

Analysis of Leading Sectors in Jambi City Economy and Their Development Strategies

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ABSTRACT

This study aims to identify the leading sectors in Jambi City's economy and to develop strategies for their development. This study used secondary data and primary data, using Location Quotient (LQ), Dynamic Location Quotient (DLQ), Shift Share Analysis and SWOT Analysis tools. The results obtained from this study, namely based on LQ, DLQ, and Shift Share Analysis, show that the leading sectors in the economy of Jambi City are the Large Trade and Retail Sector, Car and Motorcycle Repair, Processing Industry, and Transportation and Warehousing. And based on the results of the SWOT analysis in formulating policies for the development of selected leading sectors of Jambi City, namely the Large Trade and Retail Sector; Car and Motorcycle Repair, Processing Industry, and Transportation and Warehousing are in quadrant I, which supports the Aggressive Strategy (S-O) including: Development of Modern Shopping Center Infrastructure, by utilizing the strategic location of Jambi City and adequate transportation infrastructure to develop modern shopping centers that attract regional tourists and increase shopping tourism, Diversification of processing industry products, by utilizing the availability of natural resources rich to develop product diversification in the processing industry and Expansion of Car and Motorcycle repair services, by using available local human resources to improve car and motorcycle repair services and utilize the vast market.

Keywords: *Featured Sector, PDRB, LQ, DLQ, Shift Share Analysis, SWOT Analysis*

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1. INTRODUCTION

Economic growth is one of the indicators used to measure a country's development success. Growth itself can be interpreted as a measure of the impact of government policies implemented in the economy. Economic growth is the development of economic activities that lead to the production of goods and services in society. Regional economic growth can be seen in the year-to-year growth of its GRDP. Sukirno (2010) stated that economic growth can be interpreted as the development of economic activities that increase the goods and services produced in society. The success of economic development is always associated with increased economic growth. This is because economic growth has a large multiplier impact on many aspects of the economy and society. Sukirno (2010) stated in a macro analysis that a country's level of economic growth is measured by the growth of real income. Achieving high economic growth will result in a structural transformation of the economy and society. So, high economic growth is always something that countries and regions want to achieve.

Economic growth is supported by the potential of each region, better known as the regional leading sector (Budi et al. 2020 in Miraya, 2023). Economic growth can also be described as the real impact of development policies implemented across sectors, not only in the economy. The sectors that form the economic structure are interrelated, so comprehensive and sustainable planning is needed, involving all relevant stakeholders. Economic structure is the composition or arrangement of economic sectors in an economy (Arsyad, 2015, in Miraya, 2023). Jambi City is one of the cities in Jambi Province and its capital. The rate of economic growth in Jambi City declined in 2019, when the world was hit by the COVID-19 pandemic; Indonesia was among the countries affected.

The decline in economic growth in 2020 in Jambi City reached minus 4.24 percent, this figure is far below the minus growth of the Province and National. Economic growth in Jambi City from 5.30 percent in 2018 decreased to minus 4.24 percent in 2020 and increased again to 5.36 percent in 2022. The rate of the accommodation and food and beverage business sector had the highest growth rate in 2022, which was 23.34 percent, and was followed by the Corporate Services business sector with a growth rate of 19.12 percent and the Transportation and Warehousing with a growth rate of 16.80 percent. However, to see how much contribution each business sector has made over a period of 5 (five) years, the economic sector according to the business field that plays the highest contribution to the Gross Regional Domestic Product (GRDP) of Jambi City is the Wholesale and Retail Trade sector; Car and Motorcycle Repair with an average contribution of 33.20 percent/year then the Manufacturing Industry sector with an average contribution of 10.94 percent/year and the Transportation and Warehousing sector with an average contribution of 9.75 percent per year.

All economic sectors play a role in economic growth in Jambi City; each sector has a different contribution to the Gross Regional Domestic Product (GRDP), where the contribution value shows the magnitude of the role of a sector, and a high contribution illustrates the magnitude of a sector's contribution to the economic growth that occurs. However, the high contribution of a sector in that year cannot yet determine whether the sector is a leading sector at this time or will also be superior in the future. Jambi City, as one of the economic centers in Jambi Province, has great potential for sustainable economic growth. In line with the government's efforts to encourage inclusive and sustainable economic growth, it is important to conduct an in-depth analysis of potential sectors that can drive Jambi City's economic growth.

As evidenced by the rate of economic growth over the last five years, Jambi City has experienced significant development across various economic sectors. Therefore, the Jambi City government needs to identify sectors that have strong comparative and competitive advantages and formulate appropriate development strategies to optimize economic potential in Jambi City.

