

Analysis of Investment Potential in The West Part of Jambi Province

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Abstract. *This study aims to provide accurate information about business fields, commodities and potential in Jambi Province to investors (investors). Therefore this research is needed so that the level of development in Jambi Province is right on target. The scope of this research area covers all locations of Sarolangun Regency, Merangin Regency, Bungo Regency, Tebo Regency, Kerinci Regency and Sungai Penuh City. The type of data used is the type of secondary data obtained from interviews and data from related agencies in the Province of Jambi in 2017. Based on the research results obtained that: (1) Jambi Province is one of the provinces geographically has a very strategic location, supported by land and sea and air transportation facilities and infrastructure including the Trans Sumatra national road and so on. Jambi Province is included in the IMT-GT growth triangle Economic Zone (KESR). (2) The results of the SWOT analysis that have been carried out show the potential investment results in Jambi Province are in Quadrant III (negative, positive) between strategic issues on internal factors of weakness and opportunity external factors, which in this position indicates that in terms of investment the Province of Jambi has several weaknesses but has great opportunities for investment development in Jambi Province. (3) Based on the results of the 2018 Klassen Typology analysis of 6 (six) regencies/cities that are the study areas, including Merangin Regency, Sarolangun Regency, Bungo Regency, Tebo Regency, Sungai Penuh and Kerinci District showing that only Sungai Penuh City is included the classification of Fast-Forward and Fast-Growing Regions, with a rate of economic growth and per capita income higher than the provinces. For regions that are classified as fast developing regions are Sarolangun Regency, Bungo Regency, Tebo Regency, Merangin Regency and Kerinci Regency. Although it has a lower per capita income than the provincial per capita income, the economic growth rates of the five districts are higher than the provincial economic growth rate. The area is an area that can develop rapidly with very large development potentials but has not been fully processed properly*

Keywords: *regional investment potential, regional economy, regional income*

INTRODUCTION

Based on these conditions, the external factors identified to affect the economy of Jambi Province are: First, the strengthening of the globalization of the world economy and the establishment of regional economic zones in several countries: Malaysia, Singapore, Thailand, China and in many other countries; this phenomenon will result in increasingly fierce competition in terms of attracting investment, trade, tourism and plantations between countries. Second, less expansive national fiscal and monetary policies, which will affect the activities of the real sector. Third, there are still distortions of trade between regions and trans-national; this activity more or less affected the smooth distribution of goods to Jambi Province and in turn had an impact on the level of infiltration. Fourth, limited state finances; this condition will affect the ability of regional development financing.

METHODS

The scope of work is divided into the scope of the area and the scope of activities of all fields / sectors related to the investment potential of the 6 Regencies and Cities of West Jambi Province, namely the Regencies of Tebo, Muaro Bungo, Merangin, Sarolangun, Kerinci and Sungai Penuh City. LQ analysis measures the concentration of an economic activity in an area by comparing its role in the economy of the region with the role of similar economic activities on a broader scope (regional or national). Klassen's Tiplogi Analysis or Four Quadrant Analysis is used to see the position of a district / city against the province in terms of per capita GRDP as well as economic growth. This analysis can also be used to look at the position of a region and the comparability of positions between regions presented, both in one year and from year to year.

RESULT

Table 1
Klassen Typology Analysis Study Area 2018

No.	Regency/City	Economic Growth (%)		Income per Capita (Rp)		Regional Typology (Kuadran)
		Reg/ City	Province	Reg/ City	Province	
1.	Merangin	5.55	4.64	Rp 35.893.000,44	Rp 54.366.000,23	III
2.	Sarolangun	4.69	4.64	Rp 46.469.602,23	Rp 54.366.000,23	III
3.	Kota Sungai Penuh	6.51	4.64	Rp 71.800.135,28	Rp 54.366.000,23	I
4.	Bungo	5.67	4.64	Rp 44.521.000,00	Rp 54.366.000,23	III
5.	Tebo	5.60	4.64	Rp 37.890.355,04	Rp 54.366.000,23	III
6.	Kerinci	6.03	4.64	Rp 38.074.659,60	Rp 54.366.000,23	III

Resource : Central Berau Of Statistic.2018. Jambi Provinces.

