

CHAPTER II

RESEARCH OBJECTS DESCRIPTION

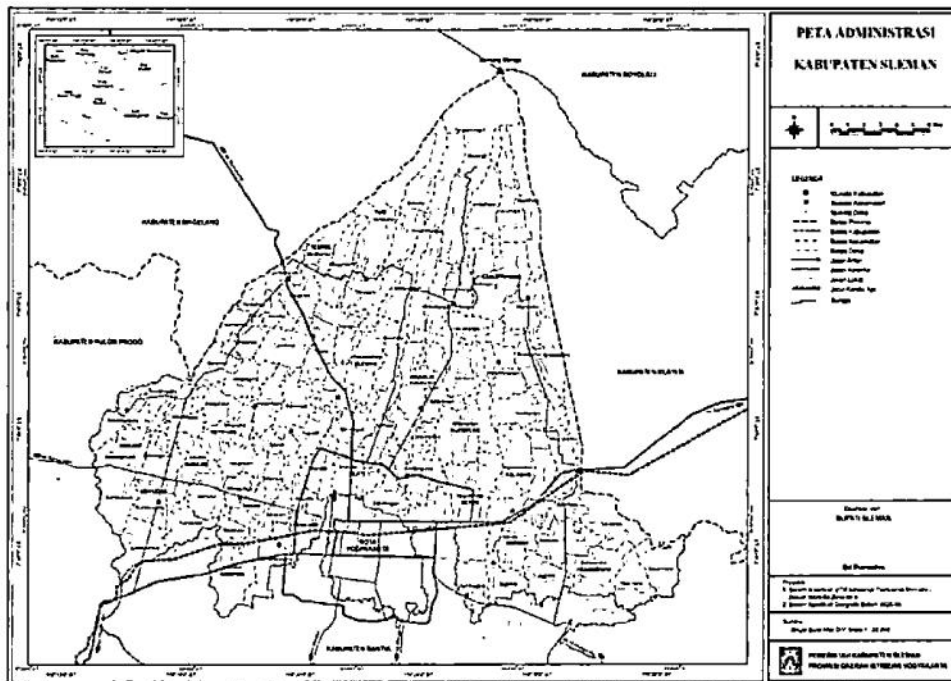
A. SLEMAN REGENCY

1. General Condition of Sleman Regency

1.1 Geographic Condition

a. The Characteristics of Sleman Regency

Image 2.1 Administrative Map of Sleman Regency



Source: Regional Statistic Board (BPS) of Sleman Regency

Geographically, Sleman Regency is located between $110^{\circ}13'03''$ - $110^{\circ}33'00''$ east longitude and $7^{\circ}34'51''$ - $7^{\circ}47'03''$ south latitude, with the height between 100-2.500 metres on the sea water surface. At the north side, Sleman Regency borders with Magelang and Boyolali Regency, Central Java Province. At the west side, it borders with Kulonprogo Regency, DIY Province and Magelang Regency, Central Java Province. The south side of Sleman Regency is borders with Yogyakarta city, Bantul Regency and Gunungkidul Regency, DIY Province. The width of Sleman Regency is 57.482 ha or 574, 82 km² or about 18% of the total width of DIY Province that had width 3.185,80 km². The longest distance of north-south of Sleman

Regency is 32 km, and the longest distance of east-west is 35 km. Administratively, Sleman Regency has 17 districts, 86 villages, and 1.212 sub-villages (Pedukuhan). The district with the widest area is Cangkringan (4.799 ha), and the smallest one is Berbah (2.299 ha). The area distribution of Sleman Regency can be seen in Table 2.1:

Table 2.1 Administrative Area Distribution of Sleman Regency

No	District	Village	Sub-village (Pedukuhan)	Width(Ha)
1.	Moyudan	4	65	2.762
2.	Minggir	5	68	2.727
3.	Seyegan	5	67	2.663
4.	Godean	7	77	2.684
5.	Gamping	5	59	2.925
6.	Mlati	5	74	2.852
7.	Depok	3	58	3.555
8.	Berbah	4	58	2.299
9.	Prambanan	6	68	4.135
10.	Kalasan	4	80	3.584
11.	Ngemplak	5	82	3.571
12.	Ngaglik	5	87	3.852
13.	Sleman	6	83	3.132
14.	Tempel	8	98	3.249
15.	Turi	4	54	4.309
16.	Pakem	5	61	4.384
17.	Cangkringan	5	73	4.799
	Total	86	1.212	57.482

Source: Central Statistic Board of Sleman Regency

2. Topography, Geo-hydrology, Climatology, and Land Use Management of Sleman Regency

a. Topography

The land condition of Sleman Regency in the south side area is relative to be flat exclude in the southeast of Prambanan District and some part of Gamping District. To the north side are relative to be sloping and in the north side near Merapi slope are relative to be very steep. The height of the areas of Sleman is between 100 metres up to 2.500 metres on the sea surface (m dpl). The land height can be divided into four classifications, which are <100 metres, 100-499 metres, 500-999 metres, and >1.000

metres (m dpl). The height of <100 m dpl with width of 6.203 ha, or 10, 79% of whole area of Sleman were located in Moyudan, Minggir, Godean, Gamping, Berbah and Prambanan Districts.

b. Geo-hydrology

The geo-hydrology condition in Sleman Regency is dominated of the presence of Merapi Mountain. The geologic formation differentiate to be volcanic sediment, sediment, and the break-through stones, where the volcanic sediment hold more than 90% of the whole width of the regency. In Sleman Regency there are about 100 water sources that are flowing to the main rivers such as Boyong, Kuning, Gendol and Krasak Rivers. Besides that, there are affluent that flowing to the south side and end up to the Indonesian Ocean.

c. Climatology

Sleman Regency seen from the climate condition had the tropical climate with the rainy and dry seasons along the year.

Table 2.2 Climate Condition of Sleman Regency

No	Climate	Maximum	Minimum
1.	Air temperature	20,7	33,3
2.	Air moistness	22,0	96,0
3.	Air pressure	1.004,6	1.014
4.	Wind velocity	0	43,0
5.	Wind direction	60,0	300,0
6.	Rain pour-down	0	316,5
7.	Rain intensity/a month	0	24,0

Source: Transportation Agency (Dinas Perhubungan) of DIY

d. Land Use Management

The area development potential in Sleman Regency divided into some areas as follows:

- a) The area for farming; wet land farming area (21.386) and dry land farming area (9.172) that is located in 17 districts.
- b) The area for mining; limestone in Gamping District, floating stone in Prambanan and Berbah Districts, andesite in Tempel, Pakem, Turi, Cangkringan, Godean, Seyegan, and Prambanan Districts, solid land in Tempel, Godean, Seyegan, Sleman, Gamping, Prambanan and Berbah Districts, sands and gravel almost whole districts in Sleman Regency.
- c) The area for industry; which covering the area about 299 hectare in Gamping, Berbah and Kalasan Districts.
- d) The area for residential; which covering the village area (10.733 hectare) and the city area (12.590 hectare) that located in 17 districts.
- e) The area for tourism; which covering the natural theme park, cultural theme park, city theme park, and agricultural theme park.
- f) The area for forest; the public forest area (4.167 hectare) in Gamping, Seyegan, Prambanan, Turi, Pakem and Cangkringan.
- g) The area for protection and security; which including Kompi C Infanteri 403 and KompiPanser 2 Batalyon Kavaleri 2 in Gamping district, Batalyon Infanteri 403 in Depok District, and the Adisutjipto airport and National airforce army defence Adistjipto office in Depok and Berbah District.

