



Research Paper

## Analysis of Demand and Supply Commodities Originally A Region (Case Study; Provence South Sulawesi)

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Received 20 Jan, 2017; Accepted 31 Jan, 2017 © The author(s) 2017. Published with open access at [www.questjournals.org](http://www.questjournals.org)

**ABSTRACT:** *This study aims to provide information about the structure of supply and demand which have an important role in shaping the economic structure regional. Identified strengths and weaknesses of the economic sector and gives an overview of the potential and the barriers to the development of the existing economy. In Addition, the study can be a model of the original commodity analysis of a region.*

*The analytical method used is to utilize the model of Table I-O to provide a descriptive overview of the structure of demand and supply. Given the complexity of the tables I-O, the description given might be in general (macro) and integrate the linkages between sectors.*

*The analysis finds fourteen commodity that has considerable value in terms of both demand and in terms of deals namely; Rice, Cocoa, sea fish and other results, Nickel, Industrial rice, Manufacture of fertilizers and pesticides, Industrial goods other chemicals, industrial goods produced oil refineries, cement industry, Industrial machinery and equipment, land transportation equipment industry, building shelter, services trade and public governance services.*

*Generally, the fourteenth of these commodities have a significant impact on the economy South Sulawesi. Rice, Nickel and services trade is a commodity that is essential for perekonomian. Informasi about the structure of supply and demand for the commodity could be used as a reference for development planning in the region of south Sulawesi,*

### I. INTRODUCTION

South Sulawesi Provinsi one of 34 Provinsi in Indonesia and has 21 Regency and 3 City. On the year 2011 population of 8,115,638 inhabitants with a per capita income and the structure of 16.92603 million rupiah. Dominated economy the Services sector by 45,36 percent, industry by 27,64 percent and agricultural by 27,00 persen. Rate average economic growth of 7.5 percent or above the national average by 5,5 percent (BPS.2012). The condition South Sulawesi Provinsi position as a center of economic growth in Indonesia with an open economic system and strategic. The economy South Sulawesi is not only influenced by external factors, but also determine the circumstances of the national economy. Thus, the economic condition of the province is quite complex and complicated. Complexity in the economy requires an analysis tool that would not only be in one direction so as to provide an overview of the situation and overall economic conditions. Although the analyzer has the ability to read complex situations but in terms of presentation should be simple and easily understood.

Economists and policy makers in the field of development realize the important role analysis tool that can provide information that is easy to understand the complex yet. In this case, one of the models used is the table format Input Output (I-O). Table I-O is a model that tabulate information on transactions of goods and services as well as interconnections between sector economic activities in a region at a specific time period.

Table I-O provide information on the structure of input and output sectors of the economy, the added value generated by each economic sector, the transactions that occur between economic sectors and an overview of the macro and micro regional economy. In addition, the I-O table also provides information about the structure of supply and demand which is very useful for the preparation of development policies.

Supply and demand is one of the most fundamental concepts in economics and an important part in the market economy system. The structure of supply and demand will provide an overview of the process of allocation of existing resources in the economy efficiently and effectively by taking into account the competitive advantage and comparative advantage.

In an open economic system, which is characterized by the existence of trade between regions, information on the demand and supply structure has a very important role. This is mainly related to the efforts to improve the performance of the economy through the allocation of resources, provision of information related inputs for production activities, the amount of the value of final consumption, the amount of exports and imports as well as the need for the stock. In addition, information on the structure of demand and supply can also provide an overview of the situation and condition of the existing economy.

## II. METODOLOGY

The analytical method used is the model of I-O tables to illustrate descriptive for the structure of demand and increased deals complexity of I-O tables, given the holistic picture (macro) and integrate the linkages between sektor.Selain, the potential of a sector that may be developed also attention in reseach The model used is a model I-O I-O region with the percentage of non simplification regional survey and analysis Location Quitient (LQ).

Application of input-output analysis model in regional economic planning, is to examine the role of the original production of commodities a region seen from its impact on economic growth, income, and employment. This case study is in South Sulawesi. Tabel input-output is a breakdown of the statistics in the form of a matrix of rows and columns that describe transactions of goods and services sertaketerkaitan between a sector with other sectors.Dependence magnituce of a given sector to another sector determined by the inputs used by the production process, as well as the outputs produced besaranya to meet the intermediate and final demand.

Thus the development of a sector will not be reached if not other by supported. This sector breakdown of stats related to input and output economy such sectors.The input-output tables give an overview of the structure of the economy of a country or territory that includes the structure of input, output , added value and structure of the provision of goods and services, demand, exports, and imports of each sector.For more details, here is an input-output table basid Framework for Indonesia as a simplification of an economic system of a State or Territory.

