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ANALYSIS OF THE PROVINCES' LEADING SECTORS ON THE ISLAND OF JAVA

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Abstract
This study aims to determine the leading sectors in five provinces on the island of Java: DKI Jakarta, West Java, East Java, Central Java, and the Special Region of Yogyakarta. The data used in this study are secondary data for the 2020–2025 period sourced from the Central Statistics Agency (BPS). The analytical method used in this study is the Location Quotient (LQ). An analysis of leading sectors shows that DKI Jakarta has its highest-ranking leading sector in Business Services. West Java and Central Java have their highest-ranking leading sectors in Manufacturing. East Java has its highest-ranking leading sector in Accommodation and Food Services. Meanwhile, the Special Region of Yogyakarta has its highest-ranking leading sector in Educational Services.
Keywords*: Leading Sectors, Location Quotient, Business Services, Manufacturing, Educational Services*

1. Introduction

The direction of economic development in Indonesia is economic growth that creates public welfare. To achieve equitable economic growth, it is necessary to identify resources that can be harnessed to improve public welfare. All regions in Indonesia have different resources, needs, locations, and challenges; therefore, an analysis of leading sectors is required to determine the needs specific to each region.

Leading sectors are those that can influence and drive other sectors. Leading sectors are those that make the largest contribution to the Regional Gross Domestic Product (Huda, 2021). To ensure a region's economic growth, it is necessary to analyse the region's leading sectors. Every region in Indonesia possesses potential and resources that can be harnessed to develop a thriving sector. Therefore, it is crucial to analyse leading sectors to help formulate appropriate, well-targeted policies for that region.

Economic development has not been evenly distributed across all regions; for example, Java dominates the national economy. The majority of economic activities take place on Java, giving the island a dominant role in Indonesia's economy. Based on data from the Central Statistics Agency (BPS) for 2025, the contribution of the provincial GRDP on Java accounts for 56.93% of the national Gross Domestic Product (GDP). This indicates that Java possesses significant advantages and potential, necessitating optimal management.

2. Literature Review

2.1 Gross Domestic Product (GDP)

Gross Domestic Product (GDP) is the value of goods and services produced within a country over the course of a year (Silitonga, 2021). GDP is divided into two categories: nominal GDP and real GDP. Nominal GDP is the value of goods and services produced by a country during a given period, calculated using the prices prevailing at that time (BPS, 2025). Real GDP, on the other hand, is the value of goods and services produced by a country in a given year, calculated using the prices of a specific year as the base year (BPS, 2025).

2.2 Calculation of Gross Domestic Product

GDP can be calculated using three approaches: the expenditure approach, the income approach, and the production approach. The Gross Domestic Product (GDP) calculated using the expenditure approach is derived from the total final expenditure on goods and services over the course of a year, consisting of final consumption, investment, government spending, and net exports (BPS, 2025b). Gross Domestic Product (GDP) calculated using the income

approach is derived from the income earned by the factors of production involved in a country's production process over the course of a year. The income in question includes wages, interest, rent, and profits (Silitonga, 2021). The production approach calculates GDP as the total value of goods and services produced across a country's economic sectors during a specific period, expressed in currency (BPS, 2025b).

GDP calculations are classified into two types: current and constant prices. Gross Domestic Product (GDP) at current prices is the value added of goods and services produced by all economic sectors in a country during a specific period. GDP calculations at current prices use the prices prevailing during that period (BPS, 2025). Gross Domestic Product (GDP) at constant prices is the value added of goods and services produced by all sectors in a country during a specific period. GDP calculations at constant prices use a specific base year (BPS, 2025).

In this study, the GDP data used are constant-price figures sourced from the Central Statistics Agency (BPS) and compiled using the production approach. The use of constant prices aims to avoid the effects of inflation, enabling comparisons of value added across sectors and provinces to be made more objectively and accurately.

2.3 Leading Sectors

Flagship sectors are those that can serve as the primary driving force behind a region's economy (Hajeri et al., 2015). This strength is generally supported by the availability of adequate human resources, which creates a competitive advantage in specific fields. Leading sectors play a vital role in a region's economic growth. Their key roles include driving output growth, creating employment opportunities, and contributing to a region's revenue.

