Integrated Area Development as A Sectoral and Regional Development Model (Kuala Tanjung Industrial and Port Area)

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ABSTRACT
Integrated area is a multifunctional area concept where each function supports, complements and complements each other, thereby creating optimization of each area function. This research aims to analyze the impact of the Integrated Area (Kuala Tanjung Industrial Area and Port) on development both sectorally and regionally. In this research, the impact of economic development is analyzed through the contribution of the industrial sector to GRDP, GRDP per capita, and the number of workers. The method used is descriptive analysis and Location Quotient (LQ). The research results show that Integrated Areas have a positive impact on economic growth, both sectorally and regionally. The increase in GDP per capita and the consistent role of the Management Industry contributes highly to Batu Bara Regency's GRDP and increases the level of labor absorption. Employment data shows that more than a third (40.97%) of Batu Bara Regency residents work as laborers or employees. The results of the LQ analysis also show that the Industrial Management sector has an average value of 2.48, this shows that the industrial sector has a wider contribution to a region. This shows that the Integrated Area concept is effective in increasing the economic potential of a region and improving community welfare, both at the local and regional levels.

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INTRODUCTION

Indonesia is a country rich in extraordinary and abundant natural resources, both biological and non-biological. This potential natural wealth includes resources from the sea, land and various other natural riches hidden within the Indonesian earth (Abdi Sugiarto et al., 2023; Nuraini, Alamsyah, et al., 2023). These natural resources are the main capital to encourage economic growth by utilizing them optimally.

In general, the development planning mechanism for an area or region is carried out through two main approaches, namely sectoral and regional development (Pengamanan et al., 2023; Sinar et al., 2023). It is hoped that the results of these two approaches can create a strong foundation for the growth and development of a region or region based on local excellence, in order to realize community welfare (Nuraini, 2015, 2019; Sugiarto & Ramadania, 2023). However, in reality, efforts to create harmony and harmony between the two strategies are complicated, and even tend to be contradictory and dichotomous.

In its development, the first approach (sectoral) appears to be more prominent and increasingly stronger than the second approach (regional), this can be seen from the development orientation which firmly places the aspect of sectoral economic growth as a way to achieve development goals (Aini et al., 2023). Apart from providing satisfactory results such as high economic growth, increasing per capita income, this orientation has apparently given rise to several problems, one of which is the unequal distribution of development activities and results, resulting in several development problems on the agenda, such as poverty, socio-economic disparities, inequality between regions (city-rural, central-regional), is often used as an example of a product of a (sectoral) development model that is more oriented towards economic growth (Hartini et al., 2023a; Nuraini, 2021).

This is understandable because to teach high growth and efficiency, development prioritizes the most productive activities, especially primary production export activities such as mining, forestry and plantations. Meanwhile, to provide consumer goods and reduce dependence on imports, which are being developed in big cities. As a result, high levels of economic development only occur in areas rich in natural resources and large cities (Hartini et al., 2023b; Suprayetno et al., 2022). This is where the problem of regional inequality as the main agenda for regional development began and continues to grow.

This research aims to examine the impact of integrated regional development both sectorally and regionally. This research takes a case study, namely the Kuala Tanjung Industrial and Port Area which is planned as an integrated or integrated area. Kuala Tanjung Industrial and Port Area is an area located on the East Coast of North Sumatra Province and administratively located in Kuala Tanjung Village, Seisuka District, Batu Bara Regency with a geographical position at 03° 22' 30" N and 99° 26' 00" E. The development of the Kuala Tanjung Port and Industrial Area has been planned in the 2015-2019 National Medium Term Development Plan (RPJMN) and based on Presidential Regulation Number 109 of 2020 concerning the Third Amendment to
Presidential Regulation number 3 of 2016 concerning the Acceleration of National Strategic Projects, it is stated that one of the Industrial Areas (KI) and Kuala Tanjung Port need to be further optimized to maximize the impact of the National Strategic Project for accelerating development, job creation and national economic recovery (Hidayat et al., 2023; Nuraini, Sitompul, et al., 2023).