Based on the characteristic of the resources, the areas of Sleman Regency are divided into 4 areas as follows:

- 1) The Merapi slope area, start from the road that connecting Tempel City, Pakem, and Cangkringan (ring belt) to the Peak of Merapi Mountain. This area is the source of water and eco-tourism oriented on the activity of Merapi and the ecosystems surrounding.

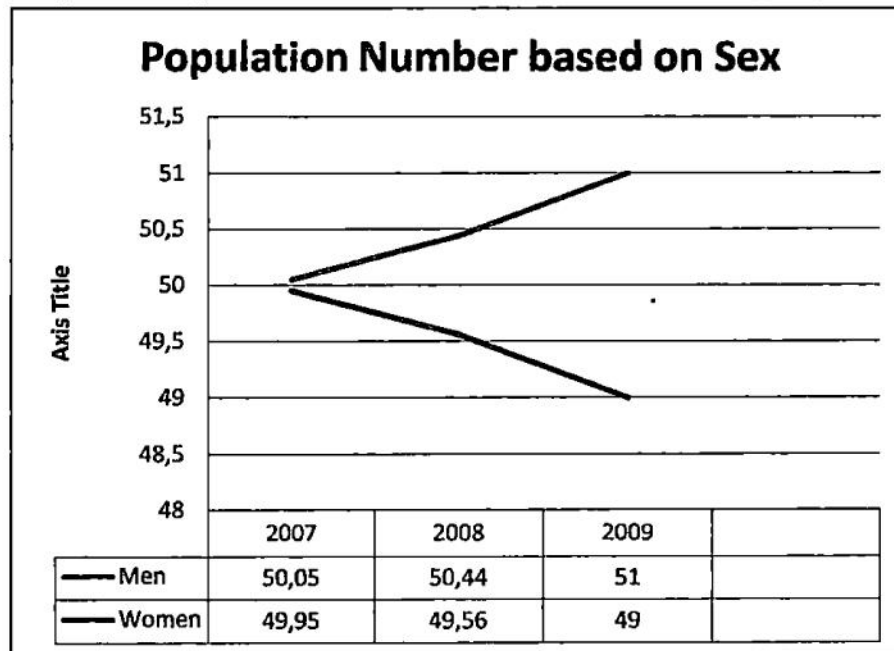
- 2) The east area that covering Prambanan District, half of Kalasan District, and Berbah District. This area is the ancient heritage area (temple) that become the cultural tourism central.
- 3) The central area as the agglomeration area of Yoyakarta City that is including Mlati, Sleman, Ngaglik, Ngemplak, Depok and Gamping Districts. These areas become the centre of education, trade and services activities.
- 4) The west area including Godean, Minggir, Seyegan, and Moyudan Districts are the area of wet land farming that available sufficient water and other raw material for industrial needs such as herb, bamboo, and "gerabah".
 - a. Based on the traffic line across province, the Sleman Regency crossed of state road line as the economic line that connecting Sleman with the main harbour cities (Semarang, Surabaya, and Jakarta). These lines only crossing the area of Prambanan, Kalasan, Depok, Mlati, Tempel, and Gamping Districts. Additionally, the area of Depok, Mlati, and Gamping District also crossed of ring road as the main artery that makes these districts develop so fast from agriculture to be the industrial, trade and service centres.
 - b. Based on the location and the mobility of people's activity, the area can be differentiate based on it functions as follows:
 - 1) The agglomeration area (the city development in certain location) is the development of Yogyakarta City that affect the cities borders with the Yogyakarta main city such as Depok, Gamping, and some part of Ngaglik and Mlati Districts were becomes the agglomeration area of Yogyakarta City.
 - 2) The sub-urban areas (the area of rural-urban network) these areas including Godean, Sleman, and Ngaglik Districts that is located quite far from Yogyakarta City and growing as the main destination of people's activity in the Districts surrounding it so that these areas become the growth central.

- 3) The area with special function (buffer zone) that is including Tempel, Pakem, and Prambanan Districts that become the centre of growth to the areas near it.

3. Demographic Condition of Sleman Regency

Based on the habitants projection result in 2010, the number of habitants of Sleman noticed there are 1.093.110 habitants, the population growth of Sleman Regency in 2010 are increase amount of 39.579 person or 3,75% person with 1.053.531 person in 2009.

Graphic 2.1 Population Number based on Sex in Sleman Regency



Source: Regional Statistic Board (BPS) of Sleman Regency 2011

The population growth of Sleman Regency per year is 0, 73%. This growth is relatively high comparing to the population growth on the previous years. This tendency caused by the function of Sleman Regency as the buffer zone of Yogyakarta city, educational object area and the residential development area. Hence, the population growth occurs mostly caused by the migration not by the high birth rate.

The number of family also increasing amount of 97.209 KK (33,07%) from 293.897 KK in 2009 to be 306.701 KK in 2011. The complete information can be seen in the Table 2.3 below:

Table 2.3 Population Growth of Sleman Regency 2007-2011

No.	Types of data	Year				
		2007	2008	2009	2010	2011
1.	The population growth (%/year)	1,34	1,31	1,28	1,92	0,73
2.	Number of family (KK)	250.847	255.555	293.897	391.106	306.701
3.	Number of family members (person)	3.40	3,37	3,8	3,15	3,29

