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## Role Analysis Leading Sectors for Regional Development in West Lombok District Year 2019-2023

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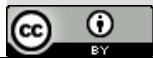
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### ABSTRACT

The purpose of this study is to examine West Lombok Regency's top industries and how they contribute to regional economic growth between 2019 and 2023. Quantitative research using a descriptive approach is the methodology employed. Secondary data from West Lombok Regency's and West Nusa Tenggara Province's 2019–2023 Gross Regional Domestic Product (GRDP) were used. To determine the top sectors for regional development in West Lombok Regency, the analysis makes use of the Location Quotient (LQ) technique, the Growth Ratio Model (MRP), and the Specialization Index. According to the study's findings, a number of industries contribute significantly to the West Lombok Regency's economy, with the building industry, lodging and food and beverage supply, and transportation being the key drivers of economic expansion

## **INTRODUCTION**

Regional development is an essential component of national development, which is basically a deliberate attempt to strengthen local governments' capacity to manage regional economic resources and provide dependable, professional services to the community.

The goal of regional economic development in general is to increase real income per capita and the existence of elements of justice or equality in income and business opportunities (Takalumang et al., 2018).

The development of leading sectors can be used as a driver of economic development in a region. To promote regional development and economic progress, each region's economic potential must be used effectively and efficiently. One policy goal that needs to be carried out is the development of the economic potential of key industries for regional economic advancement.

The development of a region based on leading sectors/sub-sectors is a step/strategy for developing the economy of the community in a region to enhance the local community's economic well-being. The choice of key industries or subsectors to serve as the foundation for regional growth and cooperation between growth centers is one effort to realize regional development planning based on regional potential (Dewi et al., 2022).

According to the region's Gross Regional Domestic Product (GRDP) data, the leading industry Since the GRDP contains data on the economic sector's output or contribution to each sector as well as the growth rate in an area that comprises provinces, districts, and cities. With the GRDP we can find out the output of the economic sector (the contribution of each sector) and the growth rate in a region both at the district/city and provincial levels. West Nusa Tenggara Province is one of the provinces that has superior and attractive potential owned by Indonesia (Fadliyanti et al., 2019).

West Lombok Regency is one of the areas that contributes the third highest population in West Nusa Tenggara Province, which is 742,074 thousand people in 2022 and continues to increase in 2023 to

753,641 thousand people. In this regard, regional development with a more in-depth analysis of the potential of leading sectors and the structures that shape economic growth in West Lombok Regency is very much needed, so that government action plans and follow-ups can be carried out in efforts to improve economic conditions and regional development, for the sake of equitable development in West Lombok Regency.

## **METHODS**

### **Types of Research**

This study uses quantitative research, which is a scientific study that uses numerical data or data in numerical form to collect, analyze, and present information. The type of quantitative research used by the author is descriptive quantitative where this type of research is used to analyze data by describing or depicting the data that has been collected as it is. This approach will involve collecting numerical data and applying statistical methods to uncover existing economic patterns, measuring the contribution of certain sectors and understanding the dynamics of economic growth (Fauziah, 2018).

### **Analysis Techniques**

The data analysis methodologies in this study are divided into three analysis techniques, including Location Quotient (LQ) analysis, Growth Ratio Model (MRP) and Specialization Index which are then processed using the Excel program

## **RESULTS AND DISCUSSION**

### **LQ Analysis**

The West Lombok Regency's basic and non-basic sectors are determined using LQ analysis. According to LQ analysis, if  $LQ > 1$ , the sector's regional role is more significant than its national role (basic). Conversely, if  $LQ < 1$  then the role of the sector in the region is smaller than the role of the sector nationally (non-basic). The following are the results of calculations with LQ analysis which are done using excel. The results of the analysis using the Location Quotient (LQ) approach show that there are thirteen economic sectors which are basic sectors in West Lombok Regency with an average LQ value in the last five years of more than one ( $LQ > 1$ ). The sectors consist of the Manufacturing Industry sector

