CATALYZING CITY RESILIENT SOLUTION

RESILIENT BATIK, RESILIENT SEMARANG ACCELERATOR

Initial Findings of The CCRS Rapid Assessment
Outline

1. Batik SMEs & Semarang City Resilience
2. Initial Findings: Batik SMEs Profile
3. Risk & Vulnerability
4. Future Resilient Business Development
Urbanization and development cause Environment Pressure in Semarang

Increasing average surface temperature:
- The average temperature increase by 2-5°C (2018), current temperature reaches 30°C

Sea level rise, coastal inundation, flooding and land subsidence:
- 66 villages in 12 flood-prone sub-districts are not only in coastal areas such as Kec. Tugu but also along upstream streams and hills such as Kec. Ngaliyan.

Join the 100RC to deal with flood disasters (coastal inundation/flash flood)

RESILIENCE STRATEGY
There are 53 initiatives grouped into 6 pillars.

Competitive Human Resource
Water and energy sustainability
New economic opportunities
Disaster preparedness and disease outbreaks
Integrated mobility
Transparency of public information and governance

Semarang City Flagship SMEs:
- F&B (Milkfish; traditional food)
- Batik

Batik as a distinctive cultural heritage of Semarang City

Batik has a pollution risk

The majority of Batik SMEs are classified as micro businesses and more vulnerable than other SMEs
Initial Findings
of The CCRS Rapid Assessment in Semarang

• SMEs, Centres and Cluster
• Batik SMEs Profile
• Batik Value Chain

• Type of Production
• Batik SMEs Product Market
• Network & Support
SMEs, CENTERS AND CLUSTERS

306 SEMARANG BATIK SMEs
Spread throughout the district in Semarang City

1 SEMARANG BATIK CLUSTER

4 AGGLOMERATION BATIK CENTERS

- Batik Tugu
  “Mangrove Batik”

- Batik Gunung Pati
  “Natural Batik”

- Batik Banyumanik
  “Synthetic Batik”

- Batik Semarang Timur
  “Batik Education Center”

Kampung Batik
**BATIK SMEs PROFILE**

- **Districts with the most Batik SMEs**
  - Banyumanik: 17%
  - Tembalang: 13%
  - Semarang: 7%
  - Pedurungan: 7%
  - Gajah Mungkur: 4%
  - Genuk: 2%

- **Respondents refer as side income.**

**BUSINESS ACTORS**

- SMEs Actors by Age Group:
  - 15-19: 10.8%
  - 20-24: 10.8%
  - 25-29: 7.5%
  - 30-34: 7.5%
  - 35-39: 18.3%
  - 40-44: 21.7%

**BUSINESS CONTRIBUTION**

- 67% Business Group
- 16% Joined Cluster
- 17% Individual Business

**TYPE OF BUSINESS**

- 53% Production and Sales of batik products
- 16% Batik Seller (Reseller)
- 7% Other supporting Batik production activities
- 3% Production of batik fabric

**BUSINESS ACTIVITIES**

- 37% Production and Sales of batik products
- 7% Other supporting Batik production activities
- 3% Production of batik fabric

**BUSINESS SCALE**

- 83% Micro
- 10% Small
- 7% Medium

**EDUCATION LEVEL**

- 46% High School Graduates/Equivalent
- 46% Diploma/Bachelor Graduates

**INITIATIVE FOR REGIONAL DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT**

- World bank indicator for SMEs classification

**INCOME**

- 31% <=25%
- 22% 25%-50%
- 22% >50%

**BUSINESS ACTORS**

- 75% Businesses are dominated by women.
- 25% Businesses are dominated by men.

**AVerage BUSINESS LENGTH**

- <=10 YEAR
- District with the most Batik SMEs

**EDUCATION LEVEL**

- 46% High School Graduates/Equivalent
- 46% Diploma/Bachelor Graduates
BATIK VALUE CHAIN

Activity

Input
- Cotton/Silk Fabric
- Natural/Synthetic dyes
- Wax, Conting, Stamp, Paintbrush
- Motif Design
- Design Plotting
- Stamp, Hand Drawn, Splash, Painting
- Nglorod and coloring

Process
- Hand Drawn Batik
- Stamp Batik
- Batic Fabric
- Fashion Product

Output
- Veil

Distribution
- Solo, Semarang, Jogja, Pekalongan
- Semarang
- Pekalongan, Demak, Semarang

Location
- After Pandemic: Klaten, Jogja, Madura

Actors
- Supplier
- Supplier
- Supplier
- Motif Designer
- Plotter
- Batik Craftsmen
- Seller
- Taylor

Initiative for Regional Development and Environmental Management
TYPE OF PRODUCTION

Fashion products
(Clothes, bags, souvenirs etc.)