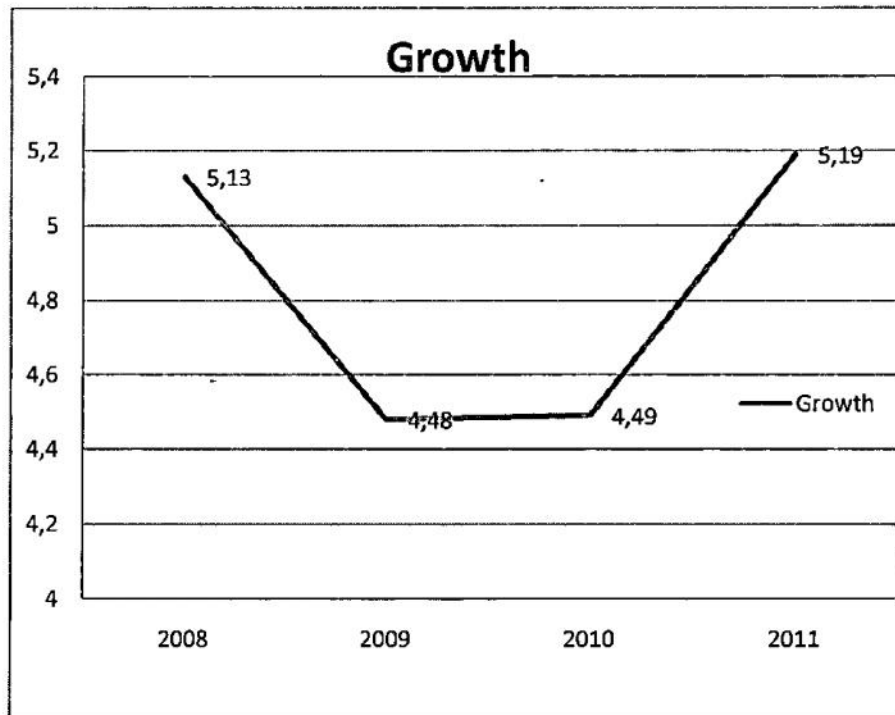
Source: Regional Statistic Board (BPS) of Sleman Regency, 2012

Table 2.4 Men Habitants based on Age 2007-2011

Age group	2007	2008	2009	2010	2011
1	2	3	4	5	6
0-4	33,208	36,368	38,050	43,026	32,088
5-9	36,568	37,743	39,581	40,796	38,799
10-14	34,748	35,369	31,990	39,023	40,252
15-19	42,504	48,023	59,182	49,077	37,461
20-24	73,808	79,692	61,155	63,847	37,095
25-29	51,828	52,840	51,822	49,907	49,703
30-34	42,616	43,110	54,858	44,877	55,938
35-39	39,424	37,365	33,722	41,678	51,435
40-44	30,604	33,734	37,810	39,906	48,386
45-49	28,196	27,153	27,767	32,319	39,475
50-54	24,612	19,892	28,530	28,810	26,945
55-59	22,344	18,938	18,361	22,280	26,945
60+	53,452	54,497	48,595	52,339	68,903
Total	513,912	524,724	531,423	547,885	559,302

Source: Regional Statistic Board (BPS) of Sleman Regency, 2012

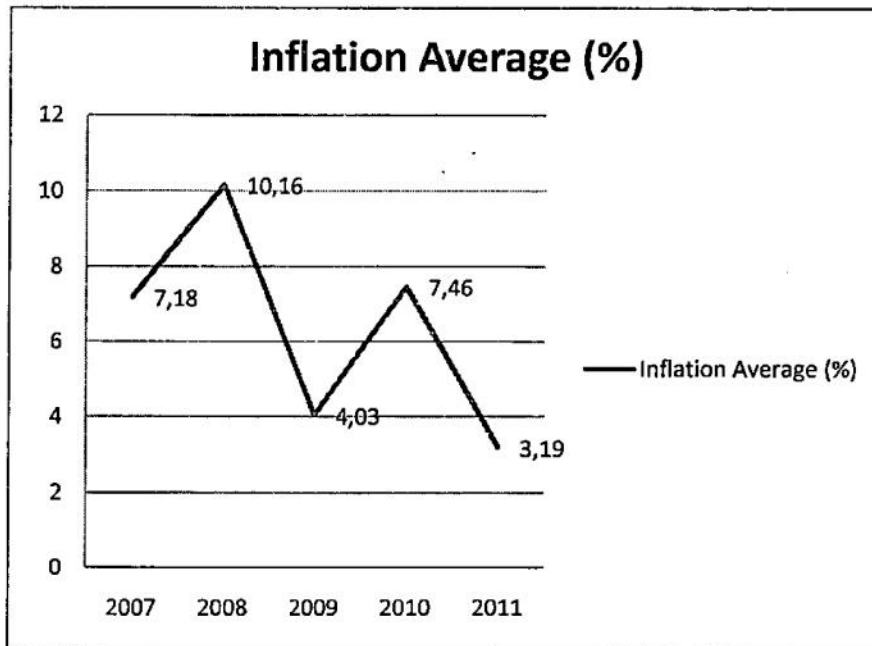
Graphic 2.2 PDRB Growth of Sleman Regency 2008-2011 (%)



Source: Regional Statistic Board (BPS) of Sleman Regency, 2011

The inflation rate in Sleman Regency during 2007-2011 is fluctuating from 7, 18% in 2007 increase to 10, 16% in 2008 decrease to be 4, 03% in 2009. In 2010 it is increase to be 7,46% while in 2011 the inflation rate are getting down to be 3,19% as can be seen on the table 2.8 below:

Graphic 2.3 Inflation Average Values 2007-2011 of Sleman Regency

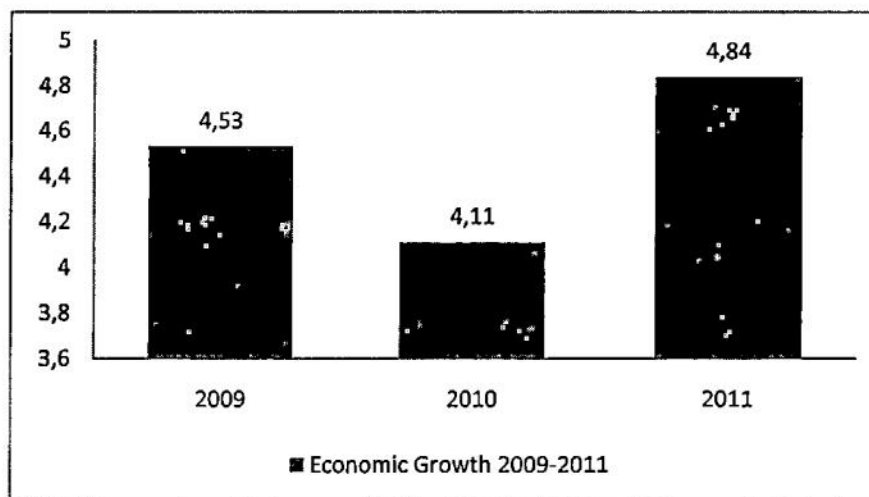


Source: Regional Statistic Board (BPS) of Sleman Regency, 2011

b. Economic growth

The economic growth in Sleman Regency in 2011 is amount of 4,84%.

