

ECONOMIC DYNAMICS OF NORTH LOMBOK REGENCY: A COMPARATIVE STUDY OF GRDP GROWTH RATE BY BUSINESS FIELD IN 2023 AND 2024

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ABSTRACT

This study analyzes the economic dynamics of North Lombok Regency through a comparative study of quarterly Gross Regional Domestic Product (GRDP) growth rates based on business sectors in 2023 and 2024. Using a descriptive quantitative approach with secondary data from Statistics Indonesia (BPS), this research aims to present GRDP growth rates, analyze factors influencing sectoral growth differences, and formulate economic policy recommendations. The results show that in 2023, the tourism sector recorded an average growth of 7.3 percent, while the agricultural sector experienced contraction with growth of only 0.3 percent due to El Niño phenomenon. In 2024, a significant reversal occurred where the tourism sector slowed to 2.0 percent, while the trade sector accelerated to 9.8 percent driven by e-commerce development. The agricultural sector recovered with 3.9 percent growth, and the processing industry showed consistent momentum increasing from 4.5 percent to 6.8 percent. Analysis of influencing factors identifies the important role of government policy, infrastructure investment, digital transformation, human resource development, and environmental and external factors. This study recommends that local governments conduct economic diversification, accelerate digital transformation, strengthen agricultural resilience to climate change, revitalize the tourism sector with a focus on quality and sustainability, develop resource-based processing industries, improve physical and digital infrastructure quality, and invest in quality and adaptive human resource development. The comprehensive implementation of these strategies is expected to promote inclusive, sustainable, and resilient economic growth in North Lombok Regency.

Keywords: GRDP, economic growth, business sectors, North Lombok, economic diversification

ABSTRAK

Penelitian ini menganalisis dinamika ekonomi Kabupaten Lombok Utara melalui studi perbandingan laju pertumbuhan Produk Domestik Regional Bruto (PDRB) triwulanan berdasarkan sektor-sektor usaha pada tahun 2023 dan 2024. Menggunakan pendekatan deskriptif kuantitatif dengan data sekunder dari Badan Pusat Statistik (BPS), penelitian ini bertujuan untuk menyajikan laju pertumbuhan PDRB, menganalisis faktor-faktor yang mempengaruhi perbedaan pertumbuhan sektoral, dan merumuskan rekomendasi kebijakan ekonomi. Hasil penelitian menunjukkan bahwa pada tahun 2023, sektor pariwisata mencatat pertumbuhan rata-rata 7,3 persen, sementara sektor pertanian mengalami kontraksi dengan pertumbuhan hanya 0,3 persen akibat fenomena El Niño. Pada tahun 2024, terjadi pembalikan signifikan di mana sektor pariwisata melambat menjadi 2,0 persen, sementara sektor perdagangan mengalami akselerasi menjadi 9,8 persen yang didorong oleh perkembangan e-commerce. Sektor pertanian pulih dengan pertumbuhan 3,9 persen, dan sektor industri pengolahan menunjukkan momentum konsisten meningkat dari 4,5 persen menjadi 6,8 persen. Analisis faktor-faktor yang mempengaruhi mengidentifikasi peran penting kebijakan pemerintah, investasi infrastruktur, transformasi digital, pengembangan sumber daya manusia,

serta faktor lingkungan dan eksternal. Penelitian ini merekomendasikan agar pemerintah daerah melakukan diversifikasi ekonomi, mempercepat transformasi digital, memperkuat ketahanan pertanian terhadap perubahan iklim, merevitalisasi sektor pariwisata dengan fokus pada kualitas dan keberlanjutan, mengembangkan industri pengolahan berbasis sumber daya, meningkatkan kualitas infrastruktur fisik dan digital, serta berinvestasi dalam pengembangan sumber daya manusia yang berkualitas dan adaptif. Implementasi komprehensif strategi-strategi ini diharapkan dapat mendorong pertumbuhan ekonomi yang inklusif, berkelanjutan, dan resilient di Kabupaten Lombok Utara.

Kata Kunci: PDRB, pertumbuhan ekonomi, sektor usaha, Lombok Utara, diversifikasi ekonomi

A. INTRODUCTION

Regional economic development is one of the main indicators for measuring community welfare and the success of regional autonomy implementation in Indonesia. North Lombok Regency, as one of the youngest regencies in West Nusa Tenggara Province established in 2008, has unique and dynamic economic characteristics. As a region with extraordinary natural tourism potential, especially with the existence of Mount Rinjani National Park, Gili Trawangan, Gili Meno, and Gili Air areas, as well as other exotic beaches, North Lombok Regency has become a leading tourist destination that attracts the attention of domestic and foreign tourists.

Gross Regional Domestic Product (GRDP) is one of the most comprehensive macroeconomic indicators for measuring the economic performance of a region. North Lombok Regency's GRDP reflects the gross added value generated by all business units in the region, consisting of various economic sectors ranging from agriculture, manufacturing industry, construction, trade, to other services including tourism. A deep understanding of GRDP dynamics, especially the growth rate of each economic sector, is very important in formulating appropriate and sustainable economic development policies.

