Readiness of the Tourism Support Sector in Lampung Province to Improve Regional Economic Development

Ade Nasrullah[1], Arivina Ratih Yulihar Taher[2], Resha Moniyana Putri[3], Nanda Emalia[4]

{adenasrullah685@gmail.com[1], arivina.ratih@feb.unila.ac.id[2], resha.moniyana@feb.unila.ac.id[3], nandaemalia140@gmail.com[4]}

Economics Development Departement, University of Lampung, Lampung, Indonesia[1,2,3,4]

Abstract. Tourism is one activity that can increase a region's income because it is related to many sectors such as accommodation, food and drink, transportation, and also the processing industry. This research uses the Location Quotient tool to analyze the condition of the tourism supporting sector for 15 districts/cities in Lampung Province. The data used is sectoral data from the Gross Regional Domestic Product based on 2010 constant prices. The results show that Bandar Lampung City is the region most ready to support tourism because on average its tourism-supporting sectors are classified as basic sectors. Limitations in this research come from insufficient GRDP data specifically for tourism, so the sector activities analyzed come from previous empirical studies.

Keywords : Tourism, LQ, Lampung

1 Introduction

Indonesia is experiencing economic growth, which is a real application of government policies. On the other hand, it is necessary to pay attention to the implementation of policies that are in line with the economic progress of a country. Developing countries that have surpassed similar countries in terms of economic growth but still lag behind developed countries are called newly industrialised countries [1]. Gross Domestic Product indicators in a region show the rate of economic growth. Regional economic growth uses Gross Domestic Product at Constant Prices (GDP ADHK). The base sector plays an important role in regional economic growth and therefore needs to maximise its potential. The economic sector is superior to each region by looking at the gross regional domestic product income of each sector [2]

Lampung Province is a leading tourist destination in Indonesia in accordance with the regional medium-term development plan (RPJMD) document of Lampung Province 2019-2024 [3]. In the Lampung Province RPJMD, it states that the most popular tourist destination in Indonesia is Lampung Province. Increase the number of tourists by creating superior tourist destinations in districts and regions in Lampung province, establishing Lampung province as the epicentre of agro-tourism and ecotourism in Indonesia, accelerating infrastructure development and accommodating tourism growth, and accelerating the construction of Pekon Serai Taufik Kiemas Central Coast Airport (Krui). The Lampung Province RPJMD agenda shows the government's commitment and priorities to support future tourism growth policies.

Explaining the explanation of creating superior tourist destinations in districts and cities in Lampung Province, it is necessary to have a tourism support sector in this research in order to support tourist destinations. On the other hand, the Lampung Province Tourism and Creative Economy Office states that the Lampung Provisni tourism sector has the potential to be developed which offers various tourism developments such as natural tourism, artificial tourism, agro-tourism, ecotourism and cultural tourism [4]. This is in line with the process of identifying prospective economic sectors in the region, which is crucial to recognise emerging, resilient and impactful sectors. The identification of prospective economic sectors is expected to accelerate post-pandemic economic recovery. Thus, it is clear which sectors are prospective to advance Lampung Tourism destination to become a major tourist destination in Indonesia. Various analyses can be conducted to determine the sectors that may develop after the pandemic. One of the tools that can be used is GRDP. One tool that can be applied through different analyses is the Location Quotient (LQ) analysis [5].

Lampung Province is included in the National Strategic Project Area (KSPN) which includes Lake Ranau, Way Kambas National Park, Mount Krakatau pinned as a strategic place and Bakauheni Port as a National Strategic Project (PSN) [4]. It should be noted that as tourism potential in Lampung is developed, it is necessary to identify tourism support sectors in each district/city with the aim of spurring and encouraging economic growth. Meanwhile, there are obstacles to tourism potential in Lampung Province including gaps in the development of facilities and infrastructure supporting tourist sites to the location of regional tourism strategic areas, optimistic of local government performance, community involvement and the establishment of an integrated promotion and marketing system. This, concrete steps that can be taken are improving road infrastructure and basic infrastructure, optimising marketing and tourism promotion, organising events and effective policies in tourism.