Graphic 2.4 Development of economic growth of Sleman Regency 2009-2011



Source: Regional Statistic Board (BPS) of Sleman Regency, 2012

		printing, food and beverage packaging industry and other industries.		
3.	Trades, Hotel and Restaurants	Department stores, export-import, consultant, property, flats, hotels, Apartments, Cafe, Resort, restaurants	Tempel (Lumbungrejo, Margorejo, Sumberejo), Ngemplak(Wedomartani), Mlati (Sinduharjo),gamping (Nogotirto), Depok(Maguwoharjo, Nogotir-to), Sleman (caturharjo, Triharjo),kalasan (Selomartani),Prambanan (Bokoharjo)	22,87 per cent

4.	Services	Tour, Travel, transportat ion, etc.	Godean (Sidoarum), Kalasan(Selomarta ni, Purwomartani),Pra mbanan (Bokoharjo), Bebah (Jogotirto), Sleman (Triharjo,Caturharj o), Ngemplak(Wedom artani),Mlati (Sendangadi, Tirtoadi), Ngaglik (Sinduharjo), Gamping (Nogotirto, Trihanggo), Depok ((Maguwoharjo), Tempel (Margorejo, Sumberejo), Pakem (Hargobinangun)	18,85 per cent
Oth ers	31,16 per cent			

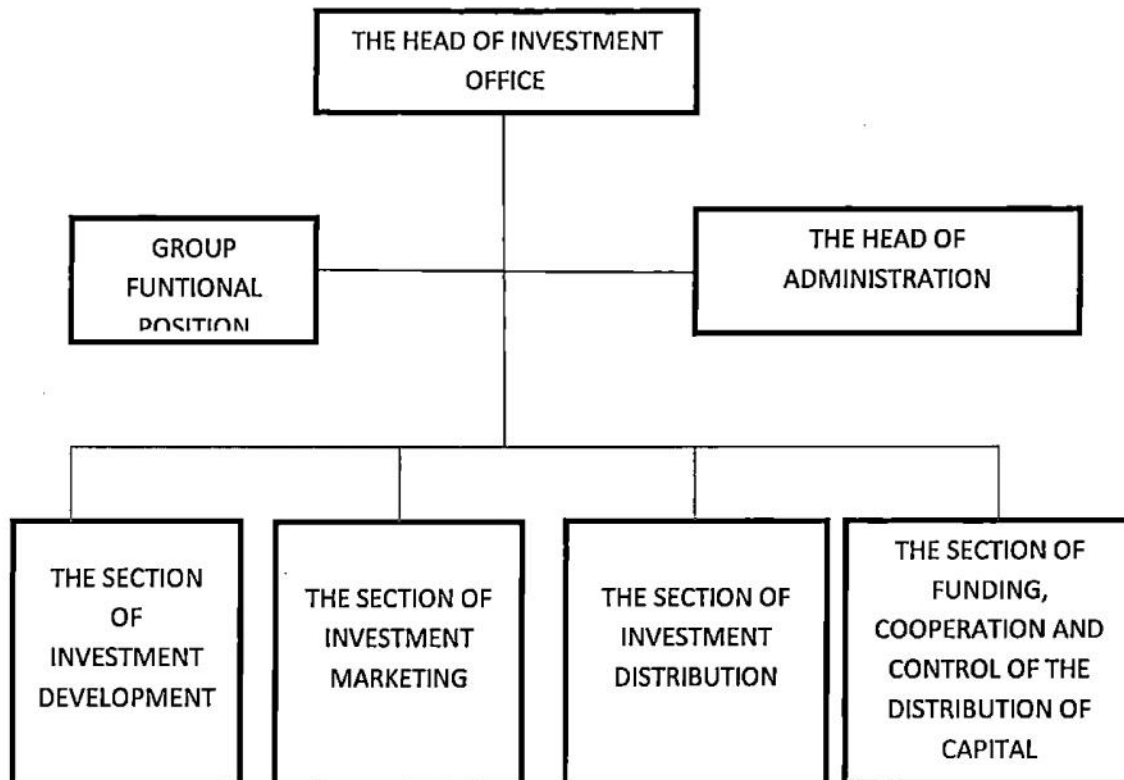
Source: The Investment Office (KP3M) of Sleman Regency

5. General Information of Sleman Regency Investment Office (KP3M)

1. Organizational Structure

Based on the local regulation No. 9/2009 about the formation and organization structure of local subsidiary of Sleman Regency, the Capital Investment, Support, and Inclusion Office (KP3M) were formed with the basic tasks, function and work procedures which noticed in the Regent of Sleman Regulation No. 42/2009 as the regional technical institution that has the main task on making and implementing the regional policy in the scope of capital investment, support and investment inclusion.

Image 2.2 Organizational Structure of KP3M



Source: Regent Regulation (Perbup) No. 42/2009

2. Personnel Resources of KP3M Sleman

Table 2.8 Staff based on Sex and Educational Level

No	Office Elements	Sex		Educational level				
		Men	Women	SLTP	SLTA	D3	D4/S1	S2
1.	The head of investment office	-	1	-	-	-	-	1
2.	Administration sub-section	3	4	1	2	1	3	-
3.	Section of investment marketing	1	2	-	-	-	2	1
4.	Section of investment development	1	2	-	1	-	2	-
5.	Section of investment distribution	1	3	-	2	-	1	1
6.	Section of funding, cooperation and control of investment distribution	-	3	-	-	-	2	1
Total		6	15	1	5	1	10	4

Source: Modified from KP3M book profile 2013

3. Vision and Mission of KP3M Sleman

a. Vision

The vision of Sleman Investment Office (KP3M) is “Realization of Investment Services and Strengthening the Optimal Capital for the Economic Improvement and Welfare Society”.

b. Mission

To achieve the vision, Sleman Investment Office arranging 2 missions that will be delivered as follows:

Mission 1: Improving the manpower quality and general services of capital support and inclusion.

Mission 2: Improving the management quality of capital support and inclusion.

