

## The Economic Impacts of the Development of the Mandalika Exclusive Economic Zone in Central Lombok Regency

Heriyanto<sup>1</sup>, Prayitno Basuki<sup>2</sup>, Diswandi<sup>3</sup>

<sup>1,2,3</sup>Faculty Of Economic and Business, Mataram University, Indonesia

Corresponding Author: Heriyanto

**ABSTRACT:** This qualitative descriptive research examines the economic impact of the development of exclusive economic zone. It was conducted in the Exclusive Economic Zone (EEZ) of Mandalika, Central Lombok. Data obtained from this study showed that the exclusive economic zone offered some positive impacts on its application. The participants indicated that there was an increase of income and entrepreneurship rates influenced by the tourism activities. In addition, the development of EEZ provides quite large employment opportunities for the surrounding community, even though they are not yet able to accommodate a wider audience. Regional revenues also showed a positive growth, especially in the area of trade and hospitality sectors. Accordingly, the facilities and human resource showed some significant improvements in order to support the new expansions. However, negative impacts such as the possibility of private resources ownerships might cause the decrease of control from the government and communities, resulting in lack of supervisions over the resources. Improvement needs to be performed in various sectors including execution strategies and integration of tourism components into every aspect of government and society. Besides, it is also necessary to increase the tourism-consciousness attitude thus tourism in Central Lombok can contribute to the development of national tourism.

**Keywords** - Economic Impact, The Mandalika EEZ, Development, Tourism

### I. INTRODUCTION

#### 1.1. Background

As one of the development sectors that can spur the economic growth of a region, tourism is considered a strategic asset to encourage development in certain potential tourism areas. It is due to the fact that tourism has three influential aspects: economic aspects (sources of foreign exchange, taxes), social aspects (job creation) and cultural aspects (Hartono, 1974). The tourism sector as one of the main actors in industrial development is manufactured to further escalate the rate of national development. The tourism sector has proven to be a strong support of local people's economy. Accordingly, its existence is very much needed and is one of the important sectors to increase the government's revenue beside from oil and natural gas (Hakim, 2004)

Apart from its strategic role, tourism is no different from other sectors, that in its development process, it is prone to give an impact or influence on the social and economic sectors as well. The impacts on the lives of local communities might be positive or negative. To prevent this change from going into a negative direction, a preventive plan that includes social and economic aspects is needed to involve the community in tourism planning and development, as it is proven that an area's tourism potentials might support its development process.

It is evident that the development of the tourism industry in West Nusa Tenggara (NTB) is growing rapidly. This fairly rapid development stimulate a positive economic growth in NTB Province. It can be seen from the data released by Bank Indonesia, where it is noted that the economic growth of this area without the mining sector reached 7.10 percent in 2017 or reached the highest record since 2009 (Masud, 2018)

We can see the strong intention from the government on developing tourism in West Nusa Tenggara Province. In 2015, NTB won World Halal Travel Awards (WHTA) awards in the categories of World Best Halal Tourism Destination and World Best Halal Honey moon Destination from the Mastercard-Crescent rating agency according to the Muslim Travel Index Global standards. The two titles achieved by NTB province generated regional tourism sector development more rapidly. Local and foreign tourists come to see and enjoy the beauty of the tourist attractions in this province.

The increasing number of tourist visits was also encouraged by the inauguration of the Mandalika Exclusive Economic Zone (EEZ) through Government Regulation no.52 of 2014. With an area of 1,075 ha, Mandalika EEZ is located in the southern part of Lombok Island, covering several areas that overlook to the Indonesian ocean include Kuta Village, Sukadana Village and Sengkol Village, Pujut District. The existence of this EEZ is expected to accelerate the potentials of tourism sector in Central Lombok Regency.

The Mandalika EEZ is managed professionally by ITDC. In this area, a MotoGP-class circuit will be constructed with a 4.32 km long track along with 18 bends, and developed with the concept of a "street circuit". It will be also equipped with a 131 ha integrated Entertainment and Sport District developed by a global company from France, Vinci Construction Grand Project (VCGP). The construction is planned to start in October 2019 and is targeted to finish by the end of 2020 (Aria, 2019). In addition, an intensive reconstruction has also been carried out in the core zone of the area. It is including arranging the public area in the Kuta Mandalika Beach area and developing the micro, small and medium enterprises (UMKM) in the surrounding. In order to ensure the local values of NTB as an Islamic area and as one of the halal tourist destinations, a mosque named NurulBilad Mandalika Mosque was built, in which the architecture adopts the local wisdom values of the Bayan Mosque, North Lombok Regency and the Adat Beleq Sembalun Traditional Building. In addition, ITDC has also completed water and electricity pipelines distribution including the installation of clean water processing technology with sea water reverse osmosis (SWRO) which has been operating since November 2016.