This research was conducted with the aim of identifying tourism supporting sectors in 15 districts/cities in Lampung Province and determining districts/cities that are ready to support tourism from the most superior tourism supporting sectors. The purpose of this study was to analyse the tourism supporting sectors that support tourism in 15 districts/cities in Lampung Province and to identify districts/cities in Lampung Province that have the most superior tourism supporting sectors. The benefits of the research are to update tourism research references, improve regional welfare through the tourism sector, and provide more effective input and policy considerations for stakeholders to develop the tourism support sector.

2 Literature Review

2.1 Economic Basic Theory

The economic base theory was first proposed by Robert Murray Haig (1928) in Alkanzu, Sahri, & Sriningsih [6]. The economic base theory explains that there are base sectors and non-base sectors. The base sector is a sector whose economic activities that grow in a region export so as to attract prosperity from outside the region, while the non-base sector is a sector that is limited to serving and fulfilling needs within the region.

According to Hardani et al [7] sectors that have advantages with the following characteristics:

1. High rapid economic growth in the sector.
2. The distribution of labour in the sector is wide enough which is relatively large.
3. The industry has the capacity to generate large income

2.2. Analyse The Relative Economic Potential Of The Region

It is important for regional planners to be able to assess economic potential. This relates to identifying sectors that should be developed to grow rapidly in an area, being able to limit the factors that constrain an area's potential and determining whether these sectors are prioritised. Two analytical methods can be used: comparative advantage and Location Quotient (LQ) . A sector is said to be prospective if it has comparative and competitive advantages [8]. Location Quotient analysis is often used in research and analysis to identify prospective economic sectors [8].

LQ measures how much a sector contributes nationally compared to other regions. In general, the variables used are the number of labourers and value added (income) [8]. LQ > 1 indicates that the region has a comparative advantage in the economic sector. However, sectors identified as basic sectors can be used as indicators of comparative advantage, but sectors using LQ cannot be used because their products do not reflect the ability of real capacity. If the product does not receive additional subsidies from the region in addition to those offered by other regions, then it is appropriate to determine directly whether the commodity product has the opportunity to be exported or not [8]. Comparative advantage was initiated by David Ricardo in 1917. The principle of comparative advantage is that if a region is specialised in producing goods or services due to high productivity and efficiency, then the region improves welfare and living standards. LQ value > 1 in the commodity sector indicates commodity excellence. If an economic activity is identified as a comparative advantage, the region can be accelerated in order to increase regional economic growth [8]. Comparative advantage indicates a potential advantage without economic distortions [9]. Competitive advantage is not always used as it concerns the prevailing price level applied under certain conditions [8]. Competitive advantage is closely related to economic viability commodities that are financially favourable to institutions, individuals and society [9].
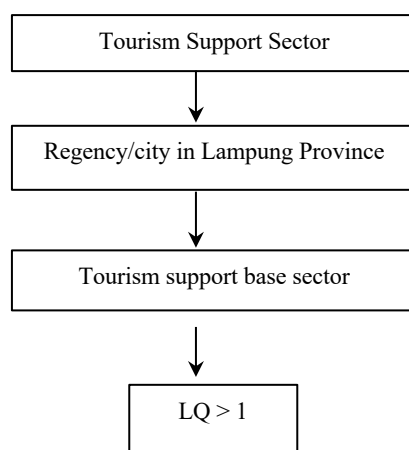
2.3. Tourism

Tourism is an activity related to the arrival, mobility of foreign nationals, and residence within a country, region or area [10]. Tourism is considered a complex industry because it includes economically important enterprises such as lodging, transportation, culinary food and beverages, handicrafts and souvenirs. The 5A element factors in tourism affect tourist visits, namely accessibility, accommodation, attractions, activities and amenity. Where this concept is very important for the development of tourist destinations [11]. One of the keys to successful tourism is the development of adequate and quality hotel accommodation [12]. Attractions or so-called tourist attractions characterise locations that can attract tourists . Attractions or tourist destinations can attract tourists if the availability of supporting infrastructure and services to serve tourists and easy accessibility is achieved [13].

2.4. Gross Regional Domestic Product (PDRB)

Gross Regional Domestic Product is the total value of final income generated by all business units in a region. The Gross Regional Domestic Product at Constant Prices (PDRB ADHK) is used as a measure of economic growth. Gross Regional Domestic Product at Constant Prices is the sum of expenditure output and income calculated at fixed prices with base level prices at consumer level prices [14]

Based on the theoretical basis and research problems and research objectives. The following is a thinking framework model of the research framework:

Fig. 1. Research Framework

3 Research Method

This research is a quantitative study with a descriptive approach to analyse and identify tourism supporting sectors in 15 districts/cities in Lampung Province. The 15 districts/cities were selected based on the Lampung Province Tourism Development Area. The research period is 2019-2023.