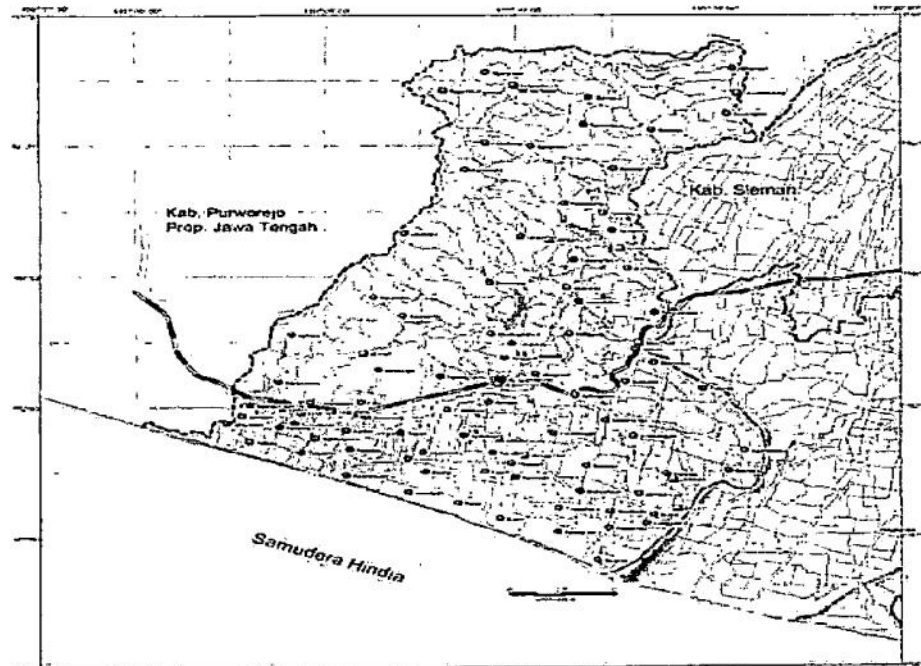
B. KULONPROGO REGENCY

1. General Condition of Kulonprogo Regency

1.1 Geographic Condition

a. The Characteristics of Kulonprogo Regency

Image 2.3 Administrative Map of Kulonprogo Regency



Source: Regional Statistic Board (BPS) of Kulonprogo Regency, 2012

Geographically, Kulonprogo Regency is located between $7^{\circ} 38'42''$ - $7^{\circ} 59'3''$ south latitude and $110^{\circ} 1'37''$ - $110^{\circ} 16'26''$ east longitude. Located in south coast of Java, Kulonprogo is the westernmost region of D.I Yogyakarta Province. Wates is the capital of Kulonprogo. The regency has an area of 586,28 square kilometres (km²), consists of 12 sub districts, 88 villages, and 930 hamlets.. The regency's territorial borders are:

West : Regency of Purworejo, Province of Jawa Tengah.

East : Regency of Sleman and Bantul, Province of D.I. Yogyakarta

North : Regency of Magelang, Province of Jawa Tengah

South : Indian Ocean

The widest districts are Samigaluh and Kokap, each holding 12% of the total width, while the smallest district was Wates. The table 3 is showing

the complete information of the width area of each district in Kulonprogo Regency.

Table 2.9 Name, width of each districts, and number of villages in Kulonprogo Regency

No.	District	Number of village	Width of each the Districts	
			(Ha)	(%)
1.	Temon	15	3.629,890	6,19
2.	Water	8	3.200,239	5,46
3.	Panjatan	11	4.459,230	7,61
4.	Galur	7	3.291,232	5,61
5.	Lendah	6	3.559,192	6,07
6.	Sentolo	8	5.265,340	8,98
7.	Pengasih	7	6.166,468	10,52
8.	Kokap	5	7.379,950	12,59
9.	Girimulyo	4	5.490,424	9,36
10.	Nanggulan	6	3.960,670	6,76
11.	Kalibawang	4	5.296,368	9,03
12.	Samigaluh	7	6.929,308	11,82
	Total	88	58.627,512	100,00

Source: Regional Statistic Board (BPS), Kulonprogo in Figures 2011

2. Topography, Geo-hydrology, Climatology, and Land Use Management of Kulonprogo Regency

a. Topography

Based on the topographical distributions of peaks and valleys, Kulonprogo landscape divided into five major groups. 17,58 % of the region are less than 7 m above sea level, 15,20 % of the region are between 8-25 m above sea level, 22,84 % of the region are between 26-100 m above sea level, 33,0 % of the region are between 101-500 m above sea level, and 11,37 % of the region are more than 500 m above sea level. Meanwhile, based on the inclination level of area, Kulonprogo Regency categorized into four groups:

a) 40,11 % of the region have an inclination below 20,

- b) 18,70 % of the region have an inclination between 30 - 150,
- c) 22,46 % of the region have an inclination between 160 – 400
- d) 18,73 % of the region has an inclination above 400.

a. Geo-hydrology

The geological formation of this region mostly comprises of Sentolo Formation of limestone and Alluvium Formation of old volcanic rocks. Besides, there are the formations of Diorite, Jonggrangan, Andesit, Colloviium and the sedimentation of Young Merapi Volcano Formation (along Progo river banks). The physiographic condition of this region comprises of Menoreh Mountain Range, Progo Plain, Sentolo Hill range, Alluvial Plain and coastal plain (including sand dunes). The soil type consists of Latosol in the Menoreh Mountain range; Aluvial in the Aluvial Plain; Grumusol and Aluvial in the Sentolo Hill range; Regosol in the Progo Plain; and Gleisol and Regosol in the coastal plain.

The biggest river catchments areas (DAS) are Serang River catchment area and Progo river catchments area (Progo Terrace, Samigaluh, Pekik-Jamal and Sudu). In the Serang River catchment area, there are Sermo Dam and Clereng spring water, both become the main standard for drinking water and also irrigation water. The inter-regional river catchment area of Progo River located between the Special Province of Yogyakarta and Central Java is a very big surface water Source. In the lower stream (Progo River delta) there are sedimentation of volcanic material from Merapi Mountain in the form of sand on the river delta or on the river banks, while the volcanic material enter into the sea through the Aeolian and marine process and brought up

to land and become sand dunes. The water level varies from < 7 m to 25 m. The rainfall also varies. It is tend to be dry in the Sentolo Hills Range (1500 - 2000 m/year), and to be wet in Menoreh Mountain Range (3.500 – 4.000 m/year).

b. Climatology

Table 2.10 Climatology of Kulonprogo Regency

No.	Month	Rain-fall (mm)	Temp (°c)	Humidity (%)
1.	January	335	25.3	82
2.	February	330	25.6	81
3.	March	190	25.3	82
4.	April	140	25.6	83
5.	May	150	25.3	82
6.	June	20	24.8	80
7.	July	78	24.3	77
8.	August	1	24.5	77
9.	September	85	25.3	73
10.	October	45	26.1	75
11.	November	430	25.8	80
12.	December	340	25.6	82
	Total	2144	26.3	80

Source: ATLAS Kulonprogo Regency

c. Land Use Management

The area development potential in Kulonprogo Regency divided into some areas as follows:

1) Industrial Designation Zone

This region is the preferred area to accommodate the activities of the maturation of industrial land and facilities to be fully carried out by industrial entrepreneurs.

a) Large-scale Industry

Area planned for large-scale industry designation area in the Kulonprogo covering Sentolo Industrial Area with area approximately 4,796 hectares in the District of Sentolo and Lendah. Temon Industrial Zone in the district Temon is also planned as a marine industry with an area of

approximately 500 hectares. In addition, Industry Designation Area is covering 700 hectares of land in District of Nanggulan. This area was previously a dry soil, which very low values of utilization, both in terms of productivity and tax. By Supported of the location which lies on the banks of the Progo River, then the problem of water and waste of an industrial activity is pretty much reduced.

b) Small and Micro Industries

Small and micro industries in Kulonprogo include:

1. Food Processing Industry

Utilization of processing industry designation area covers District of Temon, Wates, Panjatan, Galur, Sentolo, Pengasih, Kokap, Girimulyo and Kalibawang.