Apart from its strategic location because it faces the Malacca Strait, the Integrated Area development concept is expected to be able to reduce logistics costs, thereby increasing the efficiency and effectiveness of industries operating in this area. Batu Bara Regency is an area that has great potential to become an industrial area. This is supported by the contribution of the Gross Regional Domestic Product (GRDP) of Batu Bara Regency which is among the 5 (five) largest in North Sumatra Province (Rahmadani et al., 2023). Batu Bara Regency is only behind several areas that had previously become industrial areas in North Sumatra Province, such as Medan City, Deli Serdang Regency, Asahan, and Simalungun which became the first Special Economic Zone (KEK) in Indonesia (Teuku Hafizh Fakhreza, Robby Alexander Sirait 2022).

THEORETICAL REVIEW

A. Development Region

Development in general is an activity that is to build and complete something with the aim of making changes, either specifically or generally (Abdi Sugiarto et al., 2023; Nuraini, 2019; Nuraini, Alamsyah, et al., 2023). Apart from that, development can also be interpreted as a movement to maximize performance that was previously considered problematic or less than optimal.

Regional development is all actions carried out in order to utilize existing regional potentials, to obtain better conditions and living arrangements for the benefit of the community in particular and on a national scale (HR Mulyanto, 2008).

Regional development is an effort to harmoniously combine natural, human and technological resources, considering the carrying capacity of the environment itself. The aim of regional development is to increase or create sustainable use capacity. Regional development is very dependent on the economic scope, this is because the economy is the determining factor and trigger for regional development. The economy moves globally and has a huge influence on every type of region (Hartini et al., 2023a; Nuraini, 2015, 2021; Nuraini, Alamsyah, et al., 2023; Sugiarto & Ramadania, 2023). The unpreparedness of a region (region) for the influence of economic globalization will have a direct influence on the level of welfare of the people in that region and will automatically demand regional development to keep pace with the ever-advancing economic globalization.

Therefore, as stated by Marwazi, et al. (2023), there are several things that need to be considered in regional development, namely optimizing the use of infrastructure to drive the economy and improve leading sectors with government support and private partnerships, optimizing management of
leading sectors to create and expand employment opportunities with a cooperation model between the government and the private sector, as well as strengthening the economy in the era of globalization by creating a profitable business environment.

B. Sectoral and Regional Approaches in Regional Development Planning

Regional planning is planning the use of regional space, planning movement and planning activities in that regional space. Regional spatial planning is usually outlined in regional spatial planning, movement planning is outlined in transportation planning, while activity planning is usually outlined in long-term, medium-term and short-term regional development planning. Regional development planning should start with determining the regional Vision and Mission.

Vision is an ideal about the desired future of an area. Visions are often abstract in nature but want to create characteristics of an ideal region so that it functions as an inspiration and encouragement in regional planning/development.

In ideal conditions, regional development planning should begin after the regional spatial planning plan has been prepared, because regional spatial planning is the basis but also the target of regional development planning. However, in practice, there are quite a lot of regions that do not yet have spatial planning plans, but based on the law must prepare regional development plans, because they are related to budget preparation. If the spatial plan already exists and is still in effect, then the preparation of the regional development plan must refer to the spatial plan. The development plan is a plan of activities that will fill the space, so that in the end the desired shape of the space will be achieved.

C. Sectoral Approach

One approach in national and regional development planning is to use a sectoral approach. The sectoral approach is a method in which all economic activities in the planning area are divided into sectors. Then, each sector is analyzed separately (Hidayat et al., 2023; Nuraini, Alamsyah, et al., 2023; Nuraini, Sitompul, et al., 2023; Suprayetno et al., 2022). Each sector is evaluated to determine the potential and opportunities of these sectors. Then it is decided what can be improved and how improvements can be made (Ridwan et al., 2022). The same opinion was expressed by Sinaga (2013) that the sectoral approach is an approach where economic activities are grouped based on sectors in the planning area.

According to Zai and Pangi (2017), a sectoral approach is taken in regional development which is directed at leading and developing sectors. Regional development directed at leading and developing sectors is a strategy that aims to maximize the economic and social potential of a region by focusing on sectors that have competitive advantages and growth opportunities. This approach can increase efficiency, productivity, and especially improve community welfare.

D. ApproachRegional
The regional approach is different from the sectoral approach, even though it has the same goals and objectives. The sectoral approach initially ignored spatial factors (Abdi Sugiarto et al., 2023; Nuraini, 2019; Nuraini, Alamsyah, et al., 2023). Indeed, the sectoral approach can be detailed down to smaller areas, for example sectoral analysis per district, per sub-district, or per village, so that it appears as if the space factor has been fulfilled (Abdi Sugiarto et al., 2023; Nuraini, 2019).