The types and sources of data in this study are secondary data from the Lampung Province Central Statistics Agency and the Lampung Province Tourism and Creative Economy Office. Data collection methods using literature and documentation techniques from BPS publications and Lampung Province Tourism and Creative Economy Office. Data analysis method with location quotient analysis. The data used is ADHK GRDP data on the tourism support sector. The tourism supporting sectors are the transport sector, accommodation and food services, and other services [15].

The measurement of location quotient analysis consists of base and non-base sectors. The base sector is the leading sector and is able to produce goods and services within the country and exported outside the region. While the non-base sector is importing goods from other regions because it is unable to fulfil the needs in the region. Location Quotient formula used:

$$LQ = \frac{\frac{X_r}{RV_r}}{\frac{X_n}{RV_n}}$$

Information Xr is embedded as sector PDRB at the district/city level, Xn as sector PDRB at the Provincial level, while RVr and RVn are the total amount of GRDP for the district/city and province. The measurement is from Bendavid Val LQ formula [16]. Sectors with LQ > 1 were identified as base sectors, indicating high specialisation at the district level compared to the provincial level. Whereas LQ < 1 indicates that non-base sectors show low specialisation compared to the provincial level and cannot be the main sector driving the economy [17].

4 Discussion

The following is the estimated average LQ per regency/city for 2019-2023 :

Table 1. LQ average estimation per regency/city

Regency/city	H ; Transportation	I ; Accommodation and Food Services	R,S,T,U Other Services
West Lampung	0,533	0,833	1,792
South Lampung	0,996	0,905	0,629
East Lampung	0,496	0,909	1,346
Central Lampung	0,532	0,677	0,600
North Lampung	1,059	0,789	0,823
Way Kanan	0,550	0,540	0,611
Tanggamus	1,020	1,199	1,293
Pesawaran	0,525	0,862	0,816
Tulang Bawang Barat	0,162	0,596	0,481
Tulang Bawang	0,701	0,865	0,424
Pesisir Barat	0,206	1,370	1,201
Pringsewu	0,874	1,611	1,244
Mesuji	0,349	0,645	0,437
Bandar Lampung	1,272	3,907	1,835
Metro	1,462	1.647	2,422

The discussion of the average LQ estimation per district/city is presented in the following table:

Table 2. LQ per regency/city

Regency/City	H ; Transportation	I ; Accommodation and Food Services	R,S,T,U Other Services
West Lampung	Non Basis	Non Basis	Basis
South Lampung	Non Basis	Non Basis	Non Basis
East Lampung	Non Basis	Non Basis	Basis
Central Lampung	Non Basis	Non Basis	Non Basis
North Lampung	Basis	Non Basis	Non Basis
Way Kanan	Non Basis	Non Basis	Non Basis
Tanggamus	Basis	Basis	Basis
Pesawaran	Non Basis	Non Basis	Non Basis
Tulang Bawang Barat	Non Basis	Non Basis	Non Basis

Regency/City	H; Transportation	I ; Accommodation and Food Services	R,S,T,U Other Services
Tulang Bawang	Non Basis	Non Basis	Non Basis
Pesisir Barat	Non Basis	Basis	Basis
Pringsewu	Non Basis	Basis	Basis
Mesuji	Non Basis	Non Basis	Non Basis
Bandar Lampung	Basis	Basis	Basis
Metro	Basis	Basis	Basis

4.1 Tourism Supporting Sectors in Districts of Lampung Province

Based on the Location Quotient analysis, in Lampung Barat Regency, the other services sector was identified as a basic sector known to contribute 2% (169.58 billion IDR) to the economic growth of West Lampung Regency. This is due to the increase in the number of tourist visits after the Restriction of Community Activities (PPKM) was removed. Therefore, the ' Sekala Bekhak Festival' is a contributing factor to the increase and interest of tourists visiting West Lampung Regency. Likewise, in East Lampung Regency, the other services sector was identified as a basic sector. Other services contributed 15.11% to the economic growth of East Lampung Regency. This is due to recreational areas such as Way kambas Park and Way kambas Festival which not only improve the economy but also increase non-tax revenue so as to further increase regional growth. The Way Kambas Festival promotes the cultural art of melinting dance and the culinary 'gulai uleu sapi' which is suitable for introduction to tourists.

