

ABSTRACT

Three main sector in East Java economic structure, that is manufacturing, wholesale and retail trade, agriculture, forestry and fishing. Food and baverage industries give 30 persen more contribution to manufacturing industries. This dissertation will focus and discuss about food and beverage industries as the object of research due to the three main reasons, namely: 1) The high contribution (share) of food and beverage industries is setting up Gross Regional Domestic Product (GRDP) of East Java Province; 2) The phenomena of agglomeration food and beverage industries in East Java Province and their influencing factors observed from point of view agglomeration theory; 3) The policy of MP3EI - master plan on economic acceleration, enlargement and development. This MP3EI instructs the East Java Province as the motivating corridor for national industries and services focusing on development of economic activity in food and beverage industries, therefor East Java Province not disregard in developing the of food and beverage industries. Based on the empirical phenomena and the theoretical review applied, the goals of this research are as follows: 1) To do the mapping on the 'excellent' food and beverage industries in regencies/cities in East Java; 2) To analyze the agglomeration index in each regency/city. 3) To analyze the influence of manpower wages, output and index of the competitiveness to the agglomeration of food and beverage industries. 4) To analyze the correlation among sector of food and beverage industries. The analytical tools applied in this research are: LQ analysis, balassa index, logit analysis, input output analysis.

Analysis of agglomeration indicate: 1) The five regency has hight agglomeration index as follows: regency of Situbondo (4.05), Bondowoso (4.05), Surabaya (2.14) Trenggalek (2.03) Lumajang (1.99); 2) Analysis on factors motivating the occurrence of agglomeration are output and index of competitiveness significant causing agglomeration, meanwhile the variable of manpower wages of food and beverage industries do not influence the occurrence of agglomeration; 3) The result of sector linkage analysis by using table input output of East Java 2010, it is found that sector with backward and forward linkage has coefficient more than one that is : 1) The animal slaughtering industry sector, 2) Food oils, vegetable and animal fats, 3) Milk processing, dairy products and ice cream, 4) Grain mill (skip rice), flour and starch, 5) Animal feeds.

Keywords: food and beverage industries, agglomeration