**Table:1** The Basid Framework Input-Output

Output Allocation		Intermediate Demand					Final Demand	Stockes	
		Production sector			Total			Input	Total Output
Input Structur		1.....	j ....	N	Intermediate Demand				
						$\sum_{i=1}^n x_{1i}$		F1	M1
	I	$x_{i1}..$	$x_{ij}..$	$x_{in}..$	$\sum_{j=1}^n x_{ij}$			II	
	Intermediate		$x_{nj}..$	$X_{nn}$	$\sum_{ni} x_{ni}$				
		$x_{n1}..$			$\sum_{j=1}^n x_{nj}$				
							F <sub>n</sub>	M <sub>n</sub>	X <sub>n</sub>
	Total Intermediate	N	n	N	n	n			N
	Input	$\sum x_{i1}$	$\sum x_{in}$	$\sum x_{ij}$	$\sum x_{in}$	$\sum x_{in}$	F	M	$\sum x_i$
		i-1	i-1	i-1	i-1	i-1			i-1
	Input Impor	M1	Mi	Mn					
			III				IV		
	Input Primer	V1	Vj	Vn					
	Total Input	X1	Xj	Xn					

**Source:** Input-Output Indonesia in 1990.

**Information :**

X<sub>ij</sub> = j sector input derived from the production sktor i

X<sub>j</sub> = the value of the production sector j = X<sub>i</sub>

V<sub>j</sub> = j value added sector

F<sub>i</sub> = final demand

M<sub>i</sub> = import sector production.

I, II, III = quadrant used in the analysis of input-output (I-O).

IV = Kuadran only for analysis didtribution (Social Accounting Matrix / SEM and verlooked in the analysis of this writing)

Leontief inverse matrix [IA] -1 according to O'Connor and Henry (1975), Thomas (1982), Richardson (1972), Miiler and Blair (1985) can be widely used in the analysis and linkage multiplier (Multiplier and Linkage) at various sectors of the economy. According Tjahjani (1995: 14), in an input-output model, transactions between sectors of the economy using three basic dimensions, as follows:

1. Uniformity (homogeneity), which means that each sector is only producing one type of goods and services, uniform and sususna single input.
2. The proportionality (proportionality), which means that the increase in the use of inputs is directly proportional to the increase in output. This principle is also called the principle of linearity.
3. The summation (additivity), which means that the overall effect of production activities in various sectors of the sum of the effects of each of the principles.

The coefficient of the original production of commodities impact calculated using formulas related - output input. Based on the calculation coefficient of impact, then analyzed whether the impact of large, medium or small. In connection with that, the impact index calculated based on the way proposed by Rasmussen (Siegfried Schultz, 1976; Bulmer-Thomas, 1982; Sritua Arief, 1993; Simarmata, 1993), where the average of all coefficients of the entire sector made normalization factor. Here, the average coefficient of a sector dirasio or normalized to the average of all coefficients of the entire sector, to the same effect. If the impact index > 1 then the impact is classified as large, medium and small classification, if the impact index ≤ 1. to determine whether the impact of the classification of medium or small, used criteria middle value of 0.5. Classification was when the impact index is > 0.5 - ≤ 1.0, while the impact on small when the index is ≤ 0.5.

Methods of analysis results Input-Output and understanding related sertadefinisi tentangKonsep, magnitude (variable) menyangkutoutput, intermediate input, primary inputs (value added), final demand and imports writers do not decompose in this paper.

### III. DEMAND AND SUPPLY STRUCTURE

#### A. Supply Structure

As described earlier, input-output table is one method that can be used to perform the analysis in economics. One such analysis that can be performed using I-O table is an analysis of the structure of demand and supply of goods and services. In the economic model using I-O table, the supply of goods and services can be divided into two variables. The first variable is a product of domestic goods and services or the output of the sectors in the economy in a region. The second variable is a variable import, which describes the products from other regions, including from abroad. Table 3 provides an overview of the structure of supply of some commodities in South Sulawesi. Selected commodities are commodities that have value offer, both in terms of domestic production and imports, the biggest in the economic structure of South Sulawesi. Thus these commodities play an important role for the economic performance of South Sulawesi.