In North Lampung Regency, the transport sector was identified as a basic sector. It can be seen that the Lampung Provincial Government has improved connectivity, development, and transportation sector policies through the management of the Propau type B terminal and the integration of commercial rail services so as to achieve the highest economic growth in North Lampung Regency achieved by the transportation sector of 17.79% with a marked increase in the number of passengers after the pandemic ended, both the addition of a doubled bus fleet and train passengers. In Tanggamus Regency, the transport, accommodation and food services, and other services sectors are identified as basic sectors. The operation of the Batu Alai jetty improved sea route connectivity, contributing 7.51%. In addition, 'Tanggamus Foodies' has increased the accommodation and food and beverage provision sector and the development of pokdarwis influences offering a variety of recreation and entertainment encourages the growth of other services.

It's in the Pesisir Barat district., Sectors of accommodations and drinking have been identified by base sectors have contributed to the growth of prb west coast districts by 12.63 % on the accommodations and food services sectors especially with the relief policy of the PPKM as well as the international surf championship 'World Surf League Krui' resulting in the number of hotel settlement levels (TPK) increasing by 36.70 % August, In line with that., The largest contributor in the service sector contributed by 27.14 % to PDRB growth. This is also, Pringsewu district in the sector accommodation and food services identified other service sector the base. Caused by the presence of foodies ' Pringsewu Festival' contributed to the gdp of 2,76 % and elevated levels of hotel settlement as lodging, hotels and boarding houses.

Tourism Support Sector In Cities In Lampung Province

In the city of Bandar Lampung, the transportation sector; accommodation and food services; identified other service sector the base.Contribution of the transportation worth 17,88

% in line with any increase in the number of passengers on ground transportation and trains now the idul fitri, christmas and new year 2023 based on achieving 80 % compared to previous years. Other than that., Identification sector accomodation and food services identification sector base. This is because the 800 booths'are made up of national businessmen, UMKM, and foot merchants as well as exhibits covered by 13 districts / cities and followed by other provinces as well. The other services sector growth were influenced by the number of domestic and international tourists while on holiday of eid fitri 2023 affects the increase in the price of some tickets and ticket tourism in Bandar Lampung.

Similarly, in the city of Metro, the transportation sector stands out as a significant contributor, accounting for 9.87% of city GRDP in 2023. Substantial contributions amounting to 98.50% of land transportation modes are caused by increased number of passengers and increasing the number of tourists by 40% from 2022 to 2023. The accommodation and food service sector also played an important role, accounting for 2.96% of GDP, with food services becoming the dominant sub-sector due to a culinary tourist surge and a double increase in UKM related to food into 14,000 units. Festival like the "Metro Culture and Finance" show is growing this sector further. The "other services sector ," identified as other major fields, saw little increase to 2.48% in 2023, supported by recreational and entertainment activities associated with a local festival. Comprehensive support throughout this sector described the strategic focus of the Metro City in improving its infrastructure and tourism services, in line with the broader vision of Lampung Province to develop its western region into a world-class tourist destination. The provincial government's commitment to integrate tourism with economic development is evident in its efforts to create a balanced growth model, which combines cultural attractions, nature, culinary, and technology.

5 Conclusion

Based on LQ analysis and the discussion that has been explained in previous chapters, the conclusion that can be taken is as follows: Eight districts/cities in Lampung Province supports the tourism support sector, namely Bandar Lampung, Metro, and Tanggamus, where his tourism support sector includes accommodations and food services, transportation, and other services; Pesisir Barat and Pringsewu, where his support sectors are accommodations and food services and other services; West Lampung and East Lampung, where the support sector is another services; and North Lampung, where the support sector is transportation. Among these cities, Bandar Lampung is a city with the largest potential and the superior tourism support sector in Lampung Province based on LQ analysis.