Based on analysis from several districts, it is known that only Sungai Penuh is included in the Fast Forward and Fast Growing Area classification. Sarolangun, Merangin, Bungo, Tebo and Kerinci are classified as fast developing regions.

Table 2
External Factor Analysis

Opportunity	Quality	Score	Total Score
There is regional autonomy so that the regions are free to regulate and increase their own investment	30	5	150
Opened regional growth centers and regional trade blocks	15	4	60
There is a business cooperation relationship with East and Southeast Asian countries and other countries with business people in Jambi Province	20	4	80
The development of communication and information technology as a means of promotion	15	3	45
Lack of development of hilir industries in Jambi Province	20	3	60
Amount	100		395
Treat	Quality	Score	Total Score
Increasing competition or rivalry between regions	20	4	80
Political and economic instability	30	4	120
Inter-regional policies that sometimes often contradict each other	20	3	60
High level of corruption	30	4	120
AMOUNT	100		380
OPPORTUNITY – TREAT	15		

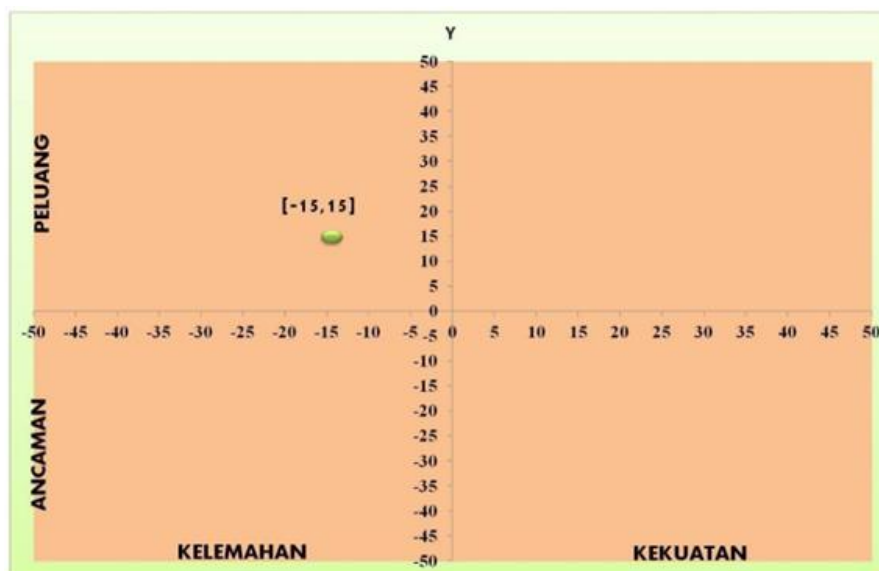
Source: processed data

Table 3
Internal Factor Analysis

Strenght	Quality	Score	Total Score
The population of Jambi Province is large and the population growth rate is increasing every year	20	4	80
The strategic geographical location of Jambi Province is at the point of growth of the development zone segitiha	35	4	140
Governor coordination forum for Sumatra Region	10	2	20
Potential availability of natural resources	35	4	140
Amount	100		380
Weakness			
Lack of development funding sources	10	2	20
Limited number of skilled human resources and high level of productivity	15	5	75
Lack of carrying capacity of basic infrastructure facilities and infrastructure such as electricity, telecommunications, roads, clean water, and land and sea transportation (ports)	15	5	75
Lack of carrying capacity of legal instruments in Jambi Province	15	5	75
Technology mastery is still low or traditional	10	2	20

Weak investment incentives include taxation and usercharges and other regional regulations in attracting investors	15	4	60
Weak collection and distribution network systems	10	3	30
Weak investment promotion in the regions	10	4	40
Amount	100		395
Strenght – Weakness	-15		

Source: processed data



Source: processed data

Picture - 1
SWOT Quadrant Analysis Results

Overall Jambi Province is in Quadrant III (negative, positive) internal factors, weaknesses and external factors of opportunity. To seize large investment opportunities is recommended by changing the strategy that is more appropriate for investment institutions, so that investment flows into Jambi are truly realized.

