

Village Economic Potential Mapping as a Basis for Determining Regional Investment Priorities in Tolitoli Regency

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Abstract

This study aims to map the economic potential of villages as a basis for determining regional investment priorities in Tolitoli Regency, Central Sulawesi, Indonesia. The study addresses the need for a more systematic identification of local economic resources to support effective investment planning and regional economic development. A descriptive quantitative approach was employed using secondary data obtained from official publications of the Statistics Indonesia Office of Tolitoli Regency, including Village Potential Statistics, Gross Regional Domestic Product by Industry, and other regional statistical reports. Data were analyzed through descriptive analysis, economic sector identification, and village potential mapping to determine sectors with the greatest investment prospects. The findings reveal that agriculture remains the dominant economic activity in most villages and urban villages of Tolitoli Regency, indicating a strong dependence on primary-sector activities. The study also finds that the availability of business financing facilities, telecommunications infrastructure, and village economic institutions provides supportive conditions for investment development. Based on the mapping results, agriculture and its related subsectors, particularly plantations, livestock, and fisheries, emerge as the most strategic sectors for regional investment prioritization. The study concludes that village economic potential mapping can provide an important foundation for formulating investment policies that are more aligned with local economic characteristics and regional development objectives.

Keywords: *village economic potential, regional investment, investment priority, local economic development, financial management.*

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INTRODUCTION

Regional development cannot be separated from the government's ability to manage and direct investments toward sectors with high economic potential (Panjang, 2022). Regional investment plays a crucial role as an instrument for stimulating economic growth, creating employment opportunities, increasing community productivity, and strengthening regional fiscal capacity in the long term (Nur et al., 2025). Therefore, the determination of investment priorities should be based on accurate information regarding the economic conditions and potential of each region. Villages constitute territorial units endowed with diverse economic resources and serve as the primary foundation of regional economic activities (Tarlani et al., 2022). Various forms of village potential, including agriculture, plantations, fisheries, livestock farming, home-based industries, trade, and the availability of economic infrastructure, represent important assets for promoting investment growth (Tuah & Ompusunggu, 2025). However, these diverse potentials are often not comprehensively mapped, resulting in investment decisions that do not fully take into account the unique comparative advantages of individual villages.

Tolitoli Regency is characterized by an economy that is predominantly driven by natural resource-based activities and primary sectors (BPS Tolitoli, 2025). This condition provides substantial opportunities for regional investment development when supported by planning that is grounded in local economic potential (Kasim et al., 2024). On the other hand, the lack of integrated information on village potential may hinder the identification of priority sectors suitable for development. Consequently, investment allocation may become less optimal and may not fully generate the expected impact on improving community welfare.

From a financial management perspective, investment decision-making is a strategic process that requires careful consideration of opportunities, risks, and future economic benefits (Turnip et al., 2026). Information on village economic potential serves as an essential basis for this process because it enables local governments and other stakeholders to identify sectors with stronger development prospects and greater value-added potential (Nusantari, 2025). Therefore, mapping village economic potential functions not only as an inventory of regional resources but also as a supporting instrument for more effective and targeted investment planning.

This study aims to map the economic potential of villages in Tolitoli Regency as a basis for determining regional investment priorities. The mapping process involves identifying village economic characteristics, leading economic sectors, and supporting factors that can enhance investment attractiveness across different areas. The results are expected to provide a clearer understanding of investment opportunities that can be developed in accordance with local conditions and characteristics.

From a theoretical perspective, this study is expected to enrich the literature on the utilization of village potential data in supporting regional investment decision-making from a financial management standpoint. It may also serve as a reference for future studies examining the relationship between regional economic potential and regional investment strategies. From a practical perspective, the findings can provide valuable input for local governments in formulating more targeted investment policies while assisting businesses and investors in identifying economic sectors with promising development opportunities in Tolitoli Regency. The findings are also expected to provide recommendations regarding economic sectors that deserve priority in investment development, thereby enabling development resources to be

allocated more efficiently and generating broader economic benefits for the people of Tolitoli Regency.