However, this does not fulfill the regional approach because the regional approach is based on a broader perspective. The regional perspective covers space in all its aspects. After knowing that there is space that has not been utilized or has not been used optimally, an analysis is carried out and a plan is made for what activities should be carried out at that location so that the use of space becomes more efficient and produces greater benefits for the community, especially as a whole.

A broader regional approach looks at differences in potential and roles. It also looks at how various sub-regions interact with each other, including interactions with neighboring regions, and predicts which sub-regions have the greatest growth potential.

In addition to considering the use of space for production and service activities, they must also predict the direction of concentration of activities, estimate facility requirements for each concentration, and plan connecting networks to connect various concentrations of activities.

The regional approach sees a region as a collection of smaller parts, each with its own potential and attractions, which are interconnected for maximum benefit. The dynamics of the movement of production factors (except natural) from one area to another is an important focus here. This attraction includes greater potential and opportunities in one area compared to other areas.

Detailed sectoral analysis according to smaller regional units is needed as an input in regional analysis to determine the attractiveness of each part of the region, especially in the context of regional economic branches. In this case, various analytical tools from general/development economics and regional economics are used to predict the future development of a region. (Ridwan et al, 2022).

E. Integrated Area

An integrated area can be interpreted as an area that has multifunction’s, where one function and another function support, fill and complement each other, thereby creating optimization of each function of the area.

The term "integrated" in integrated regional development can be translated into several contexts. Integrated means there is synchronization in development something area, starting from planning, construction, development, management, monitoring and assessment of the optimization of each function in the area in one unified spatial organization.

Integrated can also be interpreted as an effort to develop an area by combining all relevant stakeholder elements in preparing development plans so that the goals of developing the area can be achieved. Stakeholder elements
consist of the government, private sector and the community who are expected to work together to jointly support the development of an area (Hidayat et al., 2023; Nuraini, Sitompul, et al., 2023).

It is hoped that integration between all stakeholders will also be reflected in every stage of regional development, from the planning stage to the assessment stage of the success of the regional development. In the context of integrated areas in Batu Bara Regency, this area is defined as an area that will be developed to create more efficient logistics costs and at the same time encourage regional economic strengthening both locally and nationally.

METHODOLOGY

This research uses quantitative descriptive methods with secondary data in the form of GRDP data published by the Central Statistics Agency for North Sumatra Province and Batu Bara Regency for the 2017-2021 period. Quantitative research is research that uses data in the form of numerical figures and statistical data (Sugiyono, 2011). Secondary data analysis was carried out on Batu Bara Regency GRDP data on the basis of constant prices (ADHK) for the 2017-2021 period and ADHK North Sumatra Province GRDP data for the same period.

RESULTS

Position of the Kuala Tanjung Industrial Area and Port in a Sectoral Approach

To realize economic development, both national development and regional development, one way can be seen from the perspective of sectoral development, where the sectoral development approach is the achievement of development targets for a region which includes all activities grouped into sectors. The types of sectors generally follow the classification made by the Central Statistics Agency (BPS).

Next, each sector is analyzed one by one. Each sector will look at its potential and opportunities, determine what can be improved and where the location of these improvement activities will be.

The economic development of a region is very dependent on source the natural resources and production factors they possess and the size of the GRDP or economy in a region or district/city are formed from various kinds of activities or economic activities that arise in a region. If we look at the percentage distribution of GRDP of Batu Bara Regency according to Business Fields based on current prices in 2021, the percentage role of PDRB in the Manufacturing Industry sector is the highest compared to other business fields.

