

Analysis of Regional Potency(Case Study in KutaiKartanegara and PenajamPaser Utara Regencies)

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ABSTRACT: This study is to determine the leading sectors and sectors that have the potential to be developed in KutaiKartanegara and PenajamPaser Utara Regencies. This research is a descriptive quantitative research with case study approach in KutaiKartanegara and PenajamPaser Regencies using 2016-2018 Regency GRDP data. The analysis technique used in this research are Klassen Typology, Location Quotient (LQ), Growth Ratio Model, and Overlay. The results showed that the leading sectors in KutaiKartanegara are the agriculture, forestry and fisheries sectors, while in PenajamPaser Utara are the construction sector; and wholesale and retail trade, car and motorcycle repair. The economic sectors that have the potency to be developed in KutaiKartanegara and PenajamPaser Utara are the sectors categorized as potential and underdeveloped sector.

Keywords: regional potential; klassen typology; location quotient; growth ratio model; overlay

I. INTRODUCTION

The Indonesian government seeks to improve the standard living and welfare of all Indonesian. These efforts are realized through the implementation of government, development, community empowerment, and public services in various fields and sectors of activity. This strategy is followed up with the granting of authority to each region to manage and utilize optimally and sustainably all the potential of its resources. The government then summarized the policies contained in Undang-Undang Republik Indonesia Number 22 of 1999 about Pemerintahan Daerah which explained the decentralization of government or regional autonomy. Until now the regulation has been revised several times which is now regulated by Undang-Undang Republik Indonesia Number 9 of 2015 about Pemerintahan Daerah.

Regional autonomy is an effort to empower the region to manage its own resources according to their interests, priorities and potential of the region. Regional autonomy is intended to give local government authority in managing their own regions, because local governments are considered more familiar with their regions so that they can develop their regions more optimally through the given regional autonomy (Ristanti & Handoyo, 2017). The enactment of this law provides an opportunity for regions to explore local potential in realizing regional independence.

The existence of regional autonomy requires the regional government to run the government effectively and efficiently, so that it can encourage the participation of the community in development, as well as increase equity and justice by developing all the potential possessed by the region. However, during the implementation of regional autonomy, there are still many local governments that depend on the central government, this is indicated by an increase in the acquisition of transfer funds (balance funds) for regional governments as a support for the enforcement of autonomy. On the other hand, the increasing acquisition of transfer funds received indicates that local governments have not been able to maximize the potential of their regions (Halim, 2016: 27).

To run the economy, local governments need capital in addition to transfer funds. The capital is obtained from the economic potential of the area concerned. Regional economic potential is a source of regional income that can be divided into two, namely (1) the source of income that currently exists and has been determined by legislation and (2) the source of income from potential economic potential that is hidden or hidden and will only obtain results in the future if certain efforts have been made.

Regional economic potential, if able to be managed properly, will be able to increase regional income. The increasing local revenue shows that the proportion of capital in holding regional development has also increased, meaning that there is community involvement in the running of government. Karsinah et al. (2016) states that regional economic development must be able to increase the motivation of local communities in improving economic growth and community welfare through empowering local economies based on existing

strengths and opportunities. Development scheming with sectoral approaches that establish sectors that have superior potency in their fields could produce a more directed economic development policy, resulting in reducing the risk of ill-advised use of resources (Sari & Rahmawati, 2018; Mamahit et al., 2017).

Kalimantan Timur Province is one of the provinces in Indonesia that existed due to regional autonomy and is the largest coal producing province in Indonesia and is included in the category of the three richest provinces in Indonesia. Apart from being one of the richest provinces in Indonesia, the development and economic growth of Kalimantan Timur is still low, this can be seen from the GRDP growth rate of each regency/city in Kalimantan Timur in the last 3 years.