with an average value of 1.13; the Electricity and Gas Procurement sector with an average value of 1.26; the Water Procurement, Waste Management, Waste and Recycling sector with an average value of 1.55; the construction sector with an average value of 1.21; Transportation and Warehousing sector with an average value of 1.85; Accommodation and Food and Beverage Provision sector with an average value of 3.05; Information and Communication sector with an average value of 1.15; Financial Services and Insurance sector with an average value of 1.04; Real Estate sector with an average value of 1.10; Government Administration, Defense and Mandatory Social Security sector with an average value of 1.09; Education Services sector with an average value of 1.11; Health Services and Social Activities sector with an average value of 1.06; and Other services sector with an average value of 1.04. The Basic Sector with the largest average LQ among the thirteen sectors is the Accommodation and Food and Beverage Provision Sector with an average value of 3.05. The Accommodation and Food and Beverage Provision Sector is dominated by hotels and restaurants located in the Senggigi area which has a major impact on the PAD of West Lombok Regency.

#### **Growth Ratio Model Analysis**

MRP analysis is used to determine which economic sectors in West Lombok Regency have potential based on growth rates, namely the growth of the GRDP of the economic sector in West Lombok compared to the growth of the GRDP of the economic sector in West Nusa Province or the growth rate of the study area called (RPs). MRP analysis also looks at the comparison between the growth of GRDP of an economic sector in the reference area or West Nusa Tenggara with the total

growth of GRDP in the reference area or called the Reference Area Growth Ratio (RPr). The results of the MRP calculation show that, during the observation period from 2019 to 2023, there are eight economic sectors that fall into classification one, namely the Electricity and Gas Procurement Sector; Water Procurement, Waste Management, Waste and Recycling Sector; Information and Communication Sector; Financial Services and Insurance Sector; Real Estate Sector; Education Sector; Health Services Sector and Social Activities Other Service Sectors.

#### **Specialization Index Analysis**

Specialization Index Analysis is useful for analyzing the relative level of concentration of activity sectors in a region when compared to other wider regions. Based on the results of the specialization index analysis in 2019, it can be seen that the Electricity and Gas Procurement sector has the highest value of 0.11, indicating the most dominant level of specialization in that year. The Financial Services and Insurance sector, the Real Estate sector, and the Government Administration Services sector also show quite significant values, each of 0.09. The Manufacturing Industry and Mining and Quarrying sectors each recorded a value of 0.08, indicating a relatively important contribution to the economic structure. On the other hand, sectors such as Agriculture, Forestry, and Fisheries have a very low index (0.00), indicating almost no specialization in this sector. In total, the specialization index value in 2019 reached 0.39 with an average of 0.08, reflecting the dominance of certain sectors that contribute greatly to the economic structure in the analyzed region.

Table 1. Growth Ratio Model Analysis

Business Field	Specialization Index					Total IS
	2019	2020	2021	2022	2023	
Agriculture, Forestry and Fisheries	0.00	0.01	0.00	0.00	0.00	0.02
Mining and Quarrying	0.07	0.07	0.07	0.07	0.07	0.36
Processing industry	0.08	0.08	0.08	0.08	0.08	0.40
Electricity and Gas Procurement	0.11	0.10	0.10	0.10	0.10	0.52
Water Supply, Waste Management, Waste and Recycling	0.11	0.10	0.10	0.10	0.10	0.52
Construction	0.03	0.04	0.04	0.05	0.05	0.21
Wholesale and Retail Trade; Car and Motorcycle Repair	0.04	0.04	0.04	0.04	0.04	0.19
Transportation and Warehousing	0.06	0.06	0.06	0.05	0.05	0.27
Provision of Accommodation and Food and Beverages	0.08	0.09	0.09	0.08	0.08	0.41
Information and Communication	0.09	0.09	0.09	0.09	0.09	0.45
Financial Services and Insurance	0.09	0.09	0.09	0.09	0.09	0.43
Real Estate	0.09	0.09	0.09	0.09	0.09	0.44
Corporate Services	0.11	0.11	0.11	0.11	0.11	0.53
Government Administration, Defense and Compulsory Social Security	0.08	0.08	0.08	0.08	0.08	0.39
Educational Services	0.08	0.08	0.08	0.08	0.08	0.40
Health Services and Social Activities	0.09	0.09	0.09	0.09	0.09	0.47
Other Services	0.09	0.09	0.09	0.09	0.09	0.47
<b>GRDP</b>	<b>0.39</b>	<b>0.39</b>	<b>0.39</b>	<b>0.39</b>	<b>0.39</b>	<b>1.97</b>
<b>Average</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>	<b>0.08</b>	