METHODOLOGY

This study was conducted in Tolitoli Regency, Central Sulawesi Province, utilizing secondary data obtained from official publications of the Tolitoli Regency Statistics Office (BPS). Data collection and processing were carried out in 2026 using the most recent statistical publications available (A Muliana & Fiansi, 2024). The study employed a quantitative descriptive approach. This approach was selected because the research aimed to identify, classify, and map village economic potential as a basis for determining regional investment priorities (Rian Tinegas, 2021). The research design was non-experimental, as it did not involve any intervention or treatment of the research objects but rather focused on analyzing data available in official statistical documents (Setiawan et al., 2025).

The object of this study was the economic potential of villages in Tolitoli Regency. The unit of analysis included all villages and urban villages recorded in the Village Potential Statistics publication of Tolitoli Regency. Since the study utilized population data available in official BPS documents, no sampling technique was applied (BPS Tolitoli, 2025). Consequently, all villages and urban villages were included as research objects.

The operational definition of the study consisted of several indicators used to describe village economic potential. Village economic potential was defined as the capacity of a village to generate economic activities that support regional investment growth. Measurement was conducted through several dimensions, including agricultural potential, plantation activities, fisheries, livestock farming, trade, home-based industries, the availability of economic infrastructure, regional accessibility, and the presence of village economic and financial institutions. In addition, supporting data on the contribution of economic sectors to the regional economy were utilized to strengthen the identification of investment priority sectors.

Data were collected through a documentation study of various official publications issued by BPS Tolitoli Regency. The data obtained were subsequently classified according to village economic characteristics and indicators relevant to the objectives of the study. All data used were secondary data that had been officially published, ensuring an adequate level of validity and reliability for research purposes.

The research instrument consisted of a data tabulation sheet used to identify and classify information regarding village economic potential based on the predetermined indicators (A Muliana & Fiansi, 2024). The data were then processed using statistical analysis software and spreadsheet applications to generate more systematic and easily interpretable information.

Data analysis was conducted through several stages. The first stage involved descriptive analysis to describe the general characteristics of village economic potential in Tolitoli Regency. The second stage consisted of an analysis of economic sector contributions using Gross Regional Domestic Product (GRDP) data by industrial sector to identify sectors with dominant roles in the regional economy. The third stage involved mapping village economic potential based on the suitability of resource characteristics and economic activities developed in each area. The final stage

focused on establishing regional investment priorities based on the identification of leading sectors and their development potential. The study primarily emphasized the identification, mapping, and interpretation of village economic potential that could serve as a foundation for formulating regional investment priorities in Tolitoli Regency.

RESULTS AND DISCUSSION

Results

Research Object Characteristics

The research object encompasses all administrative units at the village and urban village levels in Tolitoli Regency. Based on the 2025 Village Development Data Updating (Podes), Tolitoli Regency consists of 110 villages and urban villages distributed across 10 districts. All of these administrative units were included as units of analysis in this study, as each possesses distinct economic characteristics and investment potential.

Analysis of Village Economic Potential

The identification of the primary sources of community income indicates that the agricultural sector remains the most dominant economic activity in Tolitoli Regency. Out of a total of 110 villages and urban villages, 106 villages, representing 96.36 percent, rely primarily on agriculture as the main source of community income. Meanwhile, only 4 villages, or 3.64 percent, are predominantly supported by the service sector. No village reported the industrial sector as the principal source of community income. These findings suggest that the economic structure of rural areas in Tolitoli Regency remains highly dependent on the utilization of natural resources and primary-sector activities.