References

[1]   A. Rahmat, "Konsep Perbandingan Geopolitik, Sosial Budaya dan Ekonomi Negara Maju dan Negara Berkembang," *J. Edukasia Multikultura*, vol. 3, no. 1, p. 17, 2021, [Online]. Available: https://ejournal.iainbengkulu.ac.id/index.php/multikultura/article/view/4682/3103

[2]   S. Suryahadi, A., Hadiwidjaja, G. and Sumarto, "Economic Growth and Poverty Reduction in Indonesia Before and After The Asian Financial Crisis'," *Bull. Indones. Econ. Stud.*, vol. 48, no. 2, pp. 209–227, 2012, doi: doi: 10.1080/00074918.2012.694155.

[3]   585. RPJMD Provinsi Lampung Tahun 2019-2024. (2019). RPJMD PROVINSI LAMPUNG, 2024, "RPJMD Provinsi Lampung Tahun 2019-2024," *Rpjmd Provinsi Lampung*, vol. 2024, p.

585, 2019.

[4]   P. P. Lampung, "Perubahan Renstra Disparekraf Prov Lampung Tahun 2019-2024," no. 29, 2024.

[5]   S. N. Arifah, Y. Yusrizal, and K. Tambunan, "Analisis Kontribusi Sektor Pertanian Dalam Meningkatkan Produk Domestik Regional Bruto (PDRB) Kabupaten Bener Meriah di Masa Pandemi Covid-19," *El-Mujtama J. Pengabdi. Masy.*, vol. 2, no. 3, pp. 242–251, 2022, doi: 10.47467/elmujtama.v2i3.1292.

[6]   B. Alkanzu, Sahri, and S. Sriningsih, "Analisis Daya Saing Sektor Ekonomi Di Kabupaten Sumbawa," *J. Ekon. Manajemen, dan Akunt.*, vol. 1, no. 1, 2023, [Online]. Available: http://jurnal.anfa.co.id/index.php/mufakat

[7]   F. Hardani, T. Gunarto, N. Aida, and Y. Yudastio, "Analysis of Leading Sector In Disadvantaged Regions of Pesisir Barat Regency As An Economic Development Strategy," *J. Corner Educ. Linguist. Lit.*, vol. 1, no. 2, pp. 132–138, 2021, doi: 10.54012/jcell.v1i2.12.

[8]   E. Zulfa and M. P. Resha, *Ekonomi Regional*. Bandar Lampung: Angugrah Utama Raharja, 2017.

[9]   Saptana, Sumaryanto, and S. Friyatno, "Analisis Keunggulan Komparatif dan Kompetitif Komoditas Kentang dan Kubis di Wonosobo Jawa Tengah," *J. Sos. Pertan. Dan Agribisnis*, vol. 3, no. 5, pp. 83–98, 2003.

[10]   O. . Yoeti, "Pengantar Ilmu Kepariwisataan," in *Pengantar Ilmu Kepariwisataan*, Edisi 1., Yogyakarta: Erlangga, 1995.

[11]   H. Purwaningrum and H. Ahmad, "Evaluasi Pengelolaan Wisata Jati Larangan Dan Taman Sengon Melalui Indikator 5A Di Dusun Iroyudan," *Kepariwisataan J. Ilm.*, vol. 15, no. 2, pp. 107–129, 2021.

[12]   W. Erdiana, *Sarana Akomodasi Sebagai Penunjang Kepariwisataan Di Jawa Barat*. Bandung: Universitas Pendidikan Indonesia, 2006.

[13]   I. G. N. Suwena, I.K & Widyatmaja, *Pengetahuan Dasar Ilmu Pariwisata*. Denpasar: Pustaka Larasan, 2017.

[14]   BPS, *Produk Domestik Regional Bruto Indonesia*. Jakarta: Badan Pusat Statistika, 2019.

[15]   BPS, *Tourism Satellite Account Indonesia*, Volume 4,. Bandar Lampung: Badan Pusat Statistika.

[16]   B. Val, *Regional and Local Economics Analysis For Practitioners*. New York: Greenwood Publishing Group, Inc, 1991.

[17]   M. Anggie, P. Siregar, and D. F. Mahendra, "Faktor - Faktor Penentu Profitabilitas Perusahaan Manufaktur Sektor Industri Barang Konsumsi The Determinants of Profitability of Manufacturing Companies in the Consumer Goods Industry Sector," vol. 10, pp. 49–58, 2023, doi: 10.55963/jumpa.v10i3.591.