### Combination of Three Analysis Tools

To determine the leading sector based on the analysis that has been carried out, namely from the results of the LQ, MRP and Specialization Index calculations, grouping can be carried out by looking at the combination of the three analysis tools.

Table 2. Combined Results of Analysis Tools

<b>Business Field</b>	<b>LQ</b>	<b>MRP</b>	<b>Specialization Index</b>
Agriculture, Forestry and Fisheries	Non-Basic (-)	Negative (-)	Not Specialized (-)
Mining and Quarrying	Non-Basic (-)	Negative (-)	Not Specialized (-)
Processing industry	Base (+)	Positive (+)	Not Specialized (-)
Electricity and Gas Procurement	Base (+)	Positive (+)	Not Specialized (-)
Water Supply, Waste Management, Waste and Recycling	Base (+)	Positive (+)	Not Specialized (-)
Construction	Base (+)	Negative (-)	Not Specialized (-)
Wholesale and Retail Trade; Car and Motorcycle Repair	Non-Basic (-)	Negative (-)	Not Specialized (-)
Transportation and Warehousing	Base (+)	Negative (-)	Not Specialized (-)
Provision of Accommodation and Food and Beverages	Base (+)	Negative (-)	Not Specialized (-)
Information and Communication	Base (+)	Positive (+)	Not Specialized (-)
Financial Services and Insurance	Base (+)	Positive (+)	Not Specialized (-)
Real Estate	Base (+)	Positive (+)	Not Specialized (-)
Corporate Services	Non-Basic (-)	Negative (-)	Not Specialized (-)
Government Administration, Defense and Compulsory Social Security	Base (+)	Negative (-)	Not Specialized (-)
Educational Services	Base (+)	Positive (+)	Not Specialized (-)
Health Services and Social Activities	Base (+)	Positive (+)	Not Specialized (-)
Other Services	Base (+)	Positive (+)	Not Specialized (-)

Based on the explanation of the results of the analysis with three tools, namely Location Quotient (LQ), Growth Ratio Model (MRP), and Specialization Index, it can be concluded that most business sectors do not have a high level of specialization. Most sectors are classified as non-

specialized, although some of them have basic status based on LQ analysis (LQ value > 1), such as the Electricity and Gas Procurement sector, the Financial Services and Insurance sector, the Real Estate sector, and the Government Administration Services sector. However, the MRP analysis shows mixed results,

where some sectors with basic status have positive values ( $MRP > 1$ ), while other sectors, although basic, have negative values ( $MRP < 1$ ).

## CONCLUSION

1. Based on the LQ (Location Quotient) analysis used, there are thirteen leading sectors in West Lombok Regency with LQ value criteria of more than one ( $LQ > 1$ ).
2. From the results of the Growth Ratio Model analysis, there are eight economic sectors that have superior growth both at the Regency and Provincial levels. The eight sectors include the Electricity and Gas Procurement Sector; Water Procurement, Waste Management, Waste and Recycling Sector; Information and Communication Sector; Financial Services and Insurance Sector; Real Estate Sector; Education Sector; and Health Services and Social Activities Sector and Other Services Sector.
3. The results of the Specialization Index analysis show that all sectors are classified as non-specialized, indicating that the 17 sectors do not yet have significant competitive advantages. Although some sectors have high base status and productivity, they have not been able to achieve the level of specialization needed to significantly dominate the economic structure.

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