

Analysis of Basic and Non-Basic Sectors in Denpasar City in the middle of Covid-19 Pandemic Era

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Abstract

Each region has different potential resources. These potential differences will also affect the different characteristics of the economy in each region. A typical mindset thinking Bali as a tourism center briefly provides an overview of the basic sectors found in each region, including Denpasar. Apart from the tourism potential of Denpasar, it is important to identify the basic and non-basic sectors. In the midst of the Covid-19 pandemic, it is very likely that the existing economic structure will change. The identification of basic and non-basic sectors can be used as a reference in maintaining the economy so that other superior potentials can be maximized. This study aims to: (1) analyze basic and non-basic sectors in Denpasar City, (2) analyze the multiplier effect of basic sectors in Denpasar City, and (3) analyze basic sectors in Denpasar City in the middle of Covid-19 Pandemic Era. The results show: (1) There are nine basic sectors and three non-basic sectors of the twelve economic sectors which were analyzed based on Denpasar City GRDP data during 2016-2020. (2) The value of the multiplier effect of Denpasar City is 0.31. This means that the PB value for income is 0.31, so every increase in one unit of the basic sector will result in a 0.31-fold change in income for Denpasar City. (3) The most dominant basic sector of the Denpasar City in the Covid-19 pandemic era was the Information and Communications sector.

Keywords:

basic sectors, non-basic sectors, Covid-19, *multiplier effect*.

Introduction

Differences in potential and resources in a particular area are part of the diversity of regional assets. These differences will automatically have an impact on the economic development of the local area. The achievement of community welfare is very dependent on how well the potential

and resources of the area are managed. However, what often happens is that a certain rich area in regional resources actually experiences a setback in its economy. This is mainly due to government policies that tend to give the advantages to the outsiders rather than to the region itself it is related to regional economic development. Arsyad (1999) explains that regional economic development is a process of managing resources by the government and the community. These resources then form a partnership pattern between the local government and the private sector to create new jobs and at the same time stimulate the development of economic activities or economic growth in the area.

Lapong *et al.* (2018) explains that regional economic growth is a process of increasing regional per capita income in the long term. The demand for goods and services is the main determinant of economic growth in a region. Thus, local resources have the potential to generate regional income while creating job opportunities in the region. This condition means that local resources, both natural resources and human resources, play a very strategic role in the regional economy. Optimal utilization will be able to contribute to regional economic growth (Limbong, 2009).

In practice, the gap between regional resources and the regional economy should not occur if the implementation of development is adjusted to the characteristics of the local area's resources with the right policies. Thus, regional resources will provide benefits for the concerned region. Meanwhile, to be able to know the economic development of a region, it can be seen through data from the regional income of the region. GRDP (Gross Regional Domestic Product) is one of the data that can be used to determine the economic gap between one region and another. GRDP data is used because from the data it can be seen the economic productivity of a region. The higher the value of GRDP per capita of a region, the better its economic growth is considered.

At the same time, GRDP depends on how basic and potential sectors are managed. This means that by maximizing economic activity in potential sectors, later these sectors will develop and can become the basic sector in the area. As has been explained, the increase in economic activity in the basic sector as well as the regional potential sector will have an impact on increasing the regional GRDP. It is because the specialization in accordance with the leading sector or sub-

sector owned by each region will later be used to increase the effectiveness and efficiency of the community in implementing economic activity. Thus, it is important for local governments to know for sure what the basic and non-basic sectors are and which sectors have the potential to be developed.

Denpasar as the capital city of Bali Province certainly has a number of potential areas that are priority areas to be developed. Tourism is the main sector driving the Denpasar economy. However, the Covid-19 pandemic has had a huge impact on the tourism sector. Restrictions on social activities and interactions as well as various policies in order to suppress the rate of the Covid-19 virus significantly affect the paralysis of economic activity, especially tourism. Therefore, an analysis of the basic and potential sectors is important to do. This can assist local governments in utilizing other alternative potentials to improve and maintain the economic stability of Denpasar City.

Literature Review

Economic Growth

Sapriadi and Hasbiullah (2015) explain that economic growth is an indicator that describes the information describing the success of regional economic development through GRDP ADHB (at Current Market Prices) and ADHK (at Constant Market Prices). ADHB's GRDP will show the ability of economic resources in an area, while ADHK's GRDP will show the rate of economic growth, both sectorally and as a whole (BPS Kabupaten Magelang, 2017). Regional growth theory analyzes a region as an open economic system that is related to other regions through the flow of production factors and commodity exchange. It means that there is a multiplier effect from a development in one region to another (Mubarok, 2019).

