

Study on The Acceleration of Economic Recovery for Makassar City

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Abstract

This study aims to identify the leading sectors of the City of Makassar in order to realize the acceleration of the economic recovery of the City of Makassar on a strong and sustainable sector basis. By using the analysis method Static Location Quotient, Dynamic Location Quotient, Growth Ratio model and overlay. The main data source in this study is ADHK GRDP from 2015 to 2021 which is available at the Central Bureau of Statistics (BPS) for Makassar City and South Sulawesi Province. The results of the LQ analysis show that only 4 sectors are not included in the base sector including the Agriculture, Forestry and Fishing Sectors; Electricity and Gas; Transportation and Storage. While the results of the DLQ analysis show four sectors with fast growth rates and are leading sectors from the results of the LQ analysis, namely Transportation and Storage; Public Administration and Defence, Compulsory, Social Security; Human Health and Social Work Activities. As an effort to accelerate economic recovery, sectors that were superior according to LQ calculations, prospective according to DLQ, and included in MRP and overlay classification were selected, namely Manufacturing and Accommodation, and Food Service Activities.

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INTRODUCTION

Every region in Indonesia certainly yearns for economic conditions that grow, develop, and are healthy. Regional development programs have a major role in equity and expansion of development. regional development aims at how to increase the number and types of job opportunities for local communities (Mo et al., 2020). In simple terms, the higher the economic growth in an area, the better the achievement of development in that area is reflected in an increase in per capita output, alternatives in consuming goods and services, and an increase in people's purchasing power (Lu et al., 2019; Syahputra, 2017). Even though achieving this is not as easy as turning the palm of the hand, at least no one imagined that a big storm would ravage a country's economy and even the world.

Makassar City is the largest contributor to Gross Regional Domestic Product (GRDP) among 17 other regions in South Sulawesi Province. The percentage reaches 30 percent of the total GRDP in the province. This good achievement is also demonstrated at the national level where Makassar City is one of the big cities in Indonesia with high economic growth prospects. Unfortunately, since the Covid-19 outbreak hit a number of regions in Indonesia, negative economic growth has become something that cannot be avoided. Three years before the pandemic, Makassar City was able to achieve economic growth of above 8 percent per year. However, in 2020, economic growth was corrected quite deeply, namely minus 1.27 percent. In 2021, Makassar City's economic conditions show improvement where economic growth reaches 4.47 percent. This indicates an economic recovery. This momentum needs to be properly maintained and even increased so that Makassar City's economic growth is able to reach a turning point as before the pandemic was even higher.

The Covid-19 pandemic is not over yet, but economic recovery efforts are also faced with problems of inflation and recession. The increase in the prices of commodities needed by the community was the main cause, especially cooking oil, followed later by the price of fuel oil (BBM). The latest information, the government will raise the price of tobacco excise and interest rates are also predicted to increase in line with the increase in the US dollar reference rate. Inflation will cause the prices of factors of production to increase and the demand for a commodity to fall. This allows for a spike in the price of other necessities and ultimately makes the economy sluggish. If the weakening of economic growth occurs for two consecutive quarters, then a wave of recession is something that might occur. This situation is characterized by a decrease in purchasing power, which forces companies to increase production factor efficiency. Termination of Employment (PHK) can occur anywhere resulting in an increase in unemployment. Welfare will decrease and regional revenue will also decrease.

This situation must be anticipated as early as possible. Therefore, to support the acceleration of economic recovery, an in-depth study of the economic conditions of Makassar City before and up to the present is needed. After mapping the structure of the economy, then laying the foundations for development and an economic recovery strategy to be able to bounce back and identify threats that might weaken. The implementation of economic recovery also needs to involve various stakeholders and take advantage of the potential of the City of Makassar. Thus, it is urgent for the government as a policy maker to identify economic sectors that have a major impact on regional economic growth as a step towards achieving national goals (Basuki, A. T., & Gayatri, 2009; Syafrizal, 1997). This situation must be anticipated as early as possible. Therefore, to support the acceleration of economic recovery, an in-depth study of the economic conditions of Makassar City before and up to the present is needed. After mapping the structure of the economy, then laying the foundations for development and an economic recovery strategy to be able to bounce back and identify threats that might weaken.