2. LITERATURE REVIEW

2.1. Economic Growth Concept

Economic growth, according to Sukirno (2015), can be interpreted as the development of economic activities that increase the goods and services produced in society and improve society's prosperity. Thus, to determine the rate of economic growth to be achieved, it is necessary to calculate real national income at fixed prices, namely, the prices applicable in the selected base year. So, economic growth measures a country's economic development. Economic growth is an increase in national income (national product/GDP/GNP) in a particular year, excluding population growth and other factors. In today's development economics, theorists continue to refine the meaning, nature, and concept of economic growth.

2.2. Gross Regional Domestic Product (GRDP)

One of the macroeconomic indicators that plays a role in making policy planning in development, determining the direction of development, and evaluating the results of regional development is interpreted as the definition of Gross Regional Domestic Product (GRDP) (Vicky, 2018) while according to the Central Statistics Agency, Gross Regional Domestic Product (GRDP) is the amount of added value produced by all production units in a particular region or is the amount of the value of final goods and services produced by all economic units.

2.3. Regional Economic Growth

Regional economic growth will ultimately affect national economic growth. This is because regional economic growth is intended to equalize economic development throughout the country. Regional economic growth is defined by economists as growth that must come from the economy's internal processes, not from assistance or cash injections from the central government, and will stop if such assistance is withdrawn (Boediono, 2011).

2.4. The Concept of Leading Sectors

A sector can be considered a leading sector when it is competitive and highly productive, generating income for the region through exports to other regions. As stated in the export base theory, the main component of a region's growth is the region's export capability. A leading sector is one whose presence at this time has played a major role in a region's economic development because it has advantages or criteria (Jhingan, 2004). Then this factor further develops through investment activities, becoming the mainstay of economic activity. This is based on the sector's size relative to the regional economy. The leading sector is also defined as a sector influenced by endowment factors.

2.5. Location Quotient (LQ) Analysis

According to Ali (2015), Location Quotient (LQ) analysis is a statistical method that uses production characteristics/added value or employment opportunities to assess the diversity of a region/local community's economic base. The economic base of a community includes areas characterized by income and employment opportunities. The LQ (Location Quotient) Analysis Method provides a relative comparison of the capabilities of the same sector within a region, measured against a broader area.

2.6. Dynamic Location Quotient (DLQ)

The choice of Dynamic Location Quotient (DLQ) analysis in this study is intended to overcome weaknesses in, or refine, the Location Quotient (LQ) analysis. Dynamic Location Quotient (DLQ) is a concept used in regional and urban economic analysis to measure how strong or weak an industry is in a region relative to the national or regional average, and how the industry's position evolves over time. According to Kurniawan & Sudarti (2017), the Dynamic Location Quotient (DLQ) analysis is used to more precisely identify the roles of various economic sectors, as it shows the growth of these sectors in a district/city. By correlating the results of the Location Quotient (LQ) and Dynamic Location Quotient (DLQ) analyses, it can be determined whether a country's economic sector is growing faster or slower than similar sectors across all countries.

2.7. Shift Share Analysis

Shift share analysis, according to Tarigan (2005), is a sharper method than the LQ method in comparing differences in growth rates of various industrial sectors in a region with the national region. This method is considered sharper

because it can identify factors from changes in several variables. This Shift Share Analysis can be used to determine the factors that cause changes or shifts in the industrial structure of the economy within a certain period. In addition, this analysis can be used as a reference for assessing the performance of a sector or industry in the area. 3 (three) parts can describe the increase in production or added value in a sector in the area concerned (Sjafrizal, 2017).

2.8. SWOT Analysis as a Development Strategy

Strategy is defined as a theory of how to gain a competitive advantage. A good strategy is a strategy that generates profit. As stated by Ali (2015), strategy is a means, together with long-term goals, to be achieved. This statement explains that strategy comprises several decisions and actions to achieve an organization's short- and long-term goals. SWOT analysis consists of two main components (Rangkuti, 2010), namely internal factor analysis (IFAS - Internal Factor Analysis Strategic), which relates to factors originating from within the entity or region being analyzed, and external factor analysis (EFAS - External Factor Analysis Strategic), which relates to factors originating from outside the entity or region. To provide further explanation of the internal and external factors that are important in SWOT analysis, namely as follows (Rangkuti, 2017):

- Internal factors refer to internal elements that play a role in shaping the company's strengths and weaknesses. This relates to the conditions and factors within the organization that ultimately influence the decision-making process. These factors include various aspects of management such as marketing, finance, operations, human resources, research and development, management information systems, and the company's corporate culture.
- External factors are factors that influence opportunities and threats related to the situation in the sector so it is necessary to make strong decisions for the sector. This includes the macro business environment, economy, politics, law, technology, population, and socio-culture.