Sirojuzilam in Sapriadi (2015) explains that economic growth can be assessed as the impact of government policies, especially in the economic field. Economic growth can be interpreted as an increase in the prosperity of a region. Furthermore, economic growth can also be interpreted as the rate of growth obtained from the accumulation of various

types of economic sectors. Indirectly, it will describe the rate of growth that occurs and as an important indicator for local governments in evaluating the success of development.

Base/ Leading Sector

Tadjoedin in Hajeri *et al.* (2015) explained that district/city GRDP data can be used as very important information to determine output and economic growth in an area. In addition, GRDP can also be used to determine the leading sector in a region. Demand for goods and services from outside the region is seen as the main determinant of economic growth (Basuki, 2017). This is stated by Richardson (1973) as economic base theory. Industries that utilize local resources, including labor and raw materials, will create large and prospective job opportunities in increasing regional income. This assumption means that the opportunity to increase the market (exports) can be done because the region has a leading sector so that it can compete with other regions in the same sector.

Syafrizal in Sapriadi and Hasbiullah (2015) explains that the leading sector is a sector that is the core of the regional economy which has a fairly high competitive advantage. In contrast to the leading sector, the non-base sector are sectors that are considered less potential but function as a support for the base/ leading sector or service industries. Arsyad (1999) describes that the main determinants of regional economic growth in the economic base theory are directly related to the demand for goods and services from outside the region. This theory essentially distinguishes basic and non-basic sector activities. Almost the same as the meaning in the previous definitions, the leading/ base sector is a key sector that determines the overall development of the region. Meanwhile, non-base sector activities are termed as city plowing, which means that its development follows the core sector (base sector).

Economic base theory seeks to find and identify the basic activities of a region. This identification can be used as a reference in forecasting these activities and analyzing the additional impacts of export activities. The key concept of the economic base theory is that exports are the engine of growth. The growth of a region is determined by how the region performs in meeting the demand for goods and services from outside. Furthermore, this

theory is also useful for determining potential economic sectors/sub-sectors and not potential economic sectors/sub-sectors. This sector will have a significant influence on regional economic growth if used optimally.

Base Sector and Covid-19 Pandemic in Denpasar City

Tourism is Bali's main economic driver. In fact, the representation of national tourism is reflected in the growth and development of Bali tourism. The rapid progress of the Bali tourism industry brings a multiplier effect for people in all districts and cities, including Denpasar. The economy of Denpasar City is the largest in Bali. Data from Statistics Indonesia (BPS) shows that the Gross Regional Domestic Product (PDRB) at current prices (ADHB) in Denpasar City is Rp49,58 trillion in 2020. The biggest sector for the economy of Denpasar City comes from the accommodation and food service activities, which is Rp10,56 trillion. The value is equivalent to 21,3 percent of the total GRDP of Denpasar City last year (Kusnandar, 2021).

This data explicitly explains that the leading sector of Denpasar City is very much dominated by tourism activities. So it is natural that tourism supporting sectors such as providing accommodation and food service activities become very dominant in Denpasar. However, when compared to the results of the GRDP in 2019, there has been a drop in this sector. This sector contracted with negative growth of nearly 25 percent (BPS Kota Denpasar, 2020).

This significant decline was triggered by the spread of the Covid-19 virus which was later designated as a pandemic by WHO. This condition was responded to by the issuance of a number of policies in order to suppress the spread of the Covid-19 virus in Indonesia. Since the enactment of the Minister of Law and Human Rights Regulation No. 11 of 2020 concerning the Temporary Prohibition for Foreigner to Enter the Territory of the Republic of Indonesia, there was a steep drop in foreign tourist arrivals number in Indonesia (BEM FEB se-Bali, 2021). This factor has caused the decline in the economy of Denpasar. Departing from this condition, it is important to conduct an analysis of the leading and potential sectors.