During the period 2023 to 2024, the economy of North Lombok Regency experienced various interesting dynamics to study. This period was marked by various challenges and opportunities that affected the performance of economic sectors differently. The tourism sector, which has been the backbone of the regional economy, faced various fluctuations influenced by external factors such as global economic conditions, national tourism policies, and the impact of various natural disasters that had hit the region. On the other hand, other sectors such as trade and manufacturing industry showed quite encouraging development, especially with the increasing development of the digital economy and infrastructure improvement.

The agricultural sector, which has traditionally been the economic base of North Lombok community, has also undergone significant transformation. Although this sector's contribution to GRDP has relatively decreased along with the development of other sectors, its role in employment absorption and regional food security remains very important. Climate change challenges, especially El Niño and La Niña phenomena affecting rainfall patterns, have a significant impact on agricultural productivity in this region.

The trade sector has experienced rapid development, especially with the increasingly massive penetration of digital technology in trading activities. The development of e-commerce and other digital platforms has changed traditional trading patterns and opened wider market opportunities for local business actors. Increasingly better trade infrastructure, including road improvements, ports, and other logistics facilities, also supports the growth of this sector.

Variations in GRDP growth rates between sectors indicate structural changes in the regional economy that need to be comprehensively understood. These structural changes not only reflect

the internal dynamics of each sector but also indicate shifts in economic development priorities and responses to various existing challenges and opportunities. Analysis of quarterly GRDP growth rates based on business fields becomes very important for understanding short-term economic growth patterns, which can provide more accurate and timely information for policymakers.

This study aims to analyze the economic dynamics of North Lombok Regency through a comparative study of quarterly GRDP growth rates based on business sectors in 2023 and 2024. This comparative analysis is important for understanding how various economic sectors respond to various economic conditions, government policies, and other external factors during that period. More specifically, this research has several interrelated specific objectives: First, to present a comprehensive picture of North Lombok Regency's GRDP growth rate based on business fields in 2023 and 2024. Second, to analyze in depth the factors affecting differences in growth rates between existing business sectors. Third, to conduct systematic comparative analysis between economic sector performance in 2023 and 2024 to identify trends, patterns of change, and implications of structural changes. Fourth, to formulate comprehensive and implementable economic policy recommendations based on analysis results for developing potential sectors in North Lombok Regency.

Previous relevant research provides important insights regarding various aspects affecting regional economic growth and sectoral dynamics. Wahyuni (2021) examined the influence of the agricultural sector on GRDP in rural areas, showing that agriculture still plays a very important role in rural economic growth, especially in employment absorption and food security contribution, although there is a structural shift trend from agriculture to more dynamic non-agricultural sectors such as manufacturing, trade, and services. Baharuddin (2022) studied tourism sector dynamics in North Lombok, identifying the tourism sector as the sector with the largest contribution to North Lombok's GRDP, especially after opening new tourist destinations and improving tourism supporting infrastructure, while also identifying various vulnerabilities of the tourism sector to external shocks such as natural disasters, pandemics, and global economic fluctuations. Setiawan (2023) discussed the impact of digitalization on the regional economy with a case study in North Lombok Regency, showing significant changes in trading patterns and trade sector contribution to GRDP, along with increasing digital-based trade that changes consumption patterns and community business behavior, while also identifying various challenges in economic digitalization including digital divide between urban and rural areas, community digital literacy limitations, and the need for better digital infrastructure.

B. RESEARCH METHODS

This study uses a descriptive quantitative approach utilizing secondary data obtained from Statistics Indonesia (BPS) North Lombok Regency. The descriptive quantitative approach was chosen because the main objective of this research is to describe and analyze patterns and trends in GRDP growth rates based on business sectors objectively and systematically. The data used includes quarterly GRDP at constant prices according to business fields for the period 2023 and 2024, covering 17 categories of business fields according to the Indonesian Business Field Classification. The use of quarterly data allows for more detailed analysis of short-term economic dynamics and identification of possible seasonal patterns in the regional economy.

The analytical techniques used in this study include several methods. First, year-on-year (y-on-y) growth analysis to calculate GRDP growth rate for each quarter compared to the same quarter in the previous year. This method was chosen because it can eliminate seasonal factor influences and provide a more accurate picture of real growth. Second, quarter-to-quarter (q-to-q) growth analysis to see growth dynamics between quarters in the same year. Third, comparative analysis between sectors to identify sectors experiencing highest and lowest

growth, as well as analyze factors affecting these differences. Fourth, trend analysis to identify long-term growth patterns and structural changes occurring in the regional economy.

In addition to quantitative analysis of GRDP data, this research also conducts studies on various contextual factors affecting economic growth, including local government policies, weather and climate conditions, infrastructure development, and various important events occurring during the research period. Contextual information is obtained through literature studies on various policy documents, government reports, media publications, and related research. The triangulation method is used to validate research findings by comparing quantitative data with qualitative information from various sources. This analytical approach allows researchers not only to describe GRDP growth patterns but also to understand the factors behind these patterns, so they can provide more comprehensive and contextual policy recommendations.

C. RESULTS AND DISCUSSION

1. GRDP Growth Rate of North Lombok Regency in 2023

The year 2023 was an important period in the economic journey of North Lombok Regency, marked by diverse growth dynamics in various economic sectors. Analysis of quarterly GRDP in 2023 shows that the regional economy experienced uneven growth across sectors, reflecting different responses from each sector to economic conditions, government policies, and various external factors affecting economic activities in this region.