Economic recovery also needs to involve various stakeholders and take advantage of the potential of the City of Makassar. Thus, it is urgent for the government as a policy maker to identify economic sectors that have a major impact on regional economic growth as a step towards achieving national goals (Basuki, A. T., & Gayatri, 2009; Syafrizal, 1997). In line with what was stated (Liang et al., 2020) which explains that efforts to increase this require regional development strategies and policies that are in accordance with the potential and problems that exist in each region within the region, policies that can be applied regionally or sectorally. Regional policies are directed at developing the potential and competitiveness of existing resources, while sectoral policies place more emphasis on development management that is oriented to existing economic sectors (Dutu, 2016). The implementation of sectoral policies is more directed at increasing production, productivity and providing physical facilities and infrastructure that directly support basic needs (Apergis & Poufinas, 2020).

These role policies are generally contained in long, medium and short-term planning documents. One of the crucial points in making regional economic policies is the determination of the leading economic sector in a region in the medium-term planning document or the Regional Medium-Term Development Plan (RPJMD). There are several analytical methods that can be used to determine the superior sector of an area that are commonly used including Location Quotient (LQ), Shift Share Analysis (SSA), Class Typology, growth ratio models. However, some studies are limited to using only one analytical method, LQ analysis such as research (Arrazy, 2020), (Niyimbanira et al., 2020), (R. Jumiyaniti, 2018), (Darmanto et al., 2020), (Zuhannisa & Baroroh, 2022). Shift share such as (Wahyudin, 2020), (Salakory & Matulessey, 2020). Several other studies have also used LQ and ASS analysis such as (Ibrahim, 2018), (Tumangkeng, 2018), (Basuki & Mujiraharjo, 2017), (Putri & Imaningsih, 2022), (Negara & Putri, 2020). Researchers who use location quotient (LQ) analysis, growth ratio models (MRP), overlays and class typologies such as (Ma'ruf et al., 2022), (Gafur et al., 2016), Location Quotient (LQ), Shift Share (SS), Growth Ratio Models (MRP) and Overlays such as (Febrianti & Sarfiah, 2022), (Abadi, 2020), (Yegrim et al., 2021). The analytical methods in this study are Location Quotient (LQ), DLQ growth ratio model and overlay analysis, as recommendations for policy makers and developers to understand the strengths and weaknesses of an area, identify potential for economic development, and direct efforts and resources to achieve more effective development goals post-covid 19.

METHODS

The Scope of this Research is the Gross Regional Domestic Product (GRDP) of Makassar City from 2015-2021. This study uses secondary data which is quantitative and primary data which is qualitative in nature, while the data sources used are BAPPEDA Makassar City, BPS Kota Makassar, and the Official Website of the City Government of Makassar. To analyze and identify which sectors are the most superior and have the potential to be developed, the following four analyzes are used: Location Quotient (LQ) Analysis. This analysis is used to identify potential sectors in Makassar City which are included in the base and non-base sectors.

The base/specialization sector refers to the economic sector in a region, where a region is said to have a specialization if the region develops an economic sector so that the share of that sector is greater than that of the same sector in other regions. Specialization is also created due to the large potential of natural resources as well as the role of a large market demand for local outputs. This LQ value only determines the output value of a sector so it is usually called Static LQ (SLQ).

