# ANALYSIS ON THE ECONOMIC POTENTIAL AND COMPETITIVE ADVANTAGES OF SOUTH TANGERANG CITY IN BANTEN PROVINCE IN THE PERIOD OF 2012 – 2016

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## ABSTRACT

In this era of globalization, economic development has an important role and can also be called as one effort to create community welfare. Therefore, the results of development should be enjoyed by all people as a form of welfare improvement in a fair and equitable. This research has a purpose to know the leading economic sectors in South Tangerang City, Banten Province in order to increase economic growth of South Tangerang City. The analysis is done by comparing GRDP on the basis of Constant Price of Malang City 2010 and GRDP series based on Constant Price of Banten Province 2010. The analysis model used is Location Quotient (LQ) analysis, Shift Share analysis, Growth Ratio Model (MRP) and Klassen Typology analysis,Based on the results of research, tertiary needs become an important role in economic growth, but the development planning of South Tangerang City can be directed to the leading sectors can encourage the acceleration of regional development in accordance with the identification of potentials through analysis tools in this research so that the policy formulation of South Tangerang City able to accurately regarding resources and potential owned by South Tangerang City in order to increase economic growth.According to the results of analysis tools typology klassen South Tangerang City has a superior economic sector and grow rapidly compared with the same sector in the province of Banten only (a) Large and Retail Trade: Car Repair and Motorcycles.

**Keywords**: *economic development, economic sectors seed, location quotient, shift share, the ratio of growth model, typology klassen.*

## INTRODUCTION

**Background of Study**

In this globalization era, development is needed by all regions and countries. The era pushes all parties to urge changes and growth in sectors that influence the development. The ability of a country to develop depends on how the regions in the country process their resources. It means that there is a strong

relationship between a country region and its regions in terms of development. Income from regions that are good in economy and in processing their resources is one of the key factors for the country's development.

The main objective of regional economic development is to increase the number and type of employment opportunities for local communities. In the effort to achieve the objective, local governments and the society must jointly take regional development initiatives. Therefore, local governments with the participation of their citizens, and by using the existing resources, should be able to assess the potential resources needed to design and build the regional economy (Arsyad, 1999:108).

Regarding economic development, many aspects have changed because of time and current conditions. For example, technology and information are now crucial in identifying the development of regions and countries. Economic development in its essence is the transformation of the changes in the economic structure of a developing society, including changes in the integrated global order through the advancement of information and technology that influences economic activity and the shape of the economy. The process of changing this economic structure involves all economic activities and support from the society in all sectors.

Rapid changes in global economic structure call for economic development planning that is able to adapt to changes, which can be used as the basis for establishing policy strategies so that development goals can be achieved, since economic development planning aims to improve the standard of living, expand employment, increase earnings, improve regional economic relations, and overcome poverty. In addition, regional autonomy has provided the opportunities for local governments, both provincial and municipal, to develop their own potential areas. Local governments have the authority to manage their own financial matters and determine the direction of the development to achieve prosperity for the residents of the region. In other words, the direction of economic development is ensuring that the income of the people increases, that the income is distributed equitably, and that employments are expanded.

Regarding regional economic dimension, Arsyad (2004) stated that regional economic development is a process where local governments and the societies manage the existing resources and establish partnerships with private sector to create new jobs and stimulate development in regional economic activities. The central problem of regional development lies in emphasizing development policies based on the specificity of the endogenous area using local potential resources.