TABLE 1 Regency/City GRDP Growth Rate in Kalimantan Timur in 2016-2018 (percent)

Regency/City	GRDP Growth Rate		
	2016	2017	2018
Paser	-4,98	1,18	0,17291667
Kutai Barat	-0,83	0,168055556	0,23472222
KutaiKartanegara	-1,97	1,60	2,12
Kutai Timur	-1,08	3,23	2,32
Berau	-1,70	3,03	2,04
PPU	-0,47	2,44	1,24
Mahakam Ulu	3,41	4,27	5,39
Balikpapan	0,230555556	0,18125	0,234027778
Samarinda	0,56	0,177777778	0,234722222
Bontang	-1,39	0,52	-4,18
Provinsi Kalimantan Timur	-0,38	3,13	2,67

Source: BPS Kalimantan Timur, 2019

Table 1 shows the performance of economic growth in Kalimantan Timur over the past 3 years. Overall in 2018 the rate of economic growth in Kalimantan Timur has decreased. According to the Head of BPS Kalimantan Timur AtqoMardiyanto, the 2018 record showed a slowdown in economic growth, a factor affecting the slowdown was global conditions due to the US and China trade wars. Wahyuningsih Noor (2019) added that it was caused by the decreasing in coal demand from countries that are the main trading partners and coal prices decrease internationally, which caused contraction in the economic growth of the mining and quarrying sectors which ultimately impacted the economy of Kalimantan Timur. However, even though Kalimantan Timur's economic growth has slowed, the performance of all business fields has grown positively. This research was conducted in KutaiKartanegara and PenajamPaserUtara Regencies, where both regencies have been designated as locations to replace Jakarta as the nation's capital city by the President of the Republic of Indonesia Joko Widodo on August 26, 2019. The redeployment of the capital city to the two regencies will take up to 400 thousand hectares and will be switch the economic environment from mining and palm oil to become sectors that will be needed by a capital city, such as the trade, industry and transportation sectors.

Economic growth in a region can be observed in the GRDP data. The economic strength of a region is determined by the leading sector of the region, then the revenue of the leading sector can affect other sectors as a result of the success of the development of the leading sector (Munandar et al., 2019).

TABLE 2 GRDP of KutaiKartanegara and PenajamPaser Utara Regencies Based on 2010 Constant Prices according to Business Field in 2016-2018 (Million Rupiah)

Regency	2016	2017	2018
KutaiKartanegara	117.035.579,50	118.904.727,37	121.420.923,63
PenajamPaser Utara	6.351.931,80	6.506.781,81	6.587.180,55

Source: BPS KutaiKartanegara dan PenajamPaser Utara, 2019

Table 2 shows that the GRDP from both regencies has increased annually. KutaiKartanegara Regency is one of the richest districts in Indonesia with two leading sectors, namely mining excavation and agriculture. While in North PenajamPaser Regency has the potential of natural resources in the form of mining, fisheries and palm oil. In addition, KutaiKartanegara Regency has potential in the field of plantations, namely oil palm, but has not yet dominated. Mulawarman University Faculty of Economics and Business AjiSofyan Effendi emphasized that after the capital city had officially moved, mining activities would cease. In addition, oil palm plantations will only last for a while (idntimes.com, accessed on 10 December 2019).

TABLE 3 Indonesian Export Commodity Price Index Year-On-Year (Percent)

Commodity	2016	2017	2018	2019
Copper	-10,5	27,1	6,7	-8,2
Coal	6,8	48,2	2,5	-8,9
CPO	21,3	5,7	-19,2	-5,5
Rubber	-2,2	28,1	-16,8	12,5
Nickle	-15,4	8,9	27,8	5,7
Lead	13,1	13,1	0,5	-7,1
Aluminum	-3,5	22,9	7,4	-14,3
Coffee	4,3	-2,9	-15,4	-9,2
Others	1,0	6,8	1,2	-0,7
Indonesian Export Commodity Price Index	5,4	21,7	-2,8	-3,7

