

## **ABSTRACT**

*Batik Semarang has the potential to be developed in Semarang city. The potential can support economic growth and tourism development in Semarang city. Semarang batik craftsmen suffer a problem which is low production rate. This is caused by several supporting factors such as capital, the number of labor, raw materials, materials, joint partnerships and government assistance.*

*The aim of this research is to understand the influence of the capital, the number of labor, raw materials, materials, joint partnership and government assistance in production rate of Small Medium Enterprise (SME) Batik Semarang. The respondents of this research are 44 entrepreneurs SME Batik in Semarang city by using population techniques.*

*Data analysis was conducted using multiple linear regression analysis and SWOT analysis. Dependent variable of this research is production rate of, while independent variable of this research were number of labour, capital, raw materials, materials, joint partnerships and government assistance. This research used interview answers which were guided by detailed quest as primary data. Secondary data of this research was obtained through books and literature from various source.*

*The results showed that there were four independent variables that significant influence the production rate of Batik Semarang production: capital, the number of labour, raw materials and materials. While joint partnerships and government assistance gave less effect compared to the previous four independent variable. SME development Required strategic descision for Batik Semarang is utilizing every potential source to gain maximum profit.*

**Keywords:** *income, amount of capital, labour, raw materials, the tangle of partnerships and Government assistance.*