The structural transformation of the economy is a prerequisite of the improvement and sustainability of economic growth and employment. It also supports the sustainability of the development itself. With regards to changes in regional economic structure, provincial and municipal governments should be able to clearly identify the sectoral shifts. The emergence of new sectors in regional economy is a positive development for the regional economy. Developments of new sectors are ultimately capable of improving the welfare of local people since they increase income and job opportunities, not to mention the regional output.
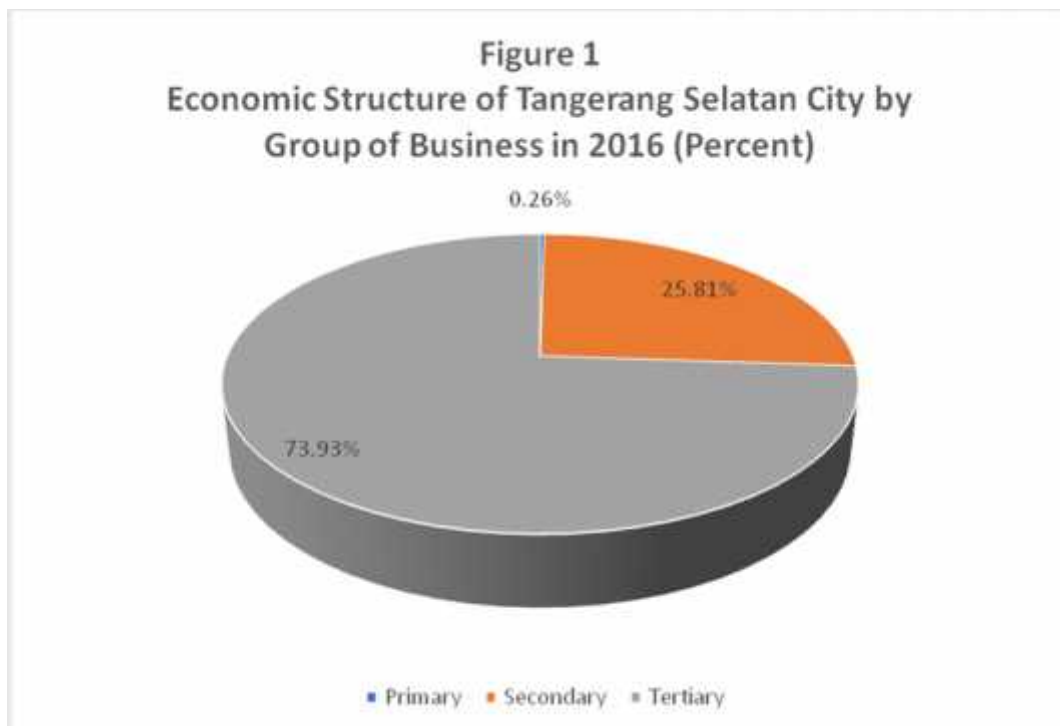
In order to achieve the objectives of regional development, Sjafrizal (2008) said that the main policy that needs to be implemented is aligning the

priority of regional development with the potential of each region. This needs to be done because the potential of each region varies greatly. Therefore, if the regional development priorities are not relevant to the potential of the region, the existing resources will not be used maximally, resulting in slower economic growth. This shows that economic development is characterized by economic growth.

During the period 2012-2016, the economy of South Tangerang City is still dominated by tertiary business field. Figure 1 shows the structure of the economy of South Tangerang City by group of business field. Tertiary business field group dominates the economy of South Tangerang City by 73.93 percent. The contribution of tertiary business field groups tends to fluctuate every year, but it shows an increasing trend over the past five years. The business field group is dominated by Real Estate business, which contributed 16.46 percent in 2012, increasing to 17.81 percent in 2016.

During the last five years, there has been a shift in the structure of business fields in secondary group. Since 2013, its contribution has declined from 26.32 percent in 2013 to 25.81 percent in 2016. This group is dominated by Processing Industry business, which contributed 10.19 percent to the economy of Tangerang Selatan City in 2016.

Primary business field group contributed the least to the economy of South Tangerang City. Over the past five years, the contribution of primary business field groups has shown a decline from 0.30 percent in 2012 to 0.26 percent in 2016.



Figure 1
Economic Structure of Tangerang Selatan City by Group of Business in 2016 (Percent)

0.26%

25.81%

73.93%

■ Primary   ■ Secondary   ■ Tertiary

Source: BPS of South Tangerang City, 2016

That is why South Tangerang City has a lot of new infrastructures from government, even from private sectors. The facilities in the city use modern technology. Investments from foreign country and those made by its citizens make South Tangerang City is more developed in technology and Information. Strategies and uniqueness of South Tangerang City will be discussed further, especially regarding the city's ability to give significant influence on the GRDP through tertiary sectors. Moreover, South Tangerang City has the potential for growing the GRDP of Banten Province, developing its region, and even contributing to the national income.

