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Analysis of Basic Sectors and Economic Dynamics of Makassar City toward South Sulawesi Province (2020–2024)

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Abstract

This study aims to analyze the structure and dynamics of Makassar City's economy in comparison to South Sulawesi Province over the 2020–2024 period. Using a sectoral quantitative approach, the study applies four regional economic analysis tools: Location Quotient (LQ), Dynamic Location Quotient (DLQ), Klassen Typology, and Shift Share Analysis (SSA). The results indicate that several sectors in Makassar, such as Wholesale and Retail Trade, Manufacturing, and Information and Communication, are base sectors with high average LQ values. However, DLQ analysis reveals that only the Accommodation and Food Services sector and the Public Administration sector show promising prospects. Klassen Typology categorizes most sectors as "developed but depressed," indicating strong contributions with underwhelming growth. Shift Share analysis reveals that while many sectors grew positively during the study period, much of this growth is attributed to national trends and sectoral structures, rather than local competitive advantages. Only a few sectors, such as Accommodation and Food Services, Health, and Transportation, exhibit positive competitive shifts. These findings underscore the need for Makassar's development policy to strengthen internal sectoral competitiveness for more sustainable regional growth.

Keywords: Regional Development, Sectoral Analysis, Location Quotient, Klassen Typology, Shift Share Analysis

INTRODUCTION

Regional economic development is an integral component in strengthening national economic resilience and self-sufficiency. In the era of decentralization and regional

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autonomy, local governments are required to independently and sustainably identify and develop the superior economic potential of their regions. This need becomes even more critical in the context of post-COVID-19 economic recovery, which has significantly pressured various economic sectors at both the national and regional levels (Cahyono et al., 2023). Global dynamics laden with uncertainty, including commodity price fluctuations, geopolitical tensions, and climate change challenges, urge regions to develop adaptive economic structures rooted in real sectoral potential. Analyzing the structure and dynamics of the regional economy through a sectoral approach is not only valuable in understanding the economic strengths of a region, but also serves as a foundation for formulating more targeted and effective development policies (Afriyadi et al., 2025).

South Sulawesi Province holds a strategic position as the main economic growth center in Eastern Indonesia. In recent years, its contribution to Sulawesi Island's economic growth has been highly significant. In the third quarter of 2025, BPS recorded Sulawesi as having the highest economic growth rate in the country, with South Sulawesi being the largest contributor at 2.23% (Izzah, 2025). The province's economic structure is relatively balanced between the primary, secondary, and tertiary sectors. Manufacturing, wholesale and retail trade, and agriculture remain the backbone of the province's Gross Regional Domestic Product (GRDP), positioning South Sulawesi not only as the locomotive of regional growth, but also as a key barometer for national development, as reflected in its GRDP data from 2020 to 2024 (Badan Pusat Statistik, 2025b).

Table 1. GRDP at Constant Prices (Base Year 2010) by Industrial Origin in South Sulawesi Province (Billion Rupiah), 2020–2024

Industry	**2020**	**2021**	**2022**	**2023**	**2024**
Agriculture, Forestry & Fish.	66,139.90	70,357.80	72,162.73	72,226.30	75,166.74
Mining & Quarrying	17,330.64	17,228.08	17,283.69	19,639.35	20,128.46
Manufacturing Industry	42,781.00	44,075.32	48,363.16	50,444.82	52,887.14
Electricity & Gas Supply	318.67	353.30	405.21	440.17	446.58
Water Supply, Waste Mgt.	394.15	410.19	436.78	449.62	471.67
Construction	41,875.48	43,609.99	44,303.91	46,608.53	47,095.05
Wholesale & Retail Trade	49,799.33	53,035.21	56,510.16	59,195.99	62,512.50
Transportation & Warehousing	9,410.66	9,901.00	11,999.56	13,024.23	13,686.73
Accommodation & Food Service	4,236.64	4,361.95	5,153.40	5,499.75	5,847.80
Information & Communication	25,869.89	27,522.34	28,966.31	30,953.15	33,096.88
Financial & Insurance Service	11,457.58	11,587.74	11,720.73	12,061.83	12,847.78

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Real Estate	11,703.74	12,005.49	12,468.89	13,094.38	13,887.13
Business Services	1,355.80	1,440.27	1,644.24	1,796.82	1,911.83
Public Administration & Defence	14,416.91	14,837.68	15,132.58	15,641.08	16,329.10
Education Services	19,465.08	20,178.62	20,750.36	21,329.67	22,955.66
Health & Social Services	7,382.80	7,956.36	8,643.79	9,277.70	10,541.17
Other Services	4,215.38	4,534.06	4,967.33	5,524.67	6,329.52
GRDP of South Sulawesi Province	328,153.65	343,395.40	360,912.83	377,208.06	396,141.74