Table 1. Main Source of Income for the Majority of Residents in Villages/Urban Villages of Tolitoli Regency, 2025

Main Source Income	Number of Village/Urban Villages	Percentage (%)
Agriculture	106	96,36
Industry	0	0,00
Service	4	3,64
Total	110	100,00

The dominance of the agricultural sector indicates that regional investment policies should be directed toward the development of sectors closely linked to agriculture, plantations, livestock farming, and fisheries. This condition also suggests that increasing value added through the downstream processing of local commodities presents considerable development opportunities.

Analysis of the Economic Structure of Tolitoli Regency

Based on the Gross Regional Domestic Product (GRDP) of Tolitoli Regency by Industrial Sector for the period 2021–2025, the GRDP at current market prices reached IDR 11.90 trillion in 2025, increasing from IDR 11.07 trillion in 2024. At constant 2010 prices, GRDP increased from IDR 6.40 trillion to IDR 6.64 trillion, reflecting an economic growth rate of 3.79 percent. This increase indicates that regional economic activities continue to expand and create favorable opportunities for investment

development. Positive economic growth serves as an indicator that local economic sectors still possess significant potential for further development through more targeted investment programs.

Availability of Business Financing Support

One of the key indicators in determining investment priorities is public access to business financing. The 2025 Village Potential Statistics (Podes) reveal that residents in 108 villages and urban villages have received People's Business Credit (KUR). In addition, 12 villages have benefited from Joint Business Credit (KUBE), while 8 villages have received Small Business Credit (KUK). These findings indicate that business financing facilities are available across most areas of Tolitoli Regency.

Table 2. Access to Business Financing in Tolitoli Regency, 2025

Type of Financing	Number of Village/Urban Villages
People's Business Credit	108
Joint Business Credit	12
Small Business Credit	8

These findings suggest that access to capital is no longer the primary constraint in most areas. Therefore, regional investment efforts can be directed more toward improving business productivity and strengthening local economic value chains.

Availability of Telecommunications Infrastructure

Telecommunications infrastructure is an important factor in supporting investment and modern economic activities. The findings indicate that 79 villages and urban villages already have Base Transceiver Stations (BTS), while 31 villages do not yet have BTS facilities. In terms of communication services, 109 villages and urban villages are covered by cellular network signals, although 33 villages still experience weak signal quality. Meanwhile, one village remains without cellular network coverage.

Table 3. Availability of Telecommunications Infrastructure in Tolitoli Regency, 2025

Indicator	Number of Village/Urban Villages
Have BTS Facilities	70
Do Not Have BTS Facilities	31
Have Cellular Signal Coverage	109
Do Not Have Cellular Signal Coverage	1

These data indicate that most areas of Tolitoli Regency already possess adequate digital infrastructure to support investment activities, product marketing, and technology-based economic development.

Village Economic Institutions

The presence of economic institutions is one of the indicators of a region's investment readiness. The findings show that 12 villages have Village Unit Cooperatives (KUD), 10 villages have savings and loan cooperatives, and 9 villages have other types of cooperatives. These economic institutions play an important role

in supporting access to capital and facilitating economic activities within rural communities. In addition, 95 villages have implemented Village Financial Management Systems that are regularly updated, while only 7 villages have not yet adopted such systems. This condition indicates that village financial governance in Tolitoli Regency has developed relatively well and can serve as a supporting factor for regional investment development.

Determination of Regional Investment Priorities

Based on the mapping of economic potential, financing support, telecommunications infrastructure, and village economic institutions, the agricultural sector emerges as the most appropriate sector to be designated as the primary investment priority in Tolitoli Regency. This conclusion is based on the dominance of agriculture as the main source of income in 96.36 percent of villages and urban villages.

The second investment priority should focus on the fisheries and livestock sectors as part of strengthening the region's primary economic sectors. Furthermore, investments in digital infrastructure and the strengthening of village economic institutions should be considered supporting priorities necessary to enhance regional economic efficiency and competitiveness. Accordingly, the findings suggest that the investment strategy of Tolitoli Regency should focus on the development of local resource-based sectors supported by improved access to financing, strengthened digital infrastructure, and enhanced village economic institutions.