Location Quotient (LQ) analysis is a technique used to assess the relative advantage of an economic sector in a region by comparing the proportion of that sector's contribution to the region's total GRDP with the proportion of the same sector in a reference area, such as the national or provincial level (Basorudin et al., 2021). Through LQ analysis, economic sectors can be classified into base sectors and non-base sectors. Base sectors are those that possess a comparative advantage and have the potential to serve as the primary drivers of regional economic growth, as they can generate output that meets the region's own needs. In contrast, non-base sectors play a greater role in meeting the region's internal needs and are highly dependent on local demand (Negara and Putri, 2020). Quantitatively, leading sectors or base sectors are indicated by an LQ value greater than one (LQ > 1); non-base sectors have an LQ value less than one (LQ < 1); while an LQ value equal to one (LQ = 1) indicates that the sector's role is in a state of balance between the region's internal and external needs (Ariani et. Al, 2021).

3. Research Methods

This study employs a quantitative descriptive research design. This approach was chosen because the analysis was conducted systematically using objective calculation techniques based on published data. The study aims to identify leading sectors in five provinces on the island of Java, including DKI Jakarta, West Java, East Java, Central Java, and the Special Region of Yogyakarta, using the Location Quotient (LQ) method.

3.1 Location Quotient (LQ)

The Location Quotient (LQ) is an analytical tool used to identify leading sectors based on economic activities in a specific region. The Location Quotient (LQ) is based on the concepts of base and non-base sectors. A base sector is an economic sector that operates within a region and can meet its own needs (Mubarok, 2020). In addition to meeting its own needs, the base sector can also export the output of economic activities operating within its region.

The non-base sector comprises economic sectors capable of meeting their own needs. Although capable of meeting their own needs, non-base sectors are unable to export the output of economic activities operating within their region (Negara and Putri, 2020).

This base concept posits that the growth and development of a region are significantly influenced by the base sector capable of driving the region's economy. Furthermore, when the base sector within the region expands its operations, this will have a significant impact on the region's economy. The sector's competitive advantage is generally supported by the availability of capital, labor, and technological advancements (Basorudin et al., 2021). Leading sectors are also interconnected with other sectors in the economy, allowing them to reinforce one another through input-output relationships. Leading sectors are identified using the Location Quotient (LQ) method, as follows (Ariani, et. Al, 2021):

$$LQ_{ijt} = \frac{\frac{S_{ijt}}{S_{jt}}}{\frac{N_{it}}{N_t}}$$

Note:

LQ_{ijt} =Location Quotient for sector i in province j in year t
S_{ijt} = GRDP of sector i in province j in year t
S_{jt} = Total GRDP of province j in year t
N_{it} = GDP of sector i in year t
N_t = Total national GDP in year t

The results of the Location Quotient (LQ) calculation can be categorized as follows:

An LQ value greater than one (LQ > 1) indicates that the sector is a base sector that serves as a source of economic growth in a region. This sector has a comparative advantage because it not only meets the needs of its own region but also has the potential to distribute its output to other regions.

An LQ value equal to one (LQ = 1) indicates that the sector falls into the non-base category. Production in this sector is sufficient to meet the region's internal needs but has not yet demonstrated the ability to generate a surplus for marketing outside the region.

An LQ value of less than one (LQ < 1) indicates that the sector is classified as non-basic with a low level of self-sufficiency. Its production is not yet sufficient to meet the region's needs, so it still requires imports.

4. Research Findings and Discussion

The provinces on the island of Java have several economic sectors performing quite well and serving as key pillars of regional economic activity. These sectors can be categorised as leading sectors because they play a significant role in shaping the economic structure of the provinces on the island of Java and contribute to the region's economic development.

Each province has different leading sectors, as each region possesses distinct comparative advantages determined by the availability of natural resources, the quality of human resources, infrastructure, geographic location, and regional development policies.

Leading sectors are those that drive economic growth in a province (Masruri et al., 2021). In this study, the Location Quotient (LQ) method was used to analyze leading sectors. The LQ method involves comparing a sector's contribution in a specific province to the province's total GRDP. A

sector is considered a leading sector if its LQ value is greater than 1; if its LQ value is less than 1, it is not classified as a leading sector in that province.

4.1 Leading Sectors of DKI Jakarta Province

Research findings indicate that the largest leading sector is corporate services, with an average LQ value of 4.257 during the observation period. The corporate services sector has consistently been a leading sector every year. This sector maintains its status as a leading sector year after year because DKI Jakarta is home to the headquarters of many major corporations operating in Indonesia. As a city teeming with corporate headquarters, DKI Jakarta has a relatively high demand for corporate services.

