Mandalika Special Economic Zone and the Potential for Regional Economic Development of Central Lombok Regency through Investment

Alfian Eikman *1, Sulhan Hadi 2 Ismail 3

*1,2,3 Faculty of Social & Political Sciences, Universitas Muhammadiyah Mataram, West Nusa Tenggara, Indonesia

ARTICLE INFO

ISSN: 2620-6196
Vol. 5 Issues 2 (2022)

Article history:
Received – September 22, 2022
Revised – September 26, 2022
Accepted – September 28, 2022

Email Correspondence:
alfian.eikman@ummat.ac.id
hadispslmb@gmail.com
ismailummat123@gmail.com

Keywords:
Special Economic Zone
Mandalika
Investasion
Regional Economy

ABSTRACT

This study attempts to explain the various economic potentials created as a result of the domino effect of the development and development of the Mandalika Special Economic Zone in Central Lombok Regency, West Nusa Tenggara Province by mapping regional potentials whose development can be accelerated with capital assistance from foreign and domestic investment processes (PMA and/or PMDN), which consists of data on several potential sectors that can be developed and built by expecting funding sources from investment or investment from outside. This study uses a qualitative approach with data collection methods using literature studies and interviews. The results show that there are several sectors that have the potential to support the development of the Mandalika Special Economic Zone in Central Lombok Regency. These sectors include tourism, agriculture, marine and fishing, where the agricultural, marine, and fishing sectors are the buffers of the tourism sector in the supply of raw materials for the food and beverage industry. The findings also explain that, although developing quite rapidly, tourism-supporting industries such as accommodation and F&B have not been able to meet the needs of the tourism sector in Central Lombok, so the potential for economic development is still very wide open. Therefore, the right strategy by utilizing economic network incentives from the existence of SEZs in attracting investment can be relied upon to accelerate the development of existing economic potential.

INTRODUCTION

The determination of the Mandalika Area of Central Lombok Regency as one of the Special Economic Zones which is a national priority project by the Central Government through PP no. 52 of 2014 has the potential to open various opportunities for the community and local stakeholders to be able to accelerate the pace of regional economic growth and development. The construction and development of the Mandalika SEZ will have a domino effect by opening opportunities in various sectors so that it will create jobs for the local community and its surroundings and ultimately increase the economic growth rate of Central Lombok Regency in general.

The Special Economic Zone (SEZ) policy is intended to be able to accelerate by inviting the active participation of various stakeholders, especially from outside in the form of investment that aims, not only to support economic costs, but also to open channels of knowledge and technology needed in the regional development process. So, it can be ascertained that one of the main components in this process is investment or (foreign) investment. In utilizing investment or (foreign) investment optimally, it is necessary to reorientation that does not only focus on the quantity of capital that can be imported. However, it must also pay attention to the quality of the capital in providing a positive impact on the sustainable development process in various dimensions of people's lives, such as economic, social, and environmental. Technically, investment or (foreign) investment that is targeted to be directed to not only
bring in capital, but more than that, must also bring science, managerial and technology that can be absorbed by the community or local entrepreneurs, through partnership or joint schemes. ventures.

In the context of development in Indonesia, factors such as the low ratio of Regional Original Income (PAD) in various districts/cities to the Regional Revenue and Expenditure Budget (APBD) after the implementation of regional autonomy, led to the need for external sources such as investment or (foreign) investment in the development process. development becomes a very crucial requirement. According to the research report "Regional Autonomy Model" Universitas Gadjah Mada, 18.48% of districts/cities only have PAD with a ratio below 5 percent of the total APBD, then 49.75 percent of regions between 5-15 percent, and only two regions that has a PAD to APBD ratio of 50 percent (Jeddawi, 2005: 93).

On the other hand, achieving massive development or accelerating economic development requires substantial resources, especially the availability of a budget. Limited income or lack of available sources of funds will certainly hinder the efforts of local governments in various regions to optimize their various potentials to achieve economic development goals. For this reason, the Special Economic Zone policy as stipulated in the Mandalika Region, Central Lombok Regency is the government's strategy to compensate for the limitations and shortcomings it has to accelerate regional or national economic development in general.

The determination of the Mandalika beach area, Central Lombok Regency as a Tourism SEZ by the Central Government, makes the tourism industry one of the main focuses in increasing the economic income of the people in the West Nusa Tenggara area. The construction and development of the Mandalika SEZ managed by PT. Tourism Development (Persero) or Indonesian Tourism Development Corporation (ITDC) is an early stage which then paved the way for the development of other areas around Central Lombok Regency and industries that are supporting the tourism sector such as Food and drink, accommodation, transportation, energy, MICE and so on.