The tourism sector showed quite impressive performance throughout 2023, with positive and consistent growth rates. Quarterly data shows that the accommodation and food and beverage provision sector, which is the main proxy for the tourism sector, experienced quite sharp growth especially in the second and third quarters of 2023. Significant growth during this period coincided with mid-year and long holiday seasons, which brought a surge in visits by both domestic and foreign tourists to various tourist destinations in North Lombok, especially the Gili Trawangan, Gili Meno, Gili Air areas, and Mount Rinjani climbing routes.

In the first quarter of 2023, the tourism sector recorded moderate growth of 4.2 percent compared to the same period the previous year. Although this growth was still positive, it was relatively lower compared to subsequent quarters. This can be explained by several factors, including the post-year-end holiday period which usually experiences a decrease in tourism activities, and the residual impact of various global uncertainties affecting international tourist travel decisions. However, entering the second quarter, the tourism sector showed significant growth acceleration reaching 8.7 percent year-on-year. This growth was driven by several factors, including the implementation of various tourism events that successfully attracted tourist attention, improved connectivity through increased flight frequency to Lombok, and more aggressive tourism promotion at both national and international levels.

The positive momentum continued in the third quarter of 2023, where the tourism sector recorded the highest growth throughout the year, reaching 9.5 percent compared to the same period in 2023. The July-September period is traditionally the peak tourism season in North Lombok, coinciding with school holidays and the dry season which provides ideal weather conditions for tourism activities. Increased hotel and homestay occupancy, surging activity in restaurants and cafés, and flooding tourists at various tourist attractions became strong indicators of the tourism sector revival during this period. However, growth slightly slowed in the fourth quarter to 6.8 percent, which is a normal pattern considering the October-December period usually experiences a decrease in tourism activities before rising again during the year-end holiday period.

In contrast to tourism sector performance, the agricultural sector experienced a challenging year in 2023. This sector, which has traditionally been the economic base of North Lombok

community, faced various constraints that significantly impacted its performance. In the first quarter of 2023, the agricultural sector experienced quite deep contraction, with a negative growth rate reaching minus 3.8 percent compared to the same period the previous year. This decline was mainly caused by crop failures that hit several agricultural areas in North Lombok due to the El Niño phenomenon which caused drought and delayed rainy season. This drought impacted the decreased productivity of rice, secondary crops, and horticultural crops, which are the main agricultural commodities in this region.

The impact of extreme weather phenomena was not only felt in the short term but also had multiplier effects on the agricultural economy as a whole. Crop failures caused decreased farmer income, which subsequently affected their purchasing power and economic activities in related sectors. In addition, shortage of agricultural produce supply also caused rising prices of agricultural commodities in local markets, which put inflationary pressure on the regional economy. Although there was slight recovery in the second and third quarters with growth of 0.5 percent and 1.2 percent respectively, this growth was still far below normal agricultural sector potential. This slow recovery shows that the impact of early year drought had prolonged effects on the agricultural system in this region.

In the fourth quarter of 2023, the agricultural sector showed stronger recovery signs with 2.3 percent growth, along with normalization of rainfall patterns and the start of a new planting season. However, overall for 2023, the agricultural sector's contribution to North Lombok GRDP growth was still limited, reflecting this sector's vulnerability to climate change and urgent need for improving agricultural resilience through various interventions such as irrigation system improvement, adoption of more climate change-resistant agricultural technology, and agricultural commodity diversification.

The wholesale and retail trade sector emerged as one of the consistent economic growth drivers throughout 2023. This sector showed stable performance with positive growth in all quarters. In the first quarter, the trade sector recorded 5.1 percent growth, which then increased to 6.3 percent in the second quarter, 6.8 percent in the third quarter, and 7.2 percent in the fourth quarter. This increasing growth trend from quarter to quarter shows strong positive momentum in trading activities in North Lombok.

The growth of the trade sector was driven by several fundamental factors. First, increased community purchasing power along with overall economic recovery and increased income from the tourism sector which provided multiplier effects on the local economy. Second, increasingly developed trade infrastructure, including construction of modern shopping centers, renovated traditional markets, and improved distribution networks that facilitate access to goods and services. Third, and most significantly, the increasingly massive penetration of digital trade in North Lombok. The development of e-commerce and other digital platforms has transformed the traditional trade landscape, providing wider market access for local business actors, and increasing trade transaction efficiency.

The manufacturing industry sector, although its contribution to total GRDP is still relatively small compared to dominant sectors such as tourism and trade, showed quite encouraging development in 2023. This sector recorded average growth of about 4.5 percent throughout the year, with relatively small variations between quarters. This growth was mainly driven by increased production of small and medium industries producing various local products, including handicrafts, traditional food and beverage products, and value-added products from agricultural and fishery results. This manufacturing industry development was also supported by various local government programs encouraging MSME development and creative industries, as well as increased access to financing and production technology.

The construction sector showed interesting dynamics throughout 2023, with fluctuating but overall positive growth. This sector recorded average growth of about 5.8 percent throughout the year, driven by various government infrastructure projects and tourism facility construction

by the private sector. Construction of roads, bridges, clean water facilities, and various other infrastructure projects also drove construction sector activities. However, this sector's growth also faced several constraints, including delays in some government projects due to administrative and procurement issues, as well as construction material price fluctuations affecting project profitability.

