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ANALYSIS OF LEADING SECTORS IN JAMBI CITY ECONOMY AND THEIR DEVELOPMENT STRATEGIES

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ABSTRACT

This study aims to find out the leading sectors in the economy of Jambi City and to find out the strategy of developing leading sectors in the economy of Jambi City. This study used secondary data and primary data, using Location Quatient (LQ), Dynamic Location Quatient (DLQ), Shift Share Analysis and SWOT Analysis analysis tools. The results obtained from this study, namely based on LQ, DLQ, and Shift Share Analysis 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.

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Keywords:

Featured Sector, PDRB, LQ, DLQ, Shift Share Analysis, SWOT Analysis.

1.0 INTRODUCTION

Economic growth is one of the indicators to measure the success of development in a country. Growth itself can be interpreted as a description of the impact of government policies implemented in the economic sector. Economic growth is the development of activities in the economy that cause goods and services produced in society to increase. Regional economic growth can be seen from the growth of its GRDP from year to year. Sukirno (2010) stated that economic growth can be interpreted as the development of activities in the economy that causes goods and services produced in society to increase.

The success of economic development is always associated with an increase in 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 the level of economic growth achieved by a country is measured by the development of real income achieved by a country. The creation of high economic growth will result in a structural transformation process in the economy and society. So high economic growth is always one of the things that all 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 a real impact of development policies implemented in various sectors, not only in the economic sector. The sectors in forming the economic structure are related to each other, so comprehensive and sustainable planning is needed by 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 which is the capital of Jambi Province. The rate of economic growth in Jambi City experienced a decline in 2019 when the world was hit by the Covid-19 pandemic, Indonesia was one of 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 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 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, only 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, where the 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 be the driving force of Jambi City's economic growth.

As seen in the rate of economic growth in the last five years, Jambi City has experienced significant development in 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.

2.0 LITERATURE REVIEW

Economic Growth Concept

Economic growth according to Sukirno (2015) can be interpreted as the development of activities in the economy that cause goods and services produced in society to increase and the prosperity of society to increase. Thus, to determine the rate of economic growth that needs to be achieved, it is necessary to calculate the real national income according to fixed prices, namely the prices applicable in the selected base year. So, it can be said that economic growth measures the achievements of a country's economic development. Economic growth is the occurrence of an increase/change in national income (national product / GDP / GNP) in a particular year, without considering population growth and other aspects. In today's development economics theorists continue to refine the meaning, nature, and concept of economic growth.

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.

Regional Economic Growth

Regional economic growth will ultimately have an impact on national economic growth. This is because regional economic growth is intended to equalize economic development throughout the country. Regional economic growth is stated by economists who define it as growth that must come from the internal processes of the economy, not assistance or cash injections from the central government, and will stop if the assistance is stopped (Boediono, 2011).

The Concept of Leading Sectors

A sector can be said to be a leading sector when the sector can compete and has high productivity so that it generates income to 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 a sector whose existence at this time has played a major role in the economic development of a region because it has advantages or criteria (Jhingan, 2004). Then this factor develops further through investment activities and becomes the mainstay of economic activities. This is based on how big the role of the sector is in the regional economy. The leading sector is also defined as a sector that is influenced by the existence of endowment factors.

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 analyze and determine the diversity of the economic base of a region/local community. The economic base of a community includes areas that have characteristics in terms of income and employment opportunities. The LQ (Location Quotient) Analysis Method presents a relative comparison between the capabilities of the same sector in a region measured by a wider area.

Dynamic Location Quotient (DLQ)

The choice of Dynamic Location Quotient (DLQ) analysis in this study is to overcome weaknesses or as a refinement of 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 compared to the national or regional average, and how the position of the industry develops over time. According to Kurniawan & Sudarti, (2017) Dynamic Location Quotient (DLQ) analysis is used to identify more precisely the role of various economic sectors, because this analysis can show the growth of these sectors in a district/city. By correlating the results of the Location Quotient (LQ)

and Dynamic Location Quotient (DLQ) analysis, it can be determined whether the economic sector in a country is growing faster or slower than similar sectors in all countries.

