Analysis of the Effects of Economic Potential on Economic Growth of Deli Serdang Regency

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Abstract

The objective of the research is to analyze economic potential, economic growth rate, and high-ranking sectors which prioritize the development in Deli Serdang Regency. The data are analyzed by using Location Quotient (LQ) analysis, Dynamic Location Quotient (DLQ) analysis, Shift Share analysis, and Klassen Typology. The result of LQ analysis shows that there are 5 (five) basic sectors: transportation and warehousing sector, processing industry sector, construction sector, accommodation and food and beverage supply sector, and electricity and gas supply sector. The result of DLQ analysis shows that there are 10 (ten) basic sectors in the future: processing industry sector, electricity and gas supply sector, wholesale and retail sector, automobile and motorcycle reparation sector, transportation and warehousing sector, accommodation and food and beverage supply sector, financial service and insurance sector, real estate sector, company service sector, education service sector, health service and social activity sector. The result of Shift Share analysis shows that there are 10 (ten) basic sectors which are competitive sector which has positive differential values: processing industry sector electricity and gas supply sector, construction sector, wholesale and retail sector, automobile and motorcycle reparation sector, accommodation and food and beverage supply sector, financial service and insurance sector, real estate sector, company service sector, education service sector, and health service and social activity sector. The result of Klassen Typology shows that there are 5 (five) prioritized sectors: processing industry sector, electricity and gas supply sector, construction sector, transportation and warehousing sector, and accommodation and food and beverage supply sector. Based on the four analyses above, it is concluded that the prioritized sectors are processing industry sector, electricity and gas supply sector, construction sector, and accommodation and food and beverage supply sector.

I. Introduction

The Government's efforts to encourage increased participation and creativity of the community in regional development, the Government issued a regional autonomy policy through Law number 23 of 2014 concerning the regional administration system. Regional autonomy is a manifestation of regional authority to regulate and manage the interests of local communities according to their own initiatives based on the aspirations of the people in accordance with statutory regulations (Arsyad, 1992:12). The economy of Deli Serdang Regency based on Gross Regional Domestic Product has continued to increase in the last seven years (2014-2020). The development of GRDP on a valid basis in 2014 amounted to Rp.69,674.06 billion, in 2015 it increased to Rp.76,734.63 billion, in 2016 it increased to

Rp.85,152.02 billion, in 2017 it increased to Rp.93,193.89 billion, in 2018 increased to Rp.101,060.21 billion, in 2019 it increased to Rp.109,334.14 billion and in 2020 it increased to Rp.110,145.24 billion. GRDP at current prices in Deli Serdang Regency is dominated by the manufacturing industry category with a contribution of 31.05 percent. Other categories that also make a big contribution are Wholesale and Retail Trade; Car and Motorcycle Repair (17.53 percent), Construction (16.32 percent) and Agriculture, Forestry and Fisheries (10.46 percent).

Meanwhile, the economic structure of North Sumatra Province in the last 7 (seven) years has also increased and has a different economic structure from Deli Serdang Regency. The GRDP of North Sumatra Province based on current prices in 2020 is Rp.811,282.84 billion, of which the largest contribution is in the agriculture, forestry and fisheries categories with a value of Rp.173,083.47 billion or a contribution of 21.33 percent. The second largest contribution was the processing industry category with a value of Rp. 156,503.61 or contributed 19.29 percent. The third largest contribution is the Wholesale and Retail Trade category; Car and Motorcycle Repair with a value of Rp. 153,138.15 billion or contributed 18.88 percent. The fourth largest contribution is the Construction category with a value of Rp. 110,277.34 or contributed 13.59 to the economy of North Sumatra. Apart from the 4 (four) categories above, 13 other categories each contributed below 10 (ten) percent.

The difference in the economic structure of a region is based on the potential that exists in that area. The greater the role of the economic potential, the greater the added value to the formation of GRDP in an area so that the rate of economic growth will increase. Economic growth is influenced by the potential of each region, where each region has different characteristics of natural resources, human resources, and management policies in each region.

The choice of the object of this research is Deli Serdang Regency because geographically and demographically it has the potential to be developed. Deli 7 Serdang is one of the districts in North Sumatra and is located on the east coast of North Sumatra. Deli and Serdang Regencies were designated as Autonomous Regions in accordance with Law Number 22 of 1984 concerning the Basic Laws of Regional Government and Law Number 7 of Emergency 1965. In accordance with the issuance of Law Number 36 of 2003 dated December 18, 2003, Deli Serdang Regency has been divided into two regions, namely Deli Serdang Regency and Serdang Bedagai Regency, administratively the Deli Serdang Regency Government now consists of 22 sub-districts in which there are 14 sub-districts and 380 villages.