Regional potentials that will be opened by the development and development of the Mandalika SEZ will provide opportunities for job creation for the people of Central Lombok and its surroundings which can then contribute to the economic development process and increase overall economic growth. Central Lombok Regency can also build a base to independently meet the needs of the tourism industry which has the potential to continue to increase in line with the development of the Mandalika SEZ and other tourism destinations in West Nusa Tenggara Province.

Some of the potentials possessed by Central Lombok Regency which in parallel can be developed to support the main tourism sector, including the agricultural, marine and fishery sectors, as well as energy. In the agricultural sector, around 120,839 ha (79%) of land use is designated for the development of superior agribusiness potential which, among others, is developed in North Batukliang District with the designation as a horticultural agribusiness area. Then the development of melon cultivation potential in East Praya District by utilizing dry land areas, and other areas with various promising agricultural potentials to then meet the needs of the tourism industry as the main sector being built. The agricultural potential of Central Lombok is supported by extensive land use, yields the highest or even highest yields in West Nusa Tenggara. Like rice production, according to BPS records, in 2020 the harvest area of 71,692 hectares was able to produce 178,103.19 tons of rice, which is the highest rice production in NTB by district/city.

The marine and fishery potential of Central Lombok Regency is also quite promising geographically which has a length of coastal waters or a coastline of about 99.69 km to the south leading directly to the Indonesian Ocean. This condition provides a great opportunity to develop coastal and oceanic potential for various fishery activities, both fishing and aquaculture activities. The potential of marine water areas for fishing business in Central Lombok Regency is quite large with a fishing area of around 11,937 km² and potential fish resources of 40,623 tons/year. The fish resources contained in it
consist of surface fish (pelagic) and bottom fish (demersal). In addition, there are also types of reef fish, crustaceans (shrimp, lobster) and molluscs (squid and octopus).

In the energy sector, the need for daya pasokan that is required for the development of pariwisata and other sectors that are being built in Kabupaten Lombok Tengah has the potential to become a lucrative market for existing energy companies such as Sengkol Solar Power Plant, which is in Pujut sub-district is one of the government's efforts to create a renewable energy source that is efficient and environmentally friendly compared to conventional power plants. Apart from PLTS Sengkol, there are several new energy sources being developed on the island of Lombok, including PLTS Sambelia, Pringgabaya, and Selong in Lombok Timur, as well as PLTS Gili Air, Gili Meno, and Gili Trawangan in Lombok Utara, which can generate between 60 and 7 megawatts.

Therefore, this study will try to elaborate on the various potentials that exist in Central Lombok Regency that can be developed in the economic development process so that it can bring greater benefits to local communities, especially with the stipulation of Mandalika as a Special Economic Zone which is a national strategic project with the aim of main source of investment, in the context of accelerating the process of regional and national economic development.

RESEARCH METHOD

This study uses a qualitative approach with a literature study method. Literature study is a series of activities related to methods of collecting library data, reading, and taking notes, as well as processing research materials. This study is carried out by researching and understanding books, documents, or other written sources relevant to the discussion on the Mandalika Special Economic Zone and investment in the framework of developing the SEZ and the regional economy of Central Lombok Regency in general. The data collection process uses a literature study by collecting documents and readings related to investment promotion strategies and interviews to support obtaining more in-depth information.

In conducting a literature study, there are study limitations, namely only reviewing the literature that supports the problem to be studied. Almost all these literature studies contain descriptive texts that discuss complete summaries and descriptions on certain topics as found in scientific books and journals. In this study, the researcher begins with literature that discusses Special Economic Zones and investment theory which helps in understanding the concepts in this study.

Then, a document about data and facts regarding the condition or profile of Central Lombok Regency, which helps to understand the potential problems of economic development in the regional or local context. Furthermore, supporting literature on various relevant topics to strengthen and enrich the analysis and discussion of various variables that support the topics written in this research. Interviews or interviews in this study were conducted to explore more in-depth data and information that are not available in the literature or documents. Interviews are conducted with parties or sources who have authority related to the research topic.

As for the data that is prepared in this study is sourced from primary and secondary data. In this study, primary sources were obtained from direct interviews with informants. In this study, secondary sources are supporting books related to various information and data regarding SEZs and the potential for economic development in accordance with the context of the region or area of Central Lombok Regency.

