The Leading Economic Sector in Samarinda

[1]Ilham Abu, [2]Nasib Subagio, [3]Sutrisno
Faculty of Teacher Training and Education, Mulawarman University, Indonesia
[1]ilhamkopma@gmail.com, [2]nasib.subagio@fkip.unmul.ac.id, [3]sutrisnoinno88@yahoo.com

ABSTRACT
Economic growth can be influenced by the economic sector. To increase the economic growth of a region, it is necessary to determine the leading economic sector so that it can encourage the development of other sectors based on the business field. This study aims to determine the leading and non-leading economic sectors that provide a contribution to the economy of Samarinda. In this study, the researchers applied a quantitative study and utilized secondary data gained from the Central Statistics Agency. Data in this study were data concerning the PDRB of Samarinda and East Kalimantan in 2020. The employed data analysis was the Location Quotient (LQ) method utilizing the Microsoft Excel application. Results indicate that the leading economic sectors that have a large contribution to the economy of Samarinda are financial services and insurance with a contribution of 4.84%, while the non-leading economic sectors are agriculture, forestry, fisheries, mining, and quarrying, in which processing industries possess a contribution less than 1 to the economy of Samarinda.

Keywords: Leading Economic Sector, Samarinda, PDRB 2020.

INTRODUCTION

Economic development of a region is closely related to the leading sector, besides having an impact on accelerating economic growth, it will also have an effect on fundamental changes in the economic structure. Leading sectors have better potential, performance and prospects compared to other sectors in an area, so that leading sectors are expected to be able to move other sectors in economic activity.

Based on data from BPS Samarinda City, there are 17 economic sectors based on business fields such as: A. Agriculture, Forestry and Fisheries, B. Mining and Quarrying C. Processing Industry D. Procurement of Electricity and Gas Electricity & Gas E. Water Supply, Waste Management, Waste and Recycling F. Construction G. Wholesale and Retail Trade; Car and Motorcycle Repair H. Transportation and Warehousing I. Provision of Accommodation and Food and Drink J. Information and Communication K. Financial and Insurance Services L. Real Estate M,N. Corporate Services O. Government Administration, Defense and Mandatory Social Security P. Educational Services Q. Health and Social Activities Services R,S,T,U. Other services. (Central Bureau of Statistics, 2020)

Of the 17 data published by the Central Statistics Agency, which are sectors that can help Samarinda City's economic growth, Samarinda City's economic growth in 2020 has decreased compared to the previous year. Based on data published by BPS Samarinda City, the Gross Regional Domestic Product (GRDP) based on business fields calculated based on constant prices in 2020 is Rp. 45,000,473.45, in 2019 of Rp. 45,485,738.34, and in 2018 it was Rp. 43,323,568.68, (Central Bureau of Statistics, 2020)

By looking at the phenomena that occur in the City of Samarinda, a study was conducted to determine the leading economic sectors that have a large contribution to economic growth and also to find out which sectors have a small contribution to economic growth in Samarinda City, so that in this study it can help the government as material in making policies or planning economic development in the future.

METHOD

In this study, the approach used is descriptive-quantitative where in this study seeks to describe the variables that will be studied in order to be able to determine the value of the economic sector that has large and small contributions to economic growth in Samarinda City. Descriptive research is research conducted to determine the value of independent variables, either one or more variables. (Sugiyono, 2016:59)

This research was conducted by looking at the phenomena that occurred such as the decline in the Gross Regional Domestic Product in 2020. So the researchers determined the location in Samarinda City. The research location was determined intentionally (Purposive Sampling), namely taking the location by considering reasons that were known from the nature of the area/location according to the research objectives (Singarimbun, 2000).

The data used in this study is secondary data by downloading GRDP data published by the Central Statistics Agency of Samarinda City and the Central Statistics Agency of East Kalimantan Province in 2020. Secondary data is primary data that has been further processed and presented by the data collector. by other parties, for example in the form of tables or diagrams. (Husein Umar 2013:42)

The data analysis technique used by the author in this study uses the Location Quantient (LQ) analysis method, to find out which economic sectors have large and small contributions to the economic growth of Samarinda City. The formula used to calculate LQ is as follows. (Arsyad. 1999)

$$Location\ Quantient = \frac{\frac{PDRB\ Sektor\ i}{\sum PDRB}Samarinda}{\frac{PDRB\ Sektor\ i}{\sum PDRB}East\ Kalimantan}$$

The LQ classification of the GRDP approach is as follows:

LQ > 1 : The base sector and the GRDP capacity of the sector in Samarinda City are greater than similar sectors in East Kalimantan Province.

LQ = 1 : The capacity of the sector in Samarinda City is the same as in the similar sector in East Kalimantan Province.

LQ < 1 : The non-base sector and the GRDP capacity of the sector in Samarinda City are smaller than similar sectors at the East Kalimantan Province level.

In this research, it can be assisted by using the Microsoft Excel application tool to determine the leading sector of Samarinda City which has the largest and the smallest contribution to the economic growth of Samarinda City.

RESULTS AND DISCUSSION

Overview of Research Sites

Samarinda as the capital city of East Kalimantan Province has an area of 718.00 km2 and is surrounded by Kutai Kartanegara district with a population of 827,994 people. The city of Samarinda is divided into 10 sub-districts, namely Samarinda Kota, Samarinda Ilir, Sambutan, Samarinda Sebarang, Palaran, Loa Janan Ilir, Sungai Kunjang, Samarinda Ulu, North Samarinda and Sungai Pinang. While the number of villages as many as 53 villages. The geographical location of the city of Samarinda does not have a beach/sea area. However, the Mahakam river that divides the city of Samarinda is connected to the laui through the Kutai Kartanegeara, Bontang, East and Balikpapan areas. Based on observations from the Meteorology and Geophysics Agency, this city has a hot climate with an average air temperature of 280, and a temperature range of 23,900 – 32,900, the lowest in January and the highest in September.