In principle, the identification of SWOT components is carried out to determine the conditions of the internal and external environment related to the problems to be formulated. Based on the identification of factors in the internal and external environments, several components are identified that encourage and hinder local governments in developing potential economic sectors. The interaction of strength components with opportunities will produce an S-O strategy. The S-O strategy identifies the local government's strengths to leverage existing opportunities to develop potential economic sectors in the region. The interaction of strength components with threats will produce an S-T strategy. The S-T strategy identifies the local government's strengths to overcome all existing threats related to the development of economic sectors. The interaction of the components of weaknesses with opportunities will produce the W-O strategy. The W-O strategy identifies the weaknesses the local government needs to address to capitalize on existing opportunities for the development of economic sectors in the region. The interaction of the components of weaknesses with threats will produce the W-T strategy.

Table 1:SWOT Matrix

SWOT	Strength (S)	Weakness (W)
Opportunity (O)	Strategy (S-O)	Strategy (W-O)
Threat (T)	Strategy (S-T)	Strategy (W-T)

3. METHODOLOGY

The analysis used to answer the first objective in this study was based on the LQ Analysis model, DLQ and Shift Share Analysis (SSA). LQ (Location Quotient) analysis is used to determine the extent of the level of specialization of sectors in the planning area or what sectors are basic and non-basic sectors, and also as a simple analysis tool that can be used easily, quickly, and precisely, and can be used repeatedly using various reference changes and time periods. The LQ (Location Quotient) Analysis Method provides a relative comparison of the capabilities of the same sector within a region, measured against a broader area. The LQ (Location Quotient) formulation is as follows:

$$LQ = \frac{PDRB\ ik / PDRB\ tk}{PDRB\ ip / PDRB\ tp}$$

Where:

PDRB ik : PDRB Sector i in Jambi City

PDRB tk: Total PDRB in Jambi City

PDRB ip: PDRB Sector I in Jambi Province

PDRB tp: Total PDRB in Jambi Province

The LQ Location Quotient figure indicates that:

- If $LQ > 1$, it means the basic sector, namely the sector whose level of specialization is higher than the provincial level
- If $LQ < 1$, it means the non-basic sector, namely the sector whose level of specialization is lower than the provincial level
- If $LQ = 1$, namely, the level of specialization of the planning area is the same as the provincial level.

DLQ (Dynamic Location Quotient) analysis is the calculation of LQ to identify the economic sector with the potential to become a base sector in the next period. And to read some of the DLQ value decision criteria, namely as follows:

- $DLQ > 1$ means perspective, where the potential of a sector can still be expected to become a basic sector in the future
- $DLQ < 1$ means not prospective, where the potential of the sector cannot be expected to become a basic sector in the future.

So, by using the combined method of LQ and DLQ, it will be possible to determine the current and future base sectors and sub-sectors. The combination of LQ and DLQ, which shows a non-base LQ value and a prospective DLQ value, means that the sector is repositioned to become a base sector in the future (base repositioning). Conversely, if the base LQ value and the DLQ value are non-prospective, this can be interpreted as the sector being repositioned to become a non-base sector in the future (non-base repositioning). If the base LQ value and the DLQ value are prospective, it means the sector is not repositioned and remains at the base at present and in the future. However, if the LQ value shows non-base and the DLQ value shows non-prospective, then the sector is not repositioned or non-base at present and in the future. Shift Share Analysis is a simple technique for describing the structure of the regional economy and its changes using regional statistical data, and it is used to measure the total change in a particular region's performance relative to a wider region over a certain period of time. Shift Share Analysis is based on the assumption that the growth of the Regency/City sector is the same as at the Provincial level, dividing changes/growth in local economic performance into 3 (three) components, namely:

- National Share
Measuring changes in economic performance in the reference economy
- Proportional shift
Measuring the difference in growth of reference economic sectors with aggregate growth. If this component in one of the national/provincial sectors is positive, it means the sector is growing in the reference economy; conversely, if it is negative, the sector's performance is declining.
- Competitive Effect (Differential shift)
Measuring the performance of local sectors against the same sectors in the reference economy. If this component in one of the sectors is positive, then the competitiveness of the local sector increases compared to the same sector in the reference economy. However, if it is negative, the opposite occurs. That is, local competitiveness decreases when compared to the reference economy.

