



**USAID**  
FROM THE AMERICAN PEOPLE



**SENADA**  
INDONESIA COMPETITIVENESS PROGRAM

# PRESENTATION

RESULTS OF HOME ACCESSORIES INDUSTRY SURVEY AND INTERVIEWS

**SEPTEMBER 2007 – STTA INDAH R. MURNIHATI**

THIS PUBLICATION WAS PRODUCED FOR REVIEW BY THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT. IT WAS PREPARED BY **DAI**

# PRESENTATION

RESULTS OF HOME ACCESSORIES INDUSTRY SURVEY AND  
INTERVIEWS

**DISCLAIMER**

THE AUTHOR'S VIEWS EXPRESSED IN THIS PUBLICATION DO NOT NECESSARILY REFLECT THE VIEWS OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT OR THE UNITED STATES GOVERNMENT.

# PRESENTATION

THE RESULT OF THE SURVEY  
AND INTERVIEW

# THREE CATEGORIES

- EXPORTERS
- SUBCONTRACT
- CRAFTSMEN

# EXPORTERS

- Exporters are trading companies which usually export the products directly to the buyers (importers) overseas. Usually, the companies have connection with agents (buying agents). The exporters do not have special products. They serve buyers' demand. Therefore, in transaction they can order different kinds of products at the same time in a big amount. For example, in home accessories, they can order products from ceramics, natural fibers and woods at the same time.
- Exporters must have legality and official permission. They have already understood about being exporters, for example, delivery time, better quality, finishing, good packaging and packing. Usually, exporters have already had LC as a means for payment. They also have their own budget to join national or international exhibition such as Tendece, Ambiente, California Gift Show and others. They are used to join the exhibition by their own budget or even budget from the government.
- However, during my survey, I found a crucial problem. Most of the companies do not have official certification. They do not realize the importance of having certification for the company. From all the companies that I have surveyed, only 5% of the companies realize that they need and already have the certification.
- Most of the exporter companies use online system. They have internet access because they have realized the importance of maintaining the communication and relationship with buyers.

- Exporters or trading houses usually have ten subcontracts or more. Therefore, if one exporter company has ten subcontracts and one subcontract has one hundred craftsmen we can conclude that in one trading house, it has one thousand craftsmen with different skills who support the company.
- Exporters usually have minimum three until ten billion rupiahs of total sales revenue in a year. For the exporters below three billion they usually have some problems such as inadequate cash flow when there are many big orders. Furthermore, for some exporters with total sales revenue between three until six billion rupiahs, I still can find a problem in financial while there are many orders.
- Another problem also happened in Cirebon. When I visited Cirebon, I met some big rattan exporters who reduce the production because they do not have enough order. Nowadays, Cirebon is not as crowded as three or six years ago because now the government has already allowed people or companies to export the raw materials of rattan.
- In addition, exporters have some or many subcontracts as a supporting element when there are many orders. Therefore, trading houses and subcontracts have interrelation to one another.

# EXAMPLES OF BIG EXPORTERS

- HARPA GROUP
- LUMI CRAFT
- APIKRI
- PANDANUS INTERNUSA
- OUT OF ASIA
- PALMAE SQUARE
- HAPE ART
- CV. RATTAN AGUNG
- ANINDA
- TASHINDA PUTRA PRIMA
- MARTINO RATTAN



# EXAMPLES OF BIG EXPORTERS

- TIMBOEL KERAMIK
- RIDAKA
- LAKULAN JAYA
- NINE SQUARE
- SUWASTAMA
- ANGGUN ROTAN
- SETIA PELEM SEWU
- JOGJA CRAFT (NATURAL HOUSE PRODUCTION)
- PT. TANAMAS INDUSTRY COMUNITAS
- RAJA GAJAH OYA





# EXAMPLES OF MIDDLE EXPORTERS

KAJENG HANDICRAFT

SAIN'S CRAFT

PALEM CRAFT JOGJA

ANNA CRAFT

JALINAN JAYA

CANTIKA

ANEKA KERAJINAN PANDAN LILIT JOGJAKARTA

KABOEL CRAFT

SEAGA

MAHARANI CRAFT

# SUBCONTRACTS

- The companies are focusing in one product only. They can have some suppliers (craftsmen) with the same products. The subcontracts can also become exporters but they cannot become big exporters even though they have already had direct buyers. They have not got enough capacity to become exporters because being an ideal exporter should have some facilities such as building factory, showroom, good management, human resources and soon. However, if the company is supported by getting access to the market, they will have the potential to be a good exporter.
- Accidentally, I have surveyed some subcontracts because they have total sales revenue below 2 billion rupiahs. Physically, the showroom and the building look very big, however, their total sales revenue still below 2 billion rupiahs. On the other hand, I can find a big exporter from the small building and in rural area. Therefore, we cannot just judge the book by its cover. There are more than 200 Subcontracts in Java especially in Daerah Istimewa Jogjakarta, spread out in 4 districts and 1 town.

# EXAMPLES OF SUBCONTRACTS

- LUNAR GRAHA UTAMA
- JEMBAR JAYA RATTAN
- RIZKI AYU
- PIRSA ART
- NANDA FURNITURE AND CRAFT
- RUMAH TROPIKA ABADI

# CRAFTSMEN

They are person who can do and create something with their skill. They have ability to make a product even though they only focusing in one product. However, they do not have any innovation in making a product. Usually, they just wait for new products from the buyers including the subcontract. Craftsmen are not able to do direct export because of the limited product capacity and lack of knowledge in export, management and business. The craftsmen are divided into craftsmen and coordinator of the craftsmen. The craftsmen coordinator works as the craftsmen himself and the coordinator from many craftsmen to be stored into the subcontract exporters. There are around 15 thousand craftsmen in Daerah Istimewa Jogjakarta.