RESULTS AND DISCUSSION

Potential Sector/Regional Leading

The emphasis in the regional economic development process is the focus on the development targets to be achieved, meaning that there are priority points in formulating the development strategy to be implemented. In the economic sector, for example, priorities can be directed to sectors that have potential and competitiveness that can contribute to improving people's welfare. In other words, regional economic development must be directed to leading sectors by mobilizing available resources both from the regional budget and other sources such as investment or investment.
According to Zainuri (2021), based on his analysis of a total of 17 economic sectors in the period 2015 to 2019, Central Lombok Regency has 9 leading economic sectors and 8 potential economic sectors. There is one sector that is experiencing a decline and its growth needs to be encouraged in the future, namely the transportation and warehousing sector. This indicates that there are many choices or alternative economic sectors that can be developed by Central Lombok Regency in an effort to accelerate economic growth in the future.

The categorization of the criteria for the economic sector which is included in the leading sector and or potential sector is based on an overlay analysis adapted from a study conducted by Zainuri (2021). The research shows that overall, it can be said that the economic sectors in Central Lombok Regency have progressive or advanced growth, where more than half of them are included as leading economic sectors that can be the basis for determining regional investment strategy priorities.

Table 1. Overlay Analysis of Central Lombok

<table>
<thead>
<tr>
<th>Sektor Ekonomi</th>
<th>Sektor Unggulan Shift Share</th>
<th>Sektor Unggulan Location Quotient (LQ)</th>
<th>Kesimpulan Analisis Overlay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pertanian, Kehutanan, dan Perikanan</td>
<td>+</td>
<td>+</td>
<td>Kategori 1</td>
</tr>
<tr>
<td>Pertambangan dan Penggalian</td>
<td>+</td>
<td>-</td>
<td>Kategori 2</td>
</tr>
<tr>
<td>Industri Pengolahan</td>
<td>+</td>
<td>-</td>
<td>Kategori 1</td>
</tr>
<tr>
<td>Pengadaan Listrik dan Gas</td>
<td>+</td>
<td>-</td>
<td>Kategori 2</td>
</tr>
<tr>
<td>Pengadaan Air, Pengelolaan Sampah, Limbah dan Daur Ulang</td>
<td>+</td>
<td>+</td>
<td>Kategori 1</td>
</tr>
<tr>
<td>Konstruksi</td>
<td>+</td>
<td>+</td>
<td>Kategori 1</td>
</tr>
<tr>
<td>Perdagangan Besar dan Eceran; Reparasi Motor</td>
<td>+</td>
<td>-</td>
<td>Kategori 2</td>
</tr>
<tr>
<td>Transportasi dan Pergudangan</td>
<td>-</td>
<td>+</td>
<td>Kategori 3</td>
</tr>
<tr>
<td>Penyediaan Akomodasi dan Makan Minum</td>
<td>+</td>
<td>-</td>
<td>Kategori 2</td>
</tr>
<tr>
<td>Informasi dan Komunikasi</td>
<td>+</td>
<td>-</td>
<td>Kategori 2</td>
</tr>
<tr>
<td>Jasa Keuangan dan Asuransi</td>
<td>+</td>
<td>-</td>
<td>Kategori 2</td>
</tr>
<tr>
<td>Real Estate</td>
<td>+</td>
<td>+</td>
<td>Kategori 1</td>
</tr>
<tr>
<td>Jasa Perusahaan</td>
<td>+</td>
<td>-</td>
<td>Kategori 2</td>
</tr>
<tr>
<td>Administrasi Pemerintahan, Pertahuan dan Jaminan Sosial Wajib</td>
<td>+</td>
<td>+</td>
<td>Kategori 1</td>
</tr>
<tr>
<td>Jasa Pendidikan</td>
<td>+</td>
<td>+</td>
<td>Kategori 1</td>
</tr>
<tr>
<td>Jasa Kesehatan dan Kegiatan Sosial</td>
<td>+</td>
<td>+</td>
<td>Kategori 1</td>
</tr>
<tr>
<td>Jasa lainnya</td>
<td>+</td>
<td>+</td>
<td>Kategori 2</td>
</tr>
</tbody>
</table>

Keterangan: tanda (+) artinya memenuhi kriteria sebagai sektor unggulan, tanda (-) artinya tidak memenuhi kriteria sebagai sektor unggulan.