Thus, the formula for Shift Share Analysis can be written as follows:

$$PEK = KPN + KPP + KPPW$$

Or the formula can be explained as follows :

$$PEK = \left(\frac{Y_t}{Y_o} \frac{Y_t}{Y_o} - 1 \right) + \left(\frac{Y_{it}}{Y_{io}} \frac{Y_{it}}{Y_{io}} - \frac{Y_t}{Y_o} \frac{Y_t}{Y_o} \right) + \left(\frac{y_{it}}{y_{io}} \frac{y_{it}}{y_{io}} - \frac{Y_{it}}{Y_{io}} \frac{Y_{it}}{Y_{io}} \right)$$

Where:

Y_t = Economic Indicator of Province at the end of the study year
 Y_o = Economic Indicator of Province at the beginning of the study year
 Y_{it} = Economic Indicator of Province at the end of the study year
 Y_{io} = Economic Indicator of Province at the beginning of the study year
 y_{it} = Economic Indicator of Regency at the end of the study year
 y_{io} = Economic Indicator of Regency at the beginning of the study year

To answer the second objective in this study, SWOT Analysis is used. A SWOT analysis can describe overall diagnostics, both internal and external. Included in the internal diagnostic factors in SWOT analysis are strengths (Strengths) and weaknesses (Weaknesses), and included in the external diagnostic factors are opportunities (Opportunities) and threats (Threats). The benefits of using SWOT analysis include assessing past efforts, examining how far the organization can meet environmental challenges, and determining how much it can grow and develop with its current capabilities.

The SWOT analysis technique has several model stages as follows:

- EFAS (External Factors Analysis Strategy) / External Strategy Factor Matrix
- IFAS (Internal Factors Analysis Strategy) / Internal Strategy Factor Matrix
- Grand Strategy Matrix:
- Quadrant 1 (positive, positive) is a very profitable situation because it has opportunities and strengths, so that it can take advantage of existing opportunities, and the strategy that must be implemented in this condition is to support an aggressive growth policy.
- Quadrant 2 (positive, negative) in this situation faces various threats but still has internal strength. The strategy that must be implemented is to use strength to take advantage of long-term opportunities through diversification.
- Quadrant 3 (negative, positive) in a condition of facing great opportunities, but on the other hand, facing several obstacles. internal weaknesses. The focus of this strategy is to minimize internal problems so that better opportunities can be seized.
- Quadrant 4 (negative, negative) is a very unfavorable condition. This condition faces various threats and internal weaknesses.

4. FINDINGS AND DISCUSSION

4.1. Determining and Analyzing Leading Sectors in the Jambi City Economy

To determine and analyze the leading sectors in Jambi City, the analysis of Location Quotient (LQ), Dynamic Location Quotient (DLQ) and Shift Share Analysis (SSA) was carried out. Based on the results of the Location Quotient (LQ) analysis on 17 (seventeen) sectors in the Jambi City economy during the 2018-2022 period, it is known that there are 14 (fourteen) economic sectors whose values are > 1, which means the base sector, namely the sector whose level of specialization is higher than the provincial level or is a sector that is considered Basic or Superior.

Table 2: verage Location Quotient (LQ) Value of Leading Sectors in Jambi City 2018-2022

Economic Sector	Year					Average LQ
	2018	2019	2020	2021	2022	
A. Agriculture, Forestry, Fisheries	0.04	0.04	0.04	0.03	0.03	0.03
B. Mining and Quarrying	0.10	0.09	0.10	0.10	0.09	0.09
C. Manufacturing Industry	1.11	1.11	1.10	1.10	1.11	1.11
D. Electricity and Gas Supply	3.51	3.56	3.48	3.46	3.42	3.48
E. Water Supply, Waste Management, Waste and Recycling	1.85	1.79	1.70	1.70	1.72	1.75
F. Construction	1.34	1.35	1.32	1.28	1.28	1.32
G. Wholesale and Retail Trade; Car and Motorcycle Repair	2.81	2.81	2.75	2.78	2.78	2.79
H. Transportation and Warehousing	4.07	4.00	3.58	3.43	3.43	3.70
I. Provision of Accommodation and Food and Beverages	2.13	2.14	2.15	2.11	2.35	2.18
J. Information and Communication	1.41	1.41	1.42	1.42	1.44	1.42
K. Financial Services and Insurance	2.58	2.59	2.66	2.65	2.64	2.63
L. Real Estate	1.76	1.76	1.76	1.76	1.76	1.76
M.N. Corporate Services	2.70	2.65	2.65	2.58	2.67	2.65
O. Government Administration, Defense and Compulsory Social Security	2.11	2.08	2.07	2.05	2.06	2.08
P. Educational Services	1.40	1.42	1.42	1.40	1.42	1.41
Q. Health Services and Social Activities	2.24	2.30	2.28	2.34	2.34	2.30
R.S.T.U. Other Services	0.77	0.77	0.76	0.76	0.78	0.77
Gross Regional Domestic Product	1.00	1.00	0.97	0.97	0.97	0.98

Source: Processed Data, 2023

Sectors with a value > 1 include the Manufacturing Industry, Electricity and Gas Supply and Water Supply, Waste Management, Waste and Recycling, Construction, Wholesale and Retail Trade, Car and Motorcycle Repair, Transportation and Warehousing, Provision of Accommodation and Food and Beverages, Information and Communication, Financial Services and Insurance, Real Estate, Corporate Services, Government Administration, Defense and Compulsory Social Security, Education Services, Health Services and Social Activities. However, the 3 (three) sectors with the highest values are Transportation and Warehousing, Electricity and Gas Supply, and Wholesale and Retail Trade, and Car and Motorcycle Repair. After the LQ analysis is carried out, the DLQ analysis is conducted to account for the growth rate of an observed sector or the economy as a whole during a certain period. The results of the DLQ analysis will show the potential of a sector to become the basis of the economy in the future.