Source: Bank Indonesia, 2019

At the end of 2019 Bank Indonesia released a Monetary Policy Review that featured a decrease in trade volume and a fall in the price of some Indonesian commodities to the international market, one of which was coal and CPO or palm oil as shown in Table 3. The decrease in coal commodities in addition to the trade war between the United States and China, and causing the weakening of the global economy and the economic growth of Europe, Japan, China and India. India, which is known to be the largest coal export market for Indonesia and the world, has plans to reduce coal imports due to environmental issues that must be addressed. The Indonesian government has considered a coal export ban based on the National Energy General Plan (RUEN) which states that it will gradually reduce coal exports by 2046. Although oil palm commodities have gradually improved from 2018 to 2019, palm oil has the potential to decline after the policy Renewable Energy Directive II (RED II) and EU Delegated Regulation issued by the European Union regarding the implementation of renewable energy policies. Europe is one of the largest markets for Indonesia's palm oil commodity. The sustainable energy policy states that biofuel products entering the European market must meet these policy standards, palm oil is not included in the European Union's renewable energy targets and categorizes palm oil as a commodity that has high risk Indirect Land Use Change (ILUC).

Analysis of region potency is important especially since the enactment of the KutaiKartanegara and PenajamPaser Utara Regencies as candidates for the new Indonesia's capital city and there will be stalled mining activities to prepare for new capital city development. The two regencies basically still need special studies on economics. This study examines the sectors that might be developed to maintain or increase the GRDP of KutaiKartanegara and PenajamPaser Regencies.

II. LITERATURE REVIEW

Regional autonomy is the embodiment of the implementation of government affairs based on decentralization carried out by the regional government for household affairs. The essence of regional autonomy or decentralization is democracy and empowerment. Regional autonomy as an embodiment and coordination means the equality between the center and the regions, where regions have the right to consent their needs and aspirations of their people. Regional autonomy as a form of regional empowerment is a process of learning and support for regions to be able to, manage and manage the interests and aspirations of their own communities (Ladjin, 2008). In the era of regional autonomy such as the current independence of each region is a major freedom that cannot be avoided anymore. The readiness of resources must also be overcome, given the authority that has been given by the central government to local governments in terms of the administration of their respective governments (Rudibdo & Sasana, 2017).

Leading sector is a sector that have the ability to encourage growth or development for other sectors, both sectors that supply inputs and sectors that use their output as input in the production process (Widodo, 2006: 141). According to Mahrita et al. (2016) leading sector is a sector that played a major role for a region's economy to be grow and develops forward through investment activities and becomes the foundation of economic activity. Leading sector is very important in the economic development of a region, not only refers to the geographical location, but is a sector that drive the economy as a whole (Nurlina et al., 2019).

Gross regional domestic product (GRDP) is the gross value added of all goods and services that are created or produced in the domestic territory of a country arising from various economic activities in a given period regardless of whether the production factors are owned by residents or non-residents (BPS Kalimantan Timur, 2019). GRDP data needed in the framework of development planning and an evaluation tool for the results of development in the economic field. The GRDP calculation uses the domestic concept, meaning that all the added value generated by various sectors or business fields carrying out their business activities in a particular region or region is calculated as part of the added value generated by the region without regard to ownership of the factors of production.

Potential is something that actually exists but has not been obtained or obtained as much as possible. Suparmoko (2002) in Kurniawan and Muta'ali (2015) defines the potential of the region as an economic capability in the area that is possible and feasible to be developed so that it will continue to develop as a source of livelihood for the local people and able to encourage the regional economy as a whole to develop on its own and sustainably. Regional potential is capital for the government that can be developed so that it can help in regional economic development (Sari & Rahmawati, 2018). If each region has known the potential of the region, the region can create and design development strategies that will be implemented, the government can also make a general investment plan for domestic and foreign investors that suits the potential of the region (Srivani et al., 2018).