Potential Plantation and Agriculture Sector of Sarolangun Regency

Rubber has been a major commodity since the Dutch colonial era. Statistics show the large role of plantations in the community. This condition requires Sarolangun Regency Government to intensively look for various choices with priority scale for upstream and downstream plantation sub-sector development. The area of land and plantation production mostly comes from smallholder plantations. Besides rubber, one of the leading commodities in the plantation sector in Sarolangun Regency is oil palm. Some of the potentials for mining and mining have been identified and based on the identification of the potential for mining and it turns out that Sarolangun District has enormous potential for mining. The types of minerals that have been identified that are owned by Sarolangun Regency are minerals A, in the form of oil and coal, minerals B, and minerals C, including gold, iron ore, zinc, lead, copper, limestone, marble, granite, phosphate, kuarsi sand, kaolin and bentonite scattered in several districts. Some of it has been explored, namely gold mining materials in Limun District and river stones in Mandiangin District.

Potensial of Forestry Sector

Sarolangun Regency has the potential of natural resources in the forestry sector such as protected forests, national parks and nature reserves, but not all have been exploited and utilized optimally. In this Regency there are 3 (three) types of protected areas, namely: a). Protected Forest area which is directed to prevent erosion, flooding, sedimentation and maintain soil hydrological functions; b). Bukit Dua Belas National Park Area; c). Luncuk I. Nature Reserve covering an area of ± 73.74 Ha.

Potensial of Tourism Sector

Sarolangun Regency also has a tourist attraction which is generally a natural tourist attraction, besides also pilgrimage tourism, special interest tourism, cultural tourism and historical tourism. Some sub-districts in Sarolangun Regency have tourist attractions awaiting improvement. Currently, Sarolangun District has 7 tourist site plan sites, namely: 1. Biaro Lake Lidung Village; 2. Goa Calo Plot of Bukit Bulan Village; 3. Dam Kutur District of Limun; 4. Bukit Dua Belas National Park; 5. Terbang Layang Bukit Rayo Batang Asai District; 6. Batang Asai River Rafting; 7. Paku Aji Hot Spring Pematang Kabau Village. The tour plan site that has been tested is packaged in the form of Goa Exploration, Overnight Together with the Suku Anak Dalam, Traditional Boat Competition, Traditional Rafting Competition and Rafting Competition.

Potential of Supporting Facilities Sectors

In terms of clean water infrastructure, it is an important aspect for the community to support the provision of clean water for daily life. Initially, clean water services were limited to the urban sector, but the Sarolangun District Government had sought to provide clean water services to areas far from the city center. The Regional Minurm Water Company (PDAM), which is a drinking water treatment institution, is currently very limited in its services. Based on data from PDAM Tirta Sako Batuah the number of consumers in 2017 was 5,281 people with a production of 1420,673.4 m³ and the production consumed was 986,150.0 m³.

Potential in Sungai Penuh City

In accordance with the geographical conditions of Sungai Penuh City which is located in a central position between the Province of West Sumatra (Tapan) Jambi Province and Bengkulu Province (Muko-muko). Areas that are developed based on the potential and characteristics of the region are as follows: Trade and Service Areas, Residential Areas, Trade and Services Areas, Educational Areas, Government and Office Areas, Sports Areas, Tourist / Recreation Areas, Residential and Settlement Areas, Public Funeral Areas, Regions Special and Non-Green Open Areas. But along with the rapid development of the City development there is compensation that cannot be avoided in land use, namely the high ratio of changes in land use change.

Animal Husbandry and Fisheries of Sungai Penuh City

The biggest livestock meat production is beef which reached 554,961.52 kg, an increase of 88.89 percent compared to the previous year. The total population of poultry in Sungai Penuh City in 2017 reached 552,707 or increased 62.38 percent compared to the previous year. The largest poultry population is 228,521 chickens with 124.56 percent growth followed by broiler chickens with 142,848 chickens.

Agricultural Potential of Sungai Penuh City

The largest vegetable production in Sungai Penuh City in 2017 is potato plants with a total production of 1,830 tons, followed by Chinese cabbage plants at 701 tons, as well as chili and shallots with production of 448 tons and 132 tons, respectively. The highest productivity of vegetable crops is still dominated by potato plants with a productivity of 130.71 tons / hectare, followed by Chinese cabbage plants with a productivity of 116.83 tons / hectare. Agricultural investment opportunities in Sungai Penuh City are still very open. This is in line with national policies to create advanced, resilient, industrial culture, agribusiness oriented, and prosperous people's economy-based. One of the potential locations worth developing is Renah Kayu Embun Village, which is located on the Bukit Barisan and is an agricultural and plantation area. With a state of fertile and natural soil that has not been touched by advanced technology, this location is suitable to be used as a large-scale agricultural and plantation area. The agriculture sector of Sungai Penuh City is still dominated by lowland rice with a production value of 30,468 tons, then cassava at 1,142 tons, sweet potato 475 tons, corn 97 tons, and peanuts 53 tons.