Source: Zainuri (2021)

Table 1 is the data from the overlay analysis, which is a method of determining the leading sector by combining the results of the shift-share analysis method (Table 1) and the location quotient or LQ (Table 2), which then produces conclusions which are divided into 3 categories, namely: Category 1 is a sector that is quite dominant so that it must get priority in development; Category 2 is a sector that is undergoing development so that it needs attention to increase its contribution to the formation of gross regional domestic product; and Category 3 is an economic sector that is experiencing a decline or slowdown so that its growth needs to be encouraged in the future. Despite the decline, the economic sector in this category is still considered an economic sector that has the potential or opportunity to be developed.
The data from the Shift Share analysis in table 2, shows that in the period 2015 to 2019 there are 16 economic sectors that have a positive net regional shift, which means that these sectors are experiencing progressive growth which contributes to the increase in employment in Lombok Regency. However, there is one economic sector that has a negative net regional shift, namely the transportation and warehousing sector which is growing slowly even though Central Lombok Regency has added value to the air transport subsector with the existence of the Lombok International Airport. This is due to the decline in the number of air transport passenger tourists, one of which was the Lombok earthquake disaster in 2018.

The economic sector that has the highest net regional shift value in Central Lombok Regency is the construction sector, with a total of 454.83 billion rupiahs, of which the national share component, or the contribution of this sector's growth in general to the economic growth of West Nusa Tenggara Province, is 66.56 billion rupiahs. Then, the next sector that has the second highest level of progress after construction is the wholesale and retail trade sector, as well as car and motorcycle repairs, amounting to 282.68 billion rupiah, which at the provincial level contributed 57.47 billion rupiah. The sector with the next highest level of progressivity after the retail economy sector in Central Lombok Regency is the agriculture, forestry, and fishery sector, which has a net regional shift of 235.72 billion rupiah with a national share component of 143.54 billion rupiah.

**Table 3. Analysis Location Quotient central Lombok**

<table>
<thead>
<tr>
<th>Tahun</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>Gratama LQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pertanian, Kehutanan, dan Perikanan</td>
<td>1.237</td>
<td>1.255</td>
<td>1.179</td>
<td>1.096</td>
<td>1.097</td>
<td>1.177</td>
</tr>
<tr>
<td>Pertambangan dan Pengolahan</td>
<td>0.162</td>
<td>0.167</td>
<td>0.210</td>
<td>0.311</td>
<td>0.348</td>
<td>0.240</td>
</tr>
<tr>
<td>Industri Pengolahan</td>
<td>1.389</td>
<td>1.361</td>
<td>1.265</td>
<td>1.171</td>
<td>1.167</td>
<td>1.271</td>
</tr>
<tr>
<td>Pengadaan Listrik dan Gas</td>
<td>0.966</td>
<td>0.956</td>
<td>0.908</td>
<td>0.838</td>
<td>0.826</td>
<td>0.899</td>
</tr>
<tr>
<td>Pengadaan Air, Pengelolaan Sampah, Limbah dan Daur Ulang</td>
<td>1.693</td>
<td>1.693</td>
<td>1.582</td>
<td>1.538</td>
<td>1.470</td>
<td>1.595</td>
</tr>
<tr>
<td>Konstruksi</td>
<td>1.428</td>
<td>1.430</td>
<td>1.341</td>
<td>1.275</td>
<td>1.306</td>
<td>1.356</td>
</tr>
<tr>
<td>Perdagangan Besar dan Eceran; Reparasi</td>
<td>0.923</td>
<td>0.927</td>
<td>0.866</td>
<td>0.804</td>
<td>0.804</td>
<td>0.865</td>
</tr>
<tr>
<td>Mobil dan Sepeda Motor</td>
<td>2.707</td>
<td>2.750</td>
<td>2.553</td>
<td>2.292</td>
<td>2.133</td>
<td>2.487</td>
</tr>
<tr>
<td>Transportasi dan Pelayaran</td>
<td>0.658</td>
<td>0.656</td>
<td>0.615</td>
<td>0.611</td>
<td>0.627</td>
<td>0.623</td>
</tr>
<tr>
<td>Pendidikan dan Kesehatan</td>
<td>0.853</td>
<td>0.853</td>
<td>0.797</td>
<td>0.738</td>
<td>0.739</td>
<td>0.796</td>
</tr>
<tr>
<td>Kesehatan dan Kegiatan Sosial</td>
<td>0.692</td>
<td>0.685</td>
<td>0.647</td>
<td>0.600</td>
<td>0.600</td>
<td>0.645</td>
</tr>
<tr>
<td>Jasa Pendidikan</td>
<td>1.292</td>
<td>1.299</td>
<td>1.219</td>
<td>1.133</td>
<td>1.134</td>
<td>1.215</td>
</tr>
<tr>
<td>Jasa Pemerintahan, Pertahanan dan</td>
<td>1.108</td>
<td>1.103</td>
<td>1.030</td>
<td>0.951</td>
<td>0.949</td>
<td>1.028</td>
</tr>
<tr>
<td>Jaminan Sosial Wajib</td>
<td>1.085</td>
<td>1.087</td>
<td>1.013</td>
<td>0.942</td>
<td>0.944</td>
<td>1.014</td>
</tr>
<tr>
<td>Jasa Kesehatan dan Kegiatan Sosial</td>
<td>1.376</td>
<td>1.373</td>
<td>1.283</td>
<td>1.186</td>
<td>1.190</td>
<td>1.281</td>
</tr>
<tr>
<td>Jasa lainnya</td>
<td>1.157</td>
<td>1.158</td>
<td>1.084</td>
<td>1.004</td>
<td>1.002</td>
<td>1.081</td>
</tr>
</tbody>
</table>