III. METHODS

This research is a descriptive quantitative research with a case study approach that aims to examine the economic sector in KutaiKartanegara and PenajamPaser Utara Regencies and explain which sectors are the leading sectors and the potential sectors (developed) in KutaiKartanegara and PenajamPaser Utara Regencies to maximize regional income. The data in this research was obtained from Badan Pusat StatistikProvinsi Kalimantan Timur, Badan Pusat StatistikKabupatenKutaiKartanegara and Badan Pusat StatistikKabupatenPenajamPaser Utara. Analysis techniques used in this research are Klassen Typology, Location Quotient, Growth Ratio Model and Overlay.

3.1 Klassen Typology

Klassen typology is an analysis technique to find out the picture of the pattern and structure of an area's economic growth and identify the sector, subsector, business, or leading commodity of a region. According to Mahmudi (2010: 52) klassentypology uses a simple calculation technique that is by comparing the growth rate and the contribution of GRDP to the total GRDP of a region. Klassen typological divides sectors into four categories, can be shown through the following table:

TABLE4 Sector Classification Based on Klassen Typology

The Average of Sectoral Contribution towards GRDP	$\hat{Y}_{SECTOR} \geq \hat{Y}_{GRDP}$	$\hat{Y}_{SECTOR} < \hat{Y}_{GRDP}$
The Average of Sectoral Growth Rate		
$r_{SECTOR} \geq r_{GRDP}$	Leading Sector	Developing Sector
$r_{SECTOR} < r_{GRDP}$	Potential Sector	Underdeveloped Sector

Source: Mahmudi, 2010: 53

Notes:

\hat{Y}_{SECTOR} = The contribution of sector i

\hat{Y}_{GRDP} = The GDRP average

r_{SECTOR} = The i sector growth rate

r_{PRDP} = The GDRP growth rate

3.2 Location Quotient (LQ)

LQ is used to identify the internal potential of an area, the base sector and the non-base sector (Hardiani & Lubis, 2017). The purpose of this method is to determine the potential sector of an area towards the same sector in a wider area (provincial or national). LQ analysis provides a framework for understanding economic stability and flexibility to change conditions by analyzing the level of industry or sectors in society (Kharisma & Hadiyanto, 2019).

$$LQ = \frac{(S_{ij}/S_i)}{(\sum S_j / \sum S)}$$

Notes:

S_{ij} = The income from i sector in j region

S_i = The total income from i sector in province

$\sum S_j$ = The total income from j region

$\sum S$ = The total income in province

Tarigan (2014: 82-83) stated that if $LQ > 1$ then the sector is categorized as the base-sector, the role of the sector is greater in the regency than the province. If $LQ = 1$, the role of the sector is the same as in the regency or province, whereas if $LQ < 1$, then the sector is categorized as a non-base sector, the role of the sector is smaller in regency than the province.

3.3 Growth Ratio Model (GRM)

GRM is an alternative tool that can be used in regional and city planning obtained by modifying the Shift Share analysis model (Kamaruddin & Alam, 2019). This GRM analysis is divided into two criteria, namely Study

Area Growth Ratio (RPs) and Reference Area Growth Ratio (RPr). The following is an explanation of each GRM:

Reference Area Growth Ratio (RPr) compare the growth of each sector in the province and the regency/city GRDP.

$$RPr = \frac{\Delta EiR/EiR}{\Delta ER/ER}$$

Notes:

ΔEiR = The change of income from i sector in reference area

ΔER = The change of GRDP in reference area

EiR = The GRDP from i sector in reference area

ER = The GRDP in reference area

Study Area Growth Ratio (RPs) compare the growth of each sector in the region/city context with the growth of the provincial sector.

$$RPs = \frac{\Delta Eij/Eij}{\Delta EJ/EJ}$$

Notes:

ΔEij = The change of income from i sector in study area

ΔEJ = The change of GRDP in study area

Eij = The GRDP from i sector in study area

EJ = The GRDP in study area

3.4 Overlay

Overlay analysis can be used to determine the leading sectors by combining the results of the LQ and GRM methods. Overlay analysis provides an assessment of economic sectors by looking at positive (+) and negative (-) values. The GRM value used is the study growth ratio (RPs). The sector that has the most positive number (+) means that the sector is the leading sector, while the sector that does not have a positive value is not classified as the leading sector. LQ values that are positively correlated are only given to economic sectors where the LQ coefficient value is more than 1 ($LQ > 1$). Overlay analysis results have four possibilities, namely:

- 1) RPs (+) and LQ (> 1) show a very dominant economic activity both from growth and comparative advantage (its contribution) so it must get priority in development.
- 2) RPs (+) and LQ (< 1) indicate an economic activity that has a dominant growth but does not have a comparative advantage or the contribution to increasing the GRDP gain is still low. Contributions in this category need to be increased to become a dominant activity.
- 3) RPs (-) and LQ (> 1) indicate an economic activity that has a small growth but has a large contribution, which means the sector is experiencing a decline so it needs to be spurred on.
- 4) RPs (-) and LQ (< 1) show an economic activity that has no potential either from growth or comparative advantage so it is not feasible to be developed.

IV. RESULT AND DISCUSSION

4.1 The Results of Potency Analysis of KutaiKartanegara Regency

4.1.1 Klassen Typology

Klassen typology analysis have found that quadrant I (leading sector) in KutaiKartanegara Regency are the agriculture, forestry and fisheries sectors. Quadrant II (potential sector) in KutaiKartanegara Regency are the mining and quarrying sector. Quadrant III (developing sector) in KutaiKartanegara Regency consist of processing industry; electricity and gas procurement; water supply, waste management, waste and recycling; construction; wholesale and retail trade, car and motorcycle repair; transportation and warehousing; accommodation and foodsbeverages; information and communication; financial and insurance services; real estate; education services; health services and social activities; and other services. Quadrant IV (underdeveloped sector) in KutaiKartanegara Regency consist of company service; and government administration, defense and regional social security.

4.1.2 Location Quotient

The description of economic activities in KutaiKartanegara Regency can be classified as follows; base sector (superior) in KutaiKartanegara Regency consist of the agriculture, forestry and fisheries sectors; mining and excavation; and health services and social activities. Non-base sector (not superior) in KutaiKartanegara Regency are the manufacturing sector; electricity and gas procurement; water supply, waste management, waste and recycling; construction; wholesale and retail trade, car and motorcycle repair; transportation and warehousing; accommodation and foodsbeverages; information and communication; financial and insurance services; real estate; company services; government administration, defense and mandatory social security; education services; and other services.

4.1.3 Growth Ratio Model

Based on the analysis of GRM calculations, the production activities or potential economic sectors in KutaiKartanegara Regency are classified as; classification 1, the prominent economic sectors in Kalimantan Timur Province and KutaiKartanegara Regency consist of the construction sector; real estate; and company services. Classification 2, the prominent economic sector in Kalimantan Timur Province but not prominent in KutaiKartanegara Regency consists of the mining and quarrying sector; and government administration, defense and mandatory social security. Classification 3, the economic sector which is not prominent in Kalimantan Timur Province but is prominent in KutaiKartanegara Regency consists of the agriculture, forestry and fisheries sectors; electricity and gas procurement; water supply, waste management, waste and recycling; wholesale and retail trade, car and motorcycle repair; transportation and warehousing; accommodation and foods beverages; information and communication; education services; health services and social activities; and other services. Classification 4, thenon-prominent economic sectors in Kalimantan Timur Province and in KutaiKartanegara Regency comprise the manufacturing industry sector; and financial and insurance services.