Potential Tourism of Sungai Penuh City

The Tourism Sector in Sungai Penuh City is a potential that is still very likely to be developed in the form of natural tourism, cultural tourism and artificial tourism because of its geographical

conditions in mountainous areas that have beautiful panoramas and cool air. of the total 125 natural attractions in Jambi Province, 5 (five) of them are located in Sungai Penuh City.

Potential of Sungai Penuh City for Trade Sector

The trade, hotel and restaurant sector is a sector that plays an important role in the economy in Sungai Penuh City. For two consecutive years this sector has been the largest contributor to the Sungai Penuh City regional economy. Noted in 2017, this sector was able to play a role in the formation of GRDP by 30.41 percent.

Potential in Bungo Regency

The area of Bungo Regency is 4,659 km² with flat topography, hilly hills with altitudes between 100 to more than 1,000 meters above sea level. Bungo Regency is a tropical climate with rainfall of 13,126 mm / year (138 days / year). The dominant soil types are latosol, podsol, latosol complex and andosol. The condition of the land owned by Bungo Regency in general is in the form of flat morphology, with a rather rough texture with sufficient water availability because 4 large rivers pass through it. Corrugated land with a slope of less than 40% which reaches 80% of the total area. The condition of this area is very suitable for the development of plantation crops. The remaining 20% of the area in the form of a slope of more than 40% is included in the protected area.

Potential of Agriculture Sector in Bungo Regency

The regional potential that is the mainstay and the source of income for most of the people of Bungo Regency is the potential of agricultural and plantation resources. Food crops such as rice and secondary crops have been known for a long time and continue to develop well. The average annual rice production reaches 35,290 tons, soybean 292.2 tons, 776.5 tons peanuts and 4,436.8 tons corn. With the addition of sufficient land and the application of appropriate agricultural technology, the production of each commodity can still be increased.

Mining Sector in Bungo Regency

Bungo Regency has potential mining resources which include coal, gold, petroleum, iron ore, granite and quartz sand. Coal mining material in Bungo Regency has a pretty good quality with calorie content between 5,000-7,300 calories. Currently, coal mining has been managed by several companies, besides that there are still other companies that are in the process of licensing. The potential of gold in Bungo Regency consists of two sources, namely primary gold and secondary gold. This potential is spread in several locations including Rantau Pandan Subdistrict which has gold reserves of 14,400 kg, Pelepat 87,000 kg, Limbur Lubuk Mengkuang District 25,000 kg, Tanah Sepenggal District 10,000 kg, Pelepat Ilir District 13,000 kg, and Jujuhan District 11,000 kg

Potential Tourism Sector in Bungo Regency

Bungo Regency which is directly adjacent to the Regency of Damas Raya, West Sumatra has an interesting tourism potential to visit. Tourist destinations in the Bungo Regency in the form of artificial or natural attractions. This has become one of the leading sectors that can be developed in Bungo District, so that it becomes an opportunity for investors to open their businesses in Bungo District.

Potential Regional Infrastructure Sector in Bungo Regency

As an area that becomes a crossing path between the western, eastern and southern regions of trans Sumatra, the availability of facilities and infrastructures plays an important role for the development progress in Bungo District. As a means of supporting various economic activities, transportation has an important and vital role for Bungo District, especially in land transportation. Roads are important land transportation infrastructure to facilitate economic activities. The availability of quality roads will increase development efforts, especially in an effort to facilitate population mobility and facilitate the flow of goods from one region to another. The total length of district authority roads in Bungo Regency in 2017 was 802.19 km, of which 74.10 percent had been paved, an increase of 0.43 percent compared to the previous year. As an area of Trans Sumatra land crossing,

Bungo Regency is supported by the existence of Terminal Type A Muaro Bungo. Data for 2017 shows the number of arrivals and departures of buses at this terminal reached 32,473, with the number of passengers reaching 870,141 Passengers