One of the strategic issues of tourism development is how to increase the contribution of tourism in increasing the welfare of the community, especially local people around the areas. In general, the greater the contribution of the tourism sector to the economy of a region is, the greater the contribution of the tourism sector in improving the welfare of the people in the region will be (Moerdijat, 2019). Therefore, it is necessary to study the contribution of tourism, especially the development of the Mandalika EEZ to the economy and how to increase the contribution of the tourism sector to the region's economic state.

Therefore, this study tries to examine how big the impact of tourism, especially the development of the Mandalika EEZ on the economy of local communities and Central Lombok Region. The limitation in the local scope is carried out because even though it was inaugurated in 2014, the Mandalika EEZ is still not fully operational and is still in the developing stage. The impact on the community's income, job opportunities, profit distribution, regional income and its impact on the general development is certainly not too broad when compared to when it is fully operational in 2040.

In addition, information about some of the impacts of the development of the Mandalika EEZ such as community income, employment opportunities and regional income is limited with information prior to the outbreak of Corona Virus Disease (COVID-19) which began to plague Indonesia around March 2020. As we know that the COVID-19 pandemic has an impact on economic recession not only in Indonesia but also around the world, and the tourism is one of the most affected sectors. It is due to the fact that tourism is basically a process of traveling and social mobility, whereas the governments of every country in the world prevent the spread of the virus by limiting travel and social mobility by closing their borders. However, development impacts such as economic ownership and control as well as impacts on development has continued to give impacts based to initial prediction.

Among the general public, the success of tourism development is measured by the extent to which tourism activities are able to increase the economic welfare of the local community. Tourism will be considered a failure if the tourism activities only benefit outsiders, large investors, while local people are economically marginalized (Hariyanto, 2016). For this reason, this research is deemed necessary as an effort to control the tourism-based economic development thus the development objectives which is to eradicate poverty can go hand in hand with the development of the Mandalika EEZ.

### **1.2. Formulation of the problem**

Based on the above background, the main problem to be examined in this research is the economic impact of the development of the Mandalika Exclusive Economic Zone in Central Lombok region

### **1.3. Research purpose**

Based on the problems studied, the objective of the study is to analyze the economic impact of the development of the Mandalika Exclusive Economic Zone in Central Lombok region.

## **II. LITERATURE REVIEW**

### **2.1. The Concept of Tourism**

Tourism is an inseparable part of human life, especially in its relation to social and economic activities. Starting from activities that were only enjoyed by a few relatively wealthy people in the early 20th century, now traveling has become part of human basic needs. This is happening not only in developed countries but starting to spread around developing countries as well. Indonesia as a developing country is indeed in its

developing stage, trying to build a tourism industry as a way to achieve a balanced foreign trade. Through this industry, it is hoped that foreign exchange earnings can increase (Pendit, 2002)

Tourism is a variety of tourist activities and is supported by various facilities and services provided by the community, businessmen, government and local governments (Law Number 10, 2009). Tourism is also all activities in society that are related to tourists. All activities of hotel development, restoration of cultural heritage, creation of recreation centers, organizing tourism fairs, providing transportation and so on, can all be categorized into tourism activities as long as these activities are performed as a part of the efforts to attract tourists (Soekadijo, 1996a)

The notion of tourism has developed from time to time. However, the core value of tourism underlies on the notion that a good tourism preserves the originality of the areas, provides economic benefits and maintains cultural integrity for the local community. On this basis of understanding, tourism is basically a form of conservation movement carried out by the world's population. Every region that develops tourism as one of its regional income sources usually tend to maintain the ecosystem and sustainability around the tourist attraction, otherwise the tourist attraction will inevitably be abandoned.

