

Strategies for The Development of National Sports Industry

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Abstract

Present day, to accelerate the industrialization process of sports, the challenge of the negative impact of the crisis of globalization, as well as to anticipate developments in the future, the national sports industry development strategy and policy requires clear. Strategies and policies capability of answering questions, definition of sports industry? And what strategies for the development of national sports industry?

Sport industry is the aggregate of organizations or sectors involved in the production of sport products to meet the people's need in watching sports events and participating in physical activities. Sport industry including: Sport service industry, sporting goods sales industry, sporting goods manufacturing Industry

Industrial development strategy of the National Sports: convincing the government, especially Minister of Sports and the Ministry of Industry and Minister trade of that sports industries grouped in their own sector, there are providers of funds for the development of sports industry, identifying sports industry in Indonesia, increasing the quantity and quality (SDM) sports industry , making clusters in sports industry, seek products certified sports equipment, sports marketing plan development domestically and internationally.

Introduction

For the first strategy to see national and international issues in the era of globalization crisis.

Currently, we are faced with the phenomenon in which globalization is playing its role in transmitting financial crisis. Financial crisis in the United States in the early and mid of 2008 has led to declining societies' purchasing power of the United States that is known as the biggest consumers of products from various countries around the world. Decreasing in that market absorption causes the volume of imports dropped dramatically, which means reduced exports from producer countries for various products that are consumed or needed by the United States' industry. Because of the volume of the U.S. economy is enormous, and then it would impact on all exporting countries around the world to be serious too, especially the countries that rely on exports to the United States, including Indonesia.

Some steps to overcome the world financial crisis have been done. United States government disbursed the first phase of the stimulus fund \$ 700 billion. Followed by a second phase fund of \$ 800 billion, also launched a stimulus package of \$ 260 billion. As they did not want to miss, China, as one of the giant-economy countries spent 4 trillion yuan (\$ 586 billion). That's why the World Bank cuts China's economic growth forecasts in 2008 and 2009. The economic growth in the country of Bamboo Curtain in 2008 only 9.4%, down compared to last year growth of 11.9%. In 2009, China's economic growth based on World Bank estimates is only 7.5%, lowest in this 19 years. Meanwhile, the Japanese government immediately release funds for stimulus 5 trillion yen or about \$ 50 billion. So did South Korea immediately provide up to \$ 100 billion to rescue banks from foreign debt during three years. Then, what is the impact on the Indonesia's economy, especially if the global financial crisis also hit the giant countries in the East Asia like China, Japan, and South Korea? So far, Indonesia's economy more dependent on those three countries. In fact, the economic condition of the three giants of East Asia is also very determined by what happens in the U.S. and Europe, because most of their export markets to those regions. To know

how the economic prospects in this three countries of East Asia, and its impact on Indonesia.

Let's see how the conditions in Asia, related to the global economic crisis, how about the impact on Japan? We are in the area that is grow continuously. After happened in the U.S. and Europe, this crisis also hit Japan. That's why that country's economic growth is projected -1% this year. In fact, the economic recession that is experienced by Japan had occurred long before this financial crisis. However, because of the financial sector and stocks prices are connected to each other and the world economy already has a mutual dependence, Japan can not avoid the impact of this crisis. Indeed the world financial crisis will provide retarded affect to Japan's economic growth. However, because that country's economic fundamentals are already strong, cause only a small effect. Japan's economic growth will down between 1% in one or two years. The impact of this crisis will more affect on the real sectors. Percentage of Japan's economic growth is greater than other countries. Japan exported various products to more countries, not only to the United States and Europe.

How about China? One of the China's benefits are they resolve this problem with the approach that far away from panic. That's why they immediately anticipate by spent a stimulus fund nearly \$ 600 billion and change the exports orientation to the domestic market. I predict, with these two approaches, they still can maintain economic growth next year by 7%. This is far from the growth in previous decades that are always above 10%. We will see the world economic growth will still be driven by economic growth in East Asia such as China, Japan, and South Korea. How far the domestic market affects China? The domestic market is important. However, the growth of international trade are grows faster than the domestic economy. Thus, for China, exports seem more important than the growth of domestic marketing. In fact, changes in domestic marketing orientation in China have started since 2003. In facing the world financial crisis, China is including the lucky country. They have initiated a major economic growth, above average of 10%. The stocks value in their trading floor is also good

in the last few decades. This is what makes China relatively have reliability in facing the crisis.

How about South Korea? Indeed, there are many problems that are experienced by South Korea, so the government doesn't have any surefire way to overcome the crisis. They actually have some strong companies such as Samsung. However, their primary production is not too strong. That country need to review the macro and micro economic policies. If this is not done, they would pay the consequences. Indeed, South Korea, including Vietnam, are highly vulnerable to the world financial crisis shocks. With the condition of East Asia countries today, Indonesian export products to China, Japan, and South Korea would be threatened? However, next year there could be a reduction in Indonesian exports to East Asia. Moreover, the biggest crisis of East Asian countries is happened in South Korea. Indonesian product demand in Japan will also slow down. In addition, because China has changed the export orientation to the domestic market, that countries focus on their own products in domestic and slowing in import various products from the outside, including from Indonesia.

The impact of the global crisis in Indonesia in 1998, the crisis dimensions in Indonesia are the most severe than the other 6 Asian countries, because not only the monetary crisis but a total crisis that is crisis of confidence, financial crisis, economic crisis, social crisis and political crisis.

Crisis of economic globalization is accompanied by rapid growth of technology, affect on very intense competition and rapid changes of Indonesia's business environment. Product purchasing power is down, company order is down, there is a broken relationship so the industry decided to close, bank loans is difficult, product competition is very tight, and very low benefit margins, BI's policy to raise the interest rates to muffle inflation which occur because banking interest rates, and more increase that labor requested. In carrying out the process of industrial development, the situation is a reality that must be faced and must be a decisive consideration in every policy to be issued, as well as a new paradigm that must be faced by Indonesia in implementing the development process of industrialization, especially the sports industry.

On the basis of these ideas, the policy in the Indonesian industrial development, especially sports industry should be able to answer the challenges of the world economic globalization crisis and be able to anticipate the development of rapid environmental change. International competition is a new perspective for all countries, so that the focus of sport industrial development strategy for the future is to build the competitiveness of sustainable industrial sector in the domestic market and Asian markets and sustain the American and European markets.

In an era like today, sports have become the economy macrocosm (prime mover) with the opening of employment opportunities and other business opportunities that result in people's welfare. No wonder many countries in the world are serious about building an advanced sports industry, such as China.

When the global financial crisis has not really good as today, people started looking what the industry will still survive and have promising prospects. In addition to the creative industry, sports industry which involves many economy principles can be considered the answer.

Unfortunately, with large potential market, Indonesia has not be able yet to make sport into an industry. In fact, multi flyer effect that can be enjoyed from the sports industry are no joke. Fundamental issues that related to the difficulty of developing sports industry in Indonesia, not understood yet by the public about the sports industry definition and less attention, and encouragement of the sports industry development. In united cabinet, sports industry is still scattered at how much the industrial sector has not contained in the sports industry itself.

Sports activities had not been managed as a business opportunity. In fact, with a good sports industry, the velocity of money that generated are big enough. The problem is until now the Indonesian people not fully aware and understand yet about the importance of the sports industry.

In such situations, to accelerate the industrialization process of sports, answer the challenge of the negative impact from globalization and world economy liberalization movement, and the anticipated developments in the future, the national sports industry development requires clear strategies and policies.

Strategies and policies are capable of answering questions, including what sports industry? And how strategies for the development of national sports industry?

What is Sports Industry?

According to Jason D. Hunter, Eric C. Schwarz (2008), sport industry is a collection of organizations or sectors that involved in the production of sports products to meet the needs of the community in watching sports and participating in physical activity.

According to Jason D. Hunter, Eric C. Schwarz (2008), say that the sports industry including sports service industry, sport sales industry and sports equipment industry. Similarly with Lin Xianpeng (2007) in China, sports industry is classified into 3 groups:

1. Sport service industry,
2. Sporting goods sales industry,
3. Sporting goods manufacturing Industry

Sport service industry include:

1. Sports venue industry (swimming pool, table tennis building, fitness building, tennis courts, etc.)
2. Sports event industry
3. Training industry (sport education and training including the education in schools and in the society or clubs, sports associations, etc.)

Sporting goods sales industry include:

1. Sales industry of whole-sale sports equipment
2. Retail sports equipment sales industry

Sporting goods manufacturing Industry include:

1. Sports equipment industry (shuttle coke, bat)
2. Ball industry
3. Other sports equipment manufacturing industry (gloves, shoes, balls and others)

On this basis, the sports industry in Indonesia, before arrange the sport industry development strategy, first determine the definition of sports industry. In this paper, definition and scope of the sports industry is a collection of organizations or sectors involved in the production of sports products to meet the needs of the society in watching sports and participating in physical activity.

The Development Strategy of The National Sport Industry

To achieve the unity of view in order to carry out the assigned missions to achieve the vision, we define goals, objectives, strategies, policies and programs. The purpose is the explanation of the mission statement that is the end result to be obtained or produced within a period of 3-5 years.

With the goal, the focus of local government performance can be more sharpened and provide direction for the target to be achieved. Target is the description of the purpose, is to be obtained or generated by local governments within the annual, half yearly, quarterly or monthly. The target describes actions/activities that should be done in order to achieve objectives with emphasis on the use of resources efficiently, effectively and economically.

Strategy is how to achieve goals and objectives which are plans that include comprehensive and integrated efforts to operationalize goals and objectives through the establishment of policies and programs. Policy is decision that is fundamental to be used as a basis for action in an effort to achieve the goals that previously set.

In China, sports industry is a separate sector in the economic growth of China. Sports industry in Indonesia is lack of attention by the government and the sports industry, actually sports industry in Indonesia already exist but the government put it into the other industries sector groups, such as golf gloves industry into the garment industry; ball and racket industry came into the craft and another groups.

Sports industry has not calculated yet, how much it contribution to national and regional economic growth. So people still consider that sport has not seen yet as an industry.

On this basis, the first step in sport industry development is the Minister of Sports and Youth together with the Minister of Industry and Minister of Trading determines what sectors that included in sports industry. The second step is the minister of sports and youth should be suggests that the sport industry is a separate sector in line with the manufacturing industry and developed under the Minister of Industry and Minister of Trading. And there is own calculation of the sport industry contribution to economics growth at the regional level and national level.

Sports industry development in Indonesia is required qualified human resources. To improve the quality and quantity of human resources of sport industry, it is need to held sports equipment design training, sports industry management and business, sports industry marketing.

Sports industry development need to form clusters. With forming cluster can more easily form the networks of basic materials needed, production networks and the networks of sports industry products marketing.

Sport industry development that can be competing in the world should have certification of sports equipment products such as ball industry in Majenang Tasikmalaya and Bantul Yogyakarta, softball gloves in Sleman Yogyakarta, golf gloves in Yogyakarta and other sports industry.

Sports industry development can be recognized in Indonesia and abroad, it is need to held marketing and promotion planning. Marketing planning was done in several stages, starting from identifying the purpose of sports marketing planning, sports products analysis, sports product positioning, buyers' segment and target, sports products packaging, sports products pricing, sports products promotion and sports products distribution and evaluation and feedback on sports marketing planning. Promotions are planned through the exhibitions, trade missions, through the electronic media, and others.

Based on this basis, the government need to facilitate these activities in order that sports industry can be developed primarily with grants, by make it easier in get credit and soft interest.

Conclusion

Based on the description above, the development strategy of the National Sport Industry can be categorized into five main strategies, namely:

1. Assured government, especially Minister of Sports and Ministry of Industry and Minister of Trading that sports industries grouped within their own sector.
2. There are provider of funds for the development of sports industry.
3. Identifying sports industry in Indonesia.
4. Increasing the quantity and quality (SDM) of sports industry.
5. Creating clusters in the sports industry.
6. Manage certified sports equipment products.
7. Sports marketing plan development domestically and internationally.

