## **ABSTRACT**

Ahmad Rifai, 2014. THESIS. Title: Analysis Potential and Problems of Mikro and Small Enterprises (MSE) in Developing The Superior MSE at Singosari Malang.

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Keyword: Mikro and Small Enterprises, Location Quotient (LQ), Potential,

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The contribution of Micro and Small Enterprises (MSE) to national economic growth is very great. But, its developing in Indonesia, MSE faces problems. The purpose of this research is to find a superior economic sector of MSE at Singosari Malang and identification potential and problems of MSE.

This research uses Analysis of Location Quotient (LQ) to find the superior economic sector of MSE at Singosari Malang. After finding the superior economic sector of MSE then it be identified about potential and problems by qualitative descriptive analysis.

The Result shows that the superior economic sector of MSE is industry of manufacture. Then the result of potential analysis shows MSE of industry of manufacture has potentials (1) financial potential, MSE is still use its own capital. (2) Market potential, that MSE's marketing area is export. (3) Absorption of labor. The result of problem analysis shows that MSE has problems, (1) marketing problems, it is caused by competitors, the cost of marketing is so expensive, it has no fixed customer yet, blocked of product distribution. (2) Labor problems, it has no discipline well, it has no organization structure and job description, there is no training and developing of labor routinely. (3) Financial problems, it is so small capital in developing of MSE, procedure of loan capital at Bank is crucial and the rate and collateral of loan is too high. (4) Basic material problems, it is minimum in basic material supplying, weather, its cost is so expensive, blocked of basic material distribution.