Method

The leading sector analysis is an interpretation of the Economic Base Theory. The theory states that the main determinant of regional economic growth is export demand from outside the region. Economic activities are divided into two sectors, namely the basic and non-basic sectors. The base/leading sector is considered to have a major influence on economic growth. the more basic sectors in a region, the faster economic growth will be (Glasson in Muta'ali, 2015). Several analytical techniques in determining the base sector of a region include Location Quotient (LQ), Dynamic Location Quotient (DLQ), and Combined Analysis of LQ and DLQ. The Location Quotient (LQ) technique compares the role of a sector in an area with the same sector in a wider area. The formula for LQ is as follows.

$$LQ = \frac{X_{ij}/X_i}{RV_j/RV}$$

Description:

LQ : LQ index of sector i in sub-district j

X_{ij} : Sector i income in sub-district j

X_i : Sector revenue in district (reference)

RV_j : Total income in sub-district j

RV : Total district income

The LQ index ranges from 0 to 1. An index > 1 indicates that the sector is the base/ leading sector, while < 1 is a non-base sector. The LQ index can be used for various kinds of analysis, not only limited to economic analysis (Muta'ali, 2015).

While the Dynamic Location Quotient (DLQ) appears to overcome the weakness of the LQ method which is static and only provides an overview at a certain time. The difference with LQ is that DLQ introduces the growth rate of each sector with the assumption that each sectoral value added and GRDP has its own average annual growth rate over a certain period of time (Muta'ali, 2014). The formula for DLQ is as follows.

$$LQ = \frac{(1 + g_{ij})/(1 + g_j)}{(1 + G_i)/(1 + G)}$$

Description:

- g_{ij} : The average growth rate of sector i in the district
 g_j : The average growth rate in the district
 G_i : The average growth rate of sector i in the province
 G : The average growth rate in the province

- $DLQ > 1$ means that the proportion of growth rate of sub-sector i to the growth rate of GRDP in district n is faster. Sector i is prospective and can still be expected to become the basis of the economy in the future.
- $DLQ < 1$ means that the proportion of growth rate of sub-sector i to the growth rate of GRDP in district n is lower. Sector i is not prospective so it is difficult to expect it to become the leading economy in the future.
- $DLQ = 1$ means that the proportion of the growth rate of sub-sector i to the GRDP growth rate of district n is proportional to the growth rate of the sub-sector to the provincial GRDP.

The combined analysis of LQ and DLQ is intended to determine the occurrence of shifts and repositions and to assess the prospects for the existence of the regional economic sector in the future. The sector typology based on LQ and DLQ values is divided into 4 groups as shown in Table 1 below.

Table 1. Sector Typology Based on LQ and DLQ Values

	DLQ >1	DLQ <1
LQ >1	Type I Base Sector, Prospective	Type III Base Sector, Not Prospective
LQ <1	Type II Non-Base Sector, Prospective	Type IV Non-Base Sector, Not Prospective

The Multiplier Effect analysis technique serves to identify the multiplier impact of a sector on the activities of other sectors (Muta'ali, 2014). Base sector activities will have an impact on

increasing investment and employment opportunities. These impacts can increase people's income and economic growth of a region. The greater the value of the base multiplier, the greater the impact of the sector multiplier, either in terms of income or employment. The multiplier effect formula is as follows.

$$PB = PT/PSB$$

Description:

PB = Base Multiplier

PT = Total income (GRDP)

PSB = Base Sector Income (base sector GRDP)

Results and Discussions

A. Base Sector and Non-Base Sector Denpasar City

The economic base theory is intended to identify development sectors that include both basic and non-base sectors in an area. This theory states the main determinants of economic growth in a region are directly related to the demand for goods and services from outside the region or the magnitude of the increase in exports from the region. According to Glasson (1977) in Muta'ali (2015), the more base sectors in a region will increase the flow of income to the region, increase the demand for goods and services in it, and lead to an increase in the volume of the non-base sector. In other words, the base sector is directly related to external demand, while the non-base sector is related indirectly, namely through the base sector first. Thus, it can be said that the base sector is the main driver in the economy in a region.

There are two data used in this analysis. The first data is Denpasar City GRDP data on the basis of current prices according to industry year 2016 - 2020. While the second data is Bali Province GRDP data at current prices according to industry year 2016 - 2020. Denpasar is the capital of Bali Province which is located in the southern part of Bali. Based on regional development, Denpasar together with Badung Regency are the two regions in Bali with the highest economic development compared to seven other regencies in the province.