As the core urban hub of South Sulawesi, Makassar City plays a strategic role as the economic engine of Eastern Indonesia. This role is reflected not only in its function as a center of government and transportation but also as a central node for trade, services, education, and logistics. Its status as a Primary National Activity Center (PKN Utama), as designated in Presidential Regulation No. 18 of 2020, reinforces Makassar's importance in supporting interregional development equity and strengthening national connectivity (Pemerintah Pusat, 2020). In recent years, Makassar's economic structure has shown the dominance of the tertiary sector, particularly in wholesale and retail trade, financial services, education, and transportation. This strength reflects a dynamic urban character oriented toward modern services. To assess its real contribution to regional development, the GRDP growth of Makassar City from 2020 to 2024 is presented as follows (Badan Pusat Statistik, 2025a) (Badan Pusat Statistik, 2025a).

Table 2. GRDP at Constant Prices (Base Year 2010) by Industrial Origin in Makassar City (Billion Rupiah), 2020–2024

Industry	**2020**	**2021**	**2022**	**2023**	**2024**
Agriculture, Forestry & Fish	508.93	518.31	532.42	537.80	564.16
Mining & Quarrying	-	-	-	-	-
Manufacturing Industry	21,767.90	22,678.92	24,726.64	25,610.98	26,839.53
Electricity & Gas Supply	51.52	54.00	58.66	61.22	61.89
Water Supply, Waste Mgt.	236.02	244.66	256.92	261.23	274.39
Construction	20,232.80	21,101.29	21,371.12	22,025.08	22,256.26
Wholesale & Retail Trade	23,777.63	25,119.55	26,747.84	28,032.66	29,532.42

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Transportation & Warehousing	2,476.09	2,641.16	3,138.09	3,470.42	3,687.61
Accommodation & Food Service	2,284.79	2,326.30	2,791.54	3,138.09	3,346.79
Information & Communication	16,487.16	17,525.17	18,129.79	19,770.53	21,104.45
Financial & Insurance Service	6,482.79	6,282.85	6,290.56	6,533.93	7,122.77
Real Estate	3,838.84	3,949.18	4,100.56	4,290.01	4,516.17
Business Services	1,200.58	1,266.83	1,477.45	1,582.64	1,700.69
Public Administration & Defence	3,754.75	3,917.66	4,016.18	4,311.62	4,307.36
Education Services	11,302.84	11,695.48	11,881.44	12,224.81	13,130.23
Health & Social Services	3,680.24	3,952.68	4,323.44	4,676.24	5,321.21
Other Services	2,822.79	3,038.78	3,319.95	3,667.88	4,233.27
GRDP Kota Makassar	**120,905.67**	**126,312.82**	**133,162.60**	**140,195.14**	**147,999.20**

Sectoral analysis plays a strategic role in regional economic planning because it enables local governments to identify sectors with comparative advantages and long-term growth potential (Syukur et al., 2021; Zakiyyah & Herliana, 2023).

OBJECTIVES

This article intends to:

- Identify the economic sectors in Makassar City that possess relative advantages (basic sectors) using the Location Quotient (LQ) approach.
- Analyze the development and dynamics of those basic sectors over time using the Dynamic Location Quotient (DLQ) method.
- Classify the economic sectors of Makassar based on their growth and contribution within the Klassen Typology framework.
- Assess the extent of structural economic change in Makassar as influenced by national trends, sectoral structure, and local competitive advantage using the Shift Share Analysis.

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METHOD

This study employs a quantitative approach using sectoral analysis techniques to identify and evaluate the leading economic sectors in Makassar City. The methods applied include Location Quotient (LQ), Dynamic Location Quotient (DLQ), Klassen Typology, and Shift Share Analysis, which are commonly used in regional economic planning and analysis studies (Afriyadi et al., 2025; Arafah & Matheos, 2017; Basuki & Mujiraharjo, 2017).