## 2.2. The Impact of Tourism on The Economy

The contribution of the tourism sector to the economy can be identified through intensity of tourist activities. Tourists who travel spend a large amount of money starting from transportation expenses to buying products / services in tourist destination areas, such as accommodation, food - drink, souvenirs, and recreational activities. It results in a direct effect on business and economy, measured from the wage of tourism workers and the taxes paid by tourism companies to the government. At the same time, the tourism business must purchase goods and services from other sectors to support the industry in the efforts to meet the tourists' needs. On the other hand, the tourism business expenditure is an indirect effect of tourism. Through the contributions from other sectors, tourism returns the input by affecting the increase of job opportunities and wages. Furthermore, the increasing demand for tourism products and services (due to the increase in tourists visits) attracts investors to invest in various areas of tourism, such as investing in the construction of hotels/inns, restaurants, and equipment purchase. This investment will also affect other sectors such as the property and electricity.

Tourism has very close economic links with many sectors, through the *open-loop effect* and *induced-effect*, in addition to the terms which are commonly known as the *trickle-down effect* and the *multiplier effect*. The role of tourism can also be seen from its contribution to gross regional domestic income (GRDP) and employment rates, although there are no exact figures for the tourism in the statistical records. However, the increasing activities in trade and hospitality can be used to illustrate the impact of tourism (Antara & Panning., 1999). Furthermore, various government activities in the tourism sector can also contribute to the region's economic states. Promotional activities carried out by the national and local governments as well as government investing on tourism can be included in the factors that can encourage the increase of value for goods and services in the tourism industry.

Socio-economic impacts, namely negative impacts or positive impacts that arise on the socio-economic environment in people's lives as a result of tourism development on changes in work and community income, patterns of division of labor, employment and business opportunities. Tourism is a complex social phenomenon that concerns human beings as a whole and has various aspects such as sociological, psychological, economic, ecological, and others. The aspect that has received the most attention and is almost the only aspect that is considered important is the economic aspect. On a national scale, tourism development will have a positive impact on a country's economy (Soekadijo, 1996b).

Tourism contributes significant values and benefits for local and global economic progress; thus, the tourism sector is classified as one of the largest as well as the fastest growing industry in the world that boost opportunities for people. It can be seen from the major rise in numbers of travels, accommodation, restaurants, catering, tour services, and various small business businesses (Susilawati, 2016).

Furthermore, the impact of tourism on economic states is categorized into 7 categories as follows (Cohen, 1984):

1. Impact on community's income
2. Impact on job opportunities
3. Impact on prices and rates
4. Impact on benefit and profit distribution
5. Impact on property ownership and control
6. Impact on regional government's income
7. Impact on physical development

## 2.3. Exclusive Economic Zones

Each region in Indonesia has their specific distinction regarding the nature, culture, facilities and often has unique features when compared to other regions. The West Nusa Tenggara (NTB) region is no exception.

However, due to the fact that there are still many underdeveloped tourist areas, the utilization of tourism to improve the economic welfare of the people still need to be optimize. Now is considered as the right time, seeing the national government transformed one of the tourist attractions in Central Lombok region into one of the Exclusive Economic Zones.

The phenomenon of globalization has driven Indonesia's government to transform and grow their economy to achieve one of the long-term visions; a prosperous developed country by 2025. Sustainable economic growth is needed for sustainable development; thus, the government has set the concept of welfare, namely the acceleration and the expansion of economic development. Economic development of a region is supposed to empower the regional-owned potentials in a sustainable, integrated, and competitive manner (Pramoda & Apriliani, 1969).

The development of Exclusive Economic Zones in Indonesia started with Law No.25 of 2007 about investment. In this article of law, EEZ was mentioned in Chapter XIV in article 31. EEZ actually has been rolled out long before the existence of Law No. 25 of 2007. Nevertheless, it was an important point. As on June 25, 2006, President Susilo Bambang Yudoyono, signed an agreement for the formation of the Exclusive Economic Zone (EEZ) with Singaporean prime minister Lee HsienLoong at Turi Beach Resort (Gunawan, 2017).