In table 2 in 2011, it appears that the amount of supply of goods and services in South Sulawesi stood at 236.38 trillion rupiah. Of the amount of the offer, a total of 43.03 trillion or 18.21 percent comes from imports, while supply comes from domestic production stood at 185.32 trillion or equivalent to 81.79 percent

**Table;2** Total Supply goods and services Commodities Largest South diSulawesi In 2011 (Million).

Business field	Supply		
	Import	Output	Total
ice	0	12.114.747	12.114.747
Cocoa	28.975	4.975.738	5.004.713
Sea fish and Other Results	128.538	7.475. 826	7.604.363
Nikel	0	8.604.846	8.604.846
Rice Industry	1.618	14.550.330	14.551.949
Ferterlezers andpesticides Industry.		5.263	3.502.954
Other Chemical goods Industry	3.497.690	9.066	2.684.228
Industries goods Resulty Oil Refinary	2.635.162		

Cement Industry		0	8.614.160
Industrial machinery & Equipment	8.614.160	7.274.563	7.451.960
Land Transportation Equipment Industry	177.397		
Residential building and non	2.004.762	9.657	2.014.419
Residential	4.072.131	283	4.072.414
Trade Services			
General Government	0	9.816.053	9.816.053
	0	18.988.939	18.988.939
	0	22.409.040	22.409.040
<b>Total Commodities</b>	43.032.697.45	193.343.473	236.376.17

**Sources :BPS (update)**

On the import side, the product offering of Industrial goods Results Oil Refineries recorded as the largest commodity. Offer value of imports of the commodity to oil refining reached 8.61 trillion rupiah. That amount is equivalent to 20.02 percent of the total value of imports of South Sulawesi. In addition, the value of domestic deals worth zero indicates that South Sulawesi has not been able to produce refined petroleum products. In addition, the commodity has considerable import value is the product of Land Transport Equipment Industry. Value of imports for this commodity reached 4.07 trillion or equivalent to 9.46 percent of the total import value overall. The deals of listed domestic product amounted to only 283 million rupiah.

Furthermore, the Fertilizer and Pesticide Industrial commodities are still highly dependent on imports. Product fertilizer industry ranks third in terms of the value of imports amounted to 3.50 trillion rupiah. To meet the need for fertilizers and pesticides, domestic production is still relatively small at 5.26 billion rupiah. Similarly, the commodity of Items of Other Chemical Industries whose bid is still very dependent on imports. Total bid value of these products amounted to 2.57 trillion rupiah. Of these, a total of 2.64 trillion (98.17 percent) is still very dependent on the product outside of South Sulawesi. Just as much as 49.07 billion (1.83 percent), which is derived from offering domestic product. As for the commodity which has a relatively low dependence on imports is the cement industry, where deals for cement commodities mostly from domestic output as much as 97.61 percent and 2.39 percent of total imports. Similarly, the commodity Sea fish and other products that have a value of as much as 98.31 percent of domestic output and import value of as much as 1.69 percent. In addition, the commodity of cocoa and rice industry also appeared to have a relatively small degree of dependence on imported products.

Furthermore, commodity which has no dependence at all on imports of the commodity Rice and Nickel. The need for commodities can be met from domestic production so that it does not require imported at all (zero import value). From the supply side, the output value of the commodity Rice and nickel respectively amounted to 12.11 trillion rupiah and 8.60 trillion rupiah. In Table 2 the domestic products that have the highest value of deals is a commodity of Public Administration Services, Trade and Industry Services Rice. The output value for the General Government Services amounted to 22.41 trillion, representing 11.59 percent of the total domestic output in South Sulawesi. In addition, the value of output for Trade Services was 18.99 trillion rupiah (9.82 percent) and the rice industry 14.55 trillion rupiah (7.53 percent). In addition, all three of these commodities also have a small dependence on imports.

## **B. Demand Structure**

In the analysis using tables I-O, the demand can be divided into demand for intermediate and final demand. Demand among the requests coming from sectors of production and commodity prices existing in the economy. Demand for goods and services used as input variables for production activities. The final request is a request that is used to meet the final consumption.

In general, in 2011, total demand for goods and services in South Sulawesi stood at 236.38 trillion rupiah. From these values, amounted to 84.06 trillion or 35.56 percent is derived from the demand for raw materials needed to carry out production activities. Additionally, amounting to 108.73 trillion rupiah or nearly half is used to meet end consumer demand originating from South Sulawesi. As for the other 43.59 trillion (18.44 percent) was used for export or otherwise consumed by the population outside South Sulawesi.

In table 3 provides an overview of the structure of the demand of some commodities in South Sulawesi. Selected commodities are commodities that have value between the demand and final demand structure of the economy the largest in South Sulawesi. Thus these commodities play an important role for the economic performance of South Sulawesi. In addition, the commodity is also associated with the commodity in the table deals for the purposes of further discussion to make it easier and proportionate.

In table 3. rice commodity is a commodity that has value between the greatest demand. Assess need for rice production stood at 11.75 trillion rupiah, or by 13.98 percent of the total final demand. The magnitude of

the demand for rice showed the important role of these commodities for the economy of South Sulawesi. Meanwhile, demand for final consumption of rice in South Sulawesi was recorded at 364.42 billion rupiah. Thus, the total demand value of the paddy was 12.11 trillion rupiah.