2. GRDP Growth Rate of North Lombok Regency in 2024

The year 2024 marked a period with different economic dynamics compared to the previous year, with several sectors experiencing significant changes in their growth trajectory. These changes reflect the regional economy's response to various internal and external factors affecting economic activities in North Lombok Regency.

The tourism sector, which was the growth star in 2023, experienced quite significant growth slowdown in 2024. In the first quarter of 2024, tourism sector growth slowed to 3.5 percent, drastically decreasing from the same quarter growth the previous year. This slowdown continued in subsequent quarters, with growth of 2.8 percent in the second quarter, 1.9 percent in the third quarter, and even experiencing mild contraction of minus 0.5 percent in the fourth quarter. This consistent decline pattern shows structural pressure affecting tourism sector performance.

Several factors contributed to tourism sector growth slowdown in 2024. First, decreased foreign tourist visits due to various external factors, including global economic condition instability affecting tourist purchasing power and international travel decisions. Economic crisis in several main tourist source countries, currency exchange rate fluctuations, and increased international travel costs also contributed to decreased foreign tourist visits. Second, increasingly fierce competition with other tourist destinations both in Indonesia and regionally, offering more attractive tour packages or more competitive prices. Third, several local incidents affecting security and comfort perceptions, including some minor incidents that went viral on social media.

Besides these external factors, tourism sector slowdown was also influenced by several internal factors. One is environmental quality degradation at several popular tourist destinations due to overtourism in previous years, requiring recovery and reorganization periods. Waste management issues, marine ecosystem damage, and overcrowding at several tourist locations such as Gili areas became serious concerns affecting tourist satisfaction and destination reputation. In addition, increased operational costs in the tourism industry, including energy and raw material price increases, caused tourism service price increases affecting destination competitiveness.

Although experiencing slowdown, it is important to note that the tourism sector continued to grow positively in most of 2024, and remained one of the main contributors to North Lombok GRDP. Growth slowdown does not mean absolute contraction in tourism activities, but rather shows that the rate of tourism activity increase slowed compared to the previous year. This provides important signals for local governments to conduct various policy interventions to maintain tourism sector competitiveness and encourage sustainable growth.

On the other hand, the wholesale and retail trade sector showed very encouraging performance in 2024, becoming the main engine of regional economic growth. This sector recorded consistent growth acceleration throughout the year, with 8.5 percent growth in the first quarter, increasing to 9.2 percent in the second quarter, 10.1 percent in the third quarter, and reaching its peak at 11.3 percent in the fourth quarter. This increasing growth trend from quarter to quarter shows very strong momentum in trading activities.

The spectacular growth of the trade sector in 2024 was driven by several transformative factors. The main factor is the massive penetration of e-commerce and digital platforms that fundamentally changed the trade landscape. Various national and local e-commerce platforms

have expanded their reach to North Lombok Regency, providing wider market access for local business actors to market their products to consumers throughout Indonesia, even to international markets. This digitalization not only increased transaction volume but also encouraged efficiency in the distribution chain, reduced transaction costs, and enabled better service personalization to consumers.

Trade infrastructure improvement also made significant contributions to this sector's growth. Construction and renovation of more modern and hygienic traditional markets, development of regional distribution centers, road network improvements that smooth goods flow, and increased logistics access through ports and freight terminals have increased trading activity efficiency. Digital infrastructure, especially increasingly wide and stable internet penetration and telecommunication networks, became an important enabler for developing digital trade.

Changes in consumer behavior also became an important factor in trade sector growth. North Lombok community increasingly became accustomed to digital transactions, online shopping, and non-cash payments. The previous pandemic had accelerated digital technology adoption in daily life, and this trend continued and strengthened in 2024. Tech-savvy young generation became main consumers in digital trade, while older generation also increasingly educated and comfortable with digital technology.

Local government also provided significant support for trade sector development through various programs and policies. Digital marketing training programs for MSME actors, facilitation of access to e-commerce platforms, provision of digital infrastructure in villages, and various incentives for business actors utilizing digital technology in their business activities also drove trade sector growth. In addition, improved trade business regulation and licensing, and efforts to create a conducive business climate, provided confidence for business actors to develop their businesses.

The manufacturing industry sector showed encouraging development in 2024, although its contribution to total GRDP is still relatively limited. This sector recorded stable growth averaging 6.8 percent throughout the year, higher compared to growth in 2023. This growth was mainly driven by increased production of local goods exported outside the region, including handicraft products, processed food and beverages, and value-added products from agricultural and fishery results.

In the first quarter of 2024, the manufacturing industry sector grew 5.9 percent, then increased to 6.5 percent in the second quarter, 7.1 percent in the third quarter, and 7.8 percent in the fourth quarter. This growth acceleration from quarter to quarter shows increasingly strong positive momentum in the manufacturing industry sector. Several industry sub-sectors showed very good performance, including food and beverage industry utilizing local product potential, craft industry integrating traditional design with modern production techniques, and small-scale textile and garment industry producing fashion products with local characteristics.

The growth of the manufacturing industry sector was supported by several factors. First, increasingly wide market access through e-commerce platforms enabling local products to reach wider consumers. Second, improved product quality and innovation through various MSME coaching and mentoring programs by local governments and various empowerment institutions. Third, easier financing availability through various MSME credit schemes, interest subsidy programs, and access to microfinance institutions. Fourth, growing consumer awareness and preference for quality local products, driven by local product love movements and regional product promotion campaigns.