Table 1. Role of GRDP at Current Prices by Business Field, 2017–2021 (percent)
<table>
<thead>
<tr>
<th>No</th>
<th>Business field</th>
<th>2017</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Agriculture, Forestry and Fisheries</td>
<td>19.32</td>
<td>20.25</td>
</tr>
<tr>
<td>B</td>
<td>Mining and excavation</td>
<td>0.14</td>
<td>0.13</td>
</tr>
<tr>
<td>C</td>
<td><strong>Processing industry</strong></td>
<td><strong>47.09</strong></td>
<td><strong>45.72</strong></td>
</tr>
<tr>
<td>D</td>
<td>Procurement of Electricity and Gas</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>E</td>
<td>Water Supply; Waste, Waste &amp; Recycling Management</td>
<td>0.03</td>
<td>0.03</td>
</tr>
<tr>
<td>F</td>
<td>Construction</td>
<td>7.07</td>
<td>6.85</td>
</tr>
<tr>
<td>G</td>
<td>Wholesale and Retail Trade; Car &amp; Motorcycle Repair</td>
<td>16.56</td>
<td>17.89</td>
</tr>
<tr>
<td>H</td>
<td>Transportation and Warehousing</td>
<td>3.65</td>
<td>3.21</td>
</tr>
<tr>
<td>I</td>
<td>Provision of accommodation and food and drink</td>
<td>1.22</td>
<td>1.06</td>
</tr>
<tr>
<td>J</td>
<td>Information and Communication</td>
<td>0.45</td>
<td>0.5</td>
</tr>
<tr>
<td>K</td>
<td>Financial Services and Insurance</td>
<td>0.32</td>
<td>0.29</td>
</tr>
<tr>
<td>L</td>
<td>Real Estate</td>
<td>1.27</td>
<td>1.25</td>
</tr>
<tr>
<td>M</td>
<td>Company Services</td>
<td>0.1</td>
<td>0.11</td>
</tr>
<tr>
<td>N</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>Government Administration, Defense and Mandatory Social Security</td>
<td>1.93</td>
<td>1.84</td>
</tr>
<tr>
<td>P</td>
<td>Education Services</td>
<td>0.42</td>
<td>0.42</td>
</tr>
<tr>
<td>Q</td>
<td>Health Services and Social Activities</td>
<td>0.29</td>
<td>0.3</td>
</tr>
<tr>
<td>R, S, T, U</td>
<td>Other Services</td>
<td>0.09</td>
<td>0.09</td>
</tr>
</tbody>
</table>

**Batu Bara Regency GRDP Rate**

|                      | 100.0 | 100.0 |

*Source: BPS Batu Bara Regency, 2022*

Looking at the data above, we get an idea that the business field structure that has the largest contribution in 2021 is generated by the Manufacturing Industry business sector at 45.7%; the Agriculture, Forestry and Fisheries business sector was 20.25%; Wholesale and Retail Trade, Car and Bicycle Repair sectors amounting to 17.89% and then the
Construction business field amounting to 6.85%. Meanwhile, the role of other business fields is only under 4 (four percent) each.

![Bar graph showing GRDP at current prices according to business fields in 2020-2021](image)

*Source: BPS Batu Bara Regency, 2022*

**Picture 1. The Highest Role of GRDP at Current Prices According to Business Fields in 2020-2021**

The high role of industrial business fields cannot be separated from the impact of the existence of the Kuala Tanjung Industrial Area and Port as an integrated area. If viewed from a sectoral approach, this integrated area has a very important role in improving the economy in Sei Suka District and Batu Bara Regency. Apart from improving the sectoral economy, the existence of the Kuala Tanjung Industrial Area and Port has opened up large employment opportunities. According to BPS data, Sei Suka District is the district with the largest number of companies in 2021, namely 64 businesses with a registered workforce of 7,548 workers.

Labor plays a very important role in influencing the economic growth of a region. This means that the welfare and economic level of a region can be seen from its workforce. If we look at their employment status, more than a third of the population in Batu Bara Regency (40.97 percent) of the working population are laborers/employees. Then followed by residents who are trying to be helped by temporary/unpaid workers, reaching 18.29 percent.

**Table 2. Residents Aged 15 Years and Over Who Worked During the Past Week According to Main Job Status**
Primary Employment Status | Man | Woman | Amount | %
--- | --- | --- | --- | ---
Try yourself | 22,244 | 11,927 | 32,171 | 16.08
Trying to help temporary workers/laborers not paid | 19,395 | 17,198 | 36,593 | 18.29
Trying to be assisted by permanent workers/paid workers | 4,693 | 1,679 | 6,372 | 3.18

Workers/Employees/Employees | 57,735 | 24,254 | 81,989 | 40.97

Free labor | 9,183 | 2,412 | 11,595 | 5.79
Family/unpaid worker | 13,123 | 18,269 | 31,392 | 15.69

Amount | 126,373 | 75,739 | 200,112 | 100.0

Source: BPS Batu Bara Regency, 2022

Apart from opening up quite a lot of job opportunities and having an important role in GRDP growth, to measure the positive impact of the Kuala Tanjung Industrial Area and Port sectorally, it can also be assessed from the per capita size in an area. Based on data, the GDP per capita of Batu Bara Regency is abovebasethe current price in 2017 was 72.74 million rupiah and increased to 90.03 million rupiah in 2021.

