

ABSTRACT

Indonesia's development strategy is to achieve national objectives of achieving a just society, and prosperous. Economic development can be focused on regional economic development, because it will contribute to the development of the province and will also contribute to national development. Establishment of Forum for Economic Development and Employment Promotion (FEDEP) by the City Government of Semarang in 2008, is the role of Semarang City Government in formulating policies for industrial development and small and focused and sustained. Development of Small and Medium Industries (IKM) will be more effective if supported by the existence of small-scale businesses, medium enterprises. IKM also requires the container to maintain its existence and develop themselves. One of the tasks is to develop IKM FEDEP through cluster approach, it also as a step to give more value to the IKM be able to compete in the free market.

The analytical method used is the Location Quotient index, Herfindahl index, and bilateral Krugman specialization index and the Ellison-Glaeser index in explaining specialization and spatial concentration of small and medium industries in the city of Semarang in years 1999 to 2006 analysis.

The result of the analysis are based on district, Semarang IKM concentrated in Sub Genuk (26,21%), and Gayamsari (12,77%). IKM seed subsector based on the specialization of Semarang district level are the manufacture of food, beverages and tobacco (ISIC 3.1) (25,81%), manufacture of textiles, wearing apparel and leather (ISIC 3.2) (20,46%), and the timber subsector and the like (ISIC 3.3) (18,36%). There are also several areas of concentration in Semarang IKM among Sub Genuk (ISIC 3.3), where the area of concentration is a concern because of agglomeration effect, and the District of Gayamsari (ISIC 3.9). In addition there are also several areas of concentration that is potential to develop IKM is District of Semarang Selatan, Gajah Mungkur, Candisari, and Tembalang (ISIC 3.4).

Key Words : Specialization, Spatial Concentration, Industry, IKM