as the basic capital, (2) Industry, (3) Technology, (4) Resources, (5) Institutions, and (6) Financial institutions. In addition, the role of business and the role of government is very much needed to support and develop the creative industry in MSMEs. It can be said that the opportunities for economic development are greater than that of the region

.**Table 7.** Matrix external factor analysis summary (EFAS) sectors of the creative economy

No	External Factors Opportunities (Opportunities)	Weight	rating	Score
1	The market share of the results of the creative economy, both locally, nationally, and globally, tend to rises	0.14	4	0.56
2	There is a growing tendency enthuses creative economy outcomes	0.18	4	0.72
3	Consumer expectations towards creative economy higher product	0.14	3	0.42
4	Backed by their colleges in the provision of quality human resources and appropriate industry needs	0.09	3	0.27
	Total			1.97
No	Threats (Threats)			
1	Globalization and free trade that requires high competitiveness	0.05	2	0.10
2	Increasing competition of foreign products and the number of competitors	0.05	1	0.05
3	The quality of competitors' products is relatively higher because it uses technology devices	0.09	1	0.09
4	Technology advances faster	0.14	2	0.28
5	Less enthuses domestic product by the majority of society	0.14	1	0.14
	Total			0.66
	Difference Total Total Opportunities with Threats			1.31

Based on identifying these factors and determining the difference in scores, it can be seen that IFAS and EFAS are positive. Syarif et al. (2015) stated that this indicator is very useful for knowing profitable opportunities and strategies to take advantage of existing opportunities. The strategy that must be applied in this condition is to support an aggressive growth policy. These results are then depicted in the SWOT diagram, where the strength and opportunity factors are given a positive value (+). At the same time, the weakness and threat factors are given a positive value (+). The diagram is presented in Figure 1.

Based on the Cartesian SWOT diagram presented in Figure 1, the creative economy sector is located in the first quadrant. It is meaning that the creative economy development strategy is the SO strategy, namely the strategy of using all strengths to take advantage of opportunities. This development strategy is very well implemented, focusing on developing creative knowledge from human resources through training and matters relating to increasing creativity and growing an entrepreneurial spirit. And creativity in creative packaging industries and tourist destinations is in the form of 3 things: something to do, something to see, and something to buy (Nurchayati & Ratnawati, 2016). This is also in line with Rini & Czafrani's research (2010) that youth are the main force and actor in selling Indonesian cultural diversity, especially in the creative economy sector. Through this, it is hoped that young people can face the challenges of globalization by not losing their identity as Indonesian youth and succeeding in the global market.
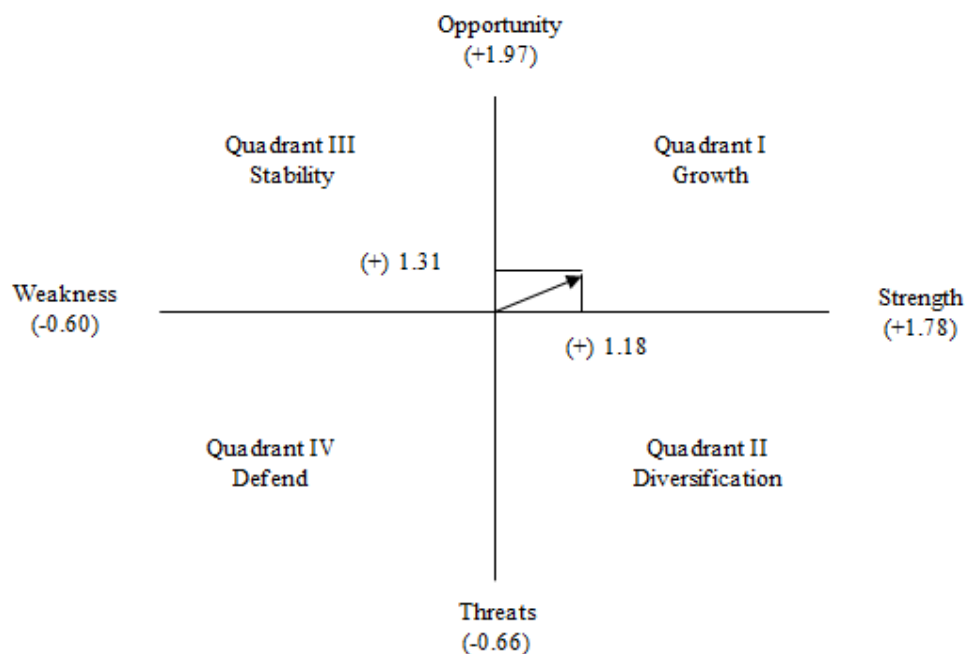

Figure 1. Cartesian diagram SWOT

This strategy is known as the term growth strategy. The implementation of SO strategy are:
1. Improving the quality of human resources to produce products in accordance with market demand.
2. Optimizing the utilization of information and communication technology
3. Improving cooperation between a creative economy with colleges
4. Increasing cooperation between creative economy.

5. Creating quality products and competitiveness of existing natural resources to gain wide market share in the ASEAN market.

Jodi et al. (2019), the creative industry sector is unique because it relies on human resources' creativity and innovation power in the production process. This finding is consistent with Hesty & Indra (2020), which, in addition to prioritized human resources, must increase the availability of potential resources and partnerships and control market changes quickly.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

All sub-sectors of the creative economy have advantages. Crafts and culinary are the two most superior creative economy sub-sectors. Based on the Cartesian SWOT diagram, the creative economy sector is in the first quadrant. The creative economy development strategy is an SO strategy, which is a strategy to use all strengths to take advantage of opportunities. For the development of the creative economy in Indonesia, this leading sector must receive serious attention from the government. facilitate access to capital, improve the quality of human resources in the creative economy, ease of market access, and ease of regulation, so that it is hoped that the creative economy can become the backbone of the Indonesian economy

Recommendations

The government must play a major role and cooperate with relevant agencies and creative economy actors in developing the creative economy. Creative economy development aims to improve the quality of human resources by utilizing Indonesia's natural resources to create quality and competitive products.

Indonesia's creative economy must have wider export destinations than before. So far, Indonesia's creative economy export destinations are more focused on the Malaysiaan and Singaporean markets.

Based on the analysis of RCA, AR, and ECI that those who meet the three criteria are culinary and crafts, the development of these sub-sectors must be further improved in terms of product quality, price, raw materials, and quality packaging so that the sub-sector continues to be competitive with foreign products and able to seize the ASEAN market

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