1. Location Quotient (LQ)

   The method used to measure the level of specialization or comparative advantage of a particular economic sector in a region compared to a broader reference area is formulated as follows:

$$LQ = \frac{Vi/Vt}{Ni/Nt}$$

Where,

LQ : Location Quotient of sector i in Makassar City
V_i : GRDP value of sector i in Makassar City
V_t : Total GRDP of Makassar City
N_i : GRDP value of sector i in South Sulawesi Province
N_t : Total GRDP of South Sulawesi Province

Interpretation of LQ values,

- LQ>1: Basic sector, has a comparative advantage and export potential.
- LQ<1: Non-basic sector, not yet a main economic driver.

2. Dynamic Location Quotient (DLQ)

   An extension of the LQ method, Dynamic Location Quotient (DLQ) accounts for changes in economic structure over time. DLQ is used to analyze the shift of basic sectors from year to year. It offers a forward-looking perspective on the potential development trajectory of economic sectors. The formula is as follows:

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$$DLQ = \frac{\left[\frac{1+gik}{1+gk}\right]}{\left[\frac{1+gtp}{1+gp}\right]} t$$

Where,

DLQ : Value of Dynamic Location Quotient
g_{ik} : Average growth rate of sector *i* in Makassar City
g_k : Average GRDP growth rate of Makassar City
g_{tp} : Average growth rate of sector *i* in South Sulawesi Province
g_p : Average GRDP growth rate of South Sulawesi Province

Interpretation of DLQ values:

- DLQ > 1: Prospective sector, expected to become a leading sector
- DLQ < 1: Non-prospective sector, less likely to become a leading sector

3. Klassen Typology

According to Klassen in (Telaumbanua et al., 2023), the Klassen Typology is an analytical method used to describe the patterns and structure of regional sectoral growth. This method aims to identify the relative position of a sector within the regional economic development landscape. The classification is based on the following matrix:

Table 3. Typology Klassen Matrix

Sectoral Contribution	Sectoral Growth	
	g_i >= g	g_i < g
s_i >= s	**Advanced Sector** (Developed and rapidly growing)	**Developing Sector** (Developed but under pressure)
s_i < s	**Potential Sector** (Possibly fast-growing)	**Lagging Sector** (Relatively underdeveloped)

Notation,

g_i : Average sectoral growth rate of Makassar City
g : Average sectoral growth rate of South Sulawesi Province

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s_i : Average sectoral contribution of Makassar City
s : Average sectoral contribution of South Sulawesi Province

4. Shift Share Analysis (SSA)

A method of sectoral economic growth analysis aimed at identifying the sources of economic sector growth in a region by comparing its performance to a reference area. This method also explains whether sectoral growth occurs due to general national effects, industrial structure, or local competitive advantages lokal (Arjuniadi et al., 2025). According to Tarigan in (Putri, 2023), Shift Share Analysis (SSA) consists of three main components:

A. National Share (N_{ij})

Represents changes in a region influenced by broader national-level economic changes. This component reflects how the general economic conditions at the national level affect the smaller region.

B. Industry Mix/Proportional Shift (M_{ij})

Refers to changes in regional share attributed to the region's specialization in certain industries. This component illustrates how the structure of the local economy contributes to regional economic change.

C. Regional Share/Differential Shift (C_{ij})

Captures the differential growth between the region and the broader reference area. This component identifies which sectors possess local competitive advantages compared to the larger economy.

The data used for Shift Share Analysis (SSA) consists of GRDP at Constant Prices (ADHK) for Makassar City and South Sulawesi Province from 2020 to 2025. The SSA formula, which includes three key components, is described as follows:

$$\Delta E_{ij} = N_{ij} + M_{ij} + C_{ij}$$

Notion,

ΔE_{ij} : The change in the regional variable of sector *i* in region *j* over a specific period.

N_{ij} : The contribution of the national growth component for sector *i* in the region.

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M_{ij} : The industry mix component. A positive value indicates that sector *i* is growing faster than the same sector at the higher regional level, and *vice versa*.

C_{ij} : The competitive effect. A positive value indicates that sector *i* has a higher competitiveness than the same sector at the broader level, and *vice versa*.

DISCUSSION

Location Quotient (LQ) Analysis

The Location Quotient (LQ) analysis is used to measure the relative advantages of Makassar City's economic sectors compared to South Sulawesi Province as the reference area. The average LQ values for Makassar City from 2020 to 2024 are presented in Table 4.