II. Review of Literature

2.1 Economic Development

Economic development is a process that causes the per capita income of the population of a society to increase in the long term. This definition implies that economic development is a change that occurs continuously through a series of combination processes in order to achieve something better, namely an increase in per capita income that continues in the long term (Sadano Sukirno, 1985). In general, economic development is defined as a process that causes GNP per capita (Gross National Product) or people's income to increase over a long period of time. Therefore, economic development has 3 (three) important characteristics, namely: a) a process which means continuous change. b) there is an effort to attract people's per capita income. c) an increase in people's income per capita that occurs in the long term. Economic development is seen as an increase in per

capita income and the pace of economic development is indicated by using the rate of increase in GDP (Gross Domestic Product) for the national level and GRDP for the regional or regional level. The level of GRDP (Gross Regional Domestic Product) is also determined by the rate of population growth in excess of GRDP, so this changes to income per capita, therefore the increase in GRDP does not improve the level of economic welfare of the community because there is a possibility that this situation will arise in the context of understanding growth. Economics and economic development must be distinguished.

2.2 Economic Growth

Economic growth is an illustration of the impact of government policies implemented, especially in the economic sector. Economic growth is the rate of growth that is formed from various kinds of economic sectors which indirectly describes the level of economic growth that occurs. This indicator is important to know the success of development in the future.

According to Simon Kuznets in Jhingan (2004:57) economic growth is an increase in the ability of a country (region) to provide economic goods for its population, which is manifested by a continuous increase in national output accompanied by technological advances as well as institutional adjustments, attitudes and the ideology it requires. According to Boediono (1992:21) economic growth is a process of increasing output per capita in the long term. Economic growth here includes three aspects: a. Economic growth is an economic process, an economy develops or changes from time to time. b. Economic growth is related to the increase in output per capita, in this case there are two important aspects, namely total output and population. c. Economic growth is associated with the perspective of time, an economy is said to grow if in a fairly long period of time (five years) there is an increase in per capita output. The formula for calculating economic growth can be written as follows:

$$Yt = \frac{PDRBt - PDRBt - 1}{PDRBt - 1} \, x \, 100\%$$

Information:
Yt   = Economic Growth
PDRB = Gross Regional Domestic Product
t   = Time Period

2.3 Regional Development

According to Sirojuzilam (2005) regional development is basically an increase in the value of regional benefits for the people of a certain area, able to accommodate more residents, with an average level of community welfare improving, in addition to showing more facilities/infrastructure, goods or services available and increasing community business activities, both in terms of type, intensity, service and quality. According to Mulyanto (2008), regional development is all actions taken in order to take advantage of the existing potentials of the region, to obtain better conditions and living arrangements for the benefit of the community in particular and on a national scale. The implementation of regional development is often hampered by its smooth running both in the initial phase and in the advanced phases by several factors that influence it as follows: 1. Legal basis. 2. Incomplete/availability of supporting data and information needed in planning regional development programs that are right on target. 3. Unavailability/sufficient resources and budget needed. 4. Availability of human resources for regional development actors in terms of quantity, expertise, insight, work ethic and integrity for the implementation of

regional development as well as limited ability to plan and carry out coordination. 5. It is necessary to create a security situation and community mental attitude that supports the smooth and successful implementation of the planned regional development programs. Tambunan et al (2021) Regional development is an effort in an administrative area or a certain area in order to achieve prosperity through optimal, efficient, synergic and sustainable exploitation of resources by means of stimulating economic activities, creating a conducive climate, protecting the environment and providing infrastructure and facilities

2.4 Comparative Advantage

The term comparative advantage was first introduced by David Ricardo (1917) when discussing trade between two countries. In this theory, Ricardo proved that if two countries trade with each other and each country concentrates, then the two countries will be lucky. The comparative advantage of a commodity for a country or region is that the commodity is relatively superior to other commodities in the region. The definition of superior in this case is in the form of comparison and not in the form of real added value. If the advantage is in the form of real added value, it is called absolute advantage. Commodities that have advantages, even though they are only a form of comparison, are more profitable to develop compared to other commodities that are equally produced by both countries or regions. (Tarigan, 2006). Profitability is the company's ability to make a profit in relation to sales, total assets and own capital. Profitability ratios are very important to know by users of financial statements because they inform how much the company's ability to generate profits, the greater the profit ratio shows the better management in managing the company, (Sartono in Angelia, N et al. 2020)

