

ABSTRACT

In the regional economy of Bali, garment industries play two major roles. In the first place, they make a significant contribution in the regional development in the form of foreign exchange as garment products constitute almost 50% of the total export of the region. In the second place, the labor intensive industries have extensive job opportunities for the workforce in the region.

The present study is conducted to further disclose which of the following stipulations and what extent they are significant on the success of the industries. The factors under consideration are : government policy, supplier, competition, promotion, distribution, product mix, number of employee, experience of employee, welfare of employee, production capacity, and financial structure.

The sample of the study is represented by 32 units of industry out of 134 units which have legally requested business consent from the Regional Office of Department of Industry while the model of analysis applied to the pertinent data is the Multiple Linear Regression.

The simultaneous test shows that the success of these industries is markedly determined by those factors under consideration (76,45%). This suggests that the business continuity depends on the pertinent stipulations.

The partial analysis shows that 3 of the factors bear evidently significant influence i.e.: product mix, welfare of employee and government policy. These all hint that the ability of the industries to fulfil the demand for a particular product spesification, the welfare of the employee and the government policy which favours condusive business conditions are circumstances to consider if necessary accomplishment is to be taken in an attempt to increase substansial earnings in foreign exchange.

Prototipical quality products, promotional campaign to non quota countries as resent study indicates substansial increase in trading volume to these countries and persistent assistance from the government as a fasilitator and motivator by way of favorable policies are obviously obligatory to maintain as well as to increase the present foreign exchange earnings.

Key words : garment, foreign exchange, success, stipulations.