Table 4. Trend in LQ Values in Makassar City, 2020-2024

Industry	2020	2021	2022	2023	2024	Avg.LQ	Result
A	0.02	0.02	0.02	0.02	0.02	0.02	Non-Basic
B	0.00	0.00	0.00	0.00	0.00	0.00	Non-Basic
C	1.38	1.40	1.39	1.37	1.36	1.38	Basic
D	0.44	0.42	0.39	0.37	0.37	0.40	Non-Basic
E	1.63	1.62	1.59	1.56	1.56	1.59	Basic
F	1.31	1.32	1.31	1.27	1.26	1.29	Basic
G	1.30	1.29	1.28	1.27	1.26	1.28	Basic
H	0.71	0.73	0.71	0.72	0.72	0.72	Non-Basic
I	1.46	1.45	1.47	1.54	1.53	1.49	Basic
J	1.73	1.73	1.70	1.72	1.71	1.72	Basic
K	1.54	1.47	1.45	1.46	1.48	1.48	Basic
L	0.89	0.89	0.89	0.88	0.87	0.89	Non-Basic
M, N	2.40	2.39	2.44	2.37	2.38	2.40	Basic
O	0.71	0.72	0.72	0.74	0.71	0.72	Non-Basic
P	1.58	1.58	1.55	1.54	1.53	1.56	Basic
Q	1.35	1.35	1.36	1.36	1.35	1.35	Basic
R, S, T, U	1.82	1.82	1.81	1.79	1.79	1.81	Basic

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Notion,

A	:	Agriculture, Forestry, & Fisheries	I	:	Accommodation & Food Services
B	:	Mining & Quarrying	J	:	Information & Communicataion
C	:	Manufacturing Industry	K	:	Financial & Insurance Activites
D	:	Electricity & Gas	L	:	Real Estate
E	:	Water Supply, Waste mgt., & Recycling	M,N	:	Business Services
F	:	Construction	O	:	Public Administration & Social Sec.
G	:	Wholesale & Retail Trade	P	:	Educatino Services
H	:	Transportation & Warehousing	Q	:	Healt Services & Social Activitites
			R,S, T,U	:	Other Services

Based on the results in Table 4, most sectors in Makassar City are classified as base sectors, indicated by LQ values consistently greater than 1. The sector with the highest LQ is Business Services (LQ = 2.40), followed by Other Services, Financial and Insurance Services, and Information and Communication. These sectors contribute relatively more in Makassar City than at the provincial level, highlighting their strategic role in driving the city's economic growth. Conversely, sectors such as Agriculture, Mining, and Electricity and Gas Supply have LQ values below 1, indicating that they are not the city's main economic drivers at the regional level. These results reflect Makassar's economic structure, which is oriented toward the tertiary and service sectors, consistent with the characteristics of a major urban center serving as a hub for trade and services in Eastern Indonesia.

Dynamic Location Quotient (DLQ) Analysis

The DLQ (Dynamic Location Quotient) analysis is used to complement the LQ results by observing the tendency of changes in sectoral competitiveness over time. Unlike the LQ, which is static and measures a sector's advantage at a single point in time, the DLQ reveals whether a sector is strengthening, weakening, or maintaining its relative

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strategic role compared to a reference region. The DLQ values for each sector in Makassar City from 2020 to 2024 are presented in Table 5.

Table 5. DLQ Calculation in Makassar City, 2020-2024

Industry	(1+gik)/(1+gk)	(1+gtp)/(1+gp)	t	DLQ	Keterangan
A	0.5037	0.6269	4	0.42	Non-Prospective
B	0.0000	0.7277	4	0.00	Non-Prospective
C	0.8902	0.9494	4	0.77	Non-Prospective
D	0.7968	1.4532	4	0.09	Non-Prospective
E	0.6745	0.8209	4	0.46	Non-Prospective
F	0.4760	0.5857	4	0.44	Non-Prospective
G	0.9143	1.0046	4	0.69	Non-Prospective
H	1.6119	1.6140	4	0.99	Non-Prospective
I	1.5615	1.3985	4	1.55	Prospective
J	1.0278	1.0784	4	0.83	Non-Prospective
K	0.4843	0.5759	4	0.50	Non-Prospective
L	0.7167	0.7884	4	0.68	Non-Prospective
M, N	1.4168	1.4689	4	0.87	Non-Prospective
O	0.6301	0.6109	4	1.13	Prospective
P	0.6736	0.7666	4	0.60	Non-Prospective
Q	1.4868	1.5161	4	0.92	Non-Prospective
R, S, T, U	1.6282	1.7193	4	0.80	Non-Prospective

Based on the calculation results displayed in Table 5, it can be concluded that most economic sectors in Makassar City fall into the non-prospective category based on their Dynamic Location Quotient (DLQ) values. Out of the 17 sectors analyzed, only two sectors had DLQ values greater than 1: Sector I (Accommodation and Food Service Activities) with a DLQ of 1.55, and Sector O (Public Administration, Defense, and Compulsory Social Security) with a DLQ of 1.13. This indicates that these two sectors experienced an increase in relative competitiveness compared to South Sulawesi Province during the 2020–2024 period, and have the potential to sustainably strengthen Makassar's economic structure.