In addition, Table 3 shows that the demand for trading services is one of the largest after the request of the rice. Values between the demand for services trade reached 7.51 trillion or equivalent to 8.93 percent of total demand in the economy of South Sulawesi. Meanwhile, the value of final demand for commodity trading services amounted to 11.48 trillion rupiah. Of these, a total of 8.16 trillion rupiah a demand to meet the needs of domestic final consumption and as much as 3.32 trillion rupiah a final demand from outside South Sulawesi. Overall the total demand for services trade amounted to 18.99 trillion rupiah or covering 8.03 percent of the total demand for goods and services in South Sulawesi.

Value demand for trading services that exceed the value of rice commodity demand. Conditions were once puts commodity trading services on the position of the second largest economy in the demand structure of South Sulawesi. It also identifies that there has been a shift in the economic structure of South Sulawesi, where the tertiary sector looks began to play an important role in economic activity.

Furthermore, the demand for the goods of the oil refining industry is also one of the largest. Values between the demand for the goods of the refinery was 6.20 trillion or equivalent to 7.37 percent of total final demand. The relative magnitude between the demand for commodities goods industry oil refinery is one indicator of the high economic activity in South Sulawesi. The need for this commodity is always in line with the movement of the economy where the higher rate of economic activity, the need for commodity fuels will also increase, mainly to power the machinery of production and transportation facilities.

In the same period, the demand for the products of the cement industry is also quite high. Demand for these commodities recorded between US \$ 4.43 trillion or Rp, 5:27 per cent of the total demand in South Sulawesi. The magnitude between demand for products results cement industry is one indicator of the rapid development in the construction sector in South Sulawesi. Overall, the value of the demand for cement products reached 7.45 trillion rupiah, or by 3:15 percent of total demand in the economy of South Sulawesi. Values of final demand for domestic consumption of cement industrial products stood at -113.20 billion rupiah derived from changes in the stock, which stock the end of the year less than the stock's early years. Meanwhile, the final demand of the cement products originating from outside South Sulawesi is relatively big. Value of export demand for these products reached 3.14 trillion rupiah.

**Table 3.** Total Demand for Goods and Services Commodities Largest South Sulawesi in 2011 (Million).

Business field	Final Demand			
	Inetrmdiate	Domestic	Eksport	Total
Rice	11.750.327	364.419	0	12.114.747
Cocoa	1.832	111.356	4.891.526	5.004.713
Sea fish and other results	1.671.602	2.430.105	3.502.657	7.604.363
Nickel	0			
Rice industry	1.089.484	2.344.094	6.260.752	8.604.846
Fertilizers and pesticides	3.447.045	7,106.459	6.356.006	14.551.949
Industry		51.164	4.746	3.502.954
Other chemical goods	1.848.856	836.340	32	2.684.228
industry				
Industrial goods resulting	6.195.321	2.342.213	76.626	8.614.160
Oil refinery				
cement industry				7.451.960
Industrial machinery & equipment	4.429.729	-113.198	3.135.429	2.014.419
Land transportation	195.767	1.815.879	2.773	4.072.414
equipment industry	1.997.838	2.074.294	282	9.816.053
Residential Building and non-residential	1.367.350	8.448.703		18.988.939
Trade services	7.507.211	8.163.491	0	22.409.040
General Government	0	22.409.040	3.318.238	
<b>Total Commodities</b>	<b>84.056.200</b>	<b>108.731.346</b>	<b>43.588.625</b>	<b>236.376.170</b>

Sources: BPS, (up date)

In terms of domestic final demand, general government services is a commodity that has value largest domestic final demand. The value of the final demand of the general government services reached 22.41 trillion rupiah used to meet government consumption. The value of this commodity demand, which reached 9.48 percent of the total demand is the largest in South Sulawesi economic demand structure. This suggests that the role of the government to move the economy of South Sulawesi is still quite large. Economic dependence on the magnitude of government should be on the wane along with growth and economic development.

Table 3 also shows that the commodity that has a big enough role in the structure of demand is the rice industry. Values between the demand for commodities rice industry is relatively not too large, which stood at



1.09 trillion. But in terms of final demand, the value of total final demand for commodities rice industry is quite high. Values of final demand to meet the needs of domestic consumption of the rice industry was 7.12 trillion rupiah. Meanwhile, the value of final demand for exports was 6.36 trillion rupiah. Thus, overall, the value of the rice industry demand include 6.15 percent of total demand in South Sulawesi.

The condition shows that the rice industry in South Sulawesi has a strategic role both for domestic needs and requirements outside of South Sulawesi. The strategic position not only related to purely economic terms, but also in terms of political. This is mainly related to the improvement of food security that is both economical and political.

