ABSTRACT

DINI BAYU ARTI. Analysis of Government Strategies and Policies in The Palm Oil Industrial Development In Indonesia (Case Study in PT Perkebunan Nusantara IV, Medan, North Sumatera). Under direction of Tajuddin Bantacut and Jono M. Munandar.

This study was aimed to analyse the government policies and strategies related to development of palm oil industry in Indonesia using system approach. The policies and strategies was designed to meet the optimal solutions based on various stakeholders needs.

Conflict of interest was solved using Analytical Hierarchy Process (AHP) model through application of Fibonacci optimization technique and heuristic simultaneous equation. Strategic planning process was conducted using Exponential Comparative Methods (ECM) and AHP. The data was gained from experts survey and simulation.

This study was performed to investigate the government strategies to establish industrial palm oil. Major factors related to palm oil agroindustrial development were TBS (fresh bunch fruits) pricing, technology selection, labours wages, tax policy and industrial waste utilization.

Analysis using AHP technique concluded that critical factors were local community welfare and increasing of farmers income. Major policies to achieve these factors were business financing and provision of market infrastructures. This study recommended the policies to optimize TBS price, improve regional labour wages (UMR) and equal tax distribution for local government and institutional restructuring.

Key words: palm oil, strategy, development, analysis