The financial and insurance services sector has an LQ value of 2.578 and has consistently ranked as a leading sector year after year during the 2020–2025 period. This sector has been able to maintain its leading position year after year because the Special Capital Region of Jakarta serves as the center of Indonesia's financial system, as evidenced by the presence of Bank Indonesia (the central bank), the Financial Services Authority (OJK), and numerous other financial institutions operating in the region.

The real estate sector has an LQ value of 2.069 and is projected to be a consistently leading sector each year during the 2020–2025 period. This sector is expected to remain a leading one year after year, as the Special Capital Region of Jakarta has strong demand for real estate.

Table1. Leading Sectors of DKI Jakarta Province

No	Sector	2020	2021	2022	2023	2024	2025	Average LQ
1	Construction	1.116	1.083	1.183	1.053	1.054	1.047	1.072
2	Wholesale and retail trade; Repair of automobiles and motorcycles	1.126	1.132	1.267	1.150	1.175	1.174	1.152
3	Accommodation and food services	1.475	1.543	1.651	1.499	1.499	1.526	1.507
4.	Information and communication	2.071	2.024	2.003	2.002	1.954	1.915	1.995
5.	Financial and insurance services	2.617	2.573	2.800	2.565	2.585	2.581	2.578
6.	Real estate	2.105	2.078	2.285	2.067	2.051	2.034	2.069
7.	Business services	4.475	4.420	4.719	4.228	4.092	4.037	4.257
8.	Educational services	1.434	1.440	1.568	1.420	1.430	1.454	0.998
9.	Health care and social services	1.488	1.452	1.692	1.559	1.523	1.515	1.434
10.	Other services	2.026	1.941	2.240	2.060	1.981	1.954	1.513

Source: data processed

The corporate services sector in DKI Jakarta Province is significantly stronger than that in other provinces. In contrast, the corporate services sectors in West Java, East Java, Central Java, and the Special Region of Yogyakarta are not leading sectors, as indicated by average LQ values below 1. This may be because DKI Jakarta Province is dominated by large corporations and office complexes closely tied to the corporate services sector.

The financial and insurance services sector in DKI Jakarta Province also significantly outperforms that of other provinces. In contrast, the financial and insurance services sectors in West Java, East Java, Central Java, and the Special Region of Yogyakarta are not leading sectors, as evidenced by their average LQ values of less than 1. This may be because the Special

Capital Region of Jakarta serves as the national financial hub, closely linked to the financial and insurance sectors there.

The real estate sector in DKI Jakarta Province has an average LQ of 2.069, which is lower than the average LQ in the Special Region of Yogyakarta, at 2.349. This may be due to land constraints in DKI Jakarta Province, even though this sector also performs well there. This sector excels in DKI Jakarta due to its promising prospects, as the province serves as a metropolitan center with a high volume of economic activity. In the Special Region of Yogyakarta, the sector is supported by lifestyle and environmental conditions that are more conducive to residential living. In other provinces, this sector is not a leading sector, as evidenced by average LQ values below 1.

4.2 Leading Sectors of West Java Provinces

The manufacturing sector has an LQ value of 1.986 and has consistently been a leading sector every year during the 2020–2025 period. This sector has consistently maintained its leading position year after year due to its significant share of West Java Province's GRDP. This is attributed to the substantial scale of manufacturing activities and the large number of manufacturing industries in West Java Province.

The transportation and warehousing sector has an average LQ value of 1.133 and has consistently be a leading sector year after year during the 2020–2025 period. This sector has consistently maintained its leading position because West Java Province boasts diverse geographical features, ranging from lowlands to highlands and even mountains. These geographical conditions enable West Java Province to develop its tourism potential. The tourism sector is closely tied to tourists, and tourism activities also require transportation for those visiting West Java Province.

The other services sector has an average LQ value of 1.120 and is poised to be a consistently leading sector year after year during the 2020–2025 period. This sector can remain a consistently leading one due to West Java Province's large population, projected to reach 50,759 thousand people by 2025. As a result, West Java Province has a consumer base that requires additional services, such as haircuts, laundry, and other daily necessities.