In addition, commodity counted fairly large value associated with the structure of demand in South Sulawesi Nickel is a commodity. Value demand for this commodity comes primarily from final demand for change in stock and export needs. Nickel demand value to meet the demand of the stock stood at 2.34 trillion rupiah, or by 27.24 percent of the total demand of commodity Nickel. The final demand for exports amounted to 6.26 trillion rupiah, or covering 72.76 percent of the total demand for nickel.

From the structure of supply and demand that comes from Table I-O in South Sulawesi shows that Rice, Nickel, and Services Trading commodities is very important for the economy of South Sulawesi. The need for these commodities to meet this demand and demand between the end of the whole can be met from domestic output. or, products Rice,nicel and trade service trade has a comparative advantage that is very beneficial to our economy Selatan.Selain Sulawesi,

The structure of supply and demand is there, Rice and Trade Services has an extremely important role as an input for other sectors of production activities. Thus, Rice and Trade Services is interrelated forward (forward linkage) in South Sulawesi economy's production chain. Output of Rice and Trade Services product not only adds value to the product itself but also play a role in the formation of other value-added products.

This conditions, the continuity of the production of rice and Trade Services need to be maintained. In addition, one of the efforts to improve the performance of the economy in South Sulawesi can be done by increasing the productivity of these sectors. Expected output increases production of these commodities, supply such products increases and in turn will increase the demand for such products.

Different conditions apply to products Results Industrial Oil Refinery, Fertilizer and Pesticide Industry, Land Transport Equipment Industry, Industrial Goods Other Chemical and Industrial Machinery and Equipment and Fittings. The structure of the deals I-O table shows that the import dependency for some of these commodities are quite high. Even the demand for refined petroleum products can only be fully met from imports.

In an open economy and free trade, high import needs is not a weakness. Taking into account the comparative advantage and competitive factors, the import is an attempt to allocate the available resources more effectively and efficiently. So in the end the performance of the overall economy can be improved.non etheless, there are some things that need to be associated with products that have import dependence. Among other things, that such products should be guaranteed. With the guarantee of an adequate supply of the economic activity, especially those that require the output of such products as input materials, can run normally. In addition, the product supply-poduk must also be prepared to be able to anticipate when there is a surge in demand that occurs suddenly.

In addition, the alternative of these products also require attention. This is mainly to anticipate the scarcity of supply of these goods. Furthermore, another thing that needs attention is the price fluctuations that may affect the purchasing power for products that have a relatively high dependence on imports such. It is noteworthy considering that the shift in price is one variable that is very sensitive in the economy.

Urthe rmore, from observations of the structure of demand and supply in the economy of South Sulawesi, shows that there are commodities and Non-Residential Building Dwelling and General Government Services commodities that can be met from domestic output without requiring import deals. It is strongly associated with nature (nature) of the product.

That need attention is still a large proportion of the General Services Administration in terms of both supply and demand in the economic structure of South Sulawesi. This condition indicates the high level of economic dependence on the government. In the economic system, the heavy dependence on the government needs to be reduced because of the government's role is more of a regulator and not a major player (prime mover) in the economy. Too magnitude of the role of government in the economy is feared will lead to inefficiencies in the economy. So that the performance of the economy will be hampered and the level of productivity becomes low.

## **IV. DEMAND ANALYSIS**

### **A. Intermediate Demand**

#### **1. Rice**

According to the table 2 (unattached in journal) shows that the rice commodity output (001) is mostly required as input to the activities of the rice industry (043). The input values required by the rice industry of commodity rice stood at 11.44 trillion rupiah or reached nearly 94.49 percent of the total demand of rice in South Sulawesi economy.

Meanwhile, the "only" amounted to 621.61 billion rupiah (5 percent) of the value of commodities of rice that are used as inputs for production activities in the rice commodity. This suggests that as many as 5 percent of the value derived from the demand of rice paddy production activities. Additionally, the output of rice is also used as a raw material for production activities in commodity cattle (of 435 million), other livestock and their products (2.85 billion rupiahs), Poultry (888 million Overall, total demand between the Padi is the largest in the structure of demand and supply. this is one indication that the commodity Rice has an important role in the economic structure of South Sulawesi.

## **2. Cocoa**

Output from Cocoa products are used as inputs into its own cocoa production activities as much as 2.03 trillion rupiah. Meanwhile, a total of 2.94 trillion is needed as a raw material grain industry peelings, cocoa powder and confectionery. The input requirement for other food industry amounted to 2.85 billion rupiah and the input requirements for restaurant services was 34.2 billion rupiah.

The condition shows that the demand structure of the cocoa product is still dominated by grain industry peelings and cocoa production activity itself. From the demand side, efforts to increase the production of cocoa which is one of the flagship products of South Sulawesi can be done by increasing the capacity of grain industry peelings, cocoa powder and confectionery.