Table 3: Results of the Calculation of Dynamic Location Quotient (DLQ) Leading Sectors of Jambi City in 2018-2022

Economic Sector	$1+g_k$	$1+g_p$	$\frac{(1+g_k)}{(1+g_k)}$	$\frac{(1+g_p)}{(1+g_p)}$	T	DLQ
A. Agriculture. Forestry. Fisheries	- 2.54	4.28	-0.73	1.03	4	0.25
B. Mining and Quarrying	2.18	4.16	0.63	1.00	4	0.15
C. Manufacturing Industry	2.73	2.70	0.78	0.65	4	2.13
D. Electricity and Gas Supply	7.60	8.29	2.18	1.99	4	1.45
E. Water Supply. Waste Management. Waste and Recycling	2.72	4.57	0.78	1.10	4	0.26
F. Construction	3.60	4.71	1.03	1.13	4	0.70
G. Wholesale and Retail Trade; Car and Motorcycle Repair	4.13	4.42	1.19	1.06	4	1.56
H. Transportation and Warehousing	0.12	3.95	0.04	0.95	4	0.00
I. Provision of Accommodation and Food and Beverages	7.61	4.69	2.19	1.13	4	14.20
J. Information and Communication	8.11	7.44	2.33	1.79	4	2.89
K. Financial Services and Insurance	5.10	4.38	1.46	1.05	4	3.74
L. Real Estate	4.68	4.57	1.34	1.10	4	2.24
M.N. Corporate Services	5.29	5.47	1.52	1.31	4	1.80
O. Government Administration. Defense and Compulsory Social Security	0.59	1.21	0.17	0.29	4	0.11
P. Educational Services	4.53	4.16	1.30	1.00	4	2.87
Q. Health Services and Social Activities	9.19	7.98	2.64	1.92	4	3.60
R.S.T.U. Other Services	3.91	3.57	1.12	0.86	4	2.95
Gross Regional Domestic Product	3.48	4.16	1.00	1.00	4	1.00

Source: Processed Data, 2023

From the results of the DLQ calculation, 12 economic sectors were obtained with a value of > 1 , which means prospective. Where the potential of a sector can still be expected to become a base sector in the future to be developed, namely the Manufacturing Industry, Electricity and Gas Procurement, Wholesale and Retail Trade; Car and Motorcycle Repair, Provision of Accommodation and Food and Beverages, Information and Communication, Financial Services and Insurance, Real Estate, Company Services, Education Services, Health Services and Social Activities and Other Services. After the LQ and DLQ values are known, policymakers can determine the base or leading sector of Jambi City by assessing the role of each sector in the economy and its future prospects.

Table 4: Analysis of LQ and DLQ of Jambi City in 2018-2022

Economic Sector	Interpretation		Final Interpretation
	LQ	DLQ	
A. Agriculture. Forestry. Fisheries	Non Base	Non-prospective	Non-Basic, Non-prospective
B. Mining and Quarrying	Non Base	Non-prospective	Non-Basic, Non-prospective
C. Manufacturing Industry	Base	Prospective	Basic, Prospective
D. Electricity and Gas Supply	Base	Prospective	Basic, Prospective
E. Water Supply. Waste Management. Waste and Recycling	Base	Non-prospective	Basic, Non-prospective
F. Construction	Base	Non-prospective	Basic, Non-prospective
G. Wholesale and Retail Trade; Car and Motorcycle Repair	Base	Prospective	Basic, Prospective
H. Transportation and Warehousing	Base	Non-prospective	Basic, Non-prospective
I. Provision of Accommodation and Food and Beverages	Base	Prospective	Basic, Prospective
J. Information and Communication	Base	Prospective	Basic, Prospective
K. Financial Services and Insurance	Base	Prospective	Basic, Prospective
L. Real Estate	Base	Prospective	Basic, Prospective
M.N. Corporate Services	Base	Prospective	Basic, Non-prospective
O. Government Administration. Defense and Compulsory Social Security	Base	Non-prospective	Basic, Prospective
P. Educational Services	Base	Prospective	Basic, Prospective
Q. Health Services and Social Activities	Base	Prospective	Non-Basic, Prospective
R.S.T.U. Other Services	Base	Prospective	Non-Basic, Non-prospective
Gross Regional Domestic Product	Base	Prospective	Non-Basic, Non-prospective