Conversely, the other sectors showed DLQ values below 1, indicating a downward trend in their sectoral competitiveness. Sectors such as Mining and Quarrying, Electricity and Gas Supply, and Construction recorded particularly low DLQ values. This suggests

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that although some sectors may be classified as base sectors based on static LQ values, they do not demonstrate a strengthening of their relative roles over time. The DLQ results provide important insights for identifying sectors that not only perform well at one point in time but also show a positive growth trend in the medium term.

Klassen Typology

Klassen Typology analysis is used to categorize economic sectors into four classifications based on the combination of average economic growth and sectoral contribution to the Gross Regional Domestic Product (GRDP). This classification enables the identification of each sector's strategic position within the regional economic development framework. The classification results of Makassar City's economic sectors using Klassen Typology during the 2020–2024 period are presented in Table 6.

Table 6. Klassen Typology Classification of Makassara City, 2020-2024

Ind.	Makassar City		South Sulawesi Prov.		Result
	Avg. Growth (g_i)	*Avg. Contr.* (s_i)	*Avg. Growth (g)*	*Avg. Contr. (s)*	
A	0.03	0.4%	0.03	19.7%	Lagging Sector
B	0.00	0.0%	0.04	5.0%	Lagging Sector
C	0.05	18.3%	0.05	13.2%	Developing Sector
D	0.05	0.0%	0.09	0.1%	Lagging Sector
E	0.04	0.2%	0.05	0.1%	Developing Sector
F	0.02	16.2%	0.03	12.3%	Developing Sector
G	0.06	20.0%	0.06	15.6%	Developing Sector
H	0.11	2.3%	0.10	3.3%	Potential Sector
I	0.10	2.1%	0.09	1.4%	Advanced Sector
J	0.06	13.9%	0.06	8.2%	Advanced Sector
K	0.02	4.8%	0.03	3.3%	Developing Sector
L	0.04	3.1%	0.04	3.5%	Lagging Sector
M, N	0.09	1.1%	0.09	0.5%	Advanced Sector
O	0.04	3.1%	0.03	4.2%	Potential Sector
P	0.04	9.0%	0.04	5.8%	Developing Sector
Q	0.10	3.2%	0.09	2.5%	Advanced Sector
R,S,T,U	0.11	2.5%	0.11	1.4%	Developing Sector

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Based on the classification of Makassar City's economic sectors using the Klassen Typology approach, several sectors were identified as advanced and rapidly growing sectors, characterized by both growth and contribution rates above the provincial average. These sectors include Accommodation and Food Service Activities (I), Information and Communication (J), Business Services (M, N), and Health and Social Services (Q). These four sectors demonstrate superior performance in terms of economic growth and GRDP contribution, making them key drivers of Makassar's economy. Additionally, the Transportation and Warehousing sector (H) and Public Administration, Defense, and Compulsory Social Security (O) fall into the potential sector category, showing relatively high growth but below-average contribution. These sectors have strong development potential if supported by appropriate policy interventions.

The majority of sectors, however, are classified as advanced but depressed sectors, meaning they have a significant contribution but experience growth below the provincial average. This group includes Manufacturing (C), Water Supply and Waste Management (E), Construction (F), Wholesale and Retail Trade (G), Financial and Insurance Services (K), Real Estate (P), and Other Services (R, S, T, U). Although these sectors play a substantial role in Makassar's economic structure, their stagnant growth trends suggest the need for strategic attention to maintain sustainability. Meanwhile, sectors such as Agriculture, Forestry, and Fisheries (A), Mining and Quarrying (B), Electricity and Gas Supply (D), and Education Services (L) are classified as relatively underdeveloped sectors, performing below average in both growth and contribution metrics.

Shift Share Analysis (SSA)

Shift Share Analysis is employed to identify the sources of regional economic growth by decomposing the overall growth into components attributable to national or regional trends, industrial structure, and local competitive advantages. This method is particularly useful for distinguishing whether sectoral growth is driven by general macroeconomic dynamics, inherent structural strengths, or region-specific competitive advantages. In this study, the Shift Share approach is applied to compare the sectoral performance of Makassar City with that of South Sulawesi Province during the 2020–2024 period. Through this analysis, it becomes possible to identify which sectors are growing due to unique local competitiveness and which ones are merely following general regional growth trends. The results of the Shift Share analysis for Makassar City are presented in Table 7.