## **3. Sea Fish and Other Results**

From the structure of Intermediate demand, it is known that most of the products of sea fish and other products needed for input on Fish Industry Processed and durables. These industries reached 6.48 trillion rupiah of the total demand of the fish products. At the same time, Service Restaurant absorb as much as 688.99 billion rupiah fish products for its production activities. In addition, the production activities requiring output of many fish was General Government Services (302 billion), Fish (68.53 billion rupiah), Sea Transport Services (26.55 billion rupiah), Hospitality Services (12.27 billion rupiah), industrial goods Other industries (9.38 billion rupiahs), Health Services (7.6 billion rupiah), Other Social Services (2.76 billion rupiahs), and copra industry and Animal and Vegetable Oils (2.21 billion rupiahs),

From the composition shows that the production activities that require fish products as input materials are quite diverse, ranging from industry, transport and services. This indicates that the opportunity to develop commodity fish products are also quite large.

## **4. Rice Industry**

Similarly, fish products and other products, economic activities that require the output of the rice industry in South Sulawesi is also quite diverse. Based on the table Intermediate demand, economic activity requires the most output from Rice Industry is a General Government Services (4.46 trillion), Restaurant Services (2.82 trillion), Rice Industries (2.27 trillion), Poultry and Results (1.53 trillion), and Flour Industry Other (1.28 trillion). In addition, there are many sectors of economic activity using products from rice industry as raw material.

From the composition of demand among the looks that the General Government Services is one of the many uses the output of the rice industry, it may be related to the procurement of rice for food security programs as well as other government activities. In addition, from the private sector, it appears that the Restaurant Services, Industrial Rice, Poultry, and Flour Industry also plays a dominant role in the absorption of Rice Industrial output in South Sulawesi.

## **5. Fertilizer and Pesticide Industry**

Many economic activities that require a product of the Fertilizer and Pesticide Industry is the production activities in the agricultural sector. Demand between the output of fertilizer and pesticide products derived from the agricultural sector stood at 3.48 trillion rupiah. The demand mainly comes from commodity Rice (\$ 1.47 trillion), Cocoa (995.43 billion rupiah) and Maize (332.64 billion rupiah).

Meanwhile, the production activities outside the farm that also requires the output of fertilizers and pesticides, among others, General Government Services (11.98 billion rupiah) and Business Services (3.73 billion rupiahs). The total requirement of fertilizers and pesticides outside of agriculture "only" amounted to 21.15 billion rupiah, or less than one percent of the total demand of fertilizer and pesticide products.

That condition illustrates that Intermediate demand structure the out put fertilizers and pesticides mainly from pertanian. In one hand, fertilizer and pesticide products must be imported largely due to the production of fertilizers and pesticides from the domestic industry a little still. Meanwhile the South Sulawesi on

the other hand, the need for fertilizers and pesticides in the agricultural sector including the need primer. Dengan thus the availability of fertilizer and pesticide needs special attention particularly during the growing season. Heavy dependence on imports endeavored that tida to disrupt the availability of such products that may have an impact on agricultural production as a whole.

In addition, the structure of supply and demand exist, it appears that the potential for the development of the domestic pesticide industry fertilizer still big quite .The demand side, demand for these products look big pretty .Meanwhile that, from the supply side, most of the existing products still come from outside SouthSulawesi .Import opportunities should be used by governments and the private sector to improve the economic performance of South Sulawesi in the future.

#### **6. Other Chemical goods Industry**

The demand among the industry product Goods Chemical and Others come from almost all economic activity in South Sulawesi intermediate demand the output of industrial products are used as raw material for economic activity in sectors of the economy ranging from agriculture to the services sector ,The demand input mainly comes from Industrial Rubber and Rubber Goods from amounting to 674.90 billion rupiah and cement industry amounted to 652.93 billion rupiah. Selain, demand among dominant enough also comes dari Jasa General Government (396.95 billion rupiah) seeds Nickel (314.79 billion rupiah), and Industrial Paper and Articles of Paper and Paperboard, including goods Matter (177,82 milyar rupiah).

As well as fertilizer and pesticide industry, offers for industry products-goods Chemicals and Other mainly from import. The production activity that uses input from the products of chemical goods must be done efficiently so that the output value of issued shall be relatively more greater than the value inputnya. If it happens, the level of economic productivity will increase and the economy will grow rapidly.

#### **7. Industrial goods Results Oil Refinery**

The Intermediate input needs toward product from Industrial goods have results counted fairly large oil refinery. In addition, the demand for these products also come from almost all existing production in South Sulawesi even though the value is quite varied. Overall, it shows that the oil refinery industry products play a very important role in economic activities in South Sulawesi.