Furthermore, to find out the basis/non-base sector in the time per year and per specified period is to use Dynamic LQ Analysis (DLQ). The difference between SLQ lies in the consideration of existing economic growth factors. SLQ does not consider economic growth in its calculations (Arrazy, 2020). In this case, the development of LQ can be seen for a certain sector from time to time; whether it has decreased or increased. DLQ is calculated using the following formula:

$$DLQ_{is} = \left[\frac{(1 + g_{is})/(1 + g_s)}{(1 + G_{iSS})/(1 + G_{SS})} \right]^t \frac{IPPS_{is}}{IPPS_{iSS}}$$

Where:

DLQ _{iS}	sector i potential index in Makassar City
g _{iS}	share of sector i added value in Makassar City
g _S	average value added share of all sectors in Makassar City
G _{iSS}	share of sector i added value in South Sulawesi Province
G _{KT}	the average value added share of all sectors in South Sulawesi Province
Q	the difference between the final year and the beginning year
IPPS _{iS}	index of sector i development potential in Makassar City
IPPS _{iS}	sector i development potential index in South Sulawesi Province

Furthermore, the Growth Ratio model (MRP) is an alternative analysis tool that can be used in regional planning obtained by modifying the Shift-Share analysis model. MRP is an activity to compare the growth of an activity both on a smaller scale and on a wider scale (Dutu, 2016). In the MRP analysis, there are two kinds of growth ratios, namely: 1) The growth ratio of the study area (RPs) is a comparison between the income growth

(GRDP) of sector *i* in the study area and the income growth (GRDP) of sector *i* in the reference area and 2) The growth ratio of the reference area (RPr) comparison of the average income growth (GRDP) of sector *i* in the reference area with the average income growth (GRDP) in the reference area. Overlay analysis is used to identify leading sectors both in terms of contribution and growth by combining the results of LQ analysis and MRP analysis.

RESULTS AND DISCUSSION

Location Quotient (LQ) Analysis LQ calculations in this study exclude the mining sector because it is managed by the Provincial Government of South Sulawesi. Therefore, only 16 sectors were studied. The results of calculations using the LQ method show that from 2015 to 2021 there are 11 economic sectors that have an average LQ value of more than one ($LQ > 1$) and 5 economic sectors that have an LQ value the average is less than one ($LQ < 1$). This means that almost all economic activities or sectors in Makassar City are the base sector. It can also be said that these economic sectors have a higher level of specialization at Makassar City than at the South Sulawesi Province level.

Table 1. LQ Results for Makassar City, 2015 – 2022

Economic Sectors	Year							Average
	2015	2016	2017	2018	2019	2020	2021	
A. Agriculture, Forestry, and Fishing	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
B. Mining and Quarrying	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
C. Manufacturing	1.44	1.43	1.43	1.40	1.37	1.38	1.40	1.41
D. Electricity and Gas	0.47	0.46	0.46	0.46	0.47	0.44	0.42	0.45
E. Water Supply; Sewerage, Waste Management, and Remediation Activities	1.84	1.77	1.74	1.73	1.64	1.63	1.62	1.71
F. Construction	1.36	1.36	1.35	1.33	1.31	1.31	1.32	1.33
G. Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	1.36	1.34	1.32	1.31	1.32	1.30	1.29	1.32
H. Transportation and Storage	0.68	0.66	0.66	0.64	0.67	0.71	0.73	0.68
I. Accommodation and Food Service Activities	1.69	1.68	1.61	1.60	1.57	1.46	1.45	1.58
J. Information and Communication	1.82	1.83	1.80	1.79	1.72	1.73	1.73	1.78
K. Financial and Insurance Activities	1.59	1.57	1.58	1.57	1.54	1.54	1.47	1.55
L. Real Estate Activities	1.03	0.98	0.95	0.94	0.92	0.89	0.89	0.94
M,N. Business Activities	2.54	2.48	2.46	2.43	2.43	2.40	2.39	2.45
O. Public Administration and Defence; Compulsory Social Security	0.72	0.70	0.70	0.73	0.71	0.71	0.72	0.71
P. Education	1.69	1.69	1.67	1.66	1.63	1.58	1.58	1.64
Q. Human Health and Social Work Activities	1.31	1.32	1.32	1.33	1.32	1.35	1.35	1.33
R. Other Services Activities	1.91	1.89	1.87	1.85	1.84	1.82	1.82	1.86

Source: Central Bureau of Statistics for Makassar City and South Sulawesi Province (processed)