2.5 Gross Regional Domestic Product

Gross Regional Domestic Product (GDP) according to the Central Statistics Agency is the gross added value of all goods and services created or produced in the domestic territory of a country arising from various economic activities within a certain period regardless of whether the production factors are owned by residents or non-residents. The preparation of GRDP can be done through 3 (three) approaches, namely the production, expenditure and income approaches which are presented on the basis of current prices and constant prices. GRDP at current prices or known as nominal GRDP is compiled based on prices prevailing in the calculation period, and aims to see the structure of the economy. Meanwhile, GRDP on a constant basis is based on prices in the base year and aims to measure economic growth.

2.6 Economic Base Theory

Based on the economic basis theory, economic activities are grouped into two, namely basic activities and non-basic activities. Basic activities can also be referred to as export activities, namely the activities of selling goods or services outside the region either to other regions within the country or abroad, so as to increase the economic growth of a region. While non-basic activities are activities that produce goods or services that are used to meet local consumption demands or needs. In Adisasmita (2008), it is explained that according to the export base, a region grows or develops as a result of specialization in export activities, with exports it will earn income, this can increase the wealth and ability of a region to carry out development and pay the price of goods imported from outside the area. According to Tarigan (2007), there are several ways to sort out basic and non-basic activities, namely: 1. Direct Method, 2. Indirect Method, 3. Mixed Method, and 4. Loqation Method.

III. Research Method

This research was conducted in Deli Serdang Regency where this district has economic potential not only from natural resources, but also from human resources as a factor of production. This research is a quantitative descriptive research. Location Quotient analysis is used to identify and formulate the internal potential of a region, namely the basic and non-base sectors. Dynamic Location Quotient (DLQ) analysis is used to determine whether an economic sector can be expected to become a basic sector in the future. Other analyzes are Shift Share (SS) Analysis, and Klassen Typology Analysis.

IV. Results and Discussion

4.1 Leading Sector of Deli Serdang Regency
a. Location Quotient (LQ) Analysis

The results of the calculation of the Location Quotient (LQ) of Deli Serdang Regency from the period 2014-2020 which are presented in table 4.4 show that there are 5 (five) basic sectors or LQ>1, consisting of the transportation and warehousing sectors, with an average LQ of 1.75; followed by the manufacturing sector with an average LQ of 1.66; construction sector with an average LQ of 1.20; the accommodation and food and drink provision sector with an average LQ of 1.17; and the electricity and gas procurement sector with an average LQ of 1.13. This shows that the role of the sector in the Deli Serdang Regency area is better than the role of the sector when viewed from the economic growth of North Sumatra and the sector is the basis or source of growth, has a comparative advantage and the results can not only meet the needs in Deli Serdang Regency but can also be exported outside the research area. The things that cause the five sectors to have a better role and can be explained as follows: a. Transportation and Warehousing Sector. b. Processing Industry Sector. c. Construction Sector. d. Accommodation and Food and Drink Provision Sector. e. Electricity and Gas Procurement Sector.

b. Dynamic Location Quotient (DLQ) Analysis

Based on the results of the calculation of the Dynamic Location Quotient, it shows that there are 10 (ten) basic sectors, namely the manufacturing sector; electricity and gas procurement sector; wholesale and retail trade sector; repair of cars and motorcycles; transportation and warehousing sector; the sector of providing accommodation and food and drink; financial services and insurance sector; real estate sector; corporate service sector; education services sector; and the health services sector and social activities. Meanwhile, the other 7 (seven) sectors are non-basic sectors, namely the agriculture, forestry, and fishery sectors; mining and quarrying sector; water supply, waste management, waste and recycling sectors; construction sector; information and communication sector; the government administration sector, defense and mandatory social security; and other service sectors.

c. Shift Share Analysis

Based on the calculation of shift share analysis, economic growth in Deli Serdang Regency is Rp. 14,806.08 billion. The amount of growth was created by the positive influence of the contribution and role of GRDP growth of North Sumatra Province as well as the economic activities of neighboring areas of Rp. 15,181.61 billion, the value of the proportional shift is negative Rp. 1,411.49 billion and the effect of competition or differential shift is worth Rp. 1035.95 billion. More details can be seen in the results of the

calculation of the shift share analysis of Deli Serdang Regency's GRDP in 2014-2020, the growth of the Proportional Shift component has negative and positive values. A positive PS value means that the economy of Deli Serdang Regency specializes in the same sector which is growing fast from the economy of North Sumatra Province. Conversely, if the PS value is negative, it means that the economy of Deli Serdang Regency specializes in the same sector and grows slower than the economy of North Sumatra Province. The negative proportional shift value in Deli Serdang Regency is Rp. -1.411.49 billion, this amount indicates that the growth rate of economic sectors in Deli Serdang Regency is lower than the growth rate in North Sumatra Province.