4.1.4 Overlay

The description of economic activities in KutaiKartanegara Regency based on Overlay analysis is as follows; the economic sector that has a dominant growth and comparative advantage in KutaiKartanegara Regency consists of the agriculture, forestry and fisheries sectors; and health services and social activities. The economic sector that has a dominant growth but does not have a comparative advantage in KutaiKartanegara Regency consists of the electricity and gas procurement; water supply, waste management, waste and recycling; construction; wholesale and retail trade; car and motorcycle repair; transportation and warehousing; accommodation and foods beverages; information and communication; real estate; company services; education services; and other services. The economic sector whose growth is not dominant but has a comparative advantage in KutaiKartanegara Regency is the mining and quarrying sector. The economic sector whose growth is not dominant and has no comparative advantage in KutaiKartanegara Regency consists of the manufacturing industry sector; and government administration, defense and mandatory social security.

TABLE 5 The Results of Potency Analysis of KutaiKartanegara Regency in 2016-2018

No	Sector	Klassen Typology	Overlay		Category
			LQ	RP	
1	Agriculture, Forestry, and Fisheries	Leading	Base	+	Leading
2	Mining and Quarrying	Potential	Base	-	Potential
3	Processing Industry	Developing	Non-Base	-	Potential
4	Electricity and Gas Procurement	Developing	Non-Base	+	Potential
5	Water Supply, Waste Management, Waste and Recycling	Developing	Non-Base	+	Potential
6	Construction	Developing	Non-Base	+	Potential
7	Wholesale and Retail Trade: Car and Motorcycle Repair	Developing	Non-Base	+	Potential
8	Transportation and Warehousing	Developing	Non-Base	+	Potential
9	Accommodation and Foods Beverages	Developing	Non-Base	+	Potential
10	Information and Communication	Developing	Non-Base	+	Potential
11	Financial Services and Insurance	Developing	Non-Base	-	Potential
12	Real Estate	Developing	Non-Base	+	Potential
13	Company Services	Underdeveloped	Non-Base	+	Potential
14	Gov. Administration, Defense and Mandatory Social Security	Underdeveloped	Non-Base	-	Underdeveloped
15	Education Services	Developing	Non-Base	+	Potential
16	Health Services and Social Activities	Developing	Base	+	Potential
17	Other Services	Developing	Non-Base	+	Potential

Source: Secondary Data Processed, 2020

4.2 The Results of Potency Analysis of PenajamPaser Utara Regency

4.2.1 Klassen Typology

Klassen typology analysis have found that quadrant I (leading sector) in PenajamPaser Utara Regency consist of the manufacturing industry sector; construction; and wholesale and retail trade, car and motorcycle repair. Quadrant II (potential sector) in PenajamPaser Utara Regency consist of agriculture, forestry and fisheries sectors; and mining and quarrying. Quadrant III (developing sector) in PenajamPaser Utara Regency consist of the electricity and gas procurement sector; water supply, waste management, and recycling; transportation and warehousing; accommodation and foods beverages; information and communication; real estate; education services; health services and social activities; and other services. Quadrant IV (underdeveloped sector) in PenajamPaser Utara Regency consist of the financial services and insurance sectors; company services; and

government administration, defense and regional social security.

4.2.2 Location Quotient

The description of the economic activities of North PenajamPaser Regency can be classified into two, namely: base sector (superior)in PenajamPaser Utara Regency consists of the agriculture, forestry and fisheries sectors; electricity and gas procurement; water supply, waste management, waste and recycling; construction; wholesale and retail trade, car and motorcycle repair; real estate; government administration, defense and mandatory social security; education services; and other services.Non-base sector (not superior) in PenajamPaserUtara Regency are the mining and quarrying sector; processing industry; transportation and warehousing; accommodation and foods beverages; information and communication; financial and insurance services; company services; and health services and social activities.

