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Indonesian Printing Industry Profile

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Abstract

This study aims to determine the profile of the printing industry from the point of view of the factors that influence the success of the industry. The influencing factors are marketing and sales and government regulations. Data were collected using the documentation method from literature and regulatory studies and analyzed by using qualitative data triangulation techniques. The results show that the profile of the printing industry in Indonesia is unique in terms of industrial classification. This is following applicable government regulations. Marketing and sales aspects show good results based on empirical studies of government reports. From the analysis, it can be seen that clarity of government regulations is needed for the sustainability and success of this industry to support the national agenda.

Keywords: Printing; Industry; Profile; Industry Classification.

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1.0 Introduction

The printing industry in Indonesia has a long history, starting with the arrival of the Dutch, who brought printing machines to Indonesia, intending to print religious literature. However, what happened was that the printing press was not used and was then used to produce books and essential letters from the VOC government. From the 16th century until the 19th century, the development of printing was relatively rapid, as the Dutch bought better printing machines until the publication of a newspaper called *Batavia Nouvelles* by Percetakan Benteng in 1744. Then appeared various printing entrepreneurs and paper mill entrepreneurs. Until 1976 there were as many as 385 offset printing machines imported into Indonesia. The printing business also spread to various big cities in Java (Pranata Printing).

Currently, the development of printing techniques is increasingly advanced, from offset printing machines to digital printing machines, from what initially required a relatively long and time-consuming process. To finally being able to print quickly. With today's Digital Printing printing machines, quantity is not a barrier because it can print in fewer quantities. Cheap printing costs with fast and quality results are essential points that must exist in this era (Susanto et al.; Ananto et al.; Ali et al.). However, the growth of digital affects the decline of the printing industry business because people switch to digital which then becomes a threat to the printing industry (Hilman and Mughira).

In the last decade, the Indonesian Publishers Association (IKAPI) recorded a decline in the growth rate of the publishing industry. The printing industry is part of this industry. The growth rate, initially 28.22% in 2010, has consistently declined to the lowest point of -0.48% in 2017. In 2018-2019, there is hope with improved growth of 7.38% and 4.20% but cannot return to its initial growth rate. The Covid-19 pandemic that emerged in early 2020 forced a significant decline in growth rates, recorded in 2020 quarter 1 of -17.27% and quarter 2 of -72.47%. This certainly affects the printing industry (Hilman and Mughira).

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2.0 Printing Industry Overviews

The government's, through the relevant ministries, pays great attention to this industry, as evidenced by the existence of policies to support the sustainability and success of this industry (BEKRAF). The governments see the contribution of this industry to the country's economy, recorded a GDP growth rate of 8.86% of the total national GDP growth of 5.02% in 2019, and a GDP growth rate of 0.22% of the total national GDP growth of -0.27% in 2020 with a contribution of Rp. 110,562.3 Billion. The opportunity for the printing industry is relatively high, with a total domestic investment of IDR 3,745.9 billion and a foreign investment of USD 942.8 million (Badan Pusat Statistik). Seeing this data, it is natural for the governments to pay attention by issuing policies to support this industry.

The Government's efforts to develop the printing industry in Indonesia were marked by the issuance of Presidential Instruction Number 6 of 2009 concerning Creative Economy Development, which was followed by the publication of the Master Plan for the Development of Indonesia's Creative Economy for 2009-2025 by the Ministry of Trade of the Republic of Indonesia. Furthermore, in 2012, the affairs of creative economy development were given to the Ministry of Tourism and Creative Economy, which was carried out in two first echelon work units, namely: the Directorate General of Arts and Culture-Based Creative Economy (EKSB) and the Directorate General of Media, Design, and Science and Technology-Based Creative Economy (EKMDI). Furthermore, on August 4, 2015, the Indonesian president issued a Presidential Regulation concerning the Creative Economy Agency, which means that the creative industry has its independent institution under the president. The creative industry is classified into 16 sub-sectors, in which there are publishing and printing sub-sectors to overshadow the printing industry. In 2021, there was a change in the composition of ministries. Bekraf was merged into the ministry of tourism and the creative economy (Kemenparekraf).