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Table 7. Shift Share Analysis Results of Makassar City, 2020-2024

Industry	N_{ij}	M_{ij}	C_{ij}	ΔE_{ij}
A	105.44	-35.98	-14.23	55.23
B	-	-	-	-
C	4,509.95	632.27	- 70.59	5,071.63
D	10.67	10.01	- 10.31	10.37
E	48.90	- 2.48	- 8.05	38.37
F	4,191.91	- 1,669.99	- 498.46	2,023.46
G	4,926.34	1,143.81	- 315.35	5,754.79
H	513.01	612.09	86.42	1,211.52
I	473.37	395.52	193.11	1,062
J	3,415.87	1,189.97	11.45	4,617.29
K	1,343.13	- 556.54	- 146.61	639.98
L	795.35	- 79.19	- 38.82	677.33
M, N	248.74	243.63	7.74	500.11
O	777.92	-279.91	54.60	552.61
P	2,341.76	-314.88	- 199.49	1,827.39
Q	762.49	811.92	66.56	1,640.97
R, S, T, U	584.84	830.88	- 5.23	1,410.48

Based on the Shift Share calculation results in Table 7, the Wholesale and Retail Trade sector (G) recorded the highest overall employment change (ΔE_{ij}) at 5,754.79, followed by Manufacturing (C) and Information and Communication (J). However, both the trade and manufacturing sectors exhibit negative Cij values, indicating that their growth is largely influenced by national economic trends and structural advantages rather than local competitiveness. In contrast, sectors such as Information and Communication (J), Accommodation and Food Services (I), Health Services (Q), and Transportation and Warehousing (H) demonstrate positive Cij values, reflecting distinct local competitive advantages.

Other sectors such as Construction (F) and Real Estate (P) also experienced significant total growth but posted relatively large negative Cij values, suggesting a lack of regionally rooted competitiveness despite expansion. These findings indicate that although most sectors in Makassar's economy grew during the 2020–2024 period, such growth was not entirely driven by internal structural strength or competitive advantage. The growth

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patterns remain heavily influenced by national (Nij) and structural sectoral (Mij) effects, while the local competitive component (Cij) remains negative across many sectors. This implies that most sectors are merely following the general economic trends of the reference region without being supported by endogenous local advantages. Therefore, economic development policies in Makassar City should not only prioritize high-contributing sectors but also emphasize efforts to strengthen sectoral competitiveness based on internal potential and capacities. Such an approach will foster a more inclusive and sustainable regional economic growth.

CONCLUSION

This study has comprehensively examined the economic structure and sectoral dynamics of Makassar City in relation to South Sulawesi Province during the 2020–2024 period using Location Quotient (LQ), Dynamic Location Quotient (DLQ), Klassen Typology, and Shift Share Analysis. The LQ results reveal that Makassar's economy is predominantly driven by tertiary sectors, with Business Services, Other Services, Financial and Insurance Services, and Information and Communication identified as base sectors (LQ > 1), confirming the city's role as a center of trade and services in Eastern Indonesia.

However, the DLQ analysis indicates that only two sectors, Accommodation and Food Services (I), and Public Administration, Defense, and Social Security (O), demonstrated dynamic competitiveness over time (DLQ > 1), suggesting a general stagnation or weakening of sectoral relative advantages across most industries.

The Klassen Typology further classifies the city's economic sectors into various quadrants. Four sectors were categorized as "advanced and rapidly growing," while the majority of sectors fell under "advanced but pressured," indicating high contributions to Gross Regional Domestic Product (GRDP) but underwhelming growth. Several sectors were identified as "relatively underdeveloped," requiring policy intervention to stimulate growth.

Finally, the Shift Share analysis shows that most sectoral growth in Makassar was primarily driven by national and structural effects (Nij and Mij), with limited contribution from local competitive advantages (Cij). Only a few sectors such as Information and Communication, Health, and Accommodation demonstrated positive Cij values, reflecting endogenous strengths. In conclusion, while Makassar possesses sectoral strengths, particularly in services, its long-term development strategy should focus on enhancing local competitiveness. Policy attention is necessary not only to sustain high-performing sectors but also to empower lagging industries by leveraging local potential, innovation, and

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institutional support to ensure more inclusive and sustainable regional economic development.

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