Location Question (LQ) Analysis

Location Quotient (LQ) is an analytical tool that can be used to determine the economic sectors that have contributed to the economic growth of a region and can also be used to determine the sectors that are the basis of the region. LQ analysis with the base model approach as the first step to understand the economic locomotive in a region. The basic sector is a sector that is the backbone of the regional economy because it has a fairly high competitive advantage. Meanwhile, the non-base sectors are other sectors that have less potential but function as a support for the basic sector or service industries. (Sjafrizal 2008)

In the LQ analysis of the City of Samarinda, the data used is the GRDP data of the City of Samarinda and the province of East Kalimantan in 2020 based on the constant price basis (ADHK) in 2010. This LQ method compares data on the business sector in Samarinda City with the business sector in East Kalimantan Province. Calculation of the results of the LQ analysis will get a value where LQ = 1, LQ > 1 and LQ < 1. If the LQ value = 1 then sector i in Samarinda City is the same as sector i in East Kalimantan. While the LQ value < 1 means that the sector is not a base sector in Samarinda City and is not a potential sector to be developed in Samarinda City. If the LQ value is > 1, then the sector becomes the base sector and deserves to be developed as an economic driver in Samarinda City.

Table 1. GRDP Data and Calculation Results of LQ Analysis

Categories and Fields of Business	PDRB East Kalimantan	PDRB Samarinda	LQ Analysis
Agriculture, Forestry and Fishing	Rp 3,020,515.43	Rp 754,301.1	0.24
Mining and Quarrying	Rp 23,064,386.07	Rp 6,087,624.7	0.29
Manufacturing	Rp 94,146,617.30	Rp 3,408,133.6	0.38
Electricity and Gas, consist of	Rp 317,498.33	Rp 90,989.9	3.01

Categories and Fields of Business	PDRB East Kalimantan	PDRB Samarinda	LQ Analysis
Electricity; Manufacture of Gas and Production of Ice			
Water supply, Sewerage, Waste Management and Remediation Activities	Rp 247,872.00	Rp 84,341.1	3.58
Construction	Rp 35,228,575.26	Rp 8,720,975.1	2.60
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles,	Rp 27,276,566.85	Rp 7,789,886.6	3.00
Transportation and Storage,	Rp 13,466,985.44	Rp 3,035,663.8	2.37
Accommodation and food services activiti	Rp 4,109,293.69	Rp 1,735,749.0	4.44
Information and Communication,	Rp 8,338,484.57	Rp 2,205,512.4	2.78
Financial and Insurance Activities	Rp 7,137,990.71	Rp 3,288,610.4	4.84
Real Estate Activities,	Rp 4,351,113.10	Rp 1,208,847.4	2.92
Business Activities,	Rp 889,670.51	Rp 339,104.4	4.01
Public Administration and Defence, Compulsory Social Security	Rp 7,925,152.89	Rp 2,574,519.1	3.41
Education	Rp 7,250,319.93	Rp 1,764,219.8	2.56
Human Health and Social Work Activities	Rp 3,428,051.18	Rp 738,022.3	2.26
Other Services	Rp 2,665,793.08	Rp 1,173,972.0	4.63
Domestic Product Regional Bruto	**Rp472,864,886.3**	**Rp45,000,473.4**	

Based on the table above, there are 17 economic sectors in Samarinda City and the East Kalimantan economic sector based on their business fields. The results of the calculation of the LQ analysis above can be found that the business sector in Samarinda City has a base/leading sector and a non-base/leading sector.

The basic/leading sectors include: 1. Electricity & Gas Procurement of Electricity and Gas, 2. Water Supply, Waste Management, Waste and Recycling, 3. Construction 4. Wholesale and Retail Trade; Repair of Cars and Motorcycles, 5. Transportation and Warehousing, 6. Provision of Accommodation and Food and Drink, 7. Information and Communication, 8. Financial and Insurance Services, 9. Real Estate, 10. Corporate Services, 11. Government

Administration, Defense and Mandatory Social Security, 12. Education Services, 13. Health Services and Social Activities, 14. Other services. The sector is said to be the base/seeded sector because based on the results of the LQ calculation the value is greater than 1 (LQ > 1). Meanwhile, the non-base/leading sectors include: 1. Agriculture, Forestry, and Fisheries, 2. Mining and Quarrying 3. Manufacturing Industries The three sectors are said to be non-basic because based on the results of the LQ calculation the value is less than 1 (LQ < 1).

From the results of calculations using the Location Quotient (LQ) method, it was found that the sectors that had a large contribution to the economic growth of Samarinda City were Financial Services and Insurance with a contribution of 4.84%, while the sectors that had a small contribution to the economic growth of the city of Samarinda were Agriculture, Forestry. , and Fisheries with a contribution of 0.24%, Mining and Quarrying with a contribution of 0.29%, Industry with a contribution of 0.38%.

CONCLUSSION

Based on the results of research and discussion of sector analysis in the economy in Samarinda City based on its business fields in 2020, it can be concluded that of the 17 economic sectors there are basic/leading sectors and non-basic/leading sectors. The sectors that have a large contribution to the economic growth of Samarinda City are Financial Services and Insurance with a contribution of 4.84%, while the non-leading economic sectors are Agriculture, Forestry and Fisheries, Mining and Quarrying, Manufacturing Industry which has a contribution less than 1 to growth Samarinda City's economy.

Based on the conclusions that have been presented by the researcher, the researcher suggests that the government should focus more on developing the base/leading sector that has a major contribution, namely Financial Services and Insurance, to the economic growth of Samarinda City.

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