Hermansyah stated that ten factors influence the success of the printing industry business. These factors are Opportunity, Human (HR), Finance, Organization, Planning, Management, Marketing and Sales, Administration, Government's Regulations, and Business Records. However, in his research, marketing and sales factors and government regulations have a significant influence on the success of the printing industry business (Hermansyah and Dahmiri).

The purpose of this study is to provide a business description (profile) of the printing industry from marketing and sales factors and government's regulations in Indonesia. Marketing and Sales factors have an essential role in the sustainability and success of the industry because sales are the basis of the ability of a company. The government's regulation factor has much influence because the printing industry is closely related to the government's regulations to complete the requirements for licensing legality, economic and political situation, and certainty of policies that regulate.

3.0 Descriptive Study on Printing Industry

This research was conducted in Indonesia in 2021. This research is a descriptive study. The subject of this research is the printing industry, while the object of research is the profile of the printing industry from marketing and sales factors, and government regulations.

The type of data used is qualitative data in the form of documentation in the form of government regulations, reports, and publications (literature review) related to the subject and object of research. Sources of data used in this study are primary data in the form of documentation that has been owned by the printing industry and government regulations selected explicitly by the researchers (Anwar, 2016). The analysis technique used in this study is descriptive analysis with a qualitative approach to describe the profile of the printing industry, which is then followed by triangulation analysis to determine conclusions. (Ardiansyah et al.).

4.0 Printing Industry Profile from Marketing and Sales Factors

The profile of the printing industry in terms of marketing and sales factors is seen from the successful contribution of this industry in the scale of the country's economy. The marketing and sales instruments used in this discussion include macroeconomic calculations, policy, and potentials and problems. The research sources used are government reports issued by relevant agencies as a form of public information disclosure.

4.1 Macroeconomic

The realization of investment in 2018-2020 shows an increase in the value of the investment and the number of projects, although there is a decrease in the value of a foreign investment in 2018-2019, the number of projects in the same year has increased. This shows that the world's trust in the printing industry in Indonesia is increasing.

Table 1. Realization of investment in the printing industry

Printing Industry	Project			Investment		
	2018	2019	2020	2018	2019	2020
Domestic Investment (unit, in billion IDR)	283	420	1.101	2.894,0	2.950,1	3.745,9
Foreign Investment (unit, in million USD)	326	409	784	668,1	446,1	942,8

(Source: Badan Pusat Statistik)

A wholesale price index (WPI) is an index that measures and tracks the changes in the price of goods in the stages before the retail level. This refers to goods that are sold in bulk and traded between entities or businesses (instead of between consumers). Usually expressed as a ratio or percentage, the WPI shows the included goods' average price change; it is often seen as one indicator of a country's level of inflation. Data shows the WPI of the printing industry is stable.

Table 2. Wholesale Price Indices of Manufacturing Sector

Group of Commodity	2016	2017	2018	2019	2020
Manufacture of printing and all printing activities	130,89	133,51	137,17	139,67	104,36

(Source: Badan Pusat Statistik)

Producer Price Index (PPI) is an index number that describes the level of price change at the producer level. Data users can take advantage of the development of producer prices as an early indicator of wholesale and retail prices. In addition, it can also be used to assist in the preparation of the economic balance (GDP/GDP), distribution of goods, trade margins, and so on. Data shows the printing industry's PPI is stable.

Table 3: Producer price index

Sector/sub-sector	2019	2020
Paper, Paper Products, and Printed Matter Industry	144,66	145,55

(Source: Badan Pusat Statistik)

Producer Price Inflation is a group of indices that calculate and represent the average selling price movement of domestic products.