## LITERATURE REVIEW

### Economic Development

According to Arsyad (2004), economic development is a process that causes an increase in real per capita income of a population in a country in the long term accompanied by improvements in institutional system. Thus, economic development should be viewed as a multidimensional process, while still pursuing economic growth, increasing per capita public opinion, handling income inequality and poverty eradication. Economic development must also cover fundamental changes to social structure, community behavior, institutional system, and reform and modernization of its economic structure.

### Economic Base Theory

Basic sector is a sector capable of meeting the needs of the region and other regions, while non-basic sector is a sector that is only able to meet the needs of local consumption. Due to its local needs, the demand for this sector is strongly influenced by the income level of the local community. Therefore, the only sector that can increase regional economy exceeding the natural growth of the region is the basic sector (Tarigan, 2007).

The main idea of this theory is the existence of differences in geographic and inter-regional resources among regions, which causes an area to have a location advantage and some types of economic production activities. The advantage can be converted by a region into export base activities. If the activities of this region are supported by good and fast growth, the sector can be used as a key sector for its economic growth.

Because each region has different geographic location and resource, it is possible for each region to have different key sectors. Based on the possibility of such differences then to improve its growth, the strategy is thirsty to be done by each region for its development in accordance with the potential possessed by the area.

According to Glasson (1990), the basic concept of economic base is divided into two sectors, namely:
1. Basic Economic Sector

Basic economic sectors are sectors that export goods and services to places outside the economic boundaries of people being concerned for the input of their goods and services to the community outside their economic boundaries.

2.  Non-Basic Economic Sector

Non-basic economic sectors are sectors that produce goods needed by the people who reside within the economic boundaries of the people being concerned. These sectors do not export goods to other areas. Their scope is only on local market.

Increased basic activity in a region increases income stream into the area being concerned so that it can increase the demand for produced goods and services. The result will increase the volume of basic activity. Conversely, the decrease in basic activities will decrease the demand for products from non-basic activities, which means less income coming into the area. Thus, basic activity has a role as the prime mover.

The activity of basic sector is a sector growth that determines the overall development of a region, while the activity of the non-basic sector is the secondary sector (city following) means depending on the development that occurred from the overall development. Economic base theory seeks to discover and recognize the basic activity of a region, forecast the activity, and analyze the additional impact of export activity. The growth or the absence of an area is determined by the performance of the region in demanding for goods and services from the outside.

The essence of economic base theory is attempting to explain changes in the structure of the regional economy by emphasizing on the inter-sectoral relationships that exist in regional economies and propagation of auxiliary power coming from one sector to another, either directly or indirectly. In this case, economic base theory can be used to determine which sectors that should be developed based on the specialization and potential sector in particular areas.

**Regional Competitiveness**

According to Porter (1990), in Daryanto and Hafizrianda (2010), the concept of competitiveness that can be applied at the national level is none other than the productivity defined as the output value generated by a workforce. Then, according to World Economic Forum (WEF), national competitiveness is the ability of the national economy to achieve high and sustainable economic growth.

Competitiveness can be interpreted as a single potential, so there is no attempt to understand the complexity of factors that make up competitiveness (Abdullah et al, 2002). Regional competitiveness, according to the definition made by the UK Department of Trade and Industry (UK-DTI), is the ability of a region to generate high income and employment opportunities while remaining open to domestic and international competition. In addition, the Center for Urban and Regional Studies (CURDS) in the UK defines the competitiveness of regions as a business or enterprise sector in a region in generating high income and more equitable wealth for its residents. Based on the concept of the definition of competitiveness, the key word of the concept of competitiveness is competition. This is where the role of openness to competition with competitors becomes relevant (Abdullah et al, 2002). Both national and regional competitiveness, in its principle, have the same meaning; they only differ on the territorial scope.

The purpose of the end result of the increasing competitiveness of an economy is none other than the increasing level of welfare of the population in the economy. Welfare is a broad concept that certainly is not only depicted in a variable magnitude like economic growth. Economic growth is only one aspect of economic development in order to improve people's living standards.