Table 2. Leading Sectors of West Java Provinces

No	Sector	2020	2021	2022	2023	2024	2025	Average LQ
1	Manufacturing	1.971	1.978	2.008	2.011	1.997	1.947	1.986
2	Water supply, waste management, wastewater treatment, and recycling	0.974	1.013	1.002	0.981	1.020	1.036	1.004
3	Wholesale and retail trade; automobile and motorcycle repair	1.100	1.080	1.061	1.057	1.058	1.051	1.068
4.	Transportation and warehousing	1.230	1.184	1.092	1.064	1.101	1.127	1.133
5.	Other services	1.159	1.139	1.139	1.110	1.093	1.081	1.120

Source: data processed

The manufacturing sector in West Java Province is significantly stronger than that of other provinces. The manufacturing sector in West Java Province has an average LQ value of 1.986. This is likely due to the presence of large manufacturing industrial zones in West Java Province. In Central Java Province, the manufacturing sector is also a leading sector, with an average LQ value of 1.541. In East Java Province, the manufacturing sector is a leading sector with an

average LQ value of 1.426. In DKI Jakarta and the Special Region of Yogyakarta, this sector is non-core, as indicated by an average LQ value below 1.

The transportation and warehousing sector in West Java Province is significantly stronger compared to other provinces. The transportation and warehousing sector in West Java Province has an average LQ value of 1.133. This is likely due to the public's transportation needs and the sector's role as a distribution channel for products from the manufacturing industry. In the Special Region of Yogyakarta, the transportation and warehousing sector is also a leading sector, with an average LQ value of 1.058. In the Special Capital Region of Jakarta, East Java, and Central Java, this sector is non-core, as indicated by an average LQ value below 1.

The other services sector in West Java Province is not the leading sector, with an LQ value of 1.120. This is the case even though West Java Province has a large consumer base, as the province with the largest population; however, its competitive advantage is smaller than those of DKI Jakarta Province and the Special Region of Yogyakarta. The other service sector in DKI Jakarta Province has an average LQ value of 2.000. In the Special Region of Yogyakarta, this sector has an average LQ value of 1.421. In the East Java and Central Java Provinces, this sector is non-core, as indicated by an average LQ value below 1.

4.3 Leading sectors of East Java Provinces

The accommodation and food and beverage sector has an average LQ value of 1.723 and has consistently been a leading sector year after year during the 2020–2025 period. This sector has consistently maintained its status as a leading one because East Java Province boasts several beautiful tourist destinations that attract visitors. The influx of tourists to East Java Province will inevitably boost demand for lodging and food and beverage services, including hotels and other accommodations.

The manufacturing sector has an average LQ value of 1.426 and is expected to consistently be a leading sector year after year during the 2020–2025 period. A key factor contributing to this sector's status as a leading sector in East Java Province is the presence of active manufacturing industries within the province.

The wholesale and retail trade and automobile and motorcycle repair sector has an average LQ value of 1.381. It is poised to remain a consistently leading sector year after year during the 2020–2025 period. The factor driving this sector's consistent leadership is its significant contribution to East Java Province's Regional Gross Domestic Product (PDRB), made possible by the availability of raw materials and strong market demand. Within this sector, the dominant subsector is wholesale and retail trade—not the automobile and motorcycle repair subsector. This subsector encompasses a wide range of goods traded in general markets, including daily necessities.

Table 3. Leading Sectors of East Java Provinces

No	Sector	2020	2021	2022	2023	2024	2025	Average LQ
1	Manufacturing	1.417	1.413	1.426	1.420	1.436	1.443	1.426
2	Water supply, waste management, and recycling	1.131	1.135	1.120	1.100	1.112	1.136	1.122
3	Wholesale and retail trade; repair of automobiles and motorcycles	1.340	1.377	1.389	1.402	1.401	1.378	1.381
4.	Accommodation and food services	1.791	1.772	1.724	1.695	1.673	1.682	1.723
5.	Information and communication	1.048	1.046	1.011	1.003	0.994	0.985	1.015

Source: data processed

The accommodation and food and beverage sector in East Java Province ranks as the top priority among accommodation and food and beverage sectors in other provinces. This is likely due to the presence of attractive tourist destinations in East Java Province, which are closely linked to the accommodation and food and beverage sector. In DKI Jakarta Province, this sector is also a priority sector, with an average LQ value of 1.532. In Central Java Province, this sector is also a leading sector with an average LQ value of 1.168. In the Special Region of Yogyakarta, this sector has an average LQ value of 2.898. The accommodation and food and beverage sector in West Java Province is a non-leading sector, as indicated by an average LQ value below 1.