If we look at the calculation based on constant 2010 prices, that is by eliminating the effect of price increases (inflation), then in the 2017-2021 period the same there was a relatively stable increase. The following is an illustration of the increase in the Per Capita value in Batu Bara Regency.

Table. 3 GRDP Per Capita of Batu Bara Regency at Current Prices and at Constant Prices 2010, 2017-2021 (thousand rupiah)

<table>
<thead>
<tr>
<th>Year</th>
<th>Prices Apply</th>
<th>Constant Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mark</td>
<td>Growth (%)</td>
</tr>
<tr>
<td>2017</td>
<td>72,738.99</td>
<td>6.91</td>
</tr>
<tr>
<td>2018</td>
<td>77,415.55</td>
<td>6.43</td>
</tr>
<tr>
<td>2019</td>
<td>81,396.93</td>
<td>5.14</td>
</tr>
</tbody>
</table>
From the discussion above, it can be concluded that sectorally the existence of the Kuala Tanjung Industrial Area and Port in Sei Suka District, Batu Bara Regency has increased income, both regional income and community income. This is of course a positive thing because it exists development. This area has succeeded in optimizing regional potential which can improve the welfare of the people in a region.

**Position of The Kuala Tanjung Industrial Area and Port in The Wider Area (Regional)**

The Regional Approach is very different from the Sectoral Approach even though the ultimate goal is the same. The sectoral approach is an approach that initially ignores spatial factors. The sectoral approach can be detailed over smaller areas, for example sectoral analysis per district, per sub-district or per village, so that it is as if the space factor has been fulfilled. This does not fulfil the regional approach, because the regional approach is based on different points of view.

A regional approach in the narrow sense is paying attention to space in all its conditions. From this approach it is known that there is still space that has not been utilized or its use is still not optimal, then what activities should be planned at that location so that the use of space is harmonious and efficient in order to provide optimal prosperity for the community. Whereas based on In a broader sense, a regional approach is analyzing differences in potential, differences in roles, looking at interactions between various sub-regions including interactions with neighboring regions or wider regions and predicting sub-regions that have fast growth prospects in the future. So apart from paying attention to the use of space for production/service activities; also predicting the direction of activity concentrations and estimating facility needs for each concentration as well as planning connecting networks so that various activity concentrations can be connected efficiently.

The discussion in this section is to look at the position of the Kuala Tanjung Industrial Area and Port in the wider regional system in terms of economic and resource aspects. Artificial or the infrastructure systems that connect them.

The output of this regional analysis includes an overview of development potential and problems regarding spatial planning in the wider region related to its position and relationship with the wider region; and an overview of the opportunities and challenges for the development of the Kuala

<table>
<thead>
<tr>
<th>Year</th>
<th>Prices Apply</th>
<th>Constant Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mark</td>
<td>Growth (%)</td>
</tr>
<tr>
<td>2020</td>
<td>85,362.15</td>
<td>4.87</td>
</tr>
<tr>
<td>2021</td>
<td>90,029.83</td>
<td>5.47</td>
</tr>
</tbody>
</table>

Source: BPS Batu Bara Regency, 2022
Tanjung Industrial Area and Port in the wider area as indicated by the leading sectors.

**Picture 2. Regional Position of the Kuala Tanjung Industrial Area and Port**

Looking at the picture above, the Kuala Tanjung Port Integrated Area and Industrial Area is regionally located in the area between the Tebing Tinggi Industrial Area and the Seimangke Economic Area, so it has a very strategic position for economic development. This is reinforced by the existence of the Tebing Tinggi – Kisaran toll road which concludes with the Inalum access toll road. As well as the national road, Jalan Lintas Sumatra and the Inalum Access road, which is based on the RTRW of Batu Bara Regency, will be upgraded to a primary arterial road. Thus, accessibility support means that the Kuala Tanjung Port and Industrial Area Integrated Area has enormous economic development potential.

Based on GDP data from Batu Bara Regency, the leading sector (base) is the industrial sector, where this will be directed at developing home industries so that local/indigenous residents can have primary economic sources which also support the existence of industrial areas.