Source: Analysis results, 2023

Based on the LQ and DLQ analysis, there are 10 (ten) sectors that are prospective base/leading sectors, meaning that these sectors are base/leading sectors that can be developed in the future, namely the Manufacturing Industry, Electricity and Gas Supply, Wholesale and Retail Trade; Car and Motorcycle Repair, Provision of Accommodation and Food and Beverages, Information and Communication, Financial Services and Insurance, Real Estate, Corporate Services, Education Services and Health Services and Social Activities. To analyze changes in the structure of the regional economy relative to the economic structure of the administrative area, which is higher in comparison with the shift share method. Shift-share analysis is an analysis method to determine the structure of the economy in a region, the shift in leading sectors in two time periods, and the position of the economic sector of a region in relation to a wider area.

Table 5: Shift Share Analysis of Jambi City's GRDP 2018-2022

Economic Sector	National share	Proportionality Shift	Differential Shift	Shift Share
A. Agriculture. Forestry. Fisheries	13.17	0.57	-27.66	-13.92
B. Mining and Quarrying	13.17	-0.19	-9.03	3.95
C. Manufacturing Industry	13.17	-6.21	-6.71	0.25
D. Electricity and Gas Supply	13.17	19.16	15.19	47.51
E. Water Supply. Waste Management. Waste and Recycling	13.17	1.85	-6.89	8.13
F. Construction	13.17	2.21	-3.23	12.14
G. Wholesale and Retail Trade; Car and Motorcycle Repair	13.17	0.89	-1.18	12.88
H. Transportation and Warehousing	13.17	-3.52	-21.40	-11.75
I. Provision of Accommodation and Food and Beverages	13.17	1.47	12.87	27.50
J. Information and Communication	13.17	15.13	17.79	46.09
K. Financial Services and Insurance	13.17	0.88	3.36	17.41
L. Real Estate	13.17	1.76	1.63	16.56
M.N. Corporate Services	13.17	4.79	2.86	20.81
O. Government Administration. Defense and Compulsory Social Security	13.17	-12.70	-15.71	-15.24
P. Educational Services	13.17	0.04	1.01	14.22
Q. Health Services and Social Activities	13.17	16.88	22.02	52.07
R.S.T.U. Other Services	13.17	-2.80	-2.08	8.29
Gross Regional Domestic Product	13.17	0.00	-3.76	9.40

Source: Results of Shift Share analysis, 2023

From the table above, it can be seen that the increase in economic growth in Jambi City was due to the influence of National Share, Proportionality Shift and Differential Shift. For more details, it can be detailed as follows:

Regional Share Influence: The influence of Jambi Province's economic growth (Regional Share) on Jambi City's economic growth contributed positively by 13.17 percent. This can be seen in all economic sectors in Jambi City, which has a positive impact on the economy in the Regency/City in Jambi Province. Proportionally Shift Influence: The Proportionally Shift influence did not contribute (value 0.00 percent) because 5 sectors experienced a minus:

Mining and Quarrying; Processing Industry; Transportation and Warehousing; and Government Administration, Defense, and Other Services. The Differential Shift influence contributed minus 3.76 percent, where the growth of this region's share still had 9 minus contributing sectors, namely Agriculture, Forestry, and Fisheries; Mining and Quarrying; Processing Industry; Water Supply, Waste Management, Waste and Recycling; Construction; Wholesale and Retail Procurement; Car and Motorcycle Repair; Transportation and Warehousing; Government Administration, Defense, and Mandatory Social Security; and Other Services. However, there are three sectors that dominate high growth in this component, namely the Health Services and Social Activities sector, which is 22.02 percent, the Information and Communications by 17.79 percent and the Electricity and Gas Procurement sector, 15.19 percent.

4.2. Strategy for Developing Leading Sectors in the Economy of Jambi City

SWOT analysis with a qualitative approach, consisting of Strengths, Weaknesses, Opportunities and Threats. SWOT analysis aims to maximize strengths and opportunities but can minimize weaknesses and threats. SWOT analysis is a systematic identification of strategic factors to inform strategy formulation. Strategy is a comprehensive master plan that explains how to achieve all previously set goals. SWOT analysis means analysis based on Strengths-Weaknesses-Opportunities-Threats, namely Strengths - Weaknesses - Opportunities - Constraints. SWOT analysis will help draw the study's conclusion. SWOT analysis uses an internal factor evaluation (IFE) matrix and an external factor evaluation (EFE) matrix, where IFE includes strengths and weaknesses and EFE includes opportunities and challenges. After conducting internal and external analyses, the weights of internal and external factors are calculated. In this calculation, the goal is to determine the location of the strategic development quadrant that is considered urgent to implement. The calculation of the weight of internal and external factors is done by assigning scores or tabulating them (Internal-External Strategy Factor Analysis Summary = IFAS or EFAS). The following is the calculation of the weight of internal and external factors contained in this analysis table:

Table 6: Internal Strategic Factor Analysis (IFAS)

No.	Internal Strategic Factors (Strengths)	Weight	Rating	Weighted Score
1	Jambi City is strategically located on an important trade route, providing good access to local and regional markets.	0.08	3.50	0.27
2	Wide market potential	0.08	3.20	0.25
3	Availability of human resources	0.12	3.60	0.42
4	Adequate transportation infrastructure	0.08	3.70	0.28
5	Abundant natural resources that can be utilized as raw materials for the processing industry	0.12	2.90	0.33
6	Stable economic growth	0.10	3.60	0.35
Total Strengths		0.56		1.90

Table 7: Internal Strategic Factor (Weakness)

No.	Internal Strategic Factors (Weaknesses)	Weight	Rating	Weighted Score
1	Intense competition from large retailers and e-commerce platforms	0.10	2.50	0.24
2	Lack of specific skills and professional expertise	0.12	2.90	0.33
3	Infrastructure remains limited and has not yet been fully optimized	0.08	3.60	0.28
4	Dependence on imported products	0.08	2.90	0.22
5	Limited economic diversification	0.08	3.30	0.25
Total Weaknesses		0.44		1.33

IFAS Score	Calculation	Value
Strengths – Weaknesses	1.90 – 1.33	0.57

Table 6: External Strategic Factor Analysis (Opportunity)

No.	External Strategic Factors (Opportunities)	Weight	Rating	Weighted Score
1	Development of modern shopping centres to enhance shopping tourism	0.10	3.30	0.33
2	Expansion of automobile and motorcycle repair services	0.10	3.30	0.33
3	Product diversification in the processing industry	0.08	3.40	0.27
4	Increased investment in warehousing and transportation infrastructure to improve distribution efficiency	0.12	3.40	0.41
5	Strengthening inter-regional cooperation	0.10	3.70	0.37
Total Opportunities		0.50		1.71

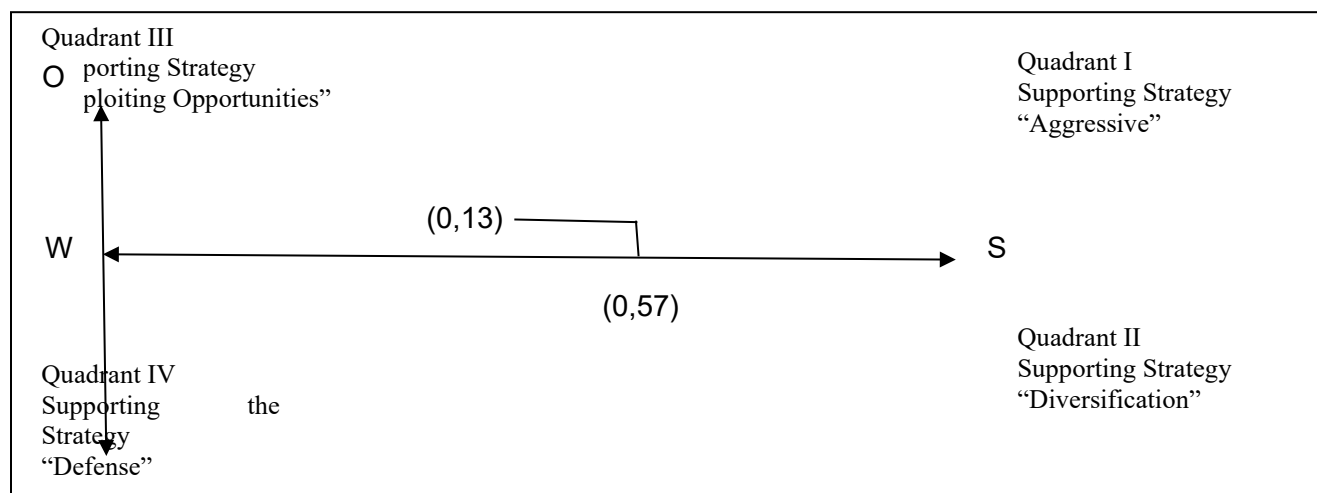
Table 6: External Strategic Factor Analysis (EFAS)