Source: Zainuri (2021)
Location Quotient (LQ) analysis data shown in table 3, the average LQ of the economic sector of Central Lombok Regency from 2015 to 2019 there are 10 sectors that have LQ > 1 which means they experience a production surplus and are the base sector. The remaining 7 sectors have an LQ < 1 including the provision of accommodation and food and drink which must receive attention in the future, because it is a sector that supports the tourism industry which is the mainstay of Central Lombok Regency. Although the results of the shift share analysis of the accommodation and food and drink supply sector are growing progressively, the results of the LQ analysis show that progress has not been able to meet the development of the tourism industry in Central Lombok Regency.

Potential Regional Economic Development Through Investment

The tourism sector has potential due to the beauty of the coastal area in the south of Central Lombok Regency, where the Kuta Beach area and its surroundings located in the Pujut sub-district are designated as a strategic area for regional tourism through the Regional Regulation (Perda) of the Central Lombok Regency government number 7 of 2011 concerning spatial planning, area (RTRW) of Central Lombok Regency in 2011-2031 and provincial strategic areas based on Regional Regulation number 3 of 2010 concerning the RTRW of West Nusa Tenggara province in 2009-2029, which later became one of the central government's focuses in developing national tourist destinations through national tourism strategic area policies (KSPN) and the development of the Mandalika Special Economic Zone (SEZ) which is regulated in Government Regulation no. 52 of 2014 concerning the Mandalika SEZ.

In his research, Kanom (2015) describes the potential for the beauty of the Mandalika beach to be an attraction for the development of natural tourism in the area. Then, the socio-cultural potential based on local wisdom can also be developed into an attraction and competitiveness for the development of cultural tourism in Central Lombok, such as, the social life of the people in Sade village with their local wisdom, the cultural story about Putri Mandalika which later turned into an annual festival of ‘baud’. nyale' and the growth of tourism village-based tourism development that focuses on the socio-cultural aspects of the local community in various locations in Central Lombok Regency.

Central Lombok Regency also has potential in the development of sports tourism or sport tourism. Through the construction of the Mandalika MotoGP circuit which will later become the venue for the most prestigious motorcycle racing events in the world. This event is held annually in only a few countries. This position will create location competitiveness, which will make the Mandalika area an investment destination for investors who make sport tourism one of their considerations. The construction of this circuit has the potential to become an attraction and will become a magnet for domestic and foreign tourists, especially automotive lovers from all over the world.

The development of tourism potential carried out by the government in Central Lombok, starting from spatial arrangements to the construction of facilities and infrastructure, will be seen by investors as potential opportunities. Where, the development of tourism destinations will bring in many tourists both from within and from abroad. This potential growth rate of tourist visits will be seen as a potential market by investors to meet all the needs needed by tourists and tourism industry players in Central Lombok. This condition will attract the attention of investors who are categorized based on investment typology based on their investment objectives, namely market-seeking FDI.

Where according to Dunning (1993), this type of investment aims to find or explore market opportunities that exist in certain areas. Although, the conventional view sees that the market opportunity in question is a region or country that has a large population that has the capacity or purchasing power. With the development of tourism destinations such as Mandalika and the surrounding areas, it will have the potential to bring in many people or tourists, so this will become a market opportunity and will become the competitiveness or selling point of Central Lombok Regency for investors. In addition, the purchasing power of tourists can be assumed to have a high level of purchasing power, because it is common for people who travel certainly to almost have sufficient purchasing power.

The market formed by the development of the tourism industry will then open other opportunities, because of the variety of needs that can be provided to manage the tourism industry which will then
This opportunity can be seen better by using several analytical tools, one of which is using cluster analysis or industrial value chain (value chain).

Figure 1. Tourism (Hospitality) Industry Cluster
Source: Abdinagoro (2020)

Figure 1, by conducting a simple cluster analysis, new potentials will emerge from the process of developing the tourism industry. Each of these potential open sectors can also be further elaborated into more specific sub-sectors. Using this data and providing additional reliable information about more detailed data in each sector (such as the comparison of the number of tourists to the availability of supply in each sector in the cluster), will make it easier or provide an overview to investors about investment opportunities in the tourism sector in Central Lombok.