The city of Denpasar administratively consists of four sub-districts namely North Denpasar District, East Denpasar District, West Denpasar District, and South Denpasar District. Its role as the provincial capital certainly brings a number of consequences, especially in relation to regional development. Similar to other capital cities, Denpasar is the center of various activities such as economic, social, cultural, and many more. In general, tourism is still the main driving force for the society's economy. So it is not surprising that sectors such as the provision of accommodation and food services and other services activities are the basic sectors of the economy in Denpasar City. The detailed calculation results from the analysis of the base sector and non-base sector in Denpasar City are presented in Table 1 below.

	Agriculture	Water, Sawage, and Waste Management	Manufacturing	Electricity and Gas	Construction	Wholesale and retail trade, repair of motor vehicles and motorcycles	Transportation and Storage	Information and Communication	Financial and Insurance	Other Services Activities	Accommodation and Food Service Activities	Real Estate	Total GRDP
2016	28.143.785,26	358.111,77	12.410.972,19	419189,37	17.218.563,50	16.096.142,88	18.566.055,24	10.059.556,52	8053439,21	2975412,23	44.384.585,66	7.865.459,01	166.551.272,84
2017	29.782.342,06	386.523,20	12.901.700,85	518444,37	19.047.144,94	17.986.762,29	20.546.737,36	11.190.396,06	8590045,32	3334537,45	50.040.101,13	8.499.715,60	182.824.450,63

Tabel 1. Denpasar City Base Sector with LQ Analysis (Denpasar City GDP Data) (in Million Rupiah)

	Agriculture	Water, Sewerage	Manufacturing	Electricity and Gas	Construction	Wholesale and Retail	Transportation and Information	Finance and Insurance	Financial and Insurance	Other Services	Information and Communication	Real Estate	Total GRDP
2019	33.901.688,55	426.615,73	15.244.726,87	588181,91	24.114.828,33	21.624.467,93	24.559.329,24	13.399.411,56	10041625,65	4077949,87	58.664.580,55	9.788.450,70	216.431.856,89
2020	33.830.013,27	428.459,76	14.452.955,68	493544	23.754.471,65	20.332.763,56	15.658.225,77	14.286.028,17	9535294,33	3885656,92	41.190.885,14	9.938.402,18	187.786.700,43
GRDP per Sector	157.783.913,10	1.998.834,49	69.049.724,26	2.571.871,47	105.980.119,53	95.849.843,89	102.101.230,04	61.267.904,12	45.291.323,43	17.977.402,53	248.894.514,44	45.165.188,07	
Average Sector Growth Rate	0,05	0,05	0,04	0,05	0,09	0,06	-0,02	0,09	0,04	0,07	0,00	0,06	0,04
LQ year 2020	1,06	0,18	1,03	1,24	1,23	1,13	0,78	1,28	1,08	1,21	0,83	1,10	

Source: Secondary Data Analysis Results, 2021.

Based on the data in Table 1 with LQ analysis, it is known that there are nine basic sectors of the twelve existing sectors for Denpasar City. These sectors are agriculture, manufacturing, electricity and gas, construction, wholesale and retail trade; repair of motor vehicles and motorcycles, information and communication, financial and insurance, other services activities, and *real estate*. For more complex discussion, the following data is presented on the results of the Denpasar City based sector analysis with the DLQ analysis contained in Table 2.

Table 2. Denpasar City Base Sector with DLQ Analysis (Bali Province GRDP Data) (in Million Rupiah)

		and Waste Management				trade, repair of motor vehicles and motorcycles	Storage	Communication	Insurance	Activities	Food Service Activities		
2016	16.980.563	1.310.696	7.002.598	183.641	9.398.295	9.285.384	8.110.718	6.414.930	4.072.470	1.617.386	20.265.022	4.921.382,60	89.563.085
2017	18.518.185	1.548.327	7.699.338	180.885	11.959.011	10.036.398	9.364.596	6.938.731	4.864.873	1.771.275	23.975.775	5.330.942,50	102.188.336
2018	20.451.528	1.758.245	8.656.358	175.412	13.258.592	11.173.464	11.310.696	7.312.441	5.780.574	2.016.723	28.936.175	5.966.633,30	116.796.841
2019	22.912.353	1.955.758	9.984.339	240.675	14.114.257	12.926.739	14.203.195	8.034.798	6.558.390	2.315.341	36.131.579	6.813.218,60	136.190.644
2020	26.255.424	1.951.952	11.544.672	326.624	15.835.024	14.713.878	16.443.176	9.140.533	7.274.895	2.638.302	40.554.458	7.398.491,70	154.077.430
GRDP per Sector	105.118.052	8.524.977	44.887.304	1.107.237	64.565.179	58.135.863	59.432.381	37.841.433	28.551.203	10.359.028	149.863.008	30.430.668,70	
Average Sector Growth Rate	0,12	0,11	0,13	0,17	0,14	0,12	0,12	0,19	0,09	0,16	0,13	0,19	0,11
DLQ year 2020	1,04	1,05	1,02	0,99	1,05	1,05	0,91	1,10	1,00	1,05	0,93	1,06	