Table 4: Producer Price Inflation(%) Yearly(y-on-y), 2020

Sector/sub-sector	1st quarter	2nd quarter	3rd quarter	4th quarter	yearly
Paper, Paper Products, and Printed Matter Industry	-0,35	0,13	1,17	1,52	0,61

(Source: Badan Pusat Statistik)

Gross Domestic Product at Current Market Prices by Industry is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of a given country's economic health.

Table 5: Gross Domestic Product at Current Market Prices by Industry (billion IDR), 2016–2020

Industry	2016	2017	2018	2019	2020
Manufacture of Paper and Paper Products; Printing and Reproduction of Recorded Media	89.650,0	96.616,2	101.758,2	109.892,2	110.562,3

Gross Domestic Product Percentage Distribution is the distribution of the printing industry to the total Gross Domestic Product applicable in Indonesia.

Table 6: Percentage Distribution of Gross Domestic Product at Current Market Prices by Industry 2016–2020

Industry	2016	2017	2018	2019	2020
Manufacture of Paper and Paper Products; Printing and Reproduction of Recorded Media	0,72	0,71	0,69	0,69	0,72

(Source: Badan Pusat Statistik)

The gross domestic product (GDP) growth rate measures how fast the economy is growing. The data shows an increase in the growth of the printing industry, there was a decline in 2020 due to the economic recession due to the Covid-19 pandemic. However, despite the decline, the positive growth value is an appreciation when national growth recorded negative growth.

Table 7: Growth Rate of Gross Domestic Product at 2010 Constant Market Prices by Industry (percent), 2017–2020

Industry	2017	2018	2019	2020
Manufacture of Paper and Paper Products; Printing and Reproduction of Recorded Media	0,33	1,43	8,86	0,22

(Source: Badan Pusat Statistik)

4.2 Policy

The policy directions and strategies of the Ministry of Tourism and Creative Economy describe the spirit and efforts made to change the current condition into the desired condition. The final goal of Kemenparekraf/Baparekraf is to increase the contribution of the creative industry sector to national economic resilience. The creative industry is a supporting sector for the creative economy in which there is a printing industry sub-sector.

Marketing is one of the main pillars of the 5 strategic pillars set by the government. The policy direction of the marketing pillar is a strategic partnership. Strategic partnerships have strategies:

- [i] Results-oriented marketing of the printing industry with a focus on potential markets.
- [ii] Expansion of the market share of printing products.
- [iii] Improving the image of the competitive Indonesian printing industry.
- [iv] Utilization of technology in supporting the marketing of the printing industry.

4.3 Potential and Problems

Identification of potentials and problems is a step for the printing industry to analyze its strengths and weaknesses as well as opportunities and challenges that will be faced. This needs to be done so that the printing industry can determine realistic strategic steps for the sustainability and success of supporting the national agenda. Analysis of the problems of the development of the printing industry is carried out on the pillars of tourism development and the creative economy. Based on Law Number 10 of 2009 concerning Tourism, tourism development includes support for the development of marketing and sales of the printing industry. Meanwhile, Law Number 24 of 2019 concerning the Creative Economy states that the development of the printing industry is carried out, one of which is through the development of a marketing system.

Within the framework of the marketing development of the printing industry, several potentials have developed as the principal capital in encouraging the acceleration of marketing in the printing industry, including (a) market potential that continues to grow, (b) The role of media, adaptive information and communication technology, (c) positive image of the Indonesian printing industry, (d) broad marketing partnerships, (e) increasingly strong and diverse promotions and promotional media, (f) Indonesian brand equity, and (g) industrial development 4.0.

Furthermore, in addition to the potential, there are marketing and sales development problems in the printing industry, including (a) the absence of a comprehensive market research reference, (b) marketing communication strategies that have not been integrated, (c) partnership synergy that has not been optimal, (d) promotional activities that are running partially, and (e) the competitiveness of the printing industry is not yet strong.

4.4 Printing Industry Profile from Government Regulatory Factors

Indonesia industry especially the printing industry, today we call it Creative Industry still need more development in many aspects. The opportunity in the Indonesian printing industry market is high. It should become the Indonesia Government's concern in Creative Industry (Ananto et al.). The Indonesian government has given more attention to the printing industry, but there are some inconsistent government regulations.