On the Government Regulation No. 2 of 2011 Article 3 concerning the Implementation of Special Economic Zones states that EEZ consists of one or several zones. These zones include export processing, logistics, industry, technology development, tourism, energy and other economic sectors. The tourism zone is designated for tourism business activities to support entertainment and recreation, meetings, exhibitions and related activities (Dwihatmojo, 2017)

The designation of exclusive economic zones in several regions is expected to bring benefits to Indonesia in terms of increasing investment, employment, foreign exchange earnings, competitive advantages of export products, increasing the use of local resources, services and capitals for increasing exports, as well as encouraging an increase in the quality of human resources through transfer of knowledge and technology. These goals are in line with the government's vision to improve the economy and national equity and create strong economic fundamentals, in both macro and micro areas respectively (Sihaloho & Muna, 2010).

Purba (2006) states that the EEZ program is likely to have a positive impact in various ways, including:

- a) With the EEZ, it is hoped that job opportunities might be boosted that it can absorb labour and reduce the number of the unemployed.
- b) By absorbing the workforce in the community, it will increase per capita income of the community, this will increase people's purchase ability accordingly.
- c) With the increase in people's purchase capability, other real economic sector activities in the form of trade in goods and services might progress.
- d) With the existence of EEZ which in the planning will be the operation center of various industries and trades, it is hoped that it might accommodate and distribute various raw products of agricultural, plantation, fishery, and arts from the surrounding community to be processed in the EEZ.
- e) With the presence of a market for all the products, the income and welfare of the community will be improved.
- f) The development of activities around EEZ is expected to encourage the development of other supporting service industries by surrounding community, such as transportation services, lodging services, entertainment services, hotels and others. In order to accelerate the achievement of national economic development, it is necessary to increase investments through the preparation of areas with geo-economic and geo-strategic excellences.

Up to this day, there have been 12 Exclusive Economic Zones (EEZ) spread across Indonesia which is developed according to the excellences and potentials of each region. There are three EEZs engaged in the tourism sector: the Tanjung Lesung EEZ which was inaugurated in 2012, the Mandalika EEZ Lombok which was inaugurated in 2014, and the Tanjung Kelayang Belitung EEZ which was inaugurated in 2016.

#### **2.4. Previous Research**

Aryunda (2011) concluded that in general, ecotourism that occurs in the Thousand Islands has a positive economic impact on its development. Community statement that an increase in terms of income and business related to ecotourism activities in the Thousand Islands. In addition, ecotourism activities provide substantial employment opportunities for local communities and people outside the Thousand Islands region. The increase in income also occurred in regional revenues, especially from the trade, hotel and restaurant sector. There is a need for improvements to ecotourism objects and training for local communities regarding ecotourism taking place in their area to increase tourist interest and attractiveness to improve the local economy of the Seribu Islands region.

Hermawan (2016) also conducted research on the impact of developing tourist villages on the local economy. This research was conducted in Nglanggeran Village, Pathuk District, Gunung Kidul Regency, Yogyakarta Special Region. The results of the study show that the development activities of

Nglanggeran Tourism Village are quite good, the main indicator is the increase in the average tourist visit which is quite large from year to year. The readiness of the local community in terms of the level of education, knowledge, and the level of community interaction in developing a tourism village shows that the community is quite ready to face the various potential impacts that arise. The high level of tourism development results in a fairly frequent level of interaction between local people and tourists, namely an average of five interactions per three months. The results showed that the development of a tourism village had a positive impact on the economic development of local communities in Nglanggeran Village, including: increasing community levels; increase employment and business opportunities; increasing ownership and control of local communities; increase government revenue through tourist fees. Meanwhile, the negative impact on the local economy in the form of rising prices for goods was not found

Not only research in Indonesia, but also research conducted by Puah et al., (2018) with the title *The Impact of Tourism on Local Economy in Malaysia*. Aims for the tourism sector growth hypothesis in Malaysia. The tourism revenue earned by the government can be used to develop the industry to further increase economic growth in Malaysia. Therefore, tourism revenue and capital investment in the tourism industry are important factors that can affect the country's economic growth. This study uses an Autoregressive Distributed Lag (ARDL) approach utilizing Malaysian data from 1995 to 2016. Empirical findings indicate that the second variable has a significant positive impact on economic growth and hypothesis growth in Malaysia.

### III. RESEARCH METHODOLOGY

#### 3.1. Research Design

The research utilized a qualitative descriptive method and focused on the economic impact of the development of the Mandalika EEZ. Qualitative research was equipped to understand the phenomena that the research subjects would likely experience. These phenomena, including changes in behavior, perception, motivation or action, we reflected in the form of words and language used by the participants, in a natural context and examined in a descriptive way (Sugiyono, 2010).

