## **ABSTRACT**

## CAPACITY BUILDING OF MICRO, SMALL AND MEDIUM ENTERPRISES (UMKM) IN BANDAR LAMPUNG CITY IN ORDER TO FACE ASEAN ECONOMIC COMMUNITY 2015

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Asean economic community will begin at the end of the year 2015, where the trade of goods and services will be more free. Meanwhile there are many problems faced by UMKM in the Bandar Lampung city. The aim of this research is to find out the strategy to strengthen UMKM in the Bandar Lampung city to face asean economic community 2015. This research uses a qualitative approach. Meanwhile data collection was done through deepth interviews and documentations.

The strengthening of the organization of UMKM in the city of Bandar Lampung are seen from three aspect, which are; the use of personnel, managerial aspects and the development of network. The results show that the aspect of the use of personel conducted by giving enterpreneurship and technical training from Diskoperindag. As for managerial aspects, Diskoperindag conducted socialization about information technology, financial management training and management production training and for development of network aspect, Diskoperindag built a cooperation with local state enterprises (BUMD), state enterprises (BUMN) other institutions. In addition to that Diskoperindag also invites UMKM to join an exhibition either at local level and at national level. Moreover the development of OVOP (one village one product) has established in order to develop the network. But the number of participants who received training and assistance is very limited. Socialization about the Asean economic community itself only done during the training so that there are still many UMKM that don't know about it.

Diskoperindag of the city of Bandar Lampung should be more intens to do a socialization about Asean Economi Community, increasing the intensity of education and training on entrepreneurship for UMKM, building a network with modern market, protecting local products and increasing the number of UMKM which get the capital subsidize and equipment for production.

Key Word: Capacity Building, Asean Economic Community, UMKM