

## Research Article

# The Leading Sector for West Sumatera in Facing the ASEAN Economic Community

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**Abstract.** This paper aimed to determine the leading sectors in working with the ASEAN Economic Community (AEC) in West Sumatera. These sectors support regional readiness in facing the AEC. This study used a normative legal method, with secondary data consisting of primary, secondary and tertiary legal materials. Data were analyzed qualitatively. The results showed that Indonesia has 12 priority sectors in the trade of goods and services that can be favored in facing the AEC, while the West Sumatera region has three such sectors. The West Sumatera region must be able to optimally utilize these sectors to work with the AEC. The region must prepare for regional competitiveness from various angles, because competitiveness is the key to success or failure in utilizing the AEC.

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## 1. INTRODUCTION

With the agreement on regional cooperation in the Southeast Asian region called the ASEAN Economic Community (AEC), which consists of 10 member countries. The main objective of establishing the ASEAN Economic Community is to make ASEAN a single market and production base, in which there is a free flow of goods, services, investment and skilled labor and a freer flow of capital which came into force in 2016. Besides that, it also aims to improve economic stability in the ASEAN region and form a stable, prosperous and competitive inter-ASEAN economic area. The participation of all ASEAN member countries is very much needed to realize the 2020 ASEAN region ( *ASEAN Vision 2020* ).

The existence of the AEC is a very important forum for the progress of ASEAN countries to improve the welfare of its member countries. This opportunity is expected for all ASEAN members to be able to take advantage of opportunities and face challenges in the implementation of the AEC. Indonesia is one of the ASEAN member countries trying to prepare themselves to be able to compete with the Southeast Asian region.

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The Indonesian government has issued Presidential Instruction (Inpres) No. 11 of 2011 on the Implementation of the AEC Blueprint Commitment in an effort to prepare for the ASEAN free market. In the AEC blueprint, there are 12 priority sectors that will be integrated by the government, which are sectors that are superior to both the goods trade sector and the service sector[1]. Indonesia in general and the West Sumatra region in particular must prepare for quality and competitiveness which are opportunities that must be improved, because the West Sumatra area has a lot of potential to be able to take advantage of both natural and non-natural potentials. In other words, the West Sumatra region has mainstay or superior sectors that can improve the economy and welfare of the people of the area.

## 2. METHODOLOGY/ MATERIALS

The method used in this research is the normative legal approach method. It means a method used in legal research is conducted by examining existing library materials and focuses on legal theory, principles of law and systematic of law. Using secondary data means that data is obtained through literature study, which consists of books and laws. Secondary data consists of[2] :

1. Primary Legal Material is an official legal material that binds or makes people obey the law, such as laws and judge's decisions. In this article, the Act, Presidential Instruction and ASEAN Charter are used as the main material.

2. Secondary Legal Material is legal material that is not binding but explains primary legal material which is the result of the processed opinions or thoughts of experts or experts who study a particular field specifically that will provide clues to where researchers will lead. Secondary materials are such as books scientific journals, newspaper, magazines, and the internet.

3. Tertiary Law Material is the material that supports primary and secondary legal materials, such as legal dictionaries and encyclopedias. Data collection techniques are used with document studies or literature studies and qualitative data analysis. Qualitative data analysis means grouping data based on the aspects studied, without using numbers but using the laws and regulations studied.

## 3. RESULTS AND DISCUSSIONS

With this collaboration, all member countries hope to be able to advance various sectors, especially the economic sector, in accordance with the AEC mission to make

the economy in ASEAN better and able to compete with countries whose economies are more advanced than ASEAN member countries and make ASEAN's position more competitive strategy at the international level.

Indonesian state has a very big chance with 12 priority sectors in trade, goods, and services that can be seeded in the implementation of AEC. According to the Director General of ASEAN Cooperation at the Ministry of Foreign Affairs Rossalis Rusman Adenan that 12 (twelve) sectors consist of 8 (eight) goods trading sectors originating from agriculture, fisheries, rubber industry, wood industry, textile industry and automatic electronic clothing as well as information technology and communication, and 4 (four) sectors in the service sector including health, tourism, air transportation, logistics and e-commerce. For the health sector, there are 3 (three) sub-sectors classified, which are general medicine, dentistry and nursing[3].