The manufacturing sector in East Java Province is a leading sector with an average LQ value of 1.426. However, when compared to the manufacturing sectors in West Java and Central Java Provinces, the sector in East Java is not the most prominent. This may be because industrial activity is more extensive in West Java Province. The manufacturing sector in West Java has an average LQ value of 1.986. In Central Java Province, this sector has an average LQ value of 1.541. In the Special Capital Region of Jakarta and the Special Region of Yogyakarta, this sector is non-core, as indicated by an average LQ value below 1.

The wholesale and retail trade and automobile and motorcycle repair sectors in East Java Province are leading sectors, with average LQ values of 1.381. Compared with the wholesale and retail trade and automobile and motorcycle repair sectors in other provinces, the sector in East Java Province ranks highest. This is likely due to the availability of raw materials that can be processed into finished goods with higher market value. In DKI Jakarta Province, this sector is a leading sector with an average LQ value of 1.171. In Central Java Province, this sector is also a leading sector with an average LQ value of 1.071. In West Java Province, this sector is a leading sector with an average LQ value of 1.068. In the Special Region of Yogyakarta, this sector is non-core, as indicated by an average LQ value below 1.

4.4 Leading sectors of Central Java Provinces

The manufacturing sector has an average LQ value of 1.541 and is projected to remain a consistently leading sector throughout the 2020–2025 period. The factor that makes the manufacturing sector a consistently leading sector is the availability of raw materials or resources that can be utilized and processed into finished products with higher added value. Within this sector, the food and beverage industry is dominant because its products are necessities that cannot be replaced or postponed.

The education services sector has an average LQ value of 1.242 and has consistently been a leading sector year after year during the 2020–2025 period. The factors that make this sector a consistent leader year after year are the presence of universities and equivalent higher education institutions spread throughout Central Java Province, as well as the large student population pursuing education in the province.

The accommodation and food and beverage sector has an average LQ value of 1.168 and is poised to remain a consistently leading sector year after year during the 2020–2025 period. The factor driving this sector's success is the presence of resources that attract many visitors, thereby increasing demand for accommodation and food and beverage services.

Table 4. Leading Sectors of Central Java Provinces

No	Sector	2020	2021	2022	2023	2024	2025	Average LQ
1	Manufacturing	1.577	1.560	1.540	1.536	1.526	1.505	1.541
2	Construction	0.992	1.035	1.030	1.042	1.053	1.079	1.039
3	Wholesale and retail trade; Repair of automobiles and motorcycles	1.076	1.087	1.071	1.072	1.067	1.056	1.071

No	Sector	2020	2021	2022	2023	2024	2025	Average LQ
4.	Accommodation and food services	1.101	1.122	1.169	1.183	1.201	1.235	1.168
5.	Educational services	1.190	1.189	1.197	1.247	1.307	1.323	1.242

Source: data processed

The manufacturing sector in Central Java Province is a leading sector with an average LQ value of 1.541. This sector has become a leading one due to the availability of raw materials that can be processed into higher-value finished goods. Compared to other provinces, the manufacturing sector in Central Java Province is a leading sector, though it does not rank highest. In West Java Province, the manufacturing sector has an average LQ value of 1.986. In East Java Province, the manufacturing sector has an average LQ value of 1.426. The manufacturing sectors in DKI Jakarta and the Special Region of Yogyakarta are non-core sectors, as indicated by average LQ values below 1.

The education services sector in Central Java Province is a leading sector with an average LQ value of 1.242. This may be due to the presence of universities spread throughout Central Java Province. Compared with the education sectors in other provinces, the education services sector in Central Java is not the leading one. This is likely because the education sector is larger in the Special Region of Yogyakarta, with an average LQ value of 2.882. In DKI Jakarta, the education services sector has an average LQ value of 1.458. The education services sectors in West Java and East Java are non-core sectors.

The accommodation and food services sector in Central Java Province is a leading sector, with an average LQ value of 1.168. This is due to the presence of resources that can serve as tourist destinations related to the accommodation and food services sector. Compared with the accommodation and food and beverage sectors in other provinces, Central Java's sector is a leading one but not the highest-ranking. In the Special Capital Region of Jakarta and East Java, the accommodation and food and beverage sector is a leading sector. In West Java and the Special Region of Yogyakarta, this sector is non-core, as indicated by an average LQ value below 1.

4.5 Leading Sectors of the Special Region of Yogyakarta

The education services sector has the highest average LQ value in the Special Region of Yogyakarta at 2.882, and this sector is poised to remain a consistently leading sector year after year during the 2020–2025 period. The factor driving this sector's consistent strength is the concentration of national universities located in the Special Region of Yogyakarta. Consequently, student spending on education is also a reason why this sector has consistently been a leading sector year after year.

