THE IMPACTS OF LOMBOK INTERNATIONAL AIRPORT’S CONSTRUCTION ON THE REGIONAL ECONOMY OF WEST NUSA TENGGARA

By KEN ARDHANA NESWARI

ABSTRACT

Nusa Tenggara Barat (NTB) is one of the provinces that indicate an improvement in its economy. In the last three years the NTB’s Gross Regional Domestic Products (GRDP) indicates improvement annually. The construction of Lombok International Airport (LIA) is one of the efforts to boost NTB’s economy. It was done so that this new airport that was built in Tanak Awu, Central Lombok could accommodate more passengers or visitors who come directly to NTB. This paper analyzes the contribution of LIA to the NTB’s economy. The analytical method used is Input-Output Analysis which is applied in the NTB 2005 Input-Output Table with the 25 sector classification and in which aggregated to the 13 sector classification. LIA is included in the building sector classification approach. This classification causes the results of this paper are not thorough since the impacts caused are actually greater than those caused only by the building sector. In its progress, after LIA was operated, it can evoke other economic sectors besides building. The analysis done includes the linkage analysis, dispersion impact analysis, and multiplier analysis. From the results of the analysis, it can be concluded that the building sector (airport) has greater backward linkage compared to the forward linkage. This indicates that buildings sector (airport) has ability to attract strong growth in the upstream sector. The impact of external shock investment of LIA indicate that the investment potential for increasing output and household incomes province of NTB. To increase the role of the building sector (airport), government should be trying to push production capacity because it is still lacking in providing input for other sectors. Hence the government must be able to overcome various constraint to attract investor to invest in building sector (airport).

Keywords: infrastructure, investment, input-output analysis