Sectors that support the economy of West Sumatra must also receive attention from the government, because these sectors or potentials are factors that support regional readiness in facing the AEC. There are three sectors that can be the mainstay or superior of West Sumatra to enter the AEC free market[4], which are:

### 3.1. Tourism Sector

The tourism sector is the future potential of West Sumatra, because this area has a rich culture and natural scenery, one of the best in Indonesia, not inferior to Bali, Yogyakarta and West Java. So far, the tourism sector has developed quite well and will continue to grow if the government and tourism business actors are able to do business and provide optimal support.

All this long, from about 40 thousand foreign tourists who come to West Sumatra every year, more than 60% come from Malaysia. In taking advantage of the AEC opportunities in the future, West Sumatra must be able to make Malaysia and Singapore not only as a source of tourists, but also as entry points for tourists from other countries to the West Sumatra area. If West Sumatra is able to develop the tourism sector well, it is not impossible that the West Sumatra area will become a major tourist destination in Indonesia that can compete with Bali.

Tourist attractions that attract tourists or tourists in West Sumatra include fun bikes through the Jam Gadang, Anai Valley with waterfalls and natural scenery as well as train transportation, ancient train tours and old train carriages, Sianok canyons, Tri Arga, Japanese canyons and caves, Lake Maninjau's "Kelok 44" and paragliding, the

Mentawai islands which are the most beautiful surfing spots in the world after Hawaii and Tahiti, and Mandeh tours[5].

With a creative and good concept and packaging, it will encourage increased tourism visits to Indonesia in general and West Sumatra in particular and also bring in foreign exchange for the country, we can already imagine how much benefit West Sumatra will get from the AEC.

### 3.2. Creative Economy Sector

The creative economy sector in the culinary, fashion and small and medium enterprises (SME) sectors. In the culinary and fashion fields, West Sumatra already has a special name in Malaysia and Singapore. In the development of these two fields, mainly due to the creativity of the business community themselves, the Minang culinary and fashion business has already had a place in Malaysian society in particular. In the Padang restaurant business (Minang restaurant) and the Muslim clothing business (Muslim clothes and headscarves) business people from West Sumatra have long taken advantage of the Malaysian market. In the future, the regional government should encourage the creative economy sector to enter more and more ASEAN markets, especially Malaysia.

In the field of MSMEs (Micro, Small and Medium Enterprises) which have been tested and proven to be the business group that absorbs the most employment opportunities, are creative and adapt very quickly to economic changes and changes in political policies. MSMEs are also recognized as a primary and secondary source of income for many households in Indonesia[6]. In the event of a crisis for Indonesia (1998) MSMEs were able to survive and become the saviors of the Indonesian economy, MSMEs were able to realize better economic growth even during a crisis[7].

At the time of the implementation of the AEC, policies towards MSMEs need to be improved, can be the best strategy to deal with the AEC, because they are able to absorb low-educated workers, as an expansion for the products they have and SMEs as well as the pillars of industry (backbone) in the industry. country.

### 3.3. Manpower

Labor and education sector. How to make Malaysia and ASEAN countries which generally has skilled and professional labor market from West Sumatra and vice versa, West Sumatra has many universities can attract students from ASEAN countries to study in the West Sumatra area. AEC will open up labor market opportunities among ASEAN

countries[8]. West Sumatra has schools and universities as well as training centers to produce skilled and trained workers to fill these opportunities, especially for professional fields that began to be opened in AEC 2015 such as doctors, specialist doctors, nurses and so on.

The Faculty of Medicine, Andalas University is one of the best in Indonesia and West Sumatra also has around 50 Nursing and Midwifery Colleges that can be upgraded. Graduates of these schools and universities can fill opportunities for skilled and professional workers in ASEAN countries in the future.

#### 4. CONCLUSION AND RECOMMENDATION

The existence of the ASEAN Economic Community is the realization of the ultimate goal of economic integration in the Southeast Asian region. The integration of leading sectors will have implications, especially the export of goods and services between ASEAN member countries. The State of Indonesia has 12 priority sectors in the trade of goods and services that can be favored in the implementation of the AEC and three leading sectors that are a mainstay for the West Sumatra region, namely the tourism sector, the creative economy sector and the labor sector (HR and education).

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