There are 13 (thirteen) sectors that have a positive Proportional Shift growth component value, namely agriculture, forestry, and fisheries; electricity and gas procurement sector; water supply, waste management, waste and recycling sectors; construction sector; wholesale and retail trade sector; repair of cars and motorcycles; the sector of providing accommodation and food and drink; information and communication sector; real estate sector; corporate service sector; the government administration sector, defense and mandatory social security; education services sector; Health Services and Social Activities sector; and other service sectors. Meanwhile, there are 4 (four) sectors that have a negative Proportional Shift component value, consisting of the mining and quarrying sector; processing industry sector; transportation and warehousing sector; and the financial services and insurance sectors.

d. Klassen Typological Analysis

The average value of the growth rate and the average contribution of each sector which is processed from the GRDP data of Deli Serdang Regency and North Sumatra Province. The sectors that have the largest average contribution to the GRDP of Deli Serdang Regency are the manufacturing sector; followed by wholesale and retail trade; repair of cars and motorcycles; and the construction sector. Meanwhile, the sectors that have the smallest average contribution are the water supply, waste management, waste and recycling sectors; and the electricity and gas procurement sector. The largest average growth was shown by the transportation and warehousing sector; followed by the real estate sector; and the information and communication sector. While the smallest average growth is the financial services and insurance sectors; and the manufacturing sector.

Furthermore, with the Klassen Typology analysis, it is obtained that the sectors that are included in the mainstay economic sector, potential economic sectors, developing economic sectors and underdeveloped economic sectors in Deli Serdang Regency. Based on the results of the Klassen typology analysis, it shows that the mainstay economic sector in Deli Serdang Regency has 5 (five) mainstay sectors, namely the manufacturing industry sector; electricity and gas procurement sector; construction sector; transportation and warehousing sector; and the sector of providing accommodation and food and drink. Meanwhile, there are 6 (six) sectors in Deli Serdang's developing economy, namely wholesale and retail trade; repair of cars and motorcycles; financial services and insurance sector; real estate sector; corporate service sector; education services sector; and the health services sector and social activities.

Meanwhile, the lagging economic sector in Deli Serdang has 6 (six) sectors, namely the agriculture, forestry and fishery sectors; mining and quarrying sector; water supply, waste management, waste and recycling sectors; information and communication sector; the government administration sector, defense and mandatory social security; and other service sectors. In addition, Deli Serdang does not have a sector that is included in quadrant II, namely the potential economic sector. From the above results, the government

can focus on the main development goals and prioritize which sectors need to be improved and which sectors need to be developed so that economic growth can increase and the distribution of development can be felt by the community.

e. Analysis by Sector
1. Analysis of Agriculture, Forestry and Fisheries Sector
The results of the calculation of shift share in the agricultural, forestry and fishery sectors, the value of the proportional shift is Rp. 243.62 billion, indicating that this sector is a sector that grows faster than at the level of North Sumatra Province. Meanwhile, the value of the negative differential shift component is Rp. 384.28 billion, the negative differential shift value indicates that the agriculture, forestry and fisheries sectors have lower competitiveness than the North Sumatra Province.

The agriculture, forestry and fishery sectors are sectors that play an important role in the GRDP of Deli Serdang Regency. This is indicated by the average contribution of the agriculture, forestry and fishery sectors which reached 10.74 percent and ranks fourth in its contribution to the GRDP formation of Deli Serdang Regency. The average growth rate of the agricultural, forestry and fisheries sectors reached 3.52 percent below the average growth rate at the provincial level which reached 4.55 percent, so based on Klassen's Typology analysis, this sector is classified as an underdeveloped economic sector. Based on the description above, it can be concluded that the agriculture, forestry and fishery sectors can be classified as non-leading sectors because these sectors are classified as non-basic sectors, grow faster but have lower competitiveness than the provincial level and are an underdeveloped economic sector.