According to Daryanto and Hafizrianda (2010), the competitiveness of a region is created if the region has a core competence that can be distinguished from its territory. The core competence can be achieved through the creation of factor, which is the effort of creating various production factors that are much better than those of competitors. Core competence in the context of regional development is an effort to coordinate and integrate the growing sectors of the region. Better coordination and integration among sectors will enhance the creation of core competencies, making it difficult for other areas to compete with the region.

## RESEARCH METHODOLOGY

### Research Type

In accordance with the objectives of this research, which are to identify basic economic sectors that can enhance the economic growth in South Tangerang and to identify economic development that is appropriate for accelerating the development in South Tangerang in order to support its economic growth, this research uses descriptive-quantitative method.

According to Singarimbun (1982), in descriptive research, the researcher tries to carefully describe social phenomena, current time situation and condition, appropriately and concisely. In quantitative method, the analysis is conducted by calculating data so that the reseach problems can be verified.

Thus, descriptive-quantitative research describes social phenomenon, a present condition, by calculating data so that economic potential and appropriate economic development for development acceleration can be identified.

### Data Source

This study uses secondary data, which were obtained indirectly in form of either information or literature that has to do with this research. The data of this research are the GRDP at constant price in 2010 of South Tangerang City from 2012 to 2016, South Tangerang City in the number 2017, The GRDP at constant price in 2010 of Banten Province from 2012 to 2016, and economic growth of Banten Province and South Tangerang City from 2012 to 2016.

### Location Quotient Analysis (LQ)

This study uses Location Quotient Analysis (LQ) to determine whether a sector is a basic or non-basic one. This technique presents a relative comparison between the capabilities of the sector under investigation in an area and those of the same sector in a wider area or nation. Therefore, this analytical tool will

sharpen the extent to which an area has the potential that can be measured in a structured understanding of the economic potential it has.

$$LQ = \frac{yi/yt}{Yi/Yt}$$ (1)

Where:
LQ = *location quotient* in South Tangerang City region
yi = Income of the economic sector in South Tangerang City
yt = Total Income of South Tangerang City (GRDP)
Yi = Income of the economic sector in Banten Province
Yt = Total Income of Banten Province

**Shift Share Analysis**

Shift share analysis is a technique for analyzing regional strata changes in comparison with the national economy. Shift share analysis uses indicators that measure the relative development of a particular variable from a region to a larger region. Shift share analysis is also used to analyze regional statistical data, either in the form of income per capita, output, labor, or other data. In this analysis, the conditions of regional growth and the condition of national growth are compared to see and determine the performance or productivity of regional economy compared to that of a broader, or national, area.

This analysis divides growth as a change (D) of a regional variable over time into national growth influences (N), industry mix (M), and competitive advantage (C). While the influence of growth from a larger region is called a share, the influence of the industry mix is called proportional shift, and the influence of competitive advantage is called *differential shift* or *regional share*. The general equations form of shift share analysis and its components are as follows.

**Dij = Nij + Mij + Cij** (2)

Information:
i = Economic sectors under study (17 Sectors).
j = Region variable under study (South Tangerang City).
n = Region variable in Banten Province
Dij = Change of sector i in South Tangerang City.
Nij = National growth sector i in South Tangerang City.
Mij = Industry sector mix i in South Tangerang City.
Cij = Competitive advantage of sector i in South Tangerang City.

Regional economic growth of proportional shift (PS) and differential shift (DS) components is more important than regional share components. This is because DS is used to see the growth change of an activity in the study area and the activity in the reference area. PS is used to see changes in the growth of an activity in the reference area over the total GRDP activity in the reference area.

From both components, PS value is used as the horizontal axis and the DS value is used as the vertical axis. Thus, four categories are obtained; they are:

**Table 1**: Relative Position of Basic Sector in PS and DS Approach

| *Differential shift* (DS) | *Proportional shift* (PS) | |
| --- | --- | --- |
| | Negative (-) | Positive (+) |
| Positive (+) | Quadrant II *Developing* | Quadrant I *Fast Growing* |
| Negative (-) | Quadrant IV *Depressed* | Quadrant III *Highly Potential* |

Source: Oppenheim in Yusuf (1999)
Information:
1. Quadrant I (positive PS and positive DS) is the region or sector with a very rapid growth.
2. Quadrant II (negative PS and DS positive) is the region or sector with a slow growth rate yet still growing.
3. Quadrant III (positive PS and negative DS) is the region or sector with a slow growth rate yet potential.
4. Quadrant IV (negative PS and negative DS) is a region or sector with weak competitiveness and weak role for the area.

