

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

Based on the results of the research that has been conducted, it can be concluded that:

1. There are changes in Pemalang District's economic structure, it can be showed by there is a change in the results of the analysis that is quite significant, and tends to fluctuate between one year and another year.
2. The sector(s) of the economy that have high potential to be developed and become a leading sector in Pemalang District based on the analysis are:
 - a. The result of the *Location Quotient* (LQ) analysis of Pemalang District during the period 2010-2016 shows that there were thirteen (13) economic sectors in Pemalang District which could be said to be the base sector or superior sector, which had an important role in the economy of Pemalang Regency, which are the Agriculture, Forestry, and Fisheries sector, Mining and Excavation sector, Electricity and Gas sector, Water Supply, Waste Management, and Recycling sector, Wholesale and Retail sector, Provision of Accommodation and Meals sector, Financial Services and Insurance sector, Real Estate sector, Company Services sector, Mandatory Administration of Government, Defense and Social Security sector, Educational Services sector, Health Services and Social Activities sector, and Other Services sector.

b. The result of the *Shift Share* analysis of Pematang District during the period 2010-2016 shows that Pematang District experienced fluctuations in each component and most of its sectors. On the provincial growth component (Nij) side, all sectors experienced a significant increase between the initial year of observation and the last year of observation, although almost all of them experienced fluctuations from year to year. Calculation result from industrial mix components (Mij) shows that there are only 4 sectors that did not experience an increase between the initial year of observation until the last year of observation, which are the Agriculture, Forestry, and Fisheries sector, Electricity and Gas sector, Wholesale and Retail Trade sector, and Educational Services sector. While the other thirteen sectors experienced an increase between 2010-2016, although most of these sectors experienced fluctuating movements. Calculation result from the competitive advantage components (Mij) shows that all of the sectors experienced fluctuative movements. Also, the calculation result of overall change in income (Dij) shows that all of the sectors have positive value, but varies and fluctuative.

c. The result of the *Klassen Typology* analysis of Pematang District during the period 2010-2016 shows that the developed sectors are the Agriculture, Forestry and Fisheries sector, the Electricity and Gas, Wholesale and Retail Trade sector, Financial Services and Insurance sector, and Company Services sector, in which these sectors have both

large contribution in the formation of the Pemalang District's GRDP and also a high growth.

d. The result of the GRM analysis of Pemalang District during the period 2010-2016 shows that there are five sectors which have a prominent growth at the provincial and district level, which are Processing Industry sector, Electricity and Gas sector, Information and Communication sector, Financial Services and Insurance sector, and also Company Services sector.

e. The result of the *Overlay* analysis of Pemalang District during the period 2010-2016 shows that Agriculture, Forestry and Fisheries sector, Electricity and Gas sector, Water Supply, Waste Management, and Recycling sector, Wholesale and retail trade sector, Financial Services and Insurance sector, and also Company Services sector are the most dominant sectors, because these sectors have prominent growth and large contribution to the development of Pemalang District.

B. Recommendations

1. It is expected that the government, especially Pemalang District government, strives to increase the GRDP by prioritizing the development of leading sectors, without ruling out sectors that are included in the inferior sector, so that in the future, these inferior sectors are expected to sustain the economic development of Pemalang District.
2. Local governments are expected to exploit and develop natural resources or potential of region

3. All efforts to increase development by advancing technological means against potential sectors
4. To the investors who will invest their capital in Pematang Regency so they can be directed to potential sectors, especially those that can be developed.
5. Improvement of human resources, as well as expanding employment in each economic sector to participate in developing the development of Pematang District.