No.	External Strategic Factors (Threats)	Weight	Rating	Weighted Score
1	Global competition from lower-priced and higher-quality imported products	0.08	2.80	0.22
2	Global economic crises that may reduce purchasing power and disrupt trade activities	0.12	3.20	0.38
3	Uncertainty in government policies and regulatory changes	0.10	3.10	0.31
4	Rapid technological changes	0.12	3.50	0.42
5	Local or national political instability that may hinder investment and economic growth	0.08	3.00	0.24
Total Threats		0.50		1.58

Source: Processed data, 2023

EFAS Score	Calculation	Value
Opportunities – Threats	$1.71 - 1.58$	0.13

The strategy that is considered to have high priority, and urgent to be implemented immediately, depends on the location of the quadrant with the X and Y axis formulation, where the X axis is IFAS (Strengths-Weaknesses) and the Y axis is EFAS (Opportunities and Threats) from the results assessed based on the scoring in the table above. So the results can be seen in the following image:

Figure 1: EFAS and IFAS


Based on the location of the quadrant above, seen from the calculation of IFAS and EFAS, the results are in quadrant I, so the strategy that must be implemented in this condition is to support an aggressive growth policy. This is a very profitable situation because it has opportunities and strengths, so that it can take advantage of existing opportunities to achieve the development of the Leading Sector of Wholesale and Retail Trade, Car and Motorcycle Repair, Processing Industry and Transportation and Warehousing in the economy of Jambi City. The Jambi City government, in developing the Leading Sector of Wholesale and Retail Trade, Car and Motorcycle Repair, Processing Industry and Transportation and Warehousing, chose the S-O strategy. (Ali, 2015) In his research, he explained that the S-O Strategy takes advantage of opportunities using existing strengths. Furthermore, to find out the strategies that will be taken for the development of the leading sector, a SWOT matrix will be created. The SWOT matrix is a matrix that interacts with internal and external strategic factors. The purpose of creating a SWOT matrix is to collect as many actions or strategies as possible that can be used in development efforts. So based on the results of the matrix above, it can be concluded that the strategy needed for the development of leading sectors: Wholesale and Retail Trade; Car and Motorcycle Repair, Manufacturing Industry and Transportation and Warehousing in the economy in Jambi City is:

- Utilization of Strategic Location, Jambi City's strategic location on important trade routes must continue to be utilized to strengthen the trade and tourism sectors. The development of modern shopping centers and better transportation infrastructure will increase the city's attractiveness as a shopping and business center, attracting more tourists and investors
- Addressing the Shortage of Human Resources and Infrastructure, by providing Training and improving the qualifications of local human resources, is essential to address weaknesses in competence and expertise. This will not only support the growth of existing sectors such as car and motorcycle repair but also help in economic diversification. Investment in the development and improvement of existing infrastructure will also help overcome current limitations and enhance operational efficiency.
- Economic Diversification through Natural Resources, Jambi City is rich in natural resources that can be further utilized. The development of processing industries with a focus on product diversification will strengthen the local economy and reduce dependence on imports. This will also help Jambi City face global competition by offering quality and unique products from Jambi City
- Regional Cooperation and Competitiveness Improvement, by establishing cooperation between regions can be an effective strategy to increase the competitiveness of local products in a wider market. This can also help Jambi City in facing external threats, such as political instability/unexpected changes in government policy
- Facing global competition, Jambi City's strategy must include developing high-quality products and effective marketing to overcome the entry of cheaper imported products. And increasing branding and marketing of Jambi City products regionally and nationally will help maintain market share amidst tight competition.

5. CONCLUSION

Based on the analysis of Location Quotient (LQ), Dynamic Location Quotient (DLQ) and Shift Share Analysis (SSA), 10 (ten) economic sectors are obtained which are leading sectors, namely Manufacturing Industry, Electricity and Gas Supply, Wholesale and Retail Trade; Car and Motorcycle Repair, Provision of Accommodation and Food and Beverage, Information and Communication, Financial Services and Insurance, Real Estate, Company Services, Education Services and Health Services and Social Activities. However, the analysis of the business sector that is recommended as a leading sector/potential leading economy to be developed is as follows: Wholesale and Retail Trade; Car and Motorcycle Repair (has a contribution of 31.84 percent), Manufacturing Industry (has a contribution of 10.59 percent) and Transportation and Warehousing (has a contribution of 10.16 percent). Based on the results of the SWOT analysis, it can be concluded that the strategies needed for the development of leading sectors are: Wholesale and Retail Trade; Car and Motorcycle Repair, Processing Industry and Transportation and Warehousing in the economy in Jambi City are: with the strategy of Utilizing the Strategic Location of Jambi City, Overcoming the Lack of Human Resources and Infrastructure, Economic Diversification through Natural Resources, Establishing Regional Cooperation and Increasing Competitiveness and Facing global competition with the strategy of Jambi City must include the development of high-quality products and effective marketing to overcome the entry of imported products that are cheaper.

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