#### 3.2. Research Site

This research was conducted in the Mandalika EEZ, Central Lombok and the surrounding villages. The location was selected due to the number of studies carried out in this area is still considered low compared to other EEZs.

#### 3.3. Data Gathering Methods

The data collection method uses the following methods:

1. In-depth interview. This technique was used to extract in-depth information from informants about predetermined problems.
2. Observation. This technique was used simultaneously during interviews, taking documentation and field surveys.
3. Documentation. This method includes a process of obtaining data by selecting and recording data that have been published by an organization or institution related to the subject being examined, either from documents and books, journals and others.
4. Literature study: collecting data by conducting a literature review with the objects discussed or collecting data obtained from related organizations.

#### 3.4. Data Analyzing Methods

Data analysis is the process of collecting data systematically to facilitate researchers in obtaining conclusions. According to Bogdan and Biklen in Moleong (Moleong, 2001), data analysis is a process of systematically searching for and arranging interview transcripts, field notes, and other materials obtained and collected to increase understanding of a problem and help researchers interpret a phenomenon. Qualitative data analysis was carried out both before and after fieldworks.

Data analysis in qualitative research is carried out when data collection takes place and within a certain period after completing data collecting process. At the time of the interview, the researcher had conducted an analysis of the interviewee's answers. If the answers interviewed after the analysis are not satisfactory, the researcher will continue the question again until a certain stage, credible data is obtained.

The conclusions in qualitative research tend to be new findings that have never existed before. Findings might be in the form of descriptions or descriptions of an object that was previously still in unclear state. Respectively, after being examined it becomes clear. It can also be in the form of a causal or interactive relationship, hypothesis or theory (Sugiyono, 2010).

### IV. FINDINGS AND DISCUSSION

#### 4.1. The Geographic and Social Settings Around The EEZ Mandalika



The Mandalika EEZ is located in the southern part of Lombok Island and was stipulated by Government Regulation Number 52 of 2014 to become a Tourism EEZ. With an area of 1,035.67 hectares and facing the Indian Ocean, the Mandalika EEZ is expected to accelerate the potential tourism development sector in West Nusa Tenggara Province (ITDC, 2019).

The Mandalika EEZ is located approximately 50 km from the administrative center of West Nusa Tenggara Province. By road, it takes about one hour from Mataram City. In addition, the location of the Mandalika EEZ is also in the approximate area of Lombok International Airport, only takes about 30 minutes to drive.

In general, the Mandalika EEZ occupies the area of three villages: Kuta Village, Sengkol Village and Sukadana Village. However, not all areas in these three villages receive the same impact. In fact, only Kuta Village whose areas is evenly affected by the development of the Mandalika EEZ, even some hamlets such as Ujung and Ebunut are completely becoming part of the Mandalika EEZ area. To relocate residents of the two hamlets, the Regent of Central Lombok has issued two Decrees (SK) to provide incentives for residents to be relocated:

1. Decree No. 300 of 2020 on 3 July 2020 for 60 households
2. Decree No. 349 of 2020 on 30 July 2020 for 60 households

Currently the progress of development in Ngolang hamlet as a temporary relocation site for 180 households from Ebunut and Ujung hamlets to HPL 94/Kuta, covering an area of +2.5 ha. 100% of land clearing, including 80% landscape formation and 20% access road formation have been carried out. The Ministry of Housing and Properties, through the Housing and Settlement Service unit in NTB, is preparing the construction of SARHUNTA (tourism shelter facilities) phase 1 for 43 households.

In fact, Sukadana Village was originally a part of Sengkol Village before experiencing expansion around 1998. The area of Sengkol Village initially stretched from the north in Segala Anyar Village to the south in the Gerupuk area. After the expansion, Sukadana Village received an area that was of a part of Sengkol Village. However, the unique thing was that the Gerupuk Hamlet area remained a part of Sengkol Village even though it is separated by three other villages: Sukadana Village, Kuta Village and Rambitan Village. It turns out that their origin is the main factor for Gerupuk residents chose to continue to be part of Sengkol Village. Most of the Gerupuk residents in the past were residents of Sengkol Village who cleared land at the southern tip of Lombokisland, thus they feel more comfortable staying attachedtoSengkol Village than being part of Sukadana Village. Because of this reason, the area of Sukadana Village does not have a beach, only a hilly area with a less dense population.