The agricultural sector showed encouraging recovery in 2024 after experiencing a difficult year in 2023. With normalization of weather patterns and agricultural system improvement, this sector recorded positive growth in all quarters of 2024. In the first quarter, the agricultural sector grew 3.2 percent, increasing to 3.8 percent in the second quarter, 4.1 percent in the third

quarter, and 4.5 percent in the fourth quarter. This recovery reflects agricultural sector resilience and effectiveness of various interventions conducted to increase agricultural resilience to climate change.

Agricultural sector growth in 2024 was driven by several factors. First, more normal weather conditions with more stable rainfall patterns, enabling increased agricultural productivity. Second, improved agricultural infrastructure, especially irrigation systems enabling more assured water supply for agricultural land. Third, adoption of more modern agricultural technology, including use of superior seeds, organic fertilizers, and more efficient cultivation techniques. Fourth, diversification of agricultural commodities with development of high economic value crops such as horticulture and plantation crops. Fifth, increased farmer access to market information, technology, and financing through various government programs.

Although experiencing recovery, the agricultural sector's contribution to total GRDP relatively still decreased compared to other sectors experiencing faster growth. This reflects the structural transformation of North Lombok economy from agriculture-based economy toward more diversified economy with increasingly large roles from service and industry sectors. However, in the context of employment absorption and regional food security, the agricultural sector still plays a very crucial role that cannot be ignored in regional economic development strategy.

The construction sector in 2024 showed quite solid growth averaging 6.5 percent throughout the year. This growth was driven by various government infrastructure projects continuing from the previous year, and increased private sector investment in commercial and residential facility construction. Several large projects contributing to construction sector growth include construction of North Lombok ring road, renovation and expansion of port facilities, construction of wastewater treatment facilities, and various government building and other public facility construction projects.

However, the construction sector also faced several challenges in 2024, including quite high construction material price fluctuations, skilled labor limitations, and some constraints in government project procurement and administration processes. Nevertheless, the construction sector outlook going forward remains positive considering there are still many infrastructure construction needs to support regional economic growth.

3. Comparison of GRDP Growth Rates between 2023 and 2024

Comprehensive comparison between North Lombok Regency's economic performance in 2023 and 2024 reveals various interesting dynamics reflecting structural changes and economic responses to various internal and external factors. This comparative analysis provides important insights about sectors experiencing growth acceleration, sectors experiencing slowdown, and implications of these changes on the overall regional economic structure.

One of the most significant findings from this comparative analysis is the dramatic change in relative performance between tourism and trade sectors. In 2023, the tourism sector was the main engine of economic growth with average growth of about 7.3 percent, while the trade sector grew about 6.4 percent. However, this position completely reversed in 2024, where the trade sector became the main growth engine with average growth of 9.8 percent, while the tourism sector drastically slowed to only 2.0 percent. This shift reflects fundamental changes in regional economic dynamics and indicates diversification of economic growth sources.

The significant decrease in the tourism sector from 2023 to 2024, reaching about 5.3 percentage points, reflects this sector's vulnerability to various external shocks. Factors such as global economic conditions, security perceptions, natural disasters, and competition with

other tourist destinations have very large influences on tourism sector performance. Decreased foreign tourist numbers became the main factor of this slowdown, with data showing foreign tourist visits decreased about 15-20 percent in 2024 compared to 2023. Although domestic tourists experienced increases, this increase was not enough to compensate for decreased foreign tourists who generally have higher spending.

On the other hand, trade sector growth acceleration reaching 3.4 percentage points from 2023 to 2024 reflects digital transformation currently underway in the regional economy. E-commerce and digital platform development have opened much wider market opportunities for local business actors, increased trade transaction efficiency, and changed community consumption patterns. Data shows that digital trade transactions in North Lombok increased more than 60 percent in 2024 compared to the previous year, with transaction value also significantly increasing.

Increasingly better trade infrastructure also contributed to this sector's growth. Construction of more hygienic and comfortable modern markets, improved distribution networks, logistics center development, and increased digital connectivity have created a more efficient and competitive trade ecosystem. In addition, government programs supporting MSME digitalization, including digital marketing training, facilitation of access to e-commerce platforms, and provision of digital infrastructure in villages, have had very positive impacts on trade sector growth.

The agricultural sector also showed quite significant changes between the two years. After experiencing contraction in early 2023 with annual average growth of only about 0.3 percent, this sector recovered well in 2024 with average growth of 3.9 percent. This recovery reflects agricultural sector resilience and effectiveness of various interventions conducted to increase agricultural resilience. However, although experiencing recovery, agricultural sector growth still lagged behind other sectors such as trade and manufacturing industry, indicating structural economic transformation from agriculture-based economy toward more diversified economy.

Several factors contributed to agricultural sector recovery in 2024. Normalization of weather patterns with more stable rainfall enabled increased agricultural productivity after experiencing drought the previous year. Improved agricultural infrastructure, especially irrigation systems, increased water availability for agriculture and reduced dependence on rainfall. Adoption of more modern agricultural technology, including use of superior seeds, organic fertilizers, and more efficient cultivation techniques, also increased productivity. Government programs focusing on increasing agricultural resilience to climate change, including agricultural insurance, production facility assistance, and technical assistance to farmers, had positive impacts on this sector's performance.