From the table of requests between (Table 2, unattached) there are five main commodities of the most dominant in terms of absorption of industrial oil refinery output to be used as fuel in the production activities. The fifth of these commodities are: Electricity and Gas (2.11 trillion), the Cement Industry (1.85 trillion), Road Transport Services (1.20 trillion), Nickel Ore (1.33 trillion), and the Marine Fish and Outcomes. On commodity Electricity and Gas, Cement Industry, and Nickel, a product of the oil refinery is used as fuel to power the machinery production. Meanwhile, the Road Transport Services, and Marine Fish and Outcomes, the oil refinery industry output is used as a vehicle fuel or means of transport used. From this structure, the increase in the selling price of the products of fuel oil will greatly impact on the increased cost of production on the fifth production activities.

#### **8. Cement Industry**

Output from the cement industry are mostly used as raw material in Residential Building and Non Residential, Road and Bridge and the Port. The value of intermediate inputs from industry cement used for construction of residence buildings and non-residential reached 4.36 trillion rupiah. Meanwhile, the construction of roads, bridges and ports require cement with a value of \$ 2.69 trillion.

Mean while, interdemediate dimanad among the product comes from the cement industry also Cement Industry (151.8 billion rupiah), Infrastructure Agriculture (132.47 billion rupiah), Other Buildings (87.62 billion rupiah), Building and Installation of Electricity, Gas, Water drinking, and Communication (27.34 billion rupiah), Building Materials Industry of Ceramics and Clay (260 million), and Industrial Other Industrial goods (184 million).

#### **9. Industrial Machinery and Equipment and including Electrical Equipment and Materials Electrical Purposes.**

The Intermediate demand the products of Industrial Machinery and Equipment and including Electrical Equipment and Materials Purposes electricity comes from almost all economic activity in South Sulawesi. Distribution of the demand is coming from the majority of the production activities indicate that the output of these products plays a very important role in economic activities in South Sulawesi. Despite this magnitude between the demand of each activity is quite varied in value.

From the Intermediate demand structure, input requirements for Nickel Ore amounted to 1.10 trillion rupiah is among the greatest demand for industrial products machinery and equipment in the economy of South Sulawesi. In addition, input requirements are also quite large came from Electricity and Gas (187.38 billion



rupiah), General Government Services (164.45 billion rupiah), Wheat Flour Industry (126.19 billion rupiah), and the Cement Industry (81, 12 billion rupiah).

Along with the increasing economic development, needs the input is coming from the product of the tertiary sector will increase. South Sulawesi is a region which is at the stage of economic transformation from the primary sector to the secondary and tertiary sectors. This situation should get more attention, especially in terms of procurement of raw material inputs to economic activity. Intermediate demand largely be met from imports, must be maintained availability and supply. It is necessary to maintain the performance of the economy and prevent a further slowdown of production activities. As for the demand to be met from domestic products, it should be transferred as a trigger for an increase in production output capacity to items needed for intermediate inputs.

#### **10. Land Transport Equipment Industry.**

According to the table 2 (appendix) shows that the output of Land Transport Equipment Industry is mostly required as input to the activities of the General Services Administration. The input values required by the services sector governance of industrial commodities transport. Amounted to 4.04 trillion rupiah or reached nearly 99.26 percent of the total demand between land transport tool in the economy of South Sulawesi.

Mean while, the "only" amounted to 29.74 billion rupiah from the value of commodities conveyances of land used as inputs for production activities of the Service Workshop. The value of output is used alone or inputs derived from the same commodity amounted to 302 million rupiah.

#### **11. Residential Building and Non Residential**

The Output of Commodities Residential and Non-Residential Building Housing is generally used as inputs in the secondary and tertiary sectors. Intermediate demand is c from the primary sector is considered very low compared to the Intermediate demand of the secondary and tertiary sectors.

The Intemediate demanad greatest for building commodity output came from the General Government Services (2.93 trillion), Building Rent and Lease Land (2.20 trillion), and Communication Services (1.33 trillion). In addition, the intermediate demand for which is also quite large came from Trade Services (803.66 billion rupiah), Road Transport Services (354 billion rupiah), and Sea Transport Services (161.57 billion rupiah).

#### **12. Trade Services**

Total Intemediate demand the output of Trade Services is the second largest after the request to Rice on the economy of South Sulawesi. The total value of intermediate demand the Trade Services stood at 7.51 trillion rupiah or 9 percent of total demand in the Intermediate demand structure economy South Sulawesi. It shows that the Trade Services is one of the main economic driver of South Sulawesi. Thus, the output of the supply and availability of trade Services activities should be a major concern.