2. Clothing and Leather Industry

Utilization of clothing and leather processing industry designation area covers District of Temon, Wates, Lendah, Sentolo, Nanggulan and Kalibawang.

3. Chemical Industry and Building Materials

Utilization of chemical and building materials designation area covers district of Temon, Wates, Panjatan, Sentolo, Pengasih, Kokap, Girimulyo, Nanggulan, Kalibawang and Samigaluh.

4. Metal Industry and Services

Utilization of metal industry and services designation area covers District of Wates.

5. Craft Industry

Utilization of the craft industry designation area covers the whole District of Kulonprogo.

2) Strategic Area of Economic Growth

Strategic area in light of economic growth interest in example: metropolitan area, special economic zones, integrated economic development area, un-developed area, and also free trade zone and free port zone.

- a) Strategic corridor area that links Temon-Wates-Yogyakarta;
- b) Strategic economy area in the District of Galur, Sentolo, and Lendah;
- c) Sentolo Industrial Area, including:
 1. Banguncipto village, Sentolo village, Sukoreno village, Salamrejo village and Tuksono village which is located in District of Sentolo; and
 2. Ngentakrejo village and Gulurejo village located in the Dsistrict of Lendah.
- d) Agropolitan Region, include: District of Kalibawang and Temon.
- e) Minapolitan Region with an area of approximately 7,160 hectares, including District of Wates and Nanggulan.

C. Demographic Condition of Kulonprogo Regency

Table 2.11 Demographic Condition of Kulonprogo Regency

District	Number of population			Family number (KK)			Growth (%)	
	2009	2010	2011	2009	2010	2011	2010	2011
1. Temon	32.994	33.268	32.899	6886	6,943	7001	0.83	-1.11
2. Wates	50.186	50.597	52.717	11852	11949	12047	0.82	4.19
3. Panjatan	41.586	41.939	41.885	9224	9302	9381	0.85	-0.13
4. Galur	33.36	33.478	34.668	8378	8407	8436	0.3	3.55

		1					5		
5.	Lendah	39.03 9	39.238	41.647	9887	9,937	9988	0.5 1	6.14
6.	Sentolo	48.74 5	49.237	50.669	1155 6	11,673	1179 1	1.0 1	2.91
7.	Pengasih	50.36 6	50.699	53.632	1221 8	12,299	1238 0	0.6 6	5.79
8.	Kokap	42.09 6	42.227	39.38	8878	8,906	8934	0.3 1	-6.74
9.	Girimulyo	29.40 6	29.517	27.022	6412	6,436	6460	0.3 8	-8.45
10	Nanggulan	35.03 4	35.521	31.967	7374	7,476	7580	1.3 9	-10.01
11	Samigaluh	34.17 3	34.343	31.538	7954	7,994	8034	0.5 0	-8.17
12	Kalibawang	31.04 5	31.135	35.373	7545	7,567	7589	0.2 9	13.61
Total		467.8 16	470.90 3	473.39 7	1081 85	108,89 9	1096 18	0.6 6	0.53

Source: Kuloprogo in Figures 2010-2011 and Poverty Documentation of Kulonprogo Regency 2011

From the table above, seen that the population growth in Kulonprogo was still centred in 3 districts which is Pengasih District amount 11,33 %, followed by Wates District amount 11,14 %, and Sentolo District amount of 10,70 %. Pengasih, wates and sentolo District were the three districts that hold the upper position in the number of population number, each amount of 53.632 people, 52.717 people and 50.669 people. Moreover, the Girimulyo District is the district with the lower number of it citizen which is amount of 27.022 person.

Based on the 2010 population census, population of Kulonprogo Regency is increased by total of 8.184 people compared with 2008 figures. Following chart shows selected demographic indicators from population censuses from 1980 to 2010:

Table 2.12 Population Censuses of Kulonprogo Regency of 1980, 1990, 2000 and 2010

Census of population	Number of population	Total	Sex ratio	Population density
----------------------	----------------------	-------	-----------	--------------------

reached 9,910,472 rupiahs. The GRDP per capita is obtained by dividing the value of GRDP at current market prices by the population. GRDP per capita is one of the indicators to assess the welfare of the population. The comparative between the value added of each sector or sub-sector with total GRDP will result the amount of the percentage distribution. At current prices, those values are usually used to see how big a role or contribution of each sector or sub-sector in the economy of a region.

From a close observation to the composition of GRDP at current prices in 2011, the sector with the largest contribution in the formation of GRDP Kulonprogo Regency was the agriculture sector (23.68 per cent), followed by the services sector (21.10 per cent) and in the third position of the trade, hotels, and restaurants sector with a contribution of 16.97 per cent, while the smallest contribution is mining-quarrying sector with 0.82 per cent.

Table 2.13 Gross Regional Domestic Product at Current Market Prices in Kulonprogo Regency (Million Rupiahs), 2008 – 2011

