

THE ANALYSIS OF BASIC SECTOR AND THE SHIFT OF ECONOMIC STRUCTURE IN SOUTH SUMATERA PROVINCE YEAR 2011-2016

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Abstract

This study aims to analyze and identify the potential economic sector in South Sumatera, to review the shift of economic structure and to analyze the effect of national economic growth and national economic structure shifting towards the South Sumatera economic growth and economic structure shifting from year 2011 to 2016. The shifting of economic structure will affect the production process of manufacture and services in one region, which lead to the change of economic growth. Both economic structure and economic growth have correlation to the existence of basic sectors. Using overlay analysis and shift share analysis as analysis method, the study found that there are 5 (five) dominant/basic sector in South Sumatera Province : (1) mining and quarrying; (2) clean water supplying; (3) management of garbage, waste and recycles; (4) agriculture, forestry and fishery; and (5) construction. At other side, five other sectors with most excellent performance uprising in year 2011 to 2016 are : (1) manufacturing industry; (2) mining and quarrying; (3) agriculture, forestry and fishery; (4) construction; (5) wholesaler and retail trading and vehicle reparation. Five other sector with competitive advantage are : (1) mining and quarrying; (2) wholesaler and retail trading and vehicle reparation; (3) manufacturing industry; (4) real estate; and (5) construction. The dominant sector, the economic sector with excellent performance and economic sectors with competitive advantage must be prioritized in economic development planning of South Sumatera. Those economic sectors

can be developed by maintaining and improving the capital investment in each sector, enhancing the quality of labors and also by increasing the production technology. The strategic plans will later lead to maximum labor absorption and economic growth in South Sumatera.

Keywords : Basic Sector, Dominant Sector, Economic Growth, Shift Of
Economic Growth