9% SMEs produce fashion product
Type of dyes material:
- 75% synthetic dyes
- 25% natural and synthetic dyes

Batik Production (Fabric)

12% SMEs produce batik fabric
Type of dyes material:
- 100% natural and synthetic dyes

Batik Fabric and Fashion products

79% SMEs produce batik fabric and fashion product
Type of dyes material:
- 38% natural dyes
- 27% synthetic dyes
- 35% natural and synthetic dyes

PRODUCTION WASTE

Liquid waste
Liquid and solid waste
Solid waste
Production activities carried out outside Semarang

<table>
<thead>
<tr>
<th>Waste Type</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Liquid waste</td>
<td>15%</td>
</tr>
<tr>
<td>Liquid and solid waste</td>
<td>10%</td>
</tr>
<tr>
<td>Solid waste</td>
<td>5%</td>
</tr>
<tr>
<td>Production activities</td>
<td>15%</td>
</tr>
</tbody>
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Production outside Semarang City

- Processed into craft: 9%
- Production outside Semarang City: 16%
- Not processed, immediately thrown away: 44%
- Does not produce liquid waste: 3%
- It has been further processed before being disposed of to the WWTP (Bahasa: IPAL): 19%
- It has been further processed before being disposed of in other ways: 9%
BATIK SMEs PRODUCT MARKET

73% Local Markets
SMEs have distributed their products in the city of Semarang and surrounding areas.

13% International markets
Distributed to the international market

14% Regional and national markets
(Indonesia)

Local markets
International markets
Regional and national markets

Initiative for Regional Development and Environmental Management
NETWORK AND SUPPORT

Local Government
- Industrial and trade Agency
- Cooperation and SMEs Agency
- Employment Agency
- Planning and Development Board
- Tourism Agency

Semarang Batik Cluster
- Batik Production Training
- Natural Coloring
- New Technique
- Forum Dialog and Promotion

Batik Entrepreneurship
- In 2006 Batik Semarang 16 introduce new Semarang Motif Design
- Training for Housewife and other interest students (initiate by Batik Semarang 16, Zie Batik, Salma Batik)

Push the Plasma Model Batik Production in Semarang Periphery

Business Network
Others batik SMEs actors

Initiative for Regional Development and Environmental Management
Inclusive Batik Activity

Splash Batik,
• an invention from the late Principal of Semarang Special School (Mr. Ciptono), dedicated to children with disability since 2011
• Replicated by other Special School in Semarang and widely spread to other region in Central Java, East Java and Jogjakarta

Note: As student activity only, exclude from Batik SMEs. Batik Ciprat fill the batik market as signature souvenir from Semarang

Risk And Vulnerabilities

Capital
- Capital limitation
- Conventional funding

Market
- Limited and local market orientation

Dependency
- Material
- Skilled labour

Product
- Weak product identity
- Lack of innovation

Material
- 100% synthetic
- 43% natural

Waste
- 60% Unprocessed waste (disposed of by rivers, ditches, soil)
- 16% WWT

Water
- 30% Artesian, 37% Wells, 33% local water company

Initiative for Regional Development and Environmental Management

Batik SMEs and Pandemic Covid-19

- 34.5% Discontinue
- 63% Production Decrease
- 2.5% BAU

- 70% loss of market demand
Existing Resilience Strategy

Control
- **Production** (decrease, discontinue, subcontract)
- **Labor** (reduction)
- **Price** (steady, increase, decrease)

Recall
- **Business transfer** to F&B
- **Promotion transfer** to social media
- **Specialization** in Education/Training; Motif Designer

Create
- **Product Modification** – mask, home decor
- **Market extension** – outside Semarang area

Communicate
- **Social media** (Whatsapp, Instagram)

Cooperate
- Local Government
- Business network (for raw materials, distribution)
- Cooperative (funding)
- Joint Business Group (KUB)

Collaborate
- Capital
- Material supply
- Market network
- Cluster
Future Sustainable Business Development

(Digital) Ecosystem
- Collaboration of batik actors from upstream to downstream
- Product innovation

Location
- Batik tourism village
- Specific Location Advantage
- Integrated waste management

Production
- Product uniqueness
- Product advantages (production techniques, innovation)
- Brand story (Tugu Muda, Lawang Sewu, Old City Area)

Finance
- Joint business group to be Cooperative
- Micro-soft lending

Promotion
- Branding
- Market Extension
- Digital media (social media, marketplace)

Human resources
- Less dependency – local actor

Human resources
Location
Production
Finance
Promotion
Sustainable Business
(Digital) Ecosystem
THANKYOU