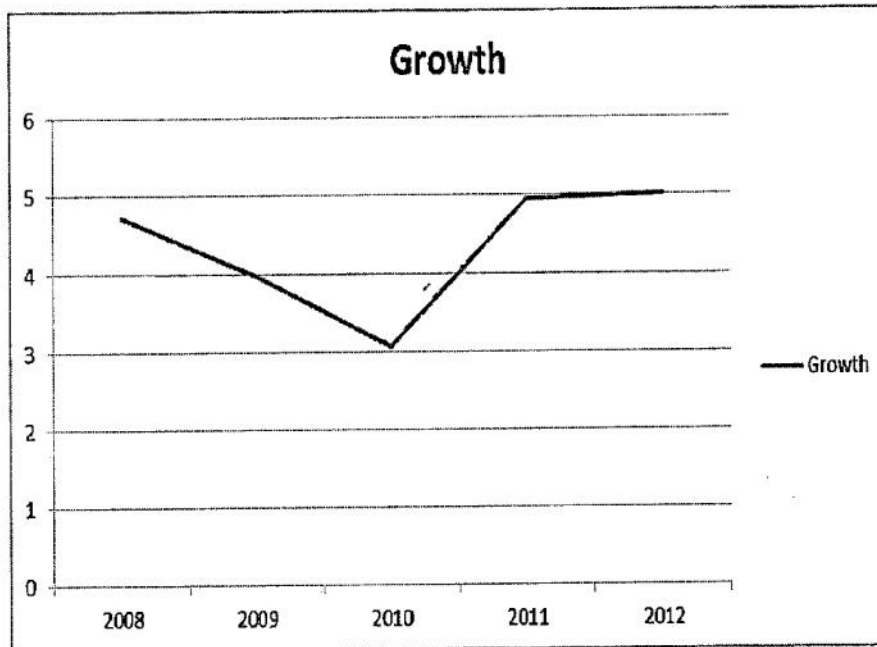
No.	Industrial Origin	2008	2009	2010	2011
1.	Agriculture	729.521	792.463	821.569	915.596
2.	Mining and Quarrying	30.423	34.555	24.835	31.548
3.	Manufacturing Industry	458.172	496.185	550.513	553.335
4.	Electricity, Gas and Water Supply	25.107	28.379	31.366	33.525
5.	Construction	173.721	189.629	209.221	239.507
6.	Trade, Hotels and Restaurants	493.782	538.809	587.485	656.244
7.	Transportation and Communication	328.755	346.570	359.493	383.612
8.	Financial, Real Estate and Business	180.932	204.966	225.679	237.799
9.	Services	617.752	654.723	736.894	815.969
	PDRB	3.038.165	3.286.278	3.547.055	3.867.136
	PDRB/Kapita	7.872.179	8.480.876	9.121.466	9.910.472

Source: Kulonprogo Regency in Figures 2012

b. Economic growth

The economic growth rate of Kulonprogo Regency in 2011 was 4.95 percent. Compared with the 2010 growth (3.06 percent), the figure has risen by 1.89 point. The growth scale, mutually shared by: the agriculture sector (1.57 percent), the services sector (1.31 percent), the trade-hotel-restaurant (about 1.27 percent), while the rest shared only 0.8 percent of the economic growth. The economic policy should be directed to the sectors that give a important and strategic share in the economy.

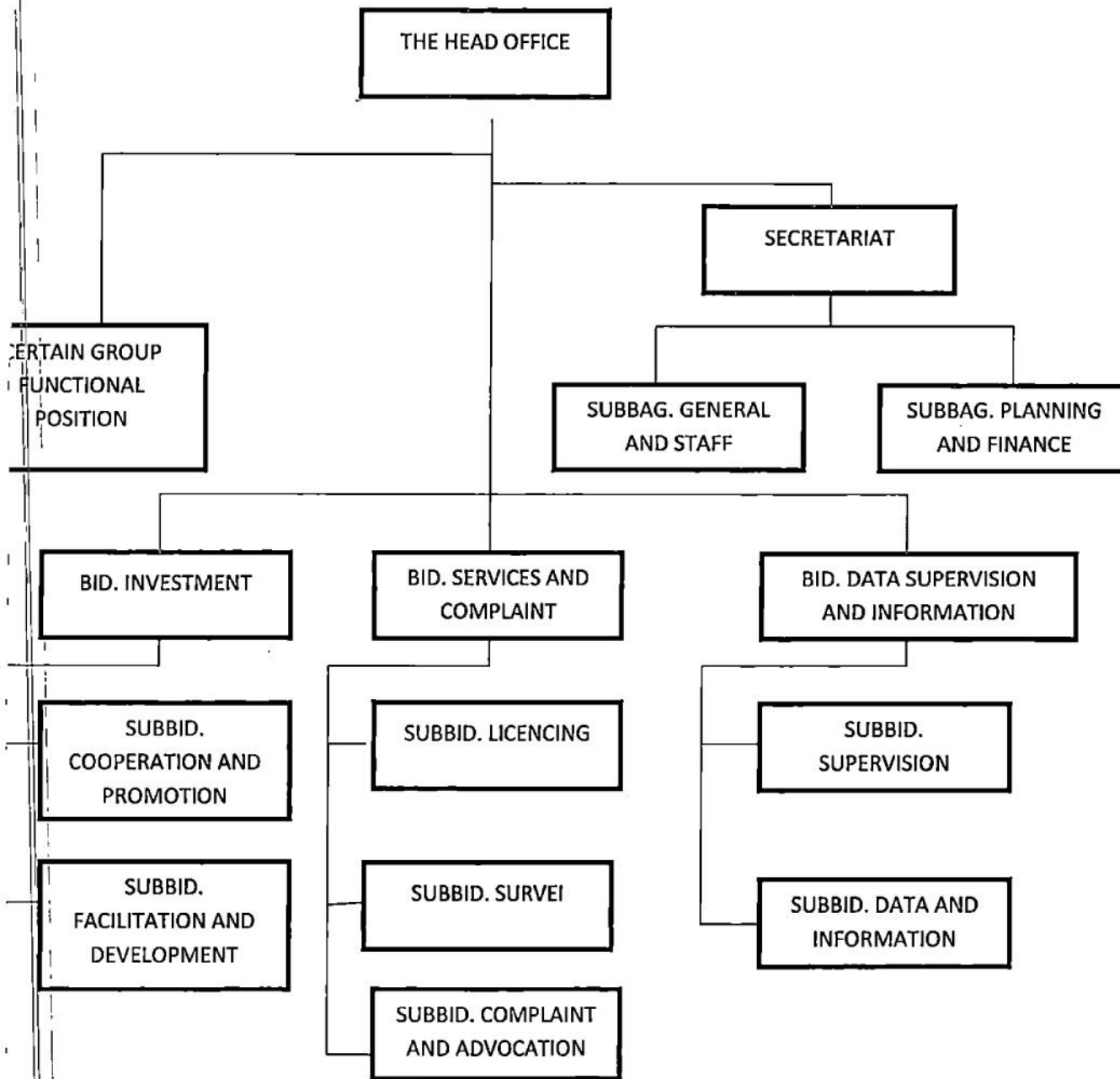
Graphic 2.5 Economic Growth of Kulonprogo Regency 2008-2012



Source: Regional Statistic Board (BPS) of DIY 2013

Sectorial-wise, from nine sectors of GRDP in 2011, eight sectors had a positive growth, while only one sector had a negative growth, which was the manufacturing industry sector (minus 1.23 percent). The mining and quarrying sector had the highest growth rate of 21.56 percent. The second high growth rate was the construction sector of 9.82 percent, followed by the services sector that grew by 7.36 per cent.

