The Role of Agroindustry Sector On The North Sumatra Economy
Analysis of Input-Output Table, Year 2000
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The growth of agroindustry in North Sumatra goes along with agriculture sector. Both sectors are the most important for North Sumatra economy along with trade, hotel and restaurant sector. In 1997-2000, these third sectors have average contribution for Gross Regional Domestic Product more than 71 percent per annum. Agroindustry sector play the roles on economic structure of North Sumatra would be known through the ability of agroindustry sector to generate other sectors growth, the impact of agroindustry on other sectors, and it’s contribution for output, added value, export and labour needs. In order to know the roles of agroindustry sector can be analysed by Input-Output analysis using Input-Output Table Year 2000, whereas agroindustry sector is grouped based on Indonesian Business Sector Classification. The result of analysis shows that agroindustry sector in North Sumatra has “direct backward linkage value” and “indirect backward linkage value” is higher compared to other sectors, on the other hand forward linkage value is lower compared to other sector. The “coefficient of dispersion” of agroindustry sector is higher than other sectors sensitivity of dispersion is lower than trade sector but higher than agriculture and nonagroindustry sectors. The multiplier effect for output of agroindustry sector also higher than agriculture and nonagroindustry sector but lower than trade and mining sectors. On the other hand the value of multiplier effect on revenue of agroindustry also above the average value of other sectors, which shows a higher increasing of output selling on revenue of agroindustry. The most potential agroindustries in North Sumatra are palm oil industry, rubber based industry, rice, grain and flower industry. Based on the above analysis, agroindustry sector is the most potential sector to be established in order to improve the economy of North Sumatra.