**Sectoral Contribution Analysis**

Sectoral contribution analysis is an analytical tool to measure the contribution of each economic sector to GRDP. This analysis is very useful in regional economic development. Using this analysis, sectors that contribute greatly to the economy of a region can be identified. Thus, it can assist policy makers in determining sectoral development priorities of a region.
The sectoral contribution formula is as follows.

$$Pi = \frac{NTB\ sector\ i}{Total\ GRDP} \times 100\%$$ (3)

Information:
Pi = Sectoral Role
i = Sector
NTB = Added value to GRDP

**Growth Ratio Model (MRP) Analysis**

The growth ratio model analysis is an analytical tool that is used to see the description of economic activity or potential economic sectors, especially economic structures, by comparing the growth of an activity either in a wider or in a smaller scale.
MRP analysis is subdivided into two criteria, namely the growth ratio of the study area (RPs) and the growth ratio of reference region (RPr). The followings are the explanation of each MRP.
1. Growth ratio of study area (RPs) is the ratio between income growth, in this case is the growth of GRDP of sector I, in the study area and the

revenue growth of GRDP of sector i in the reference area (South Tangerang City to Banten Province). The formula of RPs is as follows.

$$RPs = \frac{\Delta Eij/Eij}{\Delta Ein/Ein} \qquad (4)$$

Information:
   Eij = GRDP changes in sector i in the area of South Tangerang City.
E ij = GRDP sector i in South Tangerang City area at the beginning of the research year.
   Ein = Changes of GRDP sector i in Banten Province.
E in = GRDP sector i in Banten Province at the beginning of the research year**.**

$$RPr = \frac{\Delta Ein/Ein}{\Delta En/En} \qquad (5)$$

Information:
   E in = GRDP change in sector i nationally or provincially.
E in = GRDP i sector nationally or provincially at the beginning of the research year.
   En = total change of national or provincial GRDP.
En = National or Provincial GRDP at the beginning of the research year.

**Klassen Typology Analysis**

Klassen typology analysis is a combination of location quotient analysis (LQ) and growth ratio model (MRP). This typology can be used through two approaches, namely sectoral and local approach. This researchuses sectoral approach. The data of this analysis is the Gross Regional Domestic Product (GRDP) data. Sectoral classification based on Klassen typology is presented in table 2 as follows.

Table 2: Sectoral Approach Classification of Klassen Typology

| Quadrant I<br>The sector is progressing and growing rapidly<br>RPs >RPr, LQ > 1 | Quadrant II<br>The sector is advanced but depressed<br>RPs <RPr, LQ > 1 |
|---|---|
| Quadrant III<br>The sector is potential<br>RPs >RPr, LQ < 1 | Quadrant IV<br>The sector is relatively left behind<br>RPs <RPr, LQ < 1 |

## RESULTS AND DISCUSSION

**Summary of Results of Analysis of Each Sector of South Tangerang City**

From all the analysis results that have been done to the sectors in South Tangerang City in the period 2012-2016 will provide a clearer picture of the

position of each sector and can be seen from the level of development, competitiveness, comparative advantage and competitive advantage and the influence of growth against the same sector in the wider area.