- b. Supporting the implementation of Local government's program in investment and integrated licensing;
- c. Developing and implementing the investment and integrated licensing;
- d. Implementing other tasks given by the Regent of Kulonprogo in investment and integrated licensing;



Source: PerdaKulonprogo No.16/2012

Personnel Resource of BPMPT Kulonprogo

Table 2.15 Personnel Resources based on Sex and Educational Level

No	Office Elements	Sex		Educational Level				
		Men	Women	SLTP	SLTA	D3/AKTA	S1	S2
1.	The head office	1	-	-	-	-	-	1
2.	Secretary	1	-	-	-	-	-	1
3.	Subbag. General and staff	1	3	1	2	-	1	-
4.	Subbag. Planning and finance	1	3	-	2	-	2	-
5.	Kabid. investment	1	-	-	-	-	2	-
6.	Subbid. Cooperation and promotion	2	1	-	1	-	1	1
7.	Subbid. Facilitation and development	1	2	-	1	-	1	1
8.	Kabid. Services and	1	-	-	-	-	-	1

	complaint							
9.	Subbid. survei	5	-	-	-	-	-	-
10.	Subbid. Complaint and Advocati on	1	2	-	1	-	2	-
11.	Subbid. Licensing	5	3	-	-	-	-	-
12.	Kabid. Supervisi on, data and informati on	1	-	-	-	-	-	1
13.	Subbid. supervisi on	3	-	-	2	-	-	1
14.	Subbid. Data and informati on	2	-	-	1	-	1	-
Total		26	14					

Source: Investment Office (BPMPT) of Kulonprogo

2. Vision and Mission of BPMPT Kulonprogo

a. Vision

The vision of BPMPT Kulonprogo is "Realization of investment that has competitiveness, sustainability and eco-friendly based on the local resources and the service prima"

b. Mission

The missions would be achieved by the BPMPT Kulonprogo including:

1. Improvement of data and information about investment;
2. Improvement the quality of manpower and infrastructure of investment;
3. Improvement the investment climate and investment attractiveness;
4. Improvement of cooperation, promotion and investment attraction;
5. Improvement the service quality and investment facilities;
6. Improvement of direction and control of the investment.

F. GENERAL DESCRIPTION OF INVESTMENT AND AGGLOMERATION ECONOMIES IN DIY

1. Foreign Direct Investment (FDI) Realization by Regency/City in DIY 2011

Table 2.16 Investment Realization by Regency in DIY 2011

No.	Regency/city	Investment Realization (%)
1.	Sleman	53,43
2.	Yogyakarta	39,63
3.	Kulonprogo	0,07
4.	Bantul	4,60
5.	Gunungkidul	2,27

Source: Regional Statistic Board (BPS) of DIY 2013

2. Distribution of FDI Realization by Sectors 2011

Table 2.17 FDI Realization Portion by Sector

No.	Sectors	Portion of realization (%)
1.	Primary	0,18
2.	Secondary	16,12
3.	Tertiary	83

Source: Regional Statistic Board (BPS) of DIY 2013

The sectors that hold the biggest portions respectively are trade and repair; hotels and restaurant; and transportation, warehouse and communication. Each holding 31, 28 per cent; 25, 25 per cent; and 16,44 per cent. As well as domestic investors, the foreign investor was also interested to invest on the tourism bases sectors.

3. Investment Strategy of DIY

In order to develop the investment and attract the investors, the government of the Special Region of Yogyakarta under BKPM DIY (investment coordinating board of DIY) was settled three main strategies so called: attraction, durability and competitiveness. The components of those strategies are as follows:

- a. Attraction Power
 - a) The enhancement of the marketing capacity for the staffs.
 - b) The inter-sectors coordination periodically in arranging the investment opportunities.
 - c) Business meeting with the prospective investors.
 - d) Promotion through contacting the contact person by printed or electronic media, web and exhibition.

- b. Durability Power
 - a) Coordination of handling and escorting the licensing process and procedures.
 - b) Inter-sector coordination in order to create the conducive investment climate.
 - c) Arrange the policy to give guarantee and security for the local and international/foreign investors. For instance, the limitation of operational period of foreign investment, local-partnerships and involvement of the locals.
 - d) Handling the local-private partnership, especially for the big and strategic investments.

c. Competitiveness Power

- a) Coordination related to the needs of investors such as infrastructures.
- b) Land banking, it is needed to control the land prices.
- c) Held an exhibition to invite the potential buyers.
- d) Offers such unique and innovative commodity such as creative-industry and so on.

4. The Policy Direction of Spatial Plans in DIY (RTRW)

a. The National Referrals of Spatial Plans

The national urban system on DIY as noticed in the sheet of PP No. 26 year 2008 as the table 2.18 as follows;

Table 2.18 National Urban System on DIY

Province	PKN	PKW
D.I Yogyakarta	Yogyakarta (I/C/3)	Bantul(I/D/1), (II/C/1) Sleman (II/C/1)

Source: The Sheet of PP No. 28 year 2008 about RTRWN

The key region contained on the Special Region of Yogyakarta as listed on the sheet of PP No. 28 year 2008 about RTRWN are as follows;

Table 2.19 Key Region of DIY

Key region	Seed sectors
Yogyakarta and surrounding area	<ul style="list-style-type: none"> - Tourism - Agriculture - Industry - Fishery

Source: The Sheet of PP No. 28 year 2008 about RTRWN

The key region is including some part of Sleman, Bantul, Kulonprogo, Gunungkidul Regency and Yogyakarta City. The seed sectors of that key region were tourism, agriculture, industry and

Graveyard, PuroPakualaman, Malioboro and the temples in Sleman and Bantul Regencies.

3. The protected area and cultivation on DIY are include:
 - a) The national strategic area covering the Merapi Mountain National Park, which have 1.743,250 ha width in the District of Turi, Cankringan and Pakem in Sleman Regency.
 - b) The provincial strategic area including:
 - (1) the karst eco geo-tourism in Gunungkidul Regency;
 - (2) The Parangtritis and desert in Bantul Regency;
 - c) The WediOmbo beach area in Gungkidul Regency.

4. The strategic area of utilization of natural resources and/or high-tech in DIY covering:
 - a) The south-beaches (Pantai Selatan) area for wind and sea wave power plants in KulongProgo, Bantul and Gunungkidul Regencies;
 - b) The high-tech area in Gunung Merapi areas in Sleman Regency.

5. The coastal development and management of marine products in DIY covering:
 - a) The Depok, Samas, Kuwaru and Pandansimo beaches in Bantul Regency;
 - b) The Trisik, Karangwuni, Glagah and Congot beaches in KulonProgo Regency;

- c) The Sadeng, Sundak, Baron, Ngerenehan and Gesing beaches in Gunungkidul.