

## **ABSTRACT**

*Regional economic growth shows the growth of goods and services in an area over a certain period of time. There are 4 main factors that influence economic growth, namely human resources (HR), natural resources (SDA), capital, and technology. Apart from that, the role of government, leading sectors and growth centers have an influence on economic growth. The existence of socio-economic interactions as a result of economic activity between regions causes spatial dependence so that economic growth can be influenced by other regional determinants. Bali Province is a major tourism destination, tourism activities are concentrated in the Sarbagita area. Increasing tourism in the Sarbagita area can have a multiplier effect on the economy of Bali Province. However, this resulted in differences in economic growth between the Sarbagita or South Bali area and North Bali. This research aims to determine the center of growth and leading sectors in Bali Province, as well as analyze the determinants that influence economic growth by paying attention to aspects of spatial dependence between districts/cities in Bali Province.*

*This research uses scalogram analysis, centrality, and gravity analysis, as well as Klassen typology to determine the center of growth. LQ analysis and Growth Ratio Model (MRP) for leading sector analysis. Spatial econometrics to analyze spatial dependence on economic growth. This research also uses descriptive analysis methods to answer the research objectives.*

*The results of this research show that the center of growth for Bali Province is Denpasar City, characterized by sufficient facilities and an advanced and growing economy. The city has strong interactions with Badung Regency. Meanwhile, the leading sectors of Bali Province are the accommodation and food and drink sectors which are part of tourism. This sector has a large contribution and growth to the Province of Bali. Next, spatial econometric analysis uses the best model, namely the Spatial Durbin Model (SDM) Random Effect. The regression results show that the variables Average Years of Schooling (RLS) and tourism have a significant positive effect on economic growth, while Gross Fixed Capital Formation (PMTB) has a significant negative effect on economic growth. On the other hand, the Labor Force Participation Level (TPAK) and Government Expenditure variables do not have a significant influence. Meanwhile, it was found that all variables have a spillover effect on economic growth due to spatial dependence.*

*Keywords : Economic growth, growth centers, leading sectors, regional spillover effects*