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 also be used as a reference in assessing the performance of a sector/industry located in the area. 3 (three) parts can describe the increase in production or added value in a sector in the area concerned (Sjafrizal, 2017).

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. What is meant by strategy as stated by (Ali, 2015) is a means together with long-term goals to be achieved. This statement explains that strategy is several decisions and actions to achieve goals, both short-term and long-term goals of an organization. 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 also 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 environment, several components are obtained that encourage and hinder local governments in developing several potential economic sectors. The interaction of strength components with opportunities will produce an S-O strategy. The S-O strategy identifies what strengths the local government has to take advantage of all existing opportunities related to the development of potential economic sectors in the region. The interaction of strength components with threats will produce an S-T strategy. The S-T strategy identifies what strengths the local government has 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 what weaknesses need to be fixed by the local government to be able to take advantage of all existing opportunities related to the development of economic sectors in the region. The interaction of the components of weaknesses with threats will produce the W-T strategy.

Table 1.1 SWOT Matrix

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

3.0 METHODOLOGY

The analysis used to answer the first objective in this study, namely using 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 that can be used repeatedly using various reference changes and time periods. The LQ (Location Quotient) Analysis Method presents a relative comparison between the capabilities of the same sector in a region measured by a wider 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 find out the economic sector that has 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, then it can be interpreted that the sector is repositioned to become a non-base sector in the future (non-base repositioning). If the base LQ value and the DLQ value show prospective, it means that the sector is not repositioned or remains 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 observing the structure of the regional economy and its changes descriptively through regional statistical data, which will be used to measure the total change in performance of a particular region 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 that the sector is growing in the reference economy, but 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 :

$$PEK = \left(\frac{Yt}{Yo} - 1\right) + \left(\frac{Yit}{Yio} - \frac{Yt}{Yo}\right) + \left(\frac{yit}{yio} - \frac{Yit}{Yio}\right)$$

Where:

Yt = Economic Indicator of Province at the end of the study year
Yo = Economic Indicator of Province at the beginning of the study year
Yit = Economic Indicator of Province at the end of the study year
Yio = Economic Indicator of Province at the beginning of the study year
yit = Economic Indicator of Regency at the end of the study year
yio = Economic Indicator of Regency at the beginning of the study year

To answer the second objective in this study, SWOT Analysis is used. In SWOT analysis, it can describe the overall diagnostics, both internal and external diagnostics. 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 obtained in using SWOT analysis are to assess past efforts or examine how far the organization's ability to face challenges from its environment and to find out how much ability it has to grow and develop with the capabilities it has.

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, so 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 a diversification strategy.
- 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.

4.0 FINDINGS AND DISCUSSION

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 1.2 Average 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 of 1> include the Manufacturing Industry, Electricity and Gas Supply, 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 and 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; Car and Motorcycle Repair. After the LQ analysis is carried out, the DLQ analysis is carried out, the DLQ analysis accommodates 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 1.3 Results of the Calculation of Dynamic Location Quotient (DLQ) Leading Sectors of Jambi City in 2018-2022

Economic Sector	1+gik	1+gtp	(1+gik)/(1+gk)	(1+gtp)/(1+gp)	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, to determine the base or leading sector of Jambi City, it is done by combining LQ and DLQ, policymakers can assess the role of an economic sector in the economy including the prospects for the sector in the future.

Table. 1.4 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 as a comparison or reference 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 to determine the position of the economic sector of a region in relation to a wider area.

Table. 1.5 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, 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. Where this can be seen in all economic sectors in Jambi City, so that this 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 there were 5 sectors that experienced a minus, namely the Mining and Quarrying sector; Processing Industry; Transportation and Warehousing; 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, Information and Communications by 17.79 percent and the Electricity and Gas Procurement sector 15.19 percent

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 formulate strategies. Strategy is a comprehensive master plan that explains

how to achieve all previously set goals. SWOT analysis means analysis based on Strength-Weakness-Opportunities-Threats, namely Strengths - Weaknesses - Opportunities - Constraints. Through SWOT analysis, it will help in the final conclusion of the study. 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 analysis, the weighting of internal and external factors is calculated. In this calculation, the goal is to find out the location of the strategic development quadrant that is considered urgent to be carried out, the calculation of the weight of internal and external factors is done by making a score or tabulation (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 5.5. Internal Strategic Factor Analysis (IFAS)