4.2.3 Growth Ratio Model

Based on an analysis of GRM calculations, the production activities or economic sector potential in PenajamPaser Utara Regency are classified into: classification 1, the prominent economic sectors in Kalimantan Timur Province and PenajamPaser Utara District consist of the mining and quarrying sector; construction; real estate; company services; government administration, defense and mandatory social security.Classification 3, the economic sector which is not prominent in Kalimantan Timur Province but is prominent in PenajamPaser Utara District consists of the water supply, waste management, waste and recycling sectors; wholesale and retail trade, car and motorcycle repair; and financial and insurance services.Classification 4, non-prominent economic sectors in Kalimantan Timur Province and in North PenajamPaser Regency consist of agriculture, forestry and fisheries sectors; processing industry; electricity and gas procurement; transportation and warehousing; provision of accommodation and food and drink; information and communication; education services; health services and social activities; and other services.

4.2.4 Overlay

The description of the economic activities of North PenajamPaser Regency based on Overlay analysis is as follows; the economic sector that has a dominant growth and comparative advantage in PenajamPaser Utara District consists of the water supply, waste management, waste and recycling sectors; construction; wholesale and retail trade, car and motorcycle repair; real estate; and government administration, defense and mandatory social security.The economic sector that has a dominant growth but does not have a comparative advantage in PenajamPaser Utara District consists of the mining and quarrying sector; financial and insurance services; and company services.The economic sector whose growth is not dominant but has a comparative advantage in North PenajamPaser Regency consists of the agriculture, forestry and fisheries sectors; electricity and gas procurement; education services; and other services.The economic sector whose growth is not dominant and has no comparative advantage in PenajamPaser Utara Regency consists of the manufacturing industry sector; transportation and warehousing; provision of accommodation and food and drink; information and communication; and health services and social activities.

TABLE6The Results of Potency Analysis ofPenajamPaser Utara Regency in 2016-2018

No	Sector	Klassen Typology	Overlay		Category
			LQ	RP	
1	Agriculture, Forestry, and Fisheries	Potential	Base	-	Potential
2	Mining and Quarrying	Potential	Non-Base	+	Potential
3	Processing Industry	Leading	Non-Base	-	Potential
4	Electricity and Gas Procurement	Developing	Base	-	Potential
5	Water Supply, Waste Management, Waste and Recycling	Developing	Base	+	Potential
6	Construction	Leading	Base	+	Leading
7	Wholesale and Retail Trade: Car and Motorcycle Repair	Leading	Base	+	Leading
8	TransportationandWarehousing	Developing	Non-Base	-	Potential
9	Accommodationand Foods Beverages	Developing	Non-Base	-	Potential
10	Information and Communication	Developing	Non-Base	-	Potential
11	Financial and InsuranceServices	Underdeveloped	Non-Base	+	Potential
12	Real Estate	Developing	Base	+	Potential
13	Company Services	Underdeveloped	Non-Base	+	Potential
14	Gov. Administration, Defense and Mandatory Social Security	Underdeveloped	Base	+	Potential
15	Education Services	Developing	Base	-	Potential
16	Health Services and Social Activities	Developing	Non-Base	-	Potential
17	Other Services	Developing	Base	-	Potential

Source: Secondary Data Processed, 2020

V. CONCLUSION

The economic sectors that are leading sectors in KutaiKartanegara Regency are the agriculture, forestry and fisheries sectors. The economic sectors which are the leading sectors in PenajamPaser Utara Regency are the construction sector; and wholesale and retail trade, car and motorcycle repair. The economic sectors that have the potential to be developed in KutaiKartanegara Regency are the mining and quarrying sector; processing industry; electricity and gas procurement; 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 drink; information and communication; financial and insurance services; real estate; company services; education services; health services and social activities; and other services. The economic sectors that have the potential to be developed in PenajamPaser Utara Regency consist of the agriculture, forestry and fisheries sectors; mining and excavation; processing industry; electricity and gas procurement; water supply, waste management, waste and recycling; transportation and warehousing; provision of accommodation and food and drink; information and communication; financial and insurance services; real estate; company services; government administration, defense and mandatory social security; education services; health services and social activities; and other services.

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