# EXAMPLES OF CRAFTSMEN

- WAHYU PUTRA
- KELAPA KELING
- TEGAL WANGI JAYA RATTAN
- BATOK JOGJA

# CONCLUSION

- During my visit in many companies, there is a correlation that should be underlined among exporters, subcontracts and craftsmen. Exporters need support from the subcontracts and craftsmen. They are interrelated one another. Craftsmen cannot create a product and make an innovation without any orders and suggestion from the subcontracts. Subcontracts cannot do production without craftsmen. The same thing also happens with exporters. Exporters cannot operate without the existence of the subcontracts while subcontracts cannot maintain and deliver products without exporters. In the data that I have found, surprisingly, some exporters have same buyers for example; Pier One, Cost Plus, Wall Mart and soon. I also found that those subcontracts also become suppliers in some big exporters which later, the products are bought by big buyers.
- The same problem that usually occurs in middle and small exporters is usually about limited financial while they have many orders. However, they still can have good access to meet direct buyers.
- The most important thing that I suggest SENADA to do for the development of the UKM so that they can develop into sustainable exporters and have certification and also have adequate capacity from all aspects is that SENADA could give training and assistance about the importance of certification and how to deal with it. SENADA could help them by giving training about how to manage the business and how to promote the company through mass and exhibition. From those three categories, SENADA could give training and assistance from the companies that I have visited.
- There are some companies which accepted me in a good way, answered the questionnaire and revealed all the problems honestly. Surprisingly, they come from middle exporters which have total sales revenue between 1,5 – 4 billion rupiahs. Moreover, some big exporters who also do the same way in exporters who have joined the association and realize the importance of training and assistance to win out a sustainable and certificated products.
- Based on my survey and interviews, I recommend ten big exporter companies and five small exporters who have potential to develop and become examples for the next project of SENADA.

# 10 BIG EXPORTERS RECOMMENDED

- **Tashinda Putra Prima**
- **Nine Square**
- **Tanamas Industry Comunitas**
- **Martino Rattan**
- **Gajah Oya**
- **Setia Pelem Sewu**
- **Timboel Keramik**
- **Out of Asia**
- **Jogja Craft (Natural Production)**
- **Hape Art**

# 5 SMALL EXPORTERS RECOMMENDED

- **Palem Craft Jogja**
- **Rizki Ayu**
- **Lunar Graha Utama**
- **Harpa Group**
- **Rumah Tropika Abadi**



# Tashinda Putra Prima

Jalan Bibis Dusun Kulon Gangin Tamantirto Kasihan Bantul Jogjakarta  
Total Sales Revenue Rp. 6,000,000,000,-



# Nine Square

Jalan Gedong Kuning Selatan 122 B  
Banguntapan Bantul Jogjakarta  
Total Sales Revenue Rp. 8,700,000,000,-



# Tanamas Industry Comunitas

Jalan Tomang Ancak Raya 10 – 12 Jakarta Barat 11430

Total Sales Revenue Rp. 86,400,000,000,000,-



# Martino Rattan

Jalan Manao No. 40 Tegalwangi Jawa Barat

Total Sales Revenue Rp. 8,000,000,000,-



# Raja Gajah Oya

Jalan Prambanan – Piyungan Km. 3,5 Bokoharjo,  
Prambanan, Sleman Jogjakarta 55572  
Total Sales Revenue Rp. 38,400,000,000,-



# Setia Pelem Sewu

Pelem Sewu Baru Estate Blok S no. 8 – 9 Sewon Bantul  
Jogjakarta

Total Sales Revenue Rp. 12,960,000,000,-



**Timboel Keramik**  
Bangunjiwo Kasihan Bantul  
Total Sales Revenue Rp. 7,000,000,000,-



# Out of Asia

Tembi, jalan Parangtritis Km. 8,5 Bantul Jogjakarta  
Total Sales Revenue Rp. 4,000,000,000,-





# Jogja Craft (Natural Production)

Desa Kasongan Tirtonirmolo Kasihan Bantul Jogjakarta

Total Sales Revenue Rp. 5,760,000,000,-



# Hape Art

Jalan Hasanudin Sugihwaras III no. 9 Pekalongan Jawa Tengah

Total Sales Revenue Rp. 3,000,000,000,-



# Palem Craft Jogja

Jalan KHA. Dahlan 8 Jogjakarta 55122  
Total Sales Revenue Rp. 2,000,000,000,-



# Rizki Ayu

Jalan Parangtritis Km. 6 Prancak Glondong Sewon Bantul  
Total Sales Revenue Rp. 1,300,000,000,-



# Lunar Graha Utama

Jalan Palagan Tentara Pelajar Km. 10,2 no. 45 Sleman  
Jogjakarta 55581

Total Sales Revenue Rp. 1,104,000,000,-



# Harpa Group

Jalan Kanggotan RT 05 RW 05 Pleret Bantul Jogjakarta  
55791

Total sales revenue Rp. 5,000,000,000,-



# Rumah Tropika Abadi

Jalan Palagan Tentara Pelajar Km. 9 Ngaglik, Sleman,  
Jogjakarta

Total Sales Revenue Rp. 800,000,000,-