In general, matters affecting Trade Services is a factors smooth distribution, security, price stability, infrastructure and transport. These factors should be central to the economic activity that has implications for Trade Services can run smoothly. In addition, Intermediate demand toward Trade Services also looks quite scattered and comes from all economic activities in South Sulawesi. However, the value of the request is quite varied among activities. According to the table the request, and Non-Residential Building Housing is a commodity that requires the most input. Among commodity demand from the building to the Trade Services stood at 2.29 trillion rupiah. In addition, the demand for which is also quite large came from Rice Industries (2.25 trillion), and Industry Processed and Awetan (1.60 trillion).

#### **B. Final Demand Structure**

In the model of the macro economy, aggregate revenue is a function of household consumption, government spending, investment and the difference of exports and imports. These components in Table I-O is known as the structure of final demand.

From Table I-O, the demand structure can also be obtained from the Gross Regional Domestic Product (GDP) according to the usage. In 2011, the final demand or consumption in South Sulawesi consists of Household Consumption amounted to 66.26 trillion rupiah, Government Consumption 40.47 trillion, gross fixed capital formation 32.50 trillion, Change in Stock of 2.38 trillion rupiah, and exports amounted to 30.15 trillion rupiah. Thus, all of the components are formed from Final Demand amounted to 172.83 trillion rupiah.

From Table 4, it appears that South Sulawesi's economy depends on the amount of household consumption. The role played by household consumption in shaping the economy of South Sulawesi cause the performance of the economy as a whole is relatively resilient to external influences.

**Tabel 4.**Final demand components 2011

Components	Vule(million Rupiah)	Persentase

House hold consumption	59.831.285	39,28
Government Consumption	22.406.268	14,71
Gross fixed capital formation Change in Stock		14,83
Export	22.589.052	2,56
	3.904.741	
Total Final Demand	152.319.971	100,00

Within the last few years, international economic conditions that are in a situation of uncertainty. After the global financial crisis triggered by bad loans in the United States housing sector began to subside, the world is now faced with the problem of foreign debt of some countries in the euro currency users. In addition, the crisis in the Middle East involving Iran and the United States also helped worsen the international situation. The rivalry between Iran and the United States has an impact on world oil prices which impact directly on Indonesia, which incidentally is a net consumer of oil products.

The uncertainty of the economic situation did not actually have direct impact on the economy of South Sulawesi. However, if the national economy is experiencing the impact of the international economy, the economy of South Sulawesi must prepare anticipatory measures. In this case, the contribution of household consumption in shaping the economy of South Sulawesi to be grateful. Throughout the people's purchasing power can be maintained and remain active sectors of the domestic economy, the threat of international economic crisis can be suppressed.

## V. CONCLUSION

Based on studies conducted using IO tables, there are fourteen commodities in South Sulawesi economy that has considerable value in terms of both demand and supply. So generally, the fourteenth of these commodities have a significant impact on the economy of South Sulawesi. Fourteenth these commodities are rice, cocoa, sea fish and the results Others, Nickel, Industrial rice, Industry Fertilizer and Pesticides, Industrial Goods Other Chemicals, Industrial Goods Results of Oil Refineries, Cement Industry, Industrial Machinery and Equipment and Equipment, Land Transport Equipment industry, Residential building and not Residential, Trade Services and General Government Services. Rice, Nickel, and Trade Services are commodities that are very important for the economy of South Sulawesi. The need for these commodities, both to meet the demand and final demand can be met entirely from domestic output. Industrial Oil Refinery, Fertilizer and Pesticide Industry, Land Transport Equipment Industry, Industrial Goods Other Chemical and Industrial Machinery and Equipment and Fittings show the structure deals with the level of import dependence is high enough. Different conditions apply to commodities residential and Non-Residential and General Government Services commodities that can be met from domestic output without requiring import deals. It is strongly associated with nature (nature) of these products.

Along with the increasing economic development, needs the input is coming from the product of the tertiary sector will increase. South Sulawesi is a region which is at the stage of economic transformation from the primary sector to the secondary and tertiary sectors. This situation should get more attention, especially in terms of procurement of raw material inputs to economy. Intermediate demand largely be met from imports, must be maintained availability and supply. It is necessary to maintain the performance of the economy and prevent a further slowdown of production activities. As for the demand to be met from domestic products, it should be transferred as a trigger for an increase in production output capacity to items needed for intermediate inputs.

Information about the structure of supply and demand for these commodities is expected to serve as a reference for development planning in the region of South Sulawesi. So expect the performance and productivity of the economy in this region can be enhanced to support the sustainable development efforts.

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Paddy

Cocoa

Sea Fish And Other Results

Nickel

The Rice Industry

Industrial Fertilizers And Pesticides

Other Chemical Goods Industry

Industrial Goods Resulting From Refinery

Cement Industry

Industrial Machinery & Equipment

Land Transportation Equipment Industry

Building Ntempat Living And Non-Residential

Trade Services

The Public Services

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