In the cluster, it can also be seen that potential integration between sectors can also be carried out, considering that the development of tourism potential is also related to the development of other potentials possessed by Central Lombok Regency such as agriculture, marine and fisheries, as well as renewable energy. These other potentials will not only be relied on to meet the needs of the tourism industry, but in time can be developed into export potential, considering that the tourism industry standards built in the Mandalika area, and its surroundings are the development of an international tourism industry that has high standards.

The agricultural sector is one of the economic potentials in Central Lombok Regency due to the massive availability of land as the main capital to produce agricultural products. This agricultural potential is characterized by a surplus of agricultural production and the development of several agro-products that can expand the existing potential. Around 120,839 Ha or 79 percent of land use in Central Lombok Regency is designated for agricultural businesses, namely for rice fields, garden fields, huma fields, ponds, forests, and plantations, the remaining 21 percent is used for buildings and yards, pastures, and others. Of the 79 percent or 95,214 ha of land used for agriculture, more than half or 54 percent is paddy fields, the rest is divided into 23 percent forest, 19 percent fields and gardens, respectively.

Based on regional characteristics, Central Lombok Regency has the potential for agricultural development in the northern region which is a potential area for horticulture development. Meanwhile, in the low-lying central region, it is dominated by rice fields, which have potential for rice and secondary crops. In particular, the development of superior agribusiness potential is also carried out, including the development carried out in North Batukliang District with the designation as a horticultural agribusiness area.

Meanwhile, the southern region of Central Lombok Regency, which has the potential for coastal tourism, also has potential in the agricultural sector. Pujut District which has the largest area among other sub-districts, has a land area of 23,355 Ha or 19.33 percent of the total area of Central Lombok Regency. Of the total land in Pujut District, 14,912 Ha or about 63.85 percent of it is dry land whose farming methods are highly dependent on rainwater.

The agricultural sector is a very dominant sector in Central Lombok Regency which is marked by the dependence of the community's economy on agricultural products ranging from food crops to plantations. For food crops such as rice, Central Lombok Regency is a rice surplus area with productivity
reaching 8 tons per hectare. With the achievements in agriculture, Central Lombok Regency is even expected to be able to become a model for strengthening the agricultural sector in West Nusa Tenggara to increase productivity, guarantee production supply chains, and food security.

In addition to food crops, the agricultural sector of Central Lombok Regency also has good plantation potential. There are three main plantation commodities that have potential, namely tobacco, coconut, and coffee. According to data from the Central Statistics Agency (BPS, 2020) of Central Lombok Regency, the production of the three main commodities in 2020, respectively; tobacco amounted to 20,832.38 tons consisting of people's tobacco and virginia tobacco, 10,055.25 tons of coconut, and 1,259.85 tons of coffee. In the marine and fisheries sector, geographically, Central Lombok Regency has a length of coastal waters or a coastline of about 99.69 km in the south that leads directly to the Indonesian Ocean. This geographical position provides advantages and or opportunities for developing coastal potential for various marine and fisheries activities, both fishing and aquaculture activities. The potential of the marine area owned by Central Lombok Regency for fishing business is quite large, with a fishing area of around 11,937 km2 and fish resource potential of 40,623 tons/year.

Marine fisheries activities in Central Lombok Regency are only concentrated in four sub-districts which are located adjacent to the sea area, namely West Praya, East Praya, Southwest Praya and Pujut Districts. Data from the marine and fisheries profile of Central Lombok Regency, in 2019 the number of fishermen was 9,798 people with 1,785 units of fishing gear and 1,448 fleets that could catch 2,613.10 tons of fish at sea with a production value of around 58 billion rupiah. According to data from the profile of the Department of Marine Affairs and Fisheries of Central Lombok Regency, the business structure of processing and marketing fishery products is still dominated by micro and small-scale businesses. Limited quality, human resources, capital, market access and so on have caused the potential for processing and marketing of marine and fishery products to still not be fully utilized. For this reason, it is necessary to carry out promotional efforts that can provide an overview of investment opportunities and profit prospects in this sector.

The potential for renewable energy in Central Lombok Regency is supported by the wide availability of unused land to be used as a solar cell area in the development of solar power plants or PLTS. The tropical climate with the intensity of sunlight available throughout the year adds to the potential for developing renewable energy from solar power to be utilized in Central Lombok Regency. The prospect of power demand which is a potential market for PLTS development in Central Lombok is also available with the development of the Mandalika SEZ tourism destination. According to data from the Bappeda of West Nusa Tenggara Province, the electricity demand for the development of Mandalika Resort will reach 120 megawatts until 2024. This means that the market opportunity for developing the energy supply business in Central Lombok Regency is very wide open.