**Table 3: Summary of Economic Sector Analysis Results in South Tangerang City and Banten Province in 2012-2016**

| No | Sectors | Average LQ | RPs | RPr | Sectoral Contribution South Tangerang City | Klassen Typology |
|----|---------|-----------|-----|-----|-------------------------------------------|------------------|
| 1 | Agriculture, Forestry, and Fisheries | 0.046 | 0.147 | 0.975 | 0,26% | IV |
| 2 | Mining and Excavation | 0.000 | 0.000 | 0.182 | 0% | IV |
| 3 | Processing Industry | 0.298 | 1.170 | 0.682 | 11,13% | III |
| 4 | Procurement of Electricity and Gas | 0.086 | -28.938 | -0.047 | 0,10% | IV |
| 5 | Water Supply, Waste Management, Waste and Recycling | 0.528 | 1.031 | 0.983 | 0,05% | III |
| 6 | Construction | 1.471 | 0.992 | 1.631 | 13,10% | II |
| 7 | Large and Retail Trade, and Car and Motorcycle Repair | 1.312 | 1.057 | 0.873 | 17,67% | I |
| 8 | Transportation and Warehousing | 0.445 | 1.778 | 1.040 | 2,83% | III |
| 9 | Provision of Accommodation and Drinking | 1.297 | 1.054 | 1.180 | 3,00% | II |
| 10 | Information and Communication | 2.964 | 1.076 | 2.055 | 15,00% | II |
| 11 | Finance Services and Insurance | 0.427 | 0.901 | 1.637 | 1,17% | IV |
| 12 | Real Estate | 2.227 | 1.234 | 1.380 | 17,65% | II |
| 13 | Company Services | 3.299 | 1.339 | 1.427 | 3,16% | II |
| 14 | Mandatory Administration of Government, Defense, and Social Security | 0.577 | 1.320 | 0.991 | 0,95% | III |
| 15 | Education Services | 2.481 | 1.072 | 1.091 | 7,12% | II |
| 16 | Health Services and Social Activities | 3.553 | 0.754 | 0.886 | 4,13% | II |
| 17 | Other Services | 1.958 | 0.849 | 1.260 | 2,74% | II |

Source: Secondary Data Analysis, 2018

Based on Table 3 on the results of economic sector analysis contained in South Tangerang City during the period from 2012 until 2016 seen that from the five analysis tools, we are able to determine which sectors are potentially advanced and able to compete with other regions and know the position of the

seventeen economic sectors which is located in South Tangerang City to know the value of competitiveness, contribution to the economy and the level of its development every year.

From analysis with five tools that already been conducted, can be known that economic sectors inside South Tangerang City only large and retail trade, and car and motorcycle repair that able to contribute very well on economics, especially for competitiveness to a wider region rather than Banten Province because of the sector is progressing promising and growing rapidly. Based on the table above, large and retail trade, and car and motorcycle repair sector has LQ value more than one with 1.312 and the value of the growth ratio in South Tangerang City is bigger than ratio growth in Banten province with 1.057 and also this sector is include in quadrant I which is this sector still progressing and growing rapidly, this sector said worthy for develop on increasing the economic growth in South Tangerang City because of the results always give the positive value on every analysis.

Next, the sectors have more than one on LQ value but the growth ratio in South Tangerang City smaller than Banten province those eight sectors are construction sector has LQ value more than one with 1.471 and the value of the RPs is smaller than RPr with 1.631 and also inside of the quadrant II which is this sector advanced but depressed or the value tend to decrease on each year. Second, provision of accommodation and drinking sector has LQ value more than one with 1.297 and growth ratio in South Tangerang City (RPs) more smaller value than growth ratio in Banten Province (RPr) with 1.180 and also inside in quadrant II which is this sector advanced but depressed. Third, information and communication sector has LQ value more than one with 2.964 and RPs more smaller value than RPr with 2.055 and also in quadrant II which is this sector advanced but depressed. Fourth, real estate sector has LQ value more than one with 2.227 and RPs more smaller value than RPr with 1.380 and also inside in quadrant II which is this sector advanced but depressed. Fifth, company services sector has LQ value more than one with 3.299 and growth ratio in South Tangerang City (RPs) more smaller value than growth ratio in Banten Province (RPr) with 1.427 and also inside in quadrant II which is this sector advanced but depressed. Sixth, education services sector has LQ value more than one with 2.481 and growth ratio in South Tangerang City (RPs) more smaller value than growth ratio in Banten Province (RPr) with 1.091 and also inside in quadrant II which is this sector advanced but depressed. Seventh, Health services and social activities sector has LQ value more than one with 3.553 and growth ratio in South Tangerang City (RPs) more smaller value than growth ratio in Banten Province (RPr) with 0.886 and also inside in quadrant II which is this sector advanced but depressed. Last, other services sector has LQ value more than one with 1.958 and growth ratio in South Tangerang City (RPs) more smaller value than growth ratio in Banten Province (RPr) with 1.260 and also inside in quadrant II which is this sector advanced but depressed. All the eight sectors are important for growing the economics in some regions. So, concern for the government to push the values to positive trend.