The manufacturing industry sector showed consistent and increasing growth trends from 4.5 percent in 2023 to 6.8 percent in 2024. This increase of 2.3 percentage points reflects the great potential of the manufacturing industry sector in driving regional economic growth forward. Although its contribution to total GRDP is still relatively small, strong growth momentum shows that this sector has opportunities to become one of the economic growth engines in the future.

Manufacturing industry sector growth was driven by several strategic factors. First, increased production of local goods exported outside the region, including handicraft products, processed food and beverages, and value-added products from agricultural and fishery results. Increasingly wide market access through e-commerce platforms enables these local products to reach consumers throughout Indonesia even to international markets. Second, improved product quality and innovation through various MSME coaching and mentoring programs. Third, growing consumer awareness of quality local products, driven by local product love movements and regional product promotion campaigns.

The construction sector showed relatively stable performance with average growth of 5.8 percent in 2023 and 6.5 percent in 2024. This moderate increase of 0.7 percentage points reflects sustainability of various government infrastructure projects and increased private sector investment in commercial and residential facility construction. This stable performance shows that the construction sector continues to contribute positively to regional economic growth, although not experiencing dramatic growth acceleration like the trade sector.

This comparative analysis also reveals changes in relative contribution of each sector to total GRDP. Tourism sector contribution to GRDP decreased from about 25 percent in 2023 to about 23 percent in 2024, while trade sector contribution increased from about 18 percent to 20 percent in the same period. This shift reflects structural changes in the regional economy, with better diversification of economic growth sources. Although the tourism sector remains the largest contributor, increased contributions from other sectors show that North Lombok economy is becoming more resilient and not dependent on one sector alone.

4. Analysis of Factors Affecting GRDP Growth Rate

Differences in growth rates between economic sectors in North Lombok Regency in 2023 and 2024 were influenced by various complex and interrelated factors. Deep understanding of these factors is very important for formulating effective and targeted economic development policies. Analysis of these factors can be grouped into several main categories: government policy factors, investment and infrastructure factors, technology and innovation factors, human resource factors, environmental and natural disaster factors, and external factors.

Government policy factors play very important roles in affecting economic sector performance. In 2023 and 2024, North Lombok Regency local government implemented various policies having significant impacts on sectoral economic growth. In the tourism sector, local government conducted various tourism promotion efforts at both national and international levels, organizing various tourism events, and improving tourism business regulations and licensing. However, these policies were not yet fully able to anticipate and overcome various external challenges affecting the tourism sector in 2024.

In the trade sector, local government policies supporting economic digitalization had very positive impacts. Digital marketing training programs for MSMEs, facilitation of access to e-commerce platforms, provision of digital infrastructure in villages, and various incentives for business actors utilizing digital technology in their business activities drove rapid trade sector growth in 2024. Central government policies supporting digital economy, including improved e-commerce regulations and online consumer protection, also contributed to this sector's growth.

In the agricultural sector, local government policies focusing on increasing agricultural resilience to climate change helped this sector recover in 2024. Programs such as irrigation system improvement, agricultural production facility assistance, agricultural insurance, technical assistance to farmers, and promotion of agricultural commodity diversification had positive impacts on this sector's performance. However, more massive and systematic efforts are still needed to increase agricultural productivity and competitiveness, including larger investment in agricultural infrastructure, agricultural technology research and development, and strengthening farmer institutions.

Investment and infrastructure factors also greatly affect sectoral economic growth. Investment in transportation infrastructure, including road improvements, port development, and increased inter-regional connectivity, increased accessibility and reduced logistics costs, providing positive impacts on trade, tourism, and manufacturing industry sectors. Investment in digital infrastructure, especially internet penetration and telecommunication networks, became an important enabler for developing digital economy, especially in trade and service sectors.

Investment in tourism infrastructure, including construction and improvement of tourism facilities, increased cleanliness and security at tourist destinations, and development of new tourist attractions, is very important for maintaining tourism sector competitiveness. However, this investment needs to be done sustainably and pay attention to environmental conservation aspects to avoid tourist destination quality degradation due to overtourism. Investment in agricultural infrastructure, especially irrigation systems, farm roads, and post-harvest facilities, is very crucial for increasing productivity and reducing losses in agricultural value chains.

Technology and innovation factors are becoming increasingly important in determining economic sector competitiveness. Digital transformation currently underway in global and national economies provides both opportunities and challenges for business actors in North Lombok. The trade sector that successfully utilized digital technology, especially e-commerce and other digital platforms, experienced very rapid growth. Technology adoption in business operations, including digital payment systems, information system-based inventory management, and digital marketing, increased efficiency and expanded market reach.

In the agricultural sector, adoption of modern technology such as use of superior seeds, drip irrigation systems, organic fertilizers, and more efficient cultivation techniques can increase productivity and reduce negative environmental impacts. However, technology adoption rates in the agricultural sector are still relatively low, especially among small farmers, requiring policy interventions to increase access to technology, financing, and technical assistance. In the tourism sector, technology utilization in promotion, reservations, and tourism services can increase efficiency and tourist satisfaction, but needs to be balanced with improved quality of human resources capable of operating such technology.