The eleven sectors mentioned above are leading sectors in Makassar City and have the potential to be developed as an economic driver for Makassar City. Whereas non-leading sectors in Makassar City are sectors that have an LQ value < 1 . During the observation period from 2015 to 2021, the five sectors have never had an LQ value of more than 1 ($LQ < 1$), on the contrary the other fifteen sectors have the observation period always has an LQ value of more than one ($LQ > 1$). In general, the LQ value of the economic sector in Makassar City has decreased every year both before and during the Covid 19 pandemic, so this indicates that the economic sector has a tendency to weaken its level of specialization in Makassar City. Nonetheless, there are 4 basic sectors that have experienced an increase in the new normal era including the manufacturing, construction, information and communication, and other services activity.

Dynamic LQ analysis

The results of calculations using the DLQ method show that there are 3 economic sectors that have a DLQ value of more than one ($DLQ > 1$), namely the *Transportation and Storage* sector (6.23); *Public Administration and Defence, Compulsory Social Security* (1.04); and the Health Services and Social Activities sector (1.13). This shows that the Transportation and Warehousing Sector; Government Administration, Defense and Compulsory Social Security Sector; and the *Human Health and Social Work Activities* sector in Makassar City has the potential to be more advanced compared to the same sectors in South Sulawesi Province. Other economic sectors (besides those mentioned above) have a DLQ value of less than one ($DLQ < 1$).

Table 2 can be seen that there is only 1 economic sector that is included in the leading sector, namely the *Human Health and Social Work Activities* sector. Where these sectors have LQ and DLQ values of more than one, which means that the sector is an advanced sector and is growing rapidly because it is included in the base sector or its level of specialization at the Makassar City level is higher than the South Sulawesi Province level and the potential for development. This sector is also more advanced when compared to the same sector at the South Sulawesi Province level.

The economic sector that is included in the prospective sector which has an LQ value of more than one, while the DLQ value of less than one is the Manufacturing sector; Water Supply, Sewerage, Waste Management, and Remediation Activities; Construction; Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles; Accommodation and Food Activities; Information and Communication; Financial and Insurance Activities; Business Activities; Education Services; and Other Services. Thus there are ten economic sectors in Makassar City which are the base sector or the level of specialization at the Makassar City level is higher than the South Sulawesi Province level, but the development potential of these sectors is less advanced when compared to the same sector at the South Sulawesi Province level. It can be said that these economic sectors are developed sectors but are under pressure.

The economic sectors included in the mainstay sector are the Transportation and Storage Sector; *Public Administration and Defence, Compulsory Social Security* which has an LQ score of less than one but has a DLQ value of more than one. This means that these two sectors are sectors that can still develop because even though they are classified as non-base sectors in Makassar City. The development potential of this sector is more advanced when compared to the same sector at the South Sulawesi Province level. This is because the GRDP growth rate of this sector is higher when compared to the growth rate of the same sector in South Sulawesi Province. Nonetheless, the sector's contribution to total GRDP in Makassar City is relatively low.

Economic sectors that fall into lagging sectors are the Agriculture, Forestry and Fishing sectors, Electricity and Gas, Real Estate; which has an LQ and DLQ value of less than one. This means that this sector is a lagging sector because it is included in the category of non-base sectors in Makassar City or its contribution is smaller when compared to South Sulawesi Province and its development potential is also less advanced when compared to the development potential of the same sector in South Sulawesi Province.