**High Investment Value**

The total investment in port development is very high. Especially with the development of the Kuala Tanjung Industrial Area. Apart from having a direct impact on the area, it is also possible that it will have an impact on the wider area, including the Tebing Tinggi Industrial Area and the Economic Area Seimangke.

Presidential Regulation Number 109 of 2020 concerning the Acceleration of Implementation of National Strategic Projects, stipulates the existence of a new port development project and capacity development, namely the development of the Kuala Tanjung international hub port and the Special Economic Zone (KEK) industrial area development project, namely the Kuala Tanjung Industrial Area, as well as the construction of a smelter. in Kuala Tanjung.

Based on records from the One Stop Integrated Service Investment Service (DPMPTSP), the Batu Bara Regency region achieved the highest investment target compared to other regions. For Domestic Investment (PMDN), Batubara Regency is the destination location investment main reach
Rp. 2.9 trillion, while the second position is occupied by the City of Medan with IDR 1.8 trillion.

**Location Quotion (LQ) Analysis**

In the scope of regional economics, the economic growth of a region can be seen from the development of its economic sectors. A sector can be categorized as a base or driver of the economy if the sector is able to meet regional internal needs and then export the sector more widely. (Yanuar Pribadi and Nurbiyanto, 2021)

The basic sector has a role as a prime mover in the growth of a region. The greater the export or economic supply from one region to another region, the faster the growth of that region (Ridwan, 2016, Yanuar Pribadi and Nurbiyanto, 2021).

In identifying economic driving sectors and economic investment opportunities in Batu Bara Regency regionally, location quotient (LQ) analysis is used. This analysis aims to determine which economic sectors are basic sectors or have export potential, as well as which are non-basic sectors. If the LQ shows a number more than one (LQ > 1), then the sector is a base sector, where the sector has the potential to export to other regions. If the LQ shows a number less than one (LQ < 1), it indicates that the sector is a non-base sector, which means it does not have the potential to export to other regions. The LQ analysis calculation is formulated as follows.

\[
\text{LQ} = \frac{\frac{X_i}{\text{District GDP}}}{\frac{X_i}{\text{Provincial GDP}}}
\]

Information:

- \(X_i\) = The value of sector i in a analyzed area
- District GDP = Total regional GDP analyzed
- \(X_i\) = Value of sector i in the Province North Sumatra
- Provincial GDP = Total provincial GDP North Sumatra

The following table is the result of an analysis of the Location Quotient (LQ) GRDP of Batu Bara Regency against the GRDP of North Sumatra.

**Table 4. LQ Value of Batu Bara Regency Based on Constant Prices**

**According to Business Fields in 2017 and 2021**
<table>
<thead>
<tr>
<th>Business field</th>
<th>2017</th>
<th>2021</th>
<th>Flat-flat</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Agriculture, Forestry and Fisheries</td>
<td>0.86</td>
<td>0.89</td>
<td>0.88</td>
</tr>
<tr>
<td>B. Mining and Quarrying</td>
<td>0.11</td>
<td>0.11</td>
<td>0.11</td>
</tr>
<tr>
<td><strong>C. Processing Industry</strong></td>
<td><strong>2.45</strong></td>
<td><strong>2.51</strong></td>
<td><strong>2.48</strong></td>
</tr>
<tr>
<td>D. Procurement of Electricity and Gas</td>
<td>0.44</td>
<td>0.46</td>
<td>0.45</td>
</tr>
<tr>
<td>E. Water Supply, Waste Management, Waste and Recycling</td>
<td>0.30</td>
<td>0.29</td>
<td>0.30</td>
</tr>
<tr>
<td>F. Construction</td>
<td>0.51</td>
<td>0.49</td>
<td>0.50</td>
</tr>
<tr>
<td><strong>G. Wholesale and Retail Trade; Car and Motorcycle Repair</strong></td>
<td><strong>0.91</strong></td>
<td><strong>0.92</strong></td>
<td><strong>0.92</strong></td>
</tr>
<tr>
<td>H. Transportation and Warehousing</td>
<td>0.75</td>
<td>0.83</td>
<td>0.79</td>
</tr>
<tr>
<td>I. Provision of accommodation and food and drink</td>
<td>0.49</td>
<td>0.50</td>
<td>0.50</td>
</tr>
<tr>
<td>J. Information and Communication</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
</tr>
<tr>
<td>K. Financial Services and Insurance</td>
<td>0.10</td>
<td>0.10</td>
<td>0.10</td>
</tr>
<tr>
<td>L. Real Estate</td>
<td>0.27</td>
<td>0.26</td>
<td>0.26</td>
</tr>
<tr>
<td>M N. Company Services</td>
<td>0.10</td>
<td>0.10</td>
<td>0.10</td>
</tr>
<tr>
<td>O. Government Administration, Défense and Mandatory Social Security</td>
<td>0.54</td>
<td>0.52</td>
<td>0.53</td>
</tr>
<tr>
<td>P. Educational Services</td>
<td>0.22</td>
<td>0.22</td>
<td>0.22</td>
</tr>
<tr>
<td>Q. Health Services and Social Activities</td>
<td>0.30</td>
<td>0.30</td>
<td>0.30</td>
</tr>
<tr>
<td>R, S, T, U. Other services</td>
<td>0.16</td>
<td>0.17</td>
<td>0.17</td>
</tr>
</tbody>
</table>