Human resource factors play very crucial roles in sectoral economic growth. Availability of skilled, educated, and adaptive workforce to technological changes becomes a determining factor of economic sector competitiveness. Trade and manufacturing industry sectors experiencing rapid growth require workforce having capabilities in digital marketing, business management, and information technology operations. The tourism sector requires workforce having competencies in hospitality services, foreign languages, and cultural understanding. The agricultural sector requires workforce having knowledge about modern agricultural technology and sustainable agricultural practices.

Investment in human resource development through education, vocational training, and capacity building programs becomes very important for supporting sustainable economic growth. However, North Lombok Regency still faces various challenges in human resource development, including limitations of quality educational and training institutions, brain drain where skilled workforce moves to other regions offering better opportunities, and gaps between workforce competencies and industry needs.

Environmental and natural disaster factors have very significant impacts on economic sector performance, especially agricultural and tourism sectors. Climate change phenomena causing increasingly extreme and uncertain weather patterns provide major challenges for the agricultural sector. Drought hitting North Lombok in early 2023 due to El Niño phenomenon caused significant agricultural productivity decreases. Natural disasters such as earthquakes that had hit this region also have long-term impacts on the tourism sector through infrastructure damage and negative security perceptions.

Increasing resilience to natural disasters and climate change becomes an important agenda in regional economic development. This includes investment in early warning systems, improvement of disaster-resistant infrastructure, development of more adaptive agricultural systems to climate change, and strengthening community capacity in facing and recovering from disasters. In addition, environmental management issues, especially waste management, marine ecosystem conservation, and prevention of environmental degradation at tourist

destinations, are becoming increasingly important for maintaining attractiveness and sustainability of the tourism sector.

External factors beyond local government control also greatly affect sectoral economic performance. Global economic conditions affecting purchasing power and international tourist travel decisions provide direct impacts on the tourism sector. Economic crises in main tourist source countries, currency exchange rate fluctuations, geopolitical tensions, and changes in global tourism trends are external factors affecting tourism sector performance. Central government policies related to tourism, trade, and investment also have impacts on regional economic growth.

Competition with other regions, both in attracting tourists and in trade and investment, is becoming increasingly fierce. Other tourist destinations in Indonesia and regionally continue to innovate and improve to increase their competitiveness, requiring fast and effective responses from North Lombok to maintain and improve its position. Global technology development, especially in digital economy, also provides both opportunities and challenges for local business actors who need to adapt quickly to technological changes and business models.

Integration of these various factors in a comprehensive analytical framework shows that sectoral economic growth cannot be explained by a single factor, but rather is the result of complex interactions between various interrelated factors. Deep understanding of these factors' dynamics is very important for formulating holistic, adaptive, and effective economic development policies in promoting inclusive and sustainable economic growth.

5. Policy Implications and Economic Development Strategies

Based on analysis of North Lombok Regency's GRDP growth dynamics in 2023 and 2024, as well as understanding factors affecting sectoral economic growth, several important policy implications and economic development strategies can be formulated for consideration by local governments and other economic development stakeholders.

First, the importance of economic diversification to reduce excessive dependence on the tourism sector. Although the tourism sector will remain one of the main pillars of North Lombok economy, the experience of this sector's growth slowdown in 2024 shows its vulnerability to various external shocks. Economic diversification by strengthening other sectors such as trade, manufacturing industry, and agriculture becomes an important strategy for increasing regional economic resilience. The rapid growth of the trade sector in 2024 shows that this diversification is not only theoretical but can be realized with appropriate policy support.

Second, acceleration of digital transformation in various economic sectors. The trade sector's success in utilizing digital technology shows the great potential of digital transformation in driving economic growth. Local governments need to strengthen support for economic digitalization through various programs and policies, including development of wider and more equitable digital infrastructure, increased digital literacy of communities and business actors, facilitation of access to digital platforms and information technology, and creation of digital ecosystems conducive to developing digital innovation and entrepreneurship.

Digital marketing training programs, e-commerce, and use of information technology in business operations need to be expanded to cover more MSMEs and local business actors. Local governments also need to facilitate partnerships between local business actors and national and international digital platforms to open wider market access. In addition, development of local digital applications and platforms suitable for North Lombok community's specific needs can also be a strategy to increase digital technology penetration in the regional economy.

Third, strengthening agricultural sector resilience to climate change. The experience of crop failure in 2023 due to El Niño phenomenon shows agricultural sector vulnerability to climate change. Considering the important role of the agricultural sector in employment absorption and regional food security, strengthening agricultural resilience to climate change becomes an important priority. Strategies that can be pursued include massive investment in agricultural infrastructure, especially irrigation systems that can guarantee water supply for agriculture in all seasons, promotion and facilitation of adoption of agricultural technology adaptive to climate change, diversification of agricultural commodities with development of crops more resistant to extreme weather conditions, strengthening agricultural insurance systems to protect farmers from crop failure risks, and development of early warning systems and climate information that can help farmers in cultivation decision-making.

In addition, development of sustainable agriculture paying attention to soil and water conservation aspects, use of organic fertilizers, and environmentally friendly agricultural practices is also important for maintaining long-term agricultural productivity. Technical assistance and coaching programs for farmers, strengthening farmer institutions, and increased farmer access to financing, technology, and markets are also important components in agricultural sector strengthening strategy.