Table 2. Calculation of DLQ for Makassar City 2015 – 2021

Economic Sectors	Average Growth (%)		gik+1	gtp+1	Year	DLQ
	Average Makassar (gik)	Average Sulsel (gtp)				
A. Agriculture, Forestry, and Fishing	1.387	4.518	2.387	5.518	6	0.004
B. Mining and Quarrying	3.958	3.760	4.958	4.760	6	0.692
C. Manufacturing	6.048	7.425	7.048	8.425	6	0.186
D. Electricity and Gas	3.703	5.204	4.703	6.204	6	0.103
E. Water Supply; Sewerage, Waste Management, and Remediation Activities	6.598	6.489	7.598	7.489	6	0.592
F. Construction	7.152	7.333	8.152	8.333	6	0.476
G. Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	3.478	1.981	4.478	2.981	6	6.230
H. Transportation and Storage	3.056	4.803	4.056	5.803	6	0.063
I. Accommodation and Food Service Activities	9.592	9.810	10.592	10.810	6	0.480
J. Information and Communication	4.403	5.043	5.403	6.043	6	0.277
K. Financial and Insurance Activities	2.804	4.548	3.804	5.548	6	0.056
L. Real Estate Activities	5.184	5.508	6.184	6.508	6	0.399
M,N. Business Activities	5.278	4.632	6.278	5.632	6	1.040
O. Public Administration and Defence; Compulsory Social Security	6.583	7.112	7.583	8.112	6	0.362
P. Education	9.869	8.620	10.869	9.620	6	1.128
Q. Human Health and Social Work Activities	6.200	6.297	7.200	7.297	6	0.501
R. Other Services Activities	6.106	5.418	7.106	6.418		

Source: Central Bureau of Statistics for Makassar City and South Sulawesi Province (processed)

Growth Ratio Model Analysis

To see the potential economic sectors in Makassar City, the results of the MRP calculation can be classified as follows:

- Classification 1, where the RPS and RPR values are more than one, which means that the activity of an economic sector, both at the city level and at the provincial level, has superior growth;
- Classification 2, where the RPS value is more than one but the RPR value is less than one which means that the activity of an economic sector at the city level has superior growth while at the provincial level it is not.

The results of calculations using the MRP method show that, during the observation period from 2015 to 2021, there are two economic sectors that fall into classification one and three economic sectors that fall into classification two.

The economic sector included in the first classification is the construction sector with an RPR value of 1.02 and an RPR of 1.23; *Human Health and Social Work Activities* sector and other activities with an RPS value of 1.18 and an RPR of 2.74. This means that the growth of these two sectors at the level of the study area (Makassar city) is higher than the growth of the same sector in the reference area (South Sulawesi Province), and the growth of these three sectors in the reference area (South Sulawesi Province) is higher than the growth of the total GRDP. South Sulawesi Province. So it can be said that the construction sector and the *Human Health and Social Work Activities* and other activities have superior growth both at the city level and at the provincial level.

And the economic sectors that fall into classification 2 are the manufacturing sector with an RPS value of 1.06; the transportation and storage sector with an RPS value of 2.35; and the *Public Administration and Defence; Compulsory Social Security* sector with an RPS value of 1.14. This means that the growth of these three sectors in Makassar City is higher than the growth of the same sector in South Sulawesi Province, but the growth of these

three sectors in South Sulawesi Province is lower than the total GDP growth of South Sulawesi Province. So it can be said that the processing manufacturing; transportation and storage; and the *Public Administration and Defence; Compulsory Social Security* sectors are required to have superior growth only at the city level.

Table 3. Growth Ratio Model (MRP) for Makassar City 2015 – 2021

Economic Sectors	RPR	Nominal Value	RPS	Nominal Value
A. Agriculture, Forestry, and Fishing	0.81	(-)	0.28	(-)
B. Mining and Quarrying	0.24	(-)	(11.09)	(-)
C. Manufacturing	0.65	(-)	1.06	(+)
D. Electricity and Gas	1.44	(+)	0.77	(-)
E. Water Supply; Sewerage, Waste Management, and Remediation Activities	0.96	(-)	0.68	(-)
F. Construction	1.23	(+)	1.02	(+)
G. Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	1.41	(+)	0.96	(-)
H. Transportation and Storage	0.22	(-)	2.35	(+)
I. Accommodation and Food Service Activities	0.80	(-)	0.53	(-)
J. Information and Communication	2.04	(+)	0.97	(-)
K. Financial and Insurance Activities	0.91	(-)	0.85	(-)
L. Real Estate Activities	0.83	(-)	0.59	(-)
M,N. Business Activities	0.97	(-)	0.92	(-)
O. Public Administration and Defence; Compulsory Social Security	0.83	(-)	1.14	(+)
P. Education	1.38	(+)	0.91	(-)
Q. Human Health and Social Work Activities	1.74	(+)	1.18	(+)
R. Other Services Activities	1.12	(+)	0.97	(-)