The most recent regulation related to the printing industry is presidential regulation number 69 of 2019 concerning the Ministry of Tourism and Creative Economy (Kemendparekraf) which was set on October 24, 2019. The Indonesian president appointed the Ministry of Tourism and Creative Economy as the new ministry. The nomenclature of the Ministry of Tourism and Creative Economy existed in the era of the sixth president of the Republic of Indonesia, Susilo Bambang Yudhoyono in 2011-2014. However, President Joko Widodo at that time changed the nomenclature to the Ministry of Tourism. Then, established the Creative Economy Agency (Bekraf) in 2015. This agency is one level below the ministry and functions to strengthen the creative economy sector, including protection for the creative works of Indonesian artists.

responsible for research, education, and development, access to capital, marketing, intellectual property rights facilities, directorate of inter-institutional and regional relations, and infrastructure. Meanwhile, the creative industries that are the responsibility of this agency include applications and games, architecture, interior design, video communication design, product design, film, fashion, and video animation. Then, photography, craft, and culinary. In addition, there are the fields of publishing and printing, advertising, performing arts, television, and radio. The direct impact of the existence of this new ministry is the dissolution and consolidation of Bekraf into the Ministry of Tourism and Creative Economy, but the creative industry sector and 16 sub-sectors are still used as a reference for current implementation and development. The printing industry is one of the sub-sectors of the creative industry.

On the other hand, the Indonesian Central Statistics Agency in its report did not mention the printing industry specifically. There are several mentions in the report, all of which are combined with other sectors or industries, none of which stands alone as the printing industry. The classification of the two-digit manufacturing industry based on the 4th Revised ISIC, mentions the classification of the printing industry in category 18, namely Printing and Reproduction of Recorded Media. Classification based on industry sector is referred to as the Paper, Paper Based Goods, and Printing Industry sector. The classification based on the Group of Commodity mentions the classification of the printing industry in the category of Manufacturing of printing and all printing activities. The classification based on the trade sector mentions the classification of the printing industry in the manufacturing industry sector and the Paper, Paper Products, and Printed Matter Industry subsector. lastly, the classification based on the field of business/industry mentions the classification of the printing industry in the Manufacture of Paper and Paper Products; Printing and Reproduction of Recorded Media (Badan Pusat Statistik).

This is not new, according to Romano in the US. There are also different classifications, but only into 2 major parts, namely: the printing industry as a manufacturing industry and the publishing industry. It is more straightforward and more precise. Industries in the Printing and Related Support Activities subsector print products, such as newspapers, books, labels, business cards, stationery, business forms, and other materials, and perform support activities, such as data imaging, plate making services, and bookbinding. The support activities included here are an integral part of the printing industry, and a product (a printing plate, a bound book, or a computer disk or file) that is an integral part of the printing industry is almost always provided by these operations. Processes used in printing include a variety of methods used to transfer an image from a plate, screen, film, or computer file to some medium, such as paper, plastics, metal, textile articles, or wood as the printing industry as the manufacturing industry (Romano and Broudy). Publishing and printing in general as the printing industry as publishing. This can be taken into consideration by Indonesia to clarify the profile of the printing industry.

5.0 Conclusions

The profile of the printing industry in Indonesia has its own slightly different identity, but the end goal is the same in all industrial fields. sustainability and success of this industry to support the national agenda. Contribute to the country's economy. The marketing and sales

aspects have tremendous potential. Can attract investors to further develop the printing industry. The regulatory aspect of the government has a significant impact on the printing industry. Government support is needed, especially in providing the involvement of printing industry players. In addition, the government is expected to be able to clarify the existing regulations to clarify the regulation of this industry, to resolve the confusing classification problem.

By providing a clear profile of the printing industry, it will improve the performance of the printing industry. In the future, the capability and quality of the printing industry must be further improved by making a maximum contribution to the country's economy.

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