Potential in Tebo Regency

When us viewed from its position, Tebo regency is in the northwestern part of Jambi Province. The area of Tebo Regency, administratively is 6,461 km², consists of 12 (twelve) districts, 107 villages and 5 Kelurahan. The location of Tebo Regency is close to Bungo Regency, which is the center of government, the center of economic activity and the center of settlements, also close to the trans Sumatra route and has an open relationship with other regions in Sumatra so that it can be said that this Tebo district has a strategic position from the point of regional development. Soil types in Tebo Regency are dominated by red and yellow podsollic soils which reach 437,954 Ha or cover 67.8% of the total area. Tebo Regency has great potential to be developed in several CPO and / or rubber based derivative industries as well as certain school or university levels which are expected to be attractive to other Regencies in the West Jambi region. It could be that in this district, for example, the animal feed industry was developed, the High School of Economic Excellence and so on.

Potential of Water Resources in Tebo Regency

The potential of water resources in Tebo Regency is very large because this area has many large and small rivers that are never dry even in the dry season. Such conditions will be very useful for agricultural irrigation / irrigation activities so that the planting of new fields can consider the existence of these rivers. River transportation is widely used to transport export commodities such as wood and rubber. The length of the Batanghari River that crosses Tebo Regency is approximately 300 km with a service capacity of 20 to 25 tons. Furthermore, other rivers that can be navigated are Batang Tebo River along 29 km, Batang Tabir along 52 km, Batang Sumay along 70 km and Batang Langsisip along 23 km.

Agricultural Potential of Tebo Regency

Tebo District's paddy rice production in 2017 rose 41.56% from the previous year. This is related to the challenge of 86.42% for paddy rice harvesting. The average palawija crop increased from the previous year. The biggest production and planting area of palawija crops in 2017 is rich profit. Soybean production reached 6,825.27 tons in 2017 with a Planting Area of 4.082 Ha. Fruit production in 2017 in Tebo Regency increased from the previous year. Banana, duku and durian production still provides dominant production results in Tebo Regency.

Potential of Plantation, Fishery and Animal Husbandry of Tebo Regency

The two main commodities of Tebo Regency are rubber and palm oil. In 2017 the planting area of rubber was 112,458 hectares for community gardens and 1,689 hectares for private gardens. While the Planting Area of palm oil is 16,558 Ha for community plantations and 42,911 for private plantations. The area of coffee planted is 166 Ha and coconut is 913 Ha, Chocolate is 244 Ha, and Pinang is 271 Ha. Livestock population in Tebo Regency in 2017 is as follows: 17,129 Cows; 10,055 buffalos; 35,485 goats; 1,070 sheep. Population of native chicken is 477,265 tails; 572,557 broilers and 48,245 ducks.

Potential of Kerinci Regency

Kerinci Regency has natural resources, Agriculture, Plantation, Fisheries, Animal Husbandry and Mining which are very potential for investment development, therefore in the context of stimulating economic growth, the Government of Kerinci Regency has adopted a policy of providing wide opportunities for investors to invest their capital in Kerinci Regency. The policy includes providing transparent, easy, fast and inexpensive licensing services through one-stop services, namely the Investment Board and the One-Stop Integrated Licensing Service.

Potential of Agriculture and Plantation Sector in Kerinci Regency

Various types of potential commodities suitable to be cultivated in Kerinci Regency. The biggest output is vegetables and fruits, plantation crops include cinnamon, coffee, tea, potatoes,

cabbage, sweet potatoes, sugar cane, chili. The agricultural sector is the main livelihood of the people of Kerinci Regency, until now the agricultural sector still shows a very important role for the Kerinci economy.

Potential of the Livestock Sector in Kerinci Regency

The Livestock Sector is one of Kerinci Regency's flagship programs. The presence of potential investors to work on this district is highly anticipated. This district has the potential for poultry and large livestock farming.