The real estate sector has an average LQ value of 2.349 and is projected to remain a consistently leading sector year after year during the 2020–2025 period. The factors driving this sector's consistent strength are linked to the Special Region of Yogyakarta serving as a destination for many students from various regions to pursue their studies, a trend that goes hand in hand with the growth of the rental housing and student housing markets. Since every student from other regions needs a place to rent while attending college, this sector has become a leading sector in the Special Region of Yogyakarta. In addition to its connection to education, this sector is also linked to the tourism industry, which is equally thriving in the Special Region of Yogyakarta. A comfortable living environment adds value to the real estate sector in the Special Region of Yogyakarta.

The health services and social activities sector has an average LQ value of 2.225 and is poised to be a consistently leading sector year after year during the 2020–2025 period. The factor driving this sector's consistent leadership is the availability of hospitals that meet

national standards and serve as referral hospitals located in the Special Region of Yogyakarta. Not only residents of the Special Region of Yogyakarta but also patients from various other regions are referred to hospitals located in the Special Region of Yogyakarta.

Table 5. Leading Sectors of the Special Region of Yogyakarta

No	Sector	2020	2021	2022	2023	2024	2025	Average LQ
1	Water supply, waste management, sewage, and recycling	1.117	1.112	1.110	1.095	1.088	1.069	1.098
2	Transportation and warehousing	1.132	1.094	1.077	1.041	1.018	0.985	1.058
3	Accommodation and food and beverage services	2.885	2.920	2.925	2.896	2.898	2.863	2.898
4.	Information and communication	2.180	2.330	2.235	2.166	2.102	2.018	2.172
5.	Real estate	2.379	2.276	2.301	2.352	2.390	2.393	2.349
6.	Public administration, defense, and mandatory social security	2.032	1,987	1.991	2.010	2.013	2.052	2.014
7.	Educational services	2.771	2.843	2.850	2.932	2.943	2.956	2.882
8.	Health care and social services	2.353	2.177	2.200	2.234	2.179	2.205	2.225
9.	Other services	1.257	1.468	1.540	1.491	1.405	1.366	1.421

Source: data processed

The education services sector in the Special Region of Yogyakarta is a leading sector with an average LQ value of 2.882. This is likely due to the presence of many national universities in the Special Region of Yogyakarta. Compared to the education services sectors in other provinces, the one in the Special Region of Yogyakarta ranks as the highest-performing leading sector. In the Special Capital Region of Jakarta and Central Java, the education services sector is a leading sector. In West Java and East Java Provinces, this sector is non-core, as indicated by an average LQ value below 1.

The real estate sector in the Special Region of Yogyakarta is a leading sector with an average LQ value of 2.349. This is likely due to the large number of out-of-town students temporarily residing in the province during their studies, which is linked to the real estate sector. Furthermore, this is related to the pace of life and comfortable living conditions. The real estate sector in the Special Capital Region of Jakarta is also a leading sector, with an average LQ value of 2.069. In West Java, East Java, and Central Java, this sector is non-core, as indicated by an average LQ value below 1.

The health services and social activities sector in the Special Region of Yogyakarta is a leading sector with an average LQ value of 2.225. This is due to the presence of health facilities that meet national standards, which are closely linked to the health services and social activities sector. In the Special Capital Region of Jakarta, the health services and social activities sector is also a leading sector, with an average LQ value of 1.513. In West Java, East Java, and Central Java, this sector is non-core, as indicated by an average LQ value below 1.

5. Conclusion

This study aims to analyze the leading sectors of provinces on the island of Java. Specifically, this study aims to analyse the contribution of these sectors to provincial GRDP on the island of Java and to identify the leading sectors in provinces on the island using the Location Quotient analysis tool.

The results of the Location Quotient (LQ) analysis show that each province has diverse leading sectors. The Special Capital Region of Jakarta has the highest-ranked leading sector, namely the business services sector. West Java and Central Java provinces have manufacturing as their leading sector, while East Java province has the highest-ranked leading sector: accommodation and

food services. Meanwhile, the Special Region of Yogyakarta has the education services sector as its leading sector. This is due to the concentration of major universities in the Special Region of Yogyakarta. Each province's leading sector is significantly influenced by its geography, resource availability, and the concentration of specific industries within it.

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