2. Analysis of Mining and Quarrying Sector
The results of the calculation of the shift share in the mining and excavation sectors, the value of the proportional shift is negative Rp. 2.99 billion, indicating that this sector is a sector that grows slower than at the level of the Province of North Sumatra. While the value of the negative differential shift component is Rp. 10.65 billion, the negative differential shift value indicates that the mining and quarrying sector has lower competitiveness than at the level of North Sumatra Province.

The contribution of the mining and quarrying sector to the GRDP of Deli Serdang Regency is only 0.74 percent on average and ranks thirteenth compared to other sectors. The value of this contribution is below the average contribution of North Sumatra Province which reached 1.31 percent. The average growth rate of the mining and quarrying sector reached 3.70 percent below the provincial average growth rate of 4.20 percent, so based on Klassen's Typology analysis, this sector is classified as an underdeveloped economic sector. This sector is classified as a less developed sector and requires serious planning from the Regional Government in exploring the potential of existing natural resources. Based on the analysis of the mining and quarrying sector, it shows that this sector cannot be classified as a non-leading sector, because this sector is a non-base sector that grows slower and has lower competitiveness than the provincial level and is an underdeveloped economic sector.

3. Processing Industry Sector Analysis
The industrial and processing sectors contributed an average of 31.87 percent and were the sectors that had the largest contribution to the GRDP of Deli Serdang Regency. The value of this contribution is above the average contribution of North Sumatra Province which reached 19.84 percent. The average growth rate of the manufacturing sector reached

3.06 percent above the average growth rate of the provincial level which reached 2.62 percent, so based on the classification of the classification typology analysis, this sector is classified as a mainstay economic sector.

Based on the LQ analysis, the manufacturing sector has an average LQ value of 1.66 or LQ >1, as well as a DLQ value of 1.58 or DLQ >1. This shows that the manufacturing sector is the base sector today and also the base sector in the future. The results of the calculation of shift share in the manufacturing sector have a proportional shift value of negative Rp. 2,000.88 billion, indicating that this sector is a sector that grows slower than at the level of North Sumatra Province. While the value of the differential shift component is Rp. 514.22 billion, the positive differential shift value indicates the manufacturing sector has a higher competitiveness than at the level of North Sumatra Province. Based on the above analysis, it can be concluded that the manufacturing sector is a leading sector because this sector is classified as a mainstay economic sector, a basic sector at present and in the future and has higher competitiveness than at the provincial level.

4. Analysis of the Electricity and Gas Procurement Sector

Based on LQ analysis, the electricity and gas procurement sector has an average LQ value of 1.13 or LQ>1. This shows that the electricity and gas procurement sector is a basic sector. Meanwhile, with DLQ analysis, this sector has a value of 2.02 or DLQ>1, meaning this sector will become the basis sector in the future. it can be concluded that the electricity and gas procurement sector can be classified as a leading sector because this sector is classified as a basic sector at present and in the future, and has faster growth and also has higher competitiveness than at the provincial level and is a private sector mainstay economy.

4.2 Leading Sector and Regional Development
a. Manufacturing Sector

The manufacturing sector is the largest contributor to the formation of Deli Serdang's GRDP during the 2014-2020 period. This can be seen from the large contribution of the processing industry in the formation of the GRDP of Deli Serdang Regency. Its role fluctuated during this period with an average contribution of 31.87 percent. The largest role occurred in 2014 which was 32.67 percent and the smallest role in 2019 was 30.93 percent. The existence of the Deli Serdang Regency area which surrounds Medan City which is the capital of North Sumatra Province, with access to well-connected infrastructure such as land, sea and air provides an opportunity for Deli Serdang Regency to be able to further develop the industrial sector. Deli Serdang Regency has several large and medium industrial centers, including in Sunggal District which has a number of large and medium industries, besides that there are also Tanjung Morawa District which has the Medan Star Industrial Area (KIM Star) and in Percut Sei Tuan District which there is Medan Industrial Estate – 2 (KIM – 2).

b. Electricity and Gas Procurement Sector

The electricity and gas procurement sector is a sector that has a fairly high growth during the 2014-2020 period with an average growth of 6.16 percent. Growth in this sector has fluctuated with the highest growth occurring in 2014 which was 9.44 percent and the lowest growth occurred in 2018 which was 2.17 percent. Most of the electricity needs in Deli Serdang are met by the State Electricity Company (PLN). The need for electric power continues to increase from year to year with a total of 526,634 customers in 2020 with 866,192.55 kVA connected power and 1661.51 kWh of power sold.