Furthermore, in accordance with the analysis of typology klassen economic sectors of South Tangerang City which is in the position of quadrant III which means that the sector is in this quadrant can be said potential sector but not

the base sector in South Tangerang City but has a greater growth ratio in comparison with wider regional growth ratio or in this research is Banten Province. There are four sectors that include in this quadrant namely processing industry sector has LQ value less than one with 0.298 but, has a big value on growth ratio in South Tangerang City than growth ratio in Banten Province with 1.170 and also include in quadrant III because this sector is potential for economics region. Second, water supply, waste management, waste and recycling sector has LQ value less than one with 0.528 but, has a big value on growth ratio in South Tangerang City than growth ratio in Banten Province with 1.031 and also include in quadrant III because this sector is potential for economics region. Third, transportation and warehousing sector has LQ value less than one with 0.445 but, has a big value on growth ratio in South Tangerang City than growth ratio in Banten Province with 1.778 and also include in quadrant III because this sector is potential for economics region. Last, mandatory of administration government, defense, and social security sector has LQ value less than one with 0.577 but, has a big value on growth ratio in South Tangerang City than growth ratio in Banten Province with 1.320 and also include in quadrant III because this sector is potential for economics region.

Furthermore, relatively lagging sectors according to the analysis of typology klassen in South Tangerang City there are three sectors, namely agriculture, forestry, and fisheries sector, mining and excavation sector, and finance services and insurance sector. These three sectors have LQ values of less than one and their growth ratios are lower than their reference growth ratios. In this case the three sectors of the economy are less able to compete with other sectors of the economy. Similarly, sectoral sector contribution is less able to boost the economy of South Tangerang City.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

Based on the results of four analysis, namely *location quotient* analysis tools, *shift share*, growth ratio model, *klassen typology* and sectoral contribution to economic development in South Tangerang City, it can be drawn some conclusions related to this research are as follows:

1. Based on the contribution of each sector showing down the manufacturing industry sector, construction sector, and large and retail trade; car and motorcycle repairs sector, the information and communication sector, and the real estate sector are the dominant sectors contributing to the formation of GRDP in South Tangerang City.
2. From the calculation of location quotient (LQ), the economic sector which is included in the economic sector of base in South Tangerang City is construction sector, large trading and retail; car and motorcycle repairs sector, provision of accommodation and drinking sector, information and communication sector, real estate sector, company services sector, education services sector, health services and social activities sector, and the last other services sector. That is, the nine sectors can meet the needs

in the City of South Tangerang and able to export to outside areas either goods or services.
3. The result of *shift share* shows that economic sector in South Tangerang City which is competitive sector or sector growth faster than the same sector at Banten province level (competitive) and has a faster growth specialization compared to Banten Province (comparative) is transportation and warehousing sector, provision of accommodation and drinking sector, information and communication sector, real estate sector, company services sector, and education services sector.

## Recommendations

Based on the results of the above discussion, the authors suggest several things for the parties concerned, namely:
1. Determination of regional development policies and sectoral development should prioritize the potential or potential sectors of the sector and have a major impact on the contribution of GRDP South Tangerang City without disregarding other sectors in the planning and implementation of development.
2. Government should focus more on how primary group in South Tangerang City able to be the sectors that crucial or progressing well and growing rapidly because of primary groups are also categorized the most primary needs for human. So, the growing of the economics more felt rather than just rely on tertiary groups but, in the other hand, tertiary groups have its own role on increasing the GRDP or economic in South Tangerang City.
3. To improve the performance of the leading sectors of the local government can increase the budget allocation for the leading or potential sectors to help increase production output and to smooth the production result required adequate infrastructure both physical and non-physical such as accessibility or good road conditions and public facilities related to increased economic activity in question.

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