

## TABLE OF CONTENTS

<b>AUTHORIZATION.....</b>	<b>i</b>
<b>STATEMENT OF AUTHENTICITY OF WRITTEN THESIS .....</b>	<b>ii</b>
<b>PREFACE.....</b>	<b>iii</b>
<b>TABLE OF CONTENTS.....</b>	<b>iv</b>
<b>LIST OF TABLES .....</b>	<b>vii</b>
<b>LIST OF FIGURES .....</b>	<b>viii</b>
<b>ABSTRACT .....</b>	<b>1</b>
<b>CHAPTER 1: INTRODUCTION.....</b>	<b>2</b>
1.1. Background .....	2
1.1.1. Nine to 19 Cement Companies - Oversupply Cement Market .....	2
1.1.2. Consolidation and Merger - Stated Owned Holding Cement Enterprise .....	4
1.2. Problem Formulation .....	6
1.3. Research Question.....	7
1.4. Research Purpose .....	7
1.5. Research Benefits.....	8
1.6. Research Scope .....	8
1.7. Report Structure .....	10
<b>CHAPTER 2: LITERATURE REVIEW.....</b>	<b>11</b>
2.1. Literatures .....	11
2.1.1. Consolidation Curve.....	11
2.1.2. Concentration Ratio and Herfindahl–Hirschman index .....	13
2.1.3. Structure-Conduct-Performance Paradigm .....	15
2.1.4. Consolidation - Merger & Acquisition (M&A) .....	17
2.2. Previous Research Studies .....	18
2.3. Literature Gap .....	22
<b>CHAPTER 3: RESEARCH METHODS .....</b>	<b>24</b>
3.1. Research Design.....	24
3.2. Data Collection Method .....	24
3.3. Research Instrument.....	25

3.4. Analytical Data Method .....	26
3.5. Case Profile: Group of Cement Players .....	27
3.5.1. Group I - PT Semen Indonesia Tbk. - Semen Indonesia Group .....	28
3.5.2. Group I - PT Indocement Tunggal Prakarsa Tbk. - Indocement.....	33
3.5.3. Group II - New Entry Players Members of ASI (>2010) .....	36
3.5.4. Group III - New Entry Players Non Members of ASI (>2010) .....	39
<b>CHAPTER 4: RESULT AND DISCUSSION.....</b>	<b>40</b>
4.1. Indonesia Cement Market Structure.....	40
4.1.1. Global Cement Industry .....	40
4.1.2. Indonesia Cement Industry at Glance .....	41
4.1.3. How the Market Structure was Built Overtime: Seller Concentration.....	44
4.1.4. Market Structure: Buyer Concentration .....	49
4.1.5. Market Structure: Product Differentiation .....	52
4.2. The Conducts .....	54
4.2.1. Group I - Incumbent Players in Efforts to Dominate Market .....	54
4.2.1.1. Group I - Dutch Colonialism and Nationalism .....	54
4.2.1.2. Group I - New Order - Private Sector Reign.....	55
4.2.1.3. Group I - Competition among the Largest .....	58
4.2.1.4. Group I - Maintain the Market .....	59
4.2.3. Group II - New Entrants Challenge The Dominance .....	61
4.2.3. Group III - New Entrants' Niche Market.....	63
4.3. The Result: Cement Players' Performance Indicator.....	64
4.3.1. The Consolidation and Acquisition among Players .....	64
4.3.2. Capacity Growth and Dividend Performance .....	66
4.3.3. Market Shares vs. Capacity Shares .....	68
4.3.4. Financial Results .....	70
4.4. Government Factors to the Cement Sectors Consolidation .....	73
4.4.1. Holding State-owned Enterprise Policy .....	73
4.4.2. Affordable Strategic Product Prices.....	75

4.5. Discussion .....	77
4.5.1. Indonesia Cement Industry's Consolidation Curve .....	77
4.5.2. Group Cement Companies Towards Consolidation Curve.....	81
4.5.2.1. Stated Owned and Privates Approach in Consolidation .....	81
4.5.2.2. Approaches by the Groups of Cement Companies .....	83
<b>CHAPTER 5: CONCLUSION AND SUGGESTION.....</b>	<b>86</b>
5.1. Conclusion .....	86
5.1.1. Indonesian Cement Industry Develops Consolidation Curve .....	86
5.1.2. Indonesian Cement Players Act and Performs.....	86
5.2. Implications.....	87
5.3. Limitation Potential.....	88
5.4. Suggestion.....	90
<b>BIBLIOGRAPHY .....</b>	<b>91</b>
<b>ATTACHMENTS .....</b>	<b>103</b>