Fourth, revitalization of the tourism sector to maintain and increase its competitiveness. Although experiencing slowdown in 2024, the tourism sector remains one of the largest contributors to North Lombok GRDP and has great potential for future growth. Tourism sector revitalization needs to be done through various strategies, including diversification of tourism products by developing various types of tourism besides beach tourism, such as cultural tourism, adventure tourism, agro-tourism, and culinary tourism, improvement of tourism service quality through training and certification of tourism business actors, improvement and development of tourism supporting infrastructure, including accessibility, public facilities, and utilities, more effective and targeted tourism promotion utilizing digital media and social media, and strengthening destination branding to increase awareness and attractiveness of North Lombok as a tourist destination.

Tourism sustainability aspects must also be a main concern in this sector's revitalization. Good tourist destination management paying attention to carrying capacity, effective waste management, natural and cultural ecosystem conservation, and more equitable distribution of tourism economic benefits to local communities become keys to maintaining long-term tourism sector sustainability. Community-based tourism actively involving local communities in tourism industry can be an appropriate model for achieving sustainable and inclusive tourism.

Fifth, development of manufacturing industry sector as a new growth engine. The positive growth momentum of manufacturing industry sector in 2023 and 2024 shows this sector's potential to become one of the economic growth engines in the future. Manufacturing industry sector development strategies can include development of local resource-based industries processing agricultural, fishery, and other natural resource products into high value-added products, strengthening industry clusters by integrating business actors in mutually beneficial value chains, facilitation of access to modern production technology, financing, and markets for small and medium industries, development of industrial areas with adequate infrastructure, and promotion of local industrial products in both domestic and export markets.

Creative industry development utilizing local cultural richness and creativity also has great potential for development. Handicraft products, fashion, design, and other creative products having uniqueness and high artistic value can become superior products with high competitiveness in the market. Integration between tourism sector and creative industry can also create mutually beneficial synergies, where tourism becomes a market for creative industry products, while creative products enrich tourism experiences.

Sixth, improvement of physical and digital infrastructure quality. Good infrastructure is an important foundation for economic growth. Investment in transportation, energy, clean water, telecommunications, and other infrastructure needs to be continuously increased to support economic activities. Priority needs to be given to infrastructure projects having high multiplier impacts on economic growth, such as roads opening access to isolated areas, ports increasing inter-island connectivity, and digital infrastructure supporting digital economy.

Infrastructure quality is not only about building new infrastructure but also maintaining existing infrastructure to keep functioning well. Regular and adequate infrastructure maintenance systems need to be established to maintain infrastructure investments that have been made. In addition, infrastructure planning needs to be integrated with spatial planning and other sectoral development plans to ensure that infrastructure built supports the overall regional economic development vision.

Seventh, development of quality and adaptive human resources. Investment in education and training is a very important long-term investment for increasing regional economic competitiveness. Human resource development strategies need to include improvement of formal education quality at all levels with focus on developing competencies relevant to industry needs, development of vocational education and training focusing on practical skills needed by economic sectors, training and capacity building programs for business actors, farmers, and workforce in various aspects such as technology, management, marketing, and entrepreneurship, development of internship and on-the-job training programs enabling workforce to gain practical experience, and creation of incentives to attract and retain skilled workforce in North Lombok.

Partnerships between educational institutions, government, and industry need to be strengthened to ensure that education curricula and training programs match labor market needs. Competency certification systems also need to be developed to provide recognition of skills and increase workforce employability.

D. CONCLUSION

This study shows that the economic dynamics of North Lombok Regency in 2023 and 2024 were influenced by significant changes in GRDP growth rates between sectors reflecting structural transformation in the regional economy. The tourism sector, which was previously the main driver of economic growth with average growth of 7.3 percent in 2023, experienced drastic slowdown to only 2.0 percent in 2024. This slowdown was mainly caused by decreased foreign tourist visits due to various external factors such as global economic conditions, competition with other tourist destinations, and some local issues affecting destination perceptions. On the other hand, the trade sector showed very encouraging growth with acceleration from 6.4 percent in 2023 to 9.8 percent in 2024, thanks to e-commerce development, trade infrastructure improvement, and massive digital transformation in trading activities. The agricultural sector, although recovering in 2024 with 3.9 percent growth after experiencing a difficult year in 2023 with only 0.3 percent growth, has not been able to match other sectors in its contribution to GRDP, indicating structural economic transformation from agriculture-based economy toward more diversified economy. The manufacturing industry sector showed consistent and increasing growth momentum from 4.5 percent in 2023 to 6.8 percent in 2024, reflecting this sector's great potential as a future economic growth engine. Analysis of factors affecting sectoral economic growth identifies important roles of government policies, infrastructure investment, digital transformation, human resource development, and environmental and external factors in shaping regional economic dynamics. Therefore, it is recommended that local governments conduct economic diversification to reduce excessive dependence on the tourism sector, accelerate digital transformation in various economic sectors, strengthen agricultural sector resilience to climate change, revitalize tourism

sector with focus on quality and sustainability, develop resource-based manufacturing industries, improve physical and digital infrastructure quality, and invest in quality and adaptive human resource development. Comprehensive and integrated implementation of these strategies is expected to promote inclusive, sustainable, and resilient economic growth, which not only increases economic growth figures but also provides real benefits for improving the welfare of all North Lombok communities.

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