Sengkol Village has three hamlets located around the Mandalika EEZ: Gerupuk I, Gerupuk II and Ebangah hamlets. The total population of the three hamlets is around 1,934 people from a total of 9,674 residents of Sengkol Village. Sukadana Village consists of four hamlets located around the Mandalika EEZ area: Petiwong, Pogam, Emontong and Sunggung. The population of the four hamlets is around 1,724 out of 7,043 people in the total population of Sukadana Village.

In contrast to Sengkol Village and Sukadana Village, Kuta Village has the most extensive area affected by the development of the Mandalika EEZ. This is due to all hamlets in Kuta Village are around the EEZ area. Even hamlets like Ebunut and Ujung are all included in the Mandalika EEZ area. The hamlets in Kuta Village are Lenser, Mong, Emate, Mong Lauq, Merendeng, Mengalung, Baturiti, Kuta, Ketapang, Sekar kuning, Rangkap, Ngolang, Ujung, Ebunut. Hotels and restaurants that have been around for a long time are generally located in Kuta Village, such as Jifana Hotel, Novotel, Sima, and Matahari Inn. Kuta Village is the main entrance to the Mandalika EEZ. The total population of Kuta Village based on the Kuta Village Profile in 2019 is around 11,717 people.

#### **4.2. The Development of The EEZ Mandalika**

The tourism system consists of various elements, interacting parties and attributes that support the tourism experience for tourists. In analysing tourism destinations, there are some main components characterized as six a frameworks. This framework includes Attractions, Amenities, Accessibility, Available Packages, Activities, and Ancillary Services (additional services). Hence, the tourism destinations can be linked with a combination of all the products, services and experiences offered. These components can be seen as tools to examine the regional impact of tourism and regulate the supply and demand to maximize benefits to all stakeholders (Buhalis, 2000).

The three basic components of tourism: Attractions, Amenities and Accessibility are the major concern to the national government because these three attributes are prone to some issues such as to communications, overlapping authorities and the number of interested parties in the tourism area thus it requires cross-sector coordination.

The development and progress that we can witness in 2020 regarding the development of the Mandalika EEZ can be divided into 3 components: attractions, accessibility and amenities.

### 1. Attractions

Attractions can be considered as one of the fundamental components of tourism. They play a crucial role since most tourists travel to visit certain tourist destinations with certain attractions. Several tourism attractions that have been developed in the Mandalika EEZ are local village Tourism, Sports Destination Development (MotoGP circuit and Golf course), Mangrove Center (Mangrove Research and Recreation Center) and Indoor - Outdoor Theme Parks.

### 2. Accessibility

The next important component is accessibility or the ability to reach a destination through various means of transportation. Tourism activities depend on accessibility because one of the factors that influence tourists to travel is distance and time. This accessibility relies Muchontransportation and transportation infrastructure. Good transportation can make the distance seem to be close, whereas transportation infrastructure connects one place to another. When a tourist destination does not have good accessibility, it will prevent tourists from reaching these tourist attractions. Several attempts have been carried out to support accessibility such as the development of Lombok International Airport, construction of Gilimas Port in West Lombok, reopening of Direct Australia - Lombok Flights, construction of Bypass Lombok International Airport– Mandalika EEZ.

### 3. Amenities

Amenities are supporting facilities needed to support activities in tourism areas. These amenities aim to create comfort and maximum experience for tourists in a tourist destination. Things included in the amenities are accommodation, entertainment facilities and catering services. Various amenity components that have been prepared are: Sea Water Reverse Osmosis (SWRO) Development, Homestays Development in the Mandalika Area, NurulBilad Mosque Development, Mandalika Beach Arrangement, and various Hotel and Resort Developments.

## 4.3. The Economic Impact of EEZ Mandalika

### 4.3.1. Impact on Community's Income

Based on the interviews with some of the participants, it can be seen how the tourism development affected the increase of the community's business and income around the Mandalika Exclusive Economic Zone area in Central Lombok. Participants who owned tourism-related businesses stated that their income has increased since tourism started to grow. The increase of income was also presented in some businