

INNOVATIVE BUSINESS STRATEGY OF RATTAN INDUSTRY IN KATINGAN REGENCY CENTRAL KALIMANTAN IS IMPERATIVE: A CASE STUDY

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Abstract. *Indonesia is the largest contributor of rattan in the world which produces around 143,120 tons per year. The export value of Indonesian rattan products reaches USD 357.16 million from January to August 2020. The rattan industry has great potential and is highly competitive product. This study used a qualitative approach and case study research methods. The object of this research is the rattan industry in Katingan Regency, Central Kalimantan Province. It is the largest rattan producer in Indonesia with an area of 325,000 hectares and produces around 600-800 tons/month of rattan. Katingan rattan commodity types are raw rattan and semi-finished rattan materials. So far, Katingan rattan is mostly supplied to the largest rattan craft center in Cirebon Regency, West Java Province. In the center of the furniture and rattan handicraft industry in Cirebon, there are around 1,408 companies and about 60,000 rattan craftsmen who produce 60% of the national rattan products. Minister of Trade Regulation No. 35/2011 on the Export Policy of Rattan and Rattan Products which prohibits the export of raw rattan, washed rattan and round rattan (W/S), and semi-finished rattan. This export ban causes rattan production to decline, commodity prices plummet, and the income of farmers and rattan craftsmen is minimal. Therefore, an innovative business strategy is needed so that the Katingan rattan industry is more optimal and can improve the economy of the local community.*

Keywords: *Business strategy; Innovation; Rattan industry*