The trend of developing renewable energy sources which is one of the main targets of the sustainable development goals or SDGs can also be a driving force for the presence of renewable energy potential in various places, including in Central Lombok Regency. Trends in global energy use show that the transition to the use of renewable energy is growing quite rapidly. According to BP Statistical Review data, in the period 2007-2017 the use of renewable energy increased by 7.1 percent. Potential land area and energy demand projections from the development of the tourism sector can be a potential investment for renewable energy businesses in Central Lombok Regency. Apart from idle land, the potential for renewable energy in Central Lombok Regency can also come from the waste management process, especially in anticipating a surge in tourist visits in the Mandalika SEZ area and other tourist areas on the island of Lombok. Technological advances in the waste management process allow the processing of food waste to be converted into energy through the biogas process.

With the projected economic growth that will occur in the Mandalika Special Economic Zone and its surroundings, where the construction of hotel accommodation and so on, the proliferation of cafes and restaurants, along with increased economic activity that will develop potential industries that support the tourism sector such as the Food and Beverage industry. Beverage, this will also bring new problems, namely the problem of waste. With the availability of biogas technology that can be utilized in overcoming the problem of solid waste, provide opportunities for stakeholders and investors to work on something
that was previously a classic problem faced in anticipating a surge in tourism visitors and increasing economic activity in the Mandalika SEZ into opportunities that can provide financial and ecological benefits simultaneously. The available technology also provides various options, from sophisticated or very advanced and up to date to frugal or simple technology, thus providing quite diverse opportunities for stakeholders and investors to get involved in this sector.

**Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis**

This section describes a SWOT analysis that aims to identify factors that are considered important to achieve the goal of increasing investment intensity in Central Lombok Regency. This analysis groups key information into two main categories:

1. **Internal factors** are strengths and weaknesses related to investment activities or sectors related to investment in Central Lombok Regency.
2. **External factors** are opportunities (opportunities) and threats (threats) from the external environment faced in investment activities or sectors related to investment activities in Central Lombok Regency.

In general, Central Lombok Regency has potential in the tourism sector which can be a force in attracting investors to invest in this sector industry and various supporting sectors that also have future potential. However, obstacles such as limited apparatus, bureaucratic problems and the lack of optimal facilities and incentives for investors can be a weakness that can hinder the investment process, running according to what is expected and targeted by the Regional Government.

The most common threat factor is related to competitors who then identify the relative position of Central Lombok Regency as an investment destination. Meanwhile, the opportunity factor in general is an opportunity provided by the investment process that must be identified properly so that it can be utilized and provide benefits for investment and regional economic development.

**Figure 2. SWOT Diagram**

*Source: Self-processed*

Figure 2, which is a SWOT diagram shows that one of the main strengths of Central Lombok Regency is having an area that is a Special Economic Zone, namely the Mandalika SEZ. So that this will open opportunities to attract investors who are quite high. However, if the detailed data of each potential sector is not exposed and socialized, then this will be a weakness that will hinder the investment process. This weakness can also be a threat, due to the high uncertainty because of the lack of information. To convince investors to want to invest in an area, a certain level of business certainty is needed, so that investors can calculate the costs and benefits of the investment process more accurately.
Specifically, in looking at indications of strengths, weaknesses, opportunities, and threats, for example in the employment sector, important points can be underlined, such as the still high number of the Open Unemployment Rate. This can be seen as an opportunity factor as well as a threat. The local government's ability to respond to this condition will determine whether this point can be converted into a strength, or it will become a weakness. The policy option that can be taken by Central Lombok Regency is to enforce the rules for the recruitment of local workers by business actors. Thus, the labor force can be absorbed and reduce TPT. However, it is also necessary to increase the capacity and capability of the workforce with education and training so that local workers can meet the qualifications required by business actors. In the cooperative and MSME sector, the threats or problems faced, such as low business interest so that the growth of quality MSME actors is still low; product acceptance in the market; and the lack of synergy between the leading tourism sector and local MSMEs. Meanwhile, the opportunities in the form of potential are quite a lot, but what is of concern is the lack of utilization of existing potentials by business actors or local MSMEs, and the lack of synergy between the leading tourism sector and local MSMEs. Meanwhile, the opportunities in the form of potential are quite a lot, but what is of concern is the lack of utilization of existing potentials by business actors or local MSMEs, and the lack of synergy between the leading tourism sector and local MSMEs. Meanwhile, the opportunities in the form of potential are quite a lot, but what is of concern is the lack of utilization of existing potentials by business actors or local MSMEs.

