ABSTRACT

This study analyzes the impact of investment in the chemical, pharmaceutical, and traditional medicine industry sector on the economy through the approach of: (1) linkages with other sectors, (2) output multipliers, gross value added, and income. The data used is the Banten Province input-output table of domestic transactions at producer prices for 52 sectors in 2016.

Data analysis using input-output model with Microsoft Excel. The results of the analysis show: (1) the chemical, pharmaceutical and traditional medicine industry sectors have a greater backward linkage value than the forward linkage value, meaning that the chemical, pharmaceutical and traditional medicine industry sectors are sector outputs used by other sectors as inputs, (2) the output multiplier value of the chemical, pharmaceutical and traditional medicine industry sectors has a value of Rp 67,269,494 million. The overall gross added value of the economy created in 2020-2025 was IDR 67,554,000 million. The overall income of the economy created is Rp 122,838,000 million.

The results of this study indicate that the chemical, pharmaceutical and traditional medicine industry sectors have a high contribution in the linkage and multiplier analysis. On the other hand, the chemical, pharmaceutical and traditional medicine industry sectors are still relatively low in terms of their contribution to the economy in Banten Province, so they still need to be optimized. Therefore, in order to have a greater impact on the economy in Banten Province, the government needs to encourage the growth of the upstream sector as a provider of local inputs for the chemical, pharmaceutical and traditional medicine industry sectors so that the level of output creation fully enters the local economy.

Keywords: Chemical, Pharmaceutical and Traditional Medicine Industry Sector, Linkages, Multipliers, Input-Output