Source: Central Bureau of Statistics for Makassar City and South Sulawesi Province (processed)

Overlays Analysis

Overlay analysis is used to identify potential economic sectors both in terms of growth and in terms of their contribution. This analysis is seen from the combined values of RPR, RPS, and LQ during the study period, from 2015 to 2021. Each component is then equated with a positive (+) or negative (-) notation. If the component coefficient is worth more than one it is given a positive notation (+) and if the component coefficient is less than one it is given a negative notation (-).

In more detail the results of the overlay analysis to look at the leading economic sectors in Makassar City both in terms of growth and in terms of their contribution during the study period, namely 2015 to 2021 can be seen from the combined results of Table 1 and Table 3. The results of the overlay analysis show that there are 2 economic sectors that fall into the first classification, namely the construction sector and the human health and social work activities sector. It can be said that the activities of the two economic sectors have high sectoral growth at the level of South Sulawesi and at the level of Makassar City and the sectoral contribution of Makassar City is higher than that of South Sulawesi. This shows that the economic sector has a high potential for

competitiveness because it excels both at the city and provincial levels and it can be said that this sector has a competitive advantage.

According to Sjafrizal (2008) competitive advantage is dynamic because it depends on regional advantages that are aligned with the development of other regions. If the area has a higher rate of growth in the amount of production compared to other regions, then the advantage will be even greater. So it is clear that these two sectors have a competitive advantage based on positive RPR and RPS values.

The economic sector included in the second classification is the manufacturing. It can be said that this economic sector has low sectoral growth at the level of South Sulawesi Province. And this economic sector has high sectoral growth at the Makassar City level and the sectoral contribution of Makassar City is higher than South Sulawesi. In other words, this sector is a specialization of economic activity in Makassar City.

The manufacturing sector has a low growth when compared to the growth of total economic activity at the South Sulawesi Province level. This economic sector in Makassar City has a higher growth compared to the same economic sector in South Sulawesi Province. The contribution of the economic sector in Makassar City is also higher than the contribution of the same sector in South Sulawesi.

The economic sectors included in the third classification are agriculture, forestry and fishing. It can be said that this activity has low sectoral growth at the level of South Sulawesi and in Makassar City. Sectoral contribution in Makassar City is lower than South Sulawesi. This shows that the agricultural, forestry and fishing sectors have low competitiveness because they are not superior either at the city level or at the provincial level. This sector does not have a competitive advantage and is not a specialization of economic activity in Makassar City.

The agriculture, forestry and fishing sectors have low growth compared to the growth of total economic activity or GRDP at the South Sulawesi Province level, meaning that these economic activities do not have good prospects. And the growth of this sector is lower in Makassar City than in the Province and the contribution of this sector in Makassar City is also lower than in South Sulawesi Province.

Based on the results of the overlay, it is possible to identify economic sectors that truly have the most prominent potential to be developed as drivers of economic growth in Makassar City, namely (classification 1) is the construction sector; Human Health and Social Work Activities sector. And (classification 2) is the manufacturing sector. Then these economic sectors must be a development priority in Makassar City. The priority for regional economic development must be focused on sectors that fall into classifications 1 and 2. Thus, it will have an impact on increasing the rate of economic growth in Makassar City.

The agriculture, forestry and fishing sectors are not basic or not superior sectors in Makassar City or their level of specialization is lower than that of South Sulawesi Province. This is due to the continued decline in agricultural land in Makassar City until 2021 which has been converted to other economic activities and agricultural land in Makassar has shrunk by 600 hectares in 10 years. According to data from the City of Makassar in Figures 2022, the number of workers in this sector is also very small, namely out of the total population of Makassar City aged 15 years and over who work for a week which reaches 629,933 workers, this sector only absorbs 18,695 workers or 2.97 percent in 2021. This sector's contribution is also very small when compared to the contribution of the agriculture, forestry and fishing sectors at the South Sulawesi Province level.