Potential of Mining Sector in Kerinci Regency

Geothermal potential (geothermal) in Kerinci Regency is located in Gunung Raya district with 204 MW electricity potential. Kerinci Regency Geologically is the Bukit Barisan Mountains Region which is traversed by a large Sumatra fault and is a volcano pathway (Sumatran Magmatic Arc Section) with the potential for metal minerals such as Gold, Copper and other metal minerals. Potential: Granite (604 million tons, Siulak Deras, Batu Hampar, Lempur Tengah), Marble (389 million tons, Muara Imat, Tebing Tinggi), Obsidian (497 million tons, Bukit Cermin), limestone (680 million tons, siulak deras, koto baru hiang, gua kasha), Gold (Siulak Tenang, Kayu Aro District, Siulak District), Coal (collected), Copper (Siulak Tenang, Kayu Aro District, Siulak District).

Potential of Kerinci Regency for Tourism Sector

Kerinci Regency is known as a Regency that has many beautiful tourist attractions. Its beauty is famous for the existence of Mount Kerinci which is the highest mountain in Sumatra, Lake Kaco, Lake Lingkat, Telun Berasap Waterfall, Goa Kasah, Koto Waterfall, Koto Tinggi, Aroma Pecco, Hot Spring, Lake Kerinci, Taman Bunga Asri Murni, Lake Gunung Tujuh. This area is also equipped with the existence of the Taman Nasional Kerinci Seblat (TNKS) which is the lungs of the world, where a variety of flora and fauna that are useful for research. TNKS has great potential for developing natural tourism.

Potential in Merangin Regency

The land area of Merangin Regency in general consists of 6 (six) types of soil namely podsol, latosol, andosol, organosol, humus glei and latosol and lithosol complexes. Generally, soil texture can be classified between fine, medium and rough, while the peat area has no texture. Based on the RTRW data of Merangin Regency, the soil texture in Merangin Regency consists of fine soil texture, spread in Tabir District, Tabir Ulu, Tabir Selatan, Sungai Manau, Muara Siau, Masurai Valley, Jangkat and Pamenang. For medium texture, there are almost all regions of Merangin Regency.

Potential of Agriculture and Plantation Sector Merangin Regency

Plantations in Merangin Regency are generally smallholder plantations. The largest production of smallholder plantations in 2017 was palm oil and rubber commodities which increased production by -7.25 percent and 3.61 percent respectively compared to 2016. The potential for developing large livestock populations such as buffalo and cattle is very good for Merangin District. For the last condition, the number of cows (16,703 head) is more than that of buffalo (4,559 head), but not yet intensively.

Merangin Regency Tourism Sector Potential

Merangin regency has a white water rafting by exploring the Merangin River which is full of risks and challenges is a special attraction where each year national and international events are held to coincide in July and August. Geopark area with fossil flora and fauna is the only one that exists in Indonesia and even in the world so that it can become the identity of the Merangin Geopark tourist area. The development of tourist attractions is only done at the stage of white water rafting across the rocks.

Potential of the Merangin Regency (Mining Sector)

In the Merangin Regency region there are very diverse mineral content, both in the form of

metal minerals consisting of gold, mercury, iron ore and copper as well as non-metallic minerals consisting of limestone, marble, bentonite, ocher, clay, clay, feldspar, trass, stone noble, granite, quartz sand, and sand and gravel. Utilization of the potential of the mining sector is still large in waiting for the presence of investors, with an approach to the preservation of natural resources and can simultaneously bring increased employment opportunities for the community.

CONCLUSIONS

1. For City and Regency areas in the West Region of Jambi such as Sarolangun, Tebo, Merangin, Bungo have a land that has the suitability of plants with certain commodities such as rubber and palm oil, but the new development stage to the primary and recative stages is still a little moving towards a local resource-based industry. Except for Kerinci Regency with the volcanic land has many potential to increase nature tourism services.
2. Based on the results of a SWOT analysis investment opportunities in the western part of Jambi have not been optimally managed, with some weaknesses in several institutional aspects.
3. Only Sungai Penuh City is included in the classification of Fast-Forward and Fast-Growing Regions among other Regencies in the West of Jambi, regions that are classified as developing regions consist of Sarolangun Regency, Bungo Regency, Tebo Regency, Merangin Regency and Kerinci Regency.
4. The magnitude of tourism potential in Jambi Province has not been supported by the integration of the provision and improvement of facilities and infrastructure, as well as the readiness of local communities to receive tourist visits.
5. Investment opportunities in the West in the manufacturing and downstream industries are very large.

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