c. Construction Sector

The construction sector is the third largest contributor to Deli Serdang's GRDP formation during the 2014-2020 period. This can be seen from the large contribution of construction in the formation of GRDP in Deli Serdang Regency. The role of this sector continued to increase during this period with an average contribution of 15.61 percent. The largest role occurred in 2020, which was 16.32 percent and the smallest role in 2014 was 14.99 percent. The growth rate of the construction sector fluctuated during the 2014-2020 period with the highest growth in 2015 of 6.81 percent and the lowest in 2020 of -0.74 percent. To increase the rate of economic growth, the local government of Deli Serdang Regency seeks to accelerate infrastructure development which is one of the supporting factors in improving community welfare and increasing regional competitiveness. Local governments continue to improve the construction of various facilities and infrastructure, one of which is roads and bridges. With the construction of these facilities will be able to help the mobility of the population in meeting their needs. The availability of proper roads and bridges will connect public services easily and industrial activities more easily distribute the goods/services produced to consumers.

d. Sector Provision of Accommodation and Food and Drink

The accommodation and food and drink provision sector is a sector that has a fairly high growth during the 2014-2020 period with an average growth of 5.42 percent. Growth in this sector fluctuated with the highest growth occurring in 2018 at 8.90 percent and the lowest growth occurring in 2020 at -8.46 percent. In 2016-2019 this sector recorded the highest growth compared to other sectors, but in 2020 it experienced a contraction, this happened as a result of the covid-19 pandemic which had quite an effect on this sector. According to the 2016 Economic Census, the number of businesses providing accommodation and food and drink was 28,528 businesses which absorbed 44,849 workers. This business field has the potential to be developed in Deli Serdang considering that this area is a buffer for the city of Medan and continues to develop, especially in Percut Sei Tuan, Tanjung Morawa and Sunggal sub-districts because it is directly adjacent to Medan.

4.3 Strategy, Policy Direction and Regional Development Program
a. Deli Serdang Regency's Strategy and Policy Direction

The direction of development policies for the next 5 (five) years is prioritized to policies that directly touch the community's needs for public services and community empowerment as development actors to be able to optimize regional potential as a locomotive for community welfare with policy directions that are focused on: 1. Advancing and strengthening the education sector , health, and infrastructure; 2. Increasing economic growth and community income through community empowerment, trade and services, agriculture, industry, as well as creating business opportunities and employment opportunities; and 3. Realizing Deli Serdang Regency as a safe and comfortable destination, a smart, religious and competitive city, providing convenience and legal certainty in investing and upholding cultural values and local wisdom.

The formulations of the Deli Serdang Regency RPJMD policy directions for 2019-2024 are respectively explained as follows: 1. First year development policy direction (2020), 2. Second year development policy direction (2021), 3. Third year development policy direction (2022) , 4. The direction of the fourth year of development policy (2023), 5. The direction of the fifth year of development policy (2024).

b. Regional Policy Direction

Strategic areas for economic growth, which will be developed in Deli Serdang Regency, include:

1) Areas that have fast-growing potential are sub-districts that are designated as Industrial Estates in Deli Serdang Regency, including: a) Industrial Estates in Percut Sei Tuan District: KIM II, KIM III and KIDS; b) Industrial Estate in Tanjung Morawa District; c) Silver Overlay Industrial Estate, in the Silver Hamparan District; d) Industrial Estate in Labuhan Deli District; e) Industrial Estate in Patumbak District; and f) Industrial Estate in Sunggal District.
2) Socio-Cultural Strategic Area.
3) Strategic Areas for Environmental Carrying Capacity

V. Conclusion

1) Based on Location Quotient (LQ) analysis, there are 5 (five) base sectors, Dynamic Location Quotient (DLQ) analysis results are 10 (ten) base sectors, Shift Share analysis results show that there are 10 (ten) sectors which are competitive sectors or have competitiveness or have a positive differential shift value. The Klassen Typology analysis results show that there are 5 (five) mainstay sectors.
2) Based on the calculation results of the four analytical tools, namely LQ, DLQ, Shift Share and Klassen Typology, it shows that the leading sector is the manufacturing sector; electricity and gas procurement sector, construction sector; and the sector of providing accommodation and food and drink.
3) Based on the source of Deli Serdang's economic growth from 2014-2020 the manufacturing sector is the leading sector that contributes the highest to Deli Serdang's economic growth.

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