The electricity and gas sector is a non-basic sector or not superior in Makassar City or the level of specialization is lower than that of South Sulawesi Province. Based on data obtained from Makassar City in Figures for 2022, in the period 2017 - 2021 the number of electricity customers at PLN Makassar City continues to increase every year. In 2021, electricity production was recorded at 4,221,080.61 MWh, 3,600,736.24 MWh was sold, with 966,293 customers. The type of tariff with the most subscribers is the R1 tariff with 90.25 percent of the total subscribers. The types of tariffs with the second and third most subscribers are tariffs B1 and R2, with the number of subscribers being 33,720 and 24,968 respectively. However, there is still a need for additional electricity grids for remote areas that have not yet been reached by electricity.

The transportation and storage sector is a non-basic or non-leading sector in Makassar City or the level of specialization is lower than that of South Sulawesi Province. The low level of specialization of the sector, the limited availability of urban infrastructure is the absence of an effective mass transportation system. The only mode of mass transportation operating in Makassar City is the Mamminasata Bus Rapid Transit (BRT) which is under the control of the South Sulawesi Provincial Government and PT. Damri. The City Government does not yet have a work unit that specifically deals with public transportation issues in the Makassar City area.

The real estate sector is a non-basic or non-leading sector in Makassar City or the level of specialization is lower than that of South Sulawesi Province. Real estate is property in the form of land and buildings. These economic activities include leasing activities, agents and/or intermediaries in the sale or purchase of real estate and the provision of other real estate services which can be carried out on one's own or other people's property which is carried out on the basis of contract fees. This economic activity also includes building construction, maintenance or leasing of buildings.

The public administration and defence, compulsory social security sectors are obligatory to be non-basic or non-leading sectors in Makassar City or their level of specialization is lower than that of South Sulawesi Province. This is inseparable from the not optimal governance in Makassar City which is caused by several things as follows: First, the implementation of the bureaucratic reform agenda has not been optimal, including a) The 2020-2024 Bureaucratic Reform Road Map has not yet been prepared; b) The ability of assessors for Bureaucratic Reform in Makassar City Government is still low; c) Not yet optimal management of HR management system apparatus; d) Not yet optimal use of information technology in the provision of public services. Second, performance accountability is still low, including: a) Performance planning, performance measurement, performance reporting and internal evaluation are not maximized; The culture of performance management is still low, especially in terms of monitoring and evaluating the achievement of performance targets.

Of the 7 service sectors, only the Real Estate Sector and the public administration and defense, compulsory social security Sector are the base or leading sectors in Makassar City or their level of specialization is higher than the level of South Sulawesi Province. As the capital of South Sulawesi Province, Makassar City does not have potential in agricultural and mining economic activities so that the Makassar City government focuses economic development on the service sector. This is supported in the vision of Makassar City as stated in the 2005-2025 Regional Long-Term Development Plan (RPJPD), which reads "Creating a Comfortable New World City for All" Makassar as a Globally Oriented Maritime, Commerce, Education, Culture and Service City. , Environmentally Friendly and Most Friendly. And it was reaffirmed in the Makassar City Medium Term Development Plan (RPJMD) for 2020-2025, as the vision developed "Accelerate Realizing Makassar as a World City that is 'Somber' and Smart City" with Strong City Immunity for All.

The information and communication sector is the base or leading sector in Makassar City or the level of specialization is higher than the level of South Sulawesi Province. Based on the results of the interviews, special trainings were held to improve human resources in the information and communication sector, so that was what made the sector progress.

In the future, this sector will be more advanced with the rapid use of the internet by the public. The digital economy will continue to grow. To accelerate economic recovery in the information and communication sector, digitalization is needed in the business and industrial sectors. The government also needs to create various opportunities in digital development and connectivity that can be utilized by all parties. Coordination across sectors and across government agencies both at the central and regional levels can also trigger an increase in the digital economy.

The water supply, waste management, waste and recycling sectors are the base or leading sectors in Makassar City or have a higher level of specialization than the South Sulawesi Province level. Along with the increasing population of the city of Makassar, the need for water is also increasing.

