

CHAPTER I

INTRODUCTION

1.1 Research Background

One of the drivers of industrial and economic growth is exports activities (Yudiarosa, 2009). Increased exports may be achieved either by stimulating exporting firms to export more or by inducing non exporters to start exporting (Gripsurd, 1990). The existence of different resources in each country creates interdependence to meet domestic needs. This triggered the occurrence of international trade which is usually done with export-import activities (Putri, et all., 2016).

Indonesia is an archipelago and nautical country, consisting of 17,508 islands of 3.7 km² million oceans and 81,000 km long coastline is widespread between 60 LU-110 LS and 950 BT-1410 BT. The geographical region of Indonesia is also strategically positioned between two continents and two oceans, making Indonesia an excellent fishery potential as well as storing many types of fish and other aquatic products that have important economic value (Tumengkol, 2015).

Indonesia started to develop tuna industry in the early 1990's. At this moment Indonesia is considered as one of the biggest tuna exporters, with Japan as one of the markets. It is clear that tuna is a potential commodity of Indonesia (Kemendag, 2015). Indonesia is the major tuna producer (some 65% skipjack, and 25% yellowfin), with the largest tuna-producer in the world accounting for some 15% of global production (Seafish ethics profile – Indonesia, 2015). In region of ASEAN,

Indonesia is ranked second after Thailand as a country that produces tuna due to the presence of different levels exploitation in terms of both quantity and advancements in technology utilised by fisherman (Yudiarosa, 2009).

The high volume of tuna export indicates that Indonesian tuna is well accepted in the international market, one of the international market that have high demand on Indonesia tuna fishery is the Japanese market. Japanese culture consumes tuna fish makes Japan the main destination of Indonesian tuna export. Indonesian fishery export commodities to Japan are dominated by Tuna Fish 33% (Statistics export of fishery products according to Commodity and Destination Countries year 2012,2013 on Putri, et al., 2016).

One of the export commodities owned by Indonesia and appointed to be part of this research topic is tuna export to Japan market, tuna is one of ten potential commodities of Indonesia (Kemendag, 2015). The largest tuna markets in the world today are Japan, the United States (US) and the European Union (EU). Indonesia's tuna export to Japan is 27%, United States 17%, and to EU is 12% (Apsari, 2011).

Japan is one of the countries that interested with Indonesia's sea resources, especially tuna. Japanese market need to import Indonesia's sea resources to meet the demand in their market, then in 2007 Indonesia and Japan conduct an economic agreement within the framework of Indonesia Japan Economic Partnership Agreement (IJEPA) which became effective in 2008. This agreement would be beneficial on both sides, Japanese market fulfilled the need for tuna and Indonesia also gain economic growth from tuna imports to Japan (Larasati, 2015).

However, for the last few years Indonesia has experienced illegal fishing that will potentially affect the Indonesian catchment of tuna. Due to the marine resources potential of Indonesia, illegal foreign ships trying seeking revenue from the Indonesia's seas area (Syahrani, et al, 2017). Foreign ships that fish illegally come from China, Philippines, Taiwan, Thailand and South Korea. From 2010 until 2015, ships that are caught by the Marine Resources Controller and Fishery, 67.5% of the existing ships in the Indonesian fishing territory are foreign fishing ship (KIA) and the rest are Indonesian fishing vessels (KII). (Wardah, 2015 on Syahrani, et al, 2017).

Illegal, unreported and unregulated fishing (IUU fishing) is one of the main obstacles to coastal states realising the economic benefits, the unsustainable fishing practices, illegal fishing activities by foreign fishing ship in areas under National jurisdiction, excessive fleet capacity, non-reporting and misreporting of catches, lack of effective flag and port State control, and an open access regime in many high seas fisheries are some of the most common global concerns related to IUU fishing (Kusuma, 2014).

Due to Indonesia Minister of Maritime Affairs and Fisheries's regulation, recently the fishery topic has become popular issues regarding the performance of new Indonesian Minister of Marine. Researcher want to know the performance of Indonesian tuna fishery export to Japanese market. Indonesia fisherman has the opportunity to increase the production thus having opportunities to increase fishery exports. Whether may be also with the new regulation and policy by the Indonesia Minister of Maritime Affairs and Fisheries, there are opportunities and obstacles

that impact fisherman and exporters. Some of the regulation are, Indonesia Indonesian Government Policy in Eradicate Illegal Fishing is Permen KP No 56 / Permen KP / 2014 and supported by Permen KP No. 57 / Permen-KP / 2014 About Fishing Enterprises in the Management Areas Fisheries of the Republic of Indonesia, which supporting the cessation of transshipment in the middle of the sea. There are also rules regulate the civil apparatus of the state in favor in eradicating illegal fishing in Permen KP no. 58 / Permen-KP / 2014 on study done by Syahrani, et all (2017).

1.2 Research Problem

Based on phenomenon in Indonesia especially about illegal fishing that recently happened in Indonesia that may be affect business process on the industry, the research problem are:

- a) Japanese market potential market for Indonesian tuna fishery export but the number of tuna export from Indonesia is decrease.
- b) The number of decline of Indonesia tuna export is effect from the new regulation that had been made by Minister of Maritime Affairs and Fisheries on 2014.
- c) Regulation that had been made by Minister of Maritime Affairs and Fisheries on 2014 create an obstacle and opportunity to bussines people on the tuna export industry.
- d) There is contradict fact and opinion from Indonesian decision maker regarding the number of export that decline and the number of availaibilty fish in Indonesia.

1.3 Research Scopes

The scopes of this research are about:

1. Export Experience in a Market
2. Objective Firm and Product Characteristics
3. Perceived Obstacles and Opportunities
4. Attitude towards Future Exports

The participants for this study are some exporters that do export to Japanese market, the forwarder that handle Japanese market, and Indonesia decision maker.

1.4 Research Benefit

Based on this research, the goals that want to be achieved are:

a) Teoritical Benefit

This research is expected to provide a view for researchers who will conduct further research and research in the field of export of Indonesian marine products.

b) Pratical Benefit

The research is expected to provide better information for marine export business actors in Indonesia and provide info about the role of government in managing the export activities and results of Indonesian marine products.

1.5 Research Purpose

The purposes of this study are:

- a) To know that Japanese market is a potential market for Indonesian tuna fishery export, for what product and what is the reasons.

- b) To understanding any impacts on tuna catchments and Indonesian tuna exports especially to Japan due to the regulation that had been made by Minister of Maritime Affairs and Fisheries since 2014.
- c) To know an obstacle and opportunity that may be exist due to the regulation that had been made by Minister of Maritime Affairs and Fisheries on 2014 to bussines people on the industry.
- d) To understanding the explanation due to decreasing of Indonesian export tuna since 2014, whereas the availability of fish in Indonesia's sea is increase based on Indonesian decision maker.

1.6 Systematics of The Thesis

CHAPTER I INTRODUCTION

This chapter describes background of the research, problem definition, research objective, research scope, research benefit, and systematic research.

CHAPTER II LITERATURE REVIEW

This chapter contains the theories that support the research including previous studies that support this research

CHAPTER III RESEARCH METHODS

This chapter contains the methods used in this study consisting of participants involved, data collection methods, and data analysis methods.

CHAPTER IV RESEARCH RESULT AND DISCUSSION

This chapter contains a discussion of interview data with participants, to gain understanding about the bussiness process in tuna fishery export especially to Japanese market.

CHAPTER V CONCLUSIONS, RESEARCH IMPLICATIONS, AND SUGGESTIONS

This chapter contains the conclusions of research results, research limitations, and suggestions that can be raised as the issues of the other author.