Source: Secondary Data Analysis Results, 2021.

In accordance with Table 1 and Table 2, there are similarities and differences in interpretation of the Denpasar City base sector. The similarity between the two is either using LQ or DLQ analysis, Denpasar has nine basic sectors. While the difference between the two lies only in the type of non-base sector. The LQ interpretation states that the non-base sectors of Denpasar City are: (1) water, sawage, and waste management, (2) transportation and storage, and (3) accomodation and food activities services. Meanwhile, the DLQ interpretation explains that the non-base sectors of Denpasar City are: (1) electricity and gas, (2) transportation and storage, and (3) accomodation and food activities services. Based on the DLQ rules, if $DLQ > 1$, then the proportion of the growth rate of subsector *i* to the GRDP growth rate of Denpasar City is faster than the growth rate of that subsector to the GRDP Bali Province. Sector *i* is prospective and can still be expected to become the basis of the economy in the future (Muta'ali, 2015).

Meanwhile, to find out the typology of sectors in Denpasar City, a combination of LQ and DLQ values is used. The combination of these two values can be used as a consideration to determine the occurrence of repositioning shifts and assess the prospects for the existence of the regional economic sector in the future, so that it will be able to strive for its development as much as possible to increase Denpasar's economic growth. The results of the combined calculation of the LQ and DLQ values are in Table 3 below.

Table 3. Sector Typology in Denpasar City based on LQ and DLQ Values

Sectors	Typology	
Agriculture	Type 1	Basic, Prospective
Water, Sawage, and Waste Management	Type 2	Non-Baic, Prospective
Manufacturing	Type 1	Basic, Prospective
Electricity and Gas	Type 3	Basic, Not Prospective
Construction	Type 1	Basic, Prospective
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	Type 1	Basic, Prospective
Transportation and Storage	Type 4	Non-Basic, Not Prospective
Information and Communication	Type 1	Basic, Prospective
Financial and Insurance	Type 1	Basic, Prospective

Other Services Activities	Type 1	Basic, Prospective
Accommodation and Food Activities Services	Type 4	Non-Basic, Not Prospective
Real Estate	Type 1	Basic, Prospective

Source: Secondary Data Analysis Results, 2021.

The data in Table 3 shows that based on the combined analysis of LQ and DLQ, there are three non-base sectors in Denpasar City, namely sector of water, sawage, and waste management, transportation and storage, and accommodation and food activities services. The water, sawage, and waste management sector is categorized as a sector with type 2, namely the non-base but prospective sector. It can be understood because this sector is directly related to people's daily lives. While the other sectors, namely transportation and storage and accommodation and food activities services, these two sectors are categorized as sectors with type 4: non-base and not prospective.

There are nine sectors that become the base sector in Denpasar City. Based on the combined calculation of LQ and DLQ, of the nine sectors the most prospective is the information and communication sector. The second is construction. Third sector is other services activities, continue with wholesale and retail trade; repair of motor vehicles and motorcycles, real estate, agriculture, and the last is manufacturing sector. The results of the acquisition of all sectors, both basic and non-based in Denpasar City, which are presented are sourced from the analysis of Denpasar City GRDP data on the basis of current market prices according to industry year 2016-2020.

B. Multiplier Effect in Denpasar City

In accordance with the principle, to accelerate regional development, emphasis must be placed on leading sectors that can have a wider impact on welfare and provide a multiplier effect on other sectors. Thus, by emphasizing certain sectors, it can simultaneously improve the welfare and development of the region.

Based on the economic base theory, the rate of economic growth and the economic base is determined by the magnitude of the increase in exports and the economic base of the region.

The large export demand will have a large multiplier effect, including increasing production and investment and increasing added value, which causes increased opportunities and employment, thereby increasing public income and taxes for the country, and ultimately increasing economic growth.