The sector of accommodation and food service activities is the base or leading sector in Makassar City or the level of specialization is higher than the level of South Sulawesi Province. This is supported by the existence of star hotels and non-star hotels. Room Occupancy Rate (TPK) of all types of accommodation. For star hotel classification, the highest ROR occurred in December, while for non-star hotels, the highest ROR occurred in January. The manufacturing sector is the base or leading sector in Makassar City or the level of specialization is greater than the level of South Sulawesi Province. This is because when compared to the provincial level the contribution of this sector to total GRDP is greater than the contribution of the manufacturing sector to total GRDP in South Sulawesi Province. business. The number of workers in this sector is also relatively large. And according to data from Makassar City in Figures 2022, of the total workforce in Makassar City which reaches 629,933 workers, this sector only contributes 133,513 workers or 21.19 percent in 2021. To increase the manufacturing industry sector, the government can increase the use domestic production. In addition, the government is also expected to substitute imports, reduce energy and logistics costs, increase exports of industrial products, accelerate the operationalization of industrial estates, and innovate and adapt technology.

The construction sector is the base or leading sector in Makassar City or the level of specialization is higher than the level of South Sulawesi Province. The progress of this sector cannot be separated from the ongoing development of infrastructure in Makassar City. It can be said that the progress of the construction sector is a positive impact of the progress of several other economic sectors. Such as, construction or repair of roads, construction of bridges, additional distribution of electricity and gas, construction and repair of residential and non-residential buildings, and so on.

Construction in terms of infrastructure in Makassar City needs to be developed further as a means of supporting development and public services. Because this tends to attract more investors to invest. Infrastructure development can be divided into two parts, namely physical infrastructure (roads, bridges, telecommunications, airports, seaports, drinking water and electricity installations) and economic structural infrastructure (banking, insurance, and others).

The wholesale and retail trade, car and motorcycle repair sectors are the base or leading sectors in Makassar City or have a higher level of specialization than the South Sulawesi Province level. This is supported, there are large outlets located along the road. Makassar City does provide areas to support trade growth. Seeing the many leading sectors in Makassar City based on LQ calculations, the city can be said to be a mainstay area in South Sulawesi Province. The government's role in empowering the eleven leading sectors as a driving force for the economy in Makassar City is urgently needed to strengthen economic growth.

CONCLUSION

The results of the LQ analysis show that there are 11 leading sectors. Most of the originating from the service sector, namely the business activities sector; Information and communication sector; Sector of water supply, sewerage, waste management, and remediation activities; Education sector; The accommodation and food services sector; financial and insurance sector; Manufacturing sector; Construction sector; Human health and social work sector; *Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles* sectors.

DLQ analysis produces 1). leading sector (Human health and social work sector), 2). mainstay sectors (Transportation and Storage; *Public Administration and Defence; Compulsory Social Security*), 10 prospective sectors (Manufacturing; *Water Supply; Sewerage, Waste Management, and Remediation Activities; Construction; Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles; Accommodation and Food Service Activities; Information and Communication; Financial and Insurance; Business activities; Education activities; Other Services*), and 2 lagging sectors (Agriculture, Forestry and Fishing; Electricity and Gas; and Real estate).

Overlay analysis produces 3 classifications. Classification 1 by sector construction; Human Health and Social Work activities. Classification 2 which consists only of the manufacturing sector. and classification 3 which only There are agriculture, forestry and fishing sectors. Thus, in efforts to accelerate economic recovery, superior sectors are selected according to LQ calculations, prospectively according to DLQ, as well as inside classification 2 MRP and overlay namely processing and service industries food and drink accommodation. Thus, based on this study, it recommends to the City government: first, it is necessary to implement business modernization policies, maintain business stability, and eliminate weaknesses in the processing industry, whether on a micro, small or medium scale; second, the Government continues to seek cooperation between agencies/agencies especially in the Makassar City area. Finally, the government continues to strive for superior tourism quality, not just massively to support the accommodation and food service sector.

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