Discussion

The findings indicate that the economic structure of villages in Tolitoli Regency remains predominantly agricultural. This suggests that agriculture serves not only as the primary source of livelihood for local communities but also as the strongest economic foundation for supporting regional investment development. From a financial management perspective, investments directed toward sectors with a broad economic base tend to exhibit greater sustainability because they are supported by the availability of resources, labor, and economic activities that have naturally evolved within the community (Stefan et al., 2023).

The dominance of the agricultural sector further implies that regional investment strategies should focus on enhancing value-added activities rather than merely increasing primary production. To date, most village economic activities remain concentrated on the production of raw materials, limiting the economic benefits received by local communities. Therefore, investments in the processing of agricultural, plantation, livestock, and fishery products have significant potential to generate greater value added and increase rural household incomes (Wahyuni, 2018). Such an approach can simultaneously strengthen the regional economic structure through the development of more productive economic activities.

The finding that Tolitoli Regency continues to experience positive economic growth indicates favorable prospects for investment development. Economic growth reflects an increase in production and consumption activities, which can serve as a positive signal for both government authorities and investors when making investment decisions. This condition demonstrates that Tolitoli Regency possesses sufficient economic capacity to support the development of various investment programs based on local economic potential.

The study also reveals that business financing services have reached the majority of villages and urban villages. The availability of financing facilities indicates that communities have access to capital sources that can be utilized to expand productive economic activities. From the perspective of regional investment, this condition represents an important supporting factor because investment success depends not only on the availability of economic resources but also on the ability of entrepreneurs to obtain financial capital for business expansion (Alatas et al., 2022; Yunus et al., 2025)

In addition to financial support, the availability of telecommunications infrastructure across most areas suggests that Tolitoli Regency possesses a relatively strong foundation for supporting modern investment development. Digital infrastructure enables businesses to access market information, expand marketing networks, and improve operational efficiency. The presence of such infrastructure has become increasingly important in creating a competitive investment climate, particularly in an era of digital transformation that requires connectivity and rapid access to information.

Another important finding indicates that village economic institutions and village financial management systems have developed across most areas of the regency. This condition reflects the existence of institutional capacity capable of supporting more organized economic management. Strong institutions contribute to reducing investment risks by facilitating better coordination among village governments, business actors, and local communities in managing available economic resources (Iyan et al., 2020; KEMENKO PMK, 2022).

Based on the overall findings, regional investment priorities in Tolitoli Regency should be focused on sectors that are directly linked to local economic potential. Investment development in agriculture and its supporting subsectors offers greater opportunities to generate broad economic impacts because these sectors involve the majority of rural communities. At the same time, investments in digital infrastructure, financial accessibility, and the strengthening of economic institutions should be positioned as complementary investments to enhance the effectiveness and sustainability of regional economic development.

The findings demonstrate that the success of regional investment is determined not only by the amount of capital invested but also by the degree of alignment between investment strategies and the economic characteristics of the region. Therefore, mapping village economic potential constitutes an essential instrument in the investment decision-making process, ensuring that development resources can be allocated more accurately, efficiently, and in a manner that generates sustainable economic benefits for the people of Tolitoli Regency.

CONCLUSION

The findings indicate that agriculture remains the primary economic potential across most villages and urban villages in Tolitoli Regency. This potential is supported by the availability of business financing access, telecommunications infrastructure, and local economic institutions that can facilitate regional investment development. Therefore, agriculture and its related subsectors, including plantations, livestock, and fisheries, should be prioritized in regional investment planning. The practical implication of this study is that local governments should direct investment toward village-based leading sectors with strong economic foundations to improve the

effectiveness of regional economic development. Future studies are encouraged to incorporate primary data and more comprehensive analytical approaches to evaluate investment feasibility and develop more specific investment priorities at the village and sub-district levels.

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