No	*Strenghts* / Strategic Factors	Rating	Score	Weight
1	The strategic location of Jambi City, located on an important trade route. So it has 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	Rich in Natural Resources that can be used as raw materials for the processing industry	0.12	2.90	0.33
6	Stable Economic Growth	0.10	3.60	0.35
Amount		0.56		1.90
	Kelemahan (*Weaknesses*)			
	Strategic Factors			
1	Tight competition from big stores and e-commerce	0.10	2.50	0.24
2	Lack of certain qualifications and expertise	0.12	2.90	0.33
3	Limited infrastructure that is not yet optimal	0.08	3.60	0.28
4	Dependence on Imports	0.08	2.90	0.22
5	Lack of economic diversification	0.08	3.30	0.25
		0.44		1.33
Amount		1.00		3.23
Strengths-Weaknesses Value → IFAS = 1,90 - 1,33 =0,57				
No	Peluang *(Opportunity)* / Strategic Factors	Rating	Score	Weight
1	Development of attractive modern shopping centers to increase the appeal of shopping tourism	0.10	3.30	0.33
2	Expansion of Car and Motorcycle Repair Services	0.10	3.30	0.33
3	Product Diversification in the processing industry	0.08	3.40	0.27
4	Increasing Investment in Warehousing and Transportation Infrastructure to increase the efficiency of goods distribution	0.12	3.40	0.41
5	Inter-Regional Cooperation	0.10	3.70	0.37
Amount		0.50		1.71
	Ancaman *(Threats)*			
	Strategic Factors			
1	Global Competition with cheaper and better quality imported products that can threaten the growth of local industry	0.08	2.80	0.22
2	Unexpected Global Economic Crisis can affect people's purchasing power and trade activities	0.12	3.20	0.38
3	Government Policy Uncertainty/Policy Changes	0.10	3.10	0.31
4	Technological Changes	0.12	3.50	0.42
5	Local/National Political Instability that can hinder investment and	0.08	3.00	0.24

No	*Strenghts* Strategic Factors	Rating	Score	Weight
	economic growth			
		0.50		1.58
Amount		1.00		3.29
Opportunity-Threat Value → EFAS = 1,71 - 1,58 = 0,13				

Source: Processed data, 2023

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:

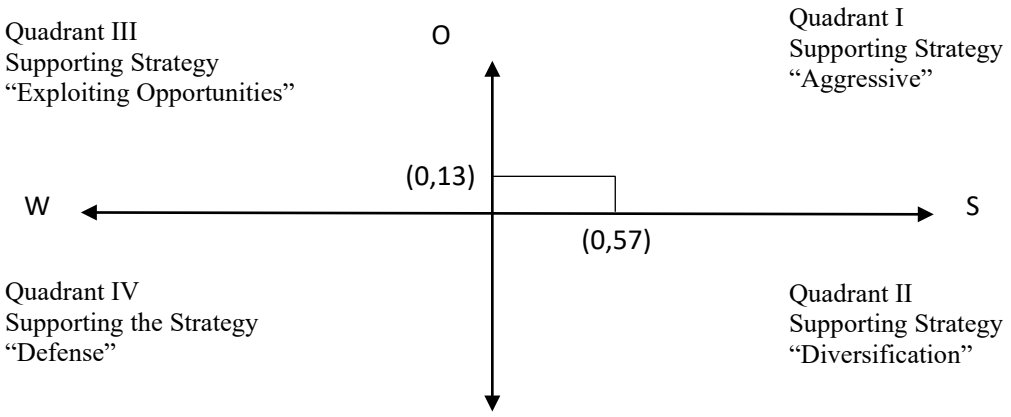

Figure 1.1. EFAS and IFAS

Based on the location of the quadrant above, seen from the calculation of IFAS and EFAS, the results are in quadrant I so that 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 explained that the S-O Strategy is a strategy that takes advantage of opportunities with 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 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 improving and developing existing infrastructure will also help overcome current limitations and improve 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 with 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.

5.0 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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