Local governments are expected to carry out programs to increase business interest to overcome the problem of the lack of growth of local MSEs and develop integrated service centers to improve their quality. Related to the acceptance of MSME products in the market, a Regent Regulation can be formulated that regulates that modern retailers can absorb local MSME products. Meanwhile, to build synergy between the mainstay tourism sector and MSMEs, the development of cooperation between tourism investors and local business actors must be further emphasized through the Perbup, so that investment in the tourism sector will contribute directly to MSME actors in Central Lombok. In the agricultural sector, the development of the agricultural industry in the future will face threats or problems with land availability. The conversion of land functions to other sectors will cause a reduction in the volume of land for agricultural activities. What can be done is to identify opportunities for upgrading.

Points that need to be considered in upgrading the agricultural sector, such as increase productivity, resulting in more yield from land use; increase the added value of the product, so that the product is of higher quality and at a higher price; improve farmers' skills, through training and access to technology; financial access to be able to scale up. Another important point that must also be considered is the efficiency and inefficiency of the production process which can affect the final price of the commodity to be marketed. Then, product branding by ensuring product consistency and quality to create a positive mindset related to Central Lombok local products. Another problem faced in the agricultural sector is the market absorption of products, causing farmers to be confused in selling their crops. While the costs incurred in the production process such as providing seeds and so on require capital that must be returned to carry out the next production process. The livestock sector is also experiencing a similar problem, where capital items such as animal feed are increasing in price, while livestock prices are falling.

Various factors that can support upgrading and overcome the problems of the agricultural and livestock sectors, can be found a solution from the investment process carried out by outside companies. In addition to bringing in the capital of business actors from outside who invest their capital and cooperate with local business actors, it will open up opportunities for technology transfer and access to capital. In addition, opportunities for knowledge transfer about marketing strategies and access to wider markets such as international markets will also be wide open from this process. In the tourism sector, the opportunities presented by the development of the Mandalika SEZ can be used to encourage the development of other tourist destination projects in Central Lombok Regency. In the northern part, for example, in the form of ecotourism-based tourism in the Geopark Rinjani area. Then, development of batujai as a tourism icon for the waterfront city and tourist villages such as Beleke, Aik Beliq, and Bilebante. To seize opportunities in the tourism sector and overcome various problems in various other sectors from the institutional side, it can be done by strengthening capacity and capability by forming an
investment task force and implementing an MOU whose emphasis is on the commitment of stakeholders, with an implementable draft.

CONCLUSION

The existence of the Mandalika SEZ in Central Lombok Regency is one of the essential strengths in attracting foreign investors. Various incentives and facilities as well as the facilities offered make it a competitive investment destination, especially for the main actors driving world trade and investment. International production governance, which is understood as a global value chain concept, requires collective participation between foreign companies and local business actors, the majority of whom are MSMEs because the scale is still local. Indonesia and other developing countries in Asia and Africa to be able to have a role and get the economic cake in the global production system.

Business actors, especially those from developing countries, no longer must master the whole process of producing goods from start to finish. What these business actors can do is to specialize in small parts in the international production process by ensuring the production scale is in accordance with the needs or standards of the lead firm. Central Lombok Regency has economic potential in various sectors, almost all economic sectors are moving positively, which means that there are business actors who have the potential to advance economically. This means that the fundamentals needed to be able to participate in international production processes or global value chains are available.

Connecting with global value chain schemes is the same as opening investment opportunities from multinational companies. The higher the degree of connectivity, the higher the investment potential that can be brought in. In addition, other supporting factors are also quite adequate, such as the availability of land which is still quite large, sufficient quantity of labor, people's purchasing power, infrastructure conditions and so on.

But quantity alone is not enough. To be able to establish strategic cooperation with multinational companies, local business actors must also have capabilities that are generally related to human capital. For this reason, it is necessary to make efforts that can increase the opportunities for local business actors to be connected to GVC by optimizing potential through appropriate policies. One of them that is micro is to conduct an assessment of several key elements, namely, (1) existing conditions related to local capabilities and capabilities; (2) domestic and international market demand conditions; (3) competitors from other regions. The information generated from the assessment then becomes a reference for the (regional) government to determine an incentive framework that suits the needs of industry players.

After that, local business actors can upgrade or upgrade by maintaining the sustainability of the connection in the GVC. If this can be done, local business actors can reduce the various weaknesses they have so that they can open greater potential in global value chain and investment processes.

REFERENCE