*Source: Analysis Results*

LQ analysis is used to determine the base sector in Batu Bara Regency if the LQ value is > 1. Based on the results of the LQ analysis calculations that have been carried out, it can be seen that the sector that has LQ > 1 is the processing industry sector. This result means that the processing industry sector is a basic sectorownimportant role in the economy of Batu Bara Regency. This also shows that the processing industry sector is able to meet the needs of the Batu Bara Regency area and tends to be able to export to areas outside the scope of Batu Bara Regency.

Apart from the industrial sector, the results of the LQ analysis also show that the trade sector has the second highest LQ value (0.92). Even though
this sector is not yet a basic sector, it can be indicated that industrial areas and ports are interconnected and support each other in increasing economic growth.

CONCLUSIONS AND RECOMMENDATIONS

Regional planning and development are a system that is integrated and absolutely occurs in an area/region. Regional development is a concrete step implemented in a region to maximize and optimize the land use capacity of a region in order to make the region advanced and developed and able to compete with the rise of globalization. The results of the discussion of the impact of the integrated area concept such as the Kuala Tanjung Industrial Area and Port both sectorally and regionally are as follows:

Based on a sectoral approach:

1. DevelopmentThe Kuala Tanjung Industrial and Port area as an integrated area has had a positive impact on regional development. The role of industry in GRDP is the highest sector in contributing to the GRDP growth of Batu Bara Regency.

2. DevelopmentThe Kuala Industrial Area and Port have increased GDP per capita and have opened up employment opportunities. From the BPS results, Sei Suka District is the one that absorbs the highest workforce as Laborers/Employees.

3. The impact of the existence of Industrial Areas and Harbor Kuala has had an influence on the non-based sector. The existence of this integrated area has had a multiplier effect on the growth of the trade sector. Based on the results of the LQ analysis, this sector has the potential to develop into a leading sector.

Based on a regional approach:

1. The results of the LQ analysis that has been carried out show that the leading sectors in Regency Coal is a Processing Industry sector with an LQ value >1. The LQ value from 2017-2021 tends to increase in the LQ value in the Processing Industry sector, namely an average of 2.48. This means this sector has the potential to export to other regions or can contribute broadly.

2. With the Kuala Tanjung International Port, Toll Roads and systems transportation other things, the industrial sector can run and develop well, especially regionally and globally.

To maximize a region's potential, a regional approach is an effective approach to implement. This approach is a concept of how to utilize space that has not been used optimally by creating an activity plan so that the use of space becomes more efficient and produces greater benefits. One of the results of this approach is the concept of the Kuala Tanjung Industrial and Port Integrated Area.
The development of integrated areas such as industrial areas and ports are two entities that are interrelated and support each other in increasing the economic growth of a region. Ports act as the main gateway for the exchange of goods and services between countries, while industrial areas are important locations for the production and distribution of products. The symbiotic relationship between the two is the key to moving the wheels of the economy both sectorally and regionally.

FUTURE STUDY

Long-term Impact Analysis:
- Conduct a longitudinal study to observe the long-term impact of the integrated zone on the economic, social, and environmental development of the area.
- Evaluate how changes in infrastructure and government policies affect the sustainability and growth of industrial parks and ports.

Comparative Study of Integrated Regions:
- Compare the effectiveness and impact of various integrated zones in Indonesia or even internationally to identify best practices and success factors that can be applied in Kuala Tanjung.
- Analyse the differences in economic, social and environmental outcomes between government-managed and privately-managed integrated estates.

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