A basic sector has a multiplier effect on other sectors. The multiplier effect of one sector causes the development of other sectors to also grow. The multiplier impact of a sector can be in the form of increasing employment and salaries. This sector can drive economic activity throughout the region. In the following, the data related to the calculation of the base multiplier with GRDP data are presented in Table 4.

Table 4. Base Multiplier Calculation with GRDP Data in Denpasar City

Total GRDP	Base GRDP	PB
187.786.700,43	598.365.418,93	0,313833

Source: Secondary Data Analysis Results, 2021.

In accordance with the data in Table 4, with the PB value for income of 0,31 then every increase of one unit of the base sector will result in a change in income of 0,31 times for Denpasar City.

C. Leading Sector of Denpasar in the Covid-19 Pandemic Era

The Covid-19 pandemic that hit Indonesia for the first time in March 2020 spontaneously changed many existing aspects. The massive spread of the virus and the large number of people who died from this virus made the WHO declare it a pandemic. People suddenly have to limit their activities and movements to prevent the spread of a more severe virus. Of course, this has consequences for all countries in the world, including Indonesia.

Weakening economic conditions and even Indonesia is threatened with a recession is one of the many consequences that must be faced. Moreover, Bali, a small island that relies on the tourism sector as the basis of its economic activity, is facing the worst impact among other provinces in Indonesia. BPS data shows that the deepest contraction of Bali's economic growth was in the third quarter of 2020 which was recorded at minus 12,32 percent yoy (Year on Year). In the

fourth quarter of 2020, Bali's economic growth was recorded at minus 12.21 percent yoy, lower than the national quarterly growth achievement (BEM FEB se-Bali, 2021). This impact is thoroughly felt by the society in districts and cities, including Denpasar.

Prior to the pandemic, the Denpasar City base sector was still dominated by sectors related to tourism; such as accomodation and food activities services, electricity and gas, also other services services sector. However, these sectors experienced a shift in the pandemic era; especially in the provision of accomodation and food activities services. As the data in Table 3 shows, the accommodation and food activities services sector is a non-base and unproductive sector. In fact, if it is returned to its original nature, this sector has the most role in contributing to the GDP of Denpasar City. This sector was the worst hit due to policies such as airport closures for international flights, tourism closures for tourists, and the PPKM. This condition causes tourism accomodation service facilities such as hotels and restaurants to be deserted and bankrupt.

The next finding is related to the agricultural sector. Before the pandemic, for example, analysis of Denpasar City GRDP data for 2011-2015 showed that this sector was not a potential and productive sector (Shara, 2017). This logic can certainly be justified because as a capital city, structurally the allotment of territory is not focused on the agricultural sector. However, the results of the 2016-2020 GRDP analysis explain that this sector is included as a potential and productive sector. Hence, as already explained, the basic sector of Denpasar City in the current pandemic era is the information and communication sector. If it connect with Covid-19 pandemic, it is logic that the information and communication sector is dominant. This is because there are many social and economic activities whose schemes have been changed to wfh (work from home) during the Covid-19 pandemic.

Overall, Covid-19 has significantly changed the pattern of the leading/ base sector structure in Denpasar City. Sectors such as accommodation and food activities services will return to being the leading sector if Bali tourism conditions are normal as before the pandemic. However, with this leading/ base sector analysis, it is at least able to provide a reference for the government to take advantage of other potential sectors that may not have been managed optimally in the past;

for example agriculture. Thus, the slump in Bali's economic condition can be reduced as optimally as possible by utilizing other potential base sectors.

Conclusion

In general, some conclusions from the elaboration of the Base and Non-Base Sector Analysis in Denpasar City in the Covid-19 Pandemic Era are based on LQ and DLQ calculations, the Denpasar City base sector based on GRDP data for 2016-2020 consists of nine basic sectors and three non-base sectors. The most prospective base sector is the information and communication sector. Meanwhile, the least prospective non-base sector is the transportation and storage sector and the accommodation and food services activities sector. Based on the multiplier effect, Denpasar's PB value is 0.31. This means that the PB value for income is 0,31, so every increase in one unit of the base sector will result in a change in income of 0,31 times for Denpasar City. The Covid-19 pandemic has proven to shift the previously dominant leading sectors in Denpasar City. An example is the shift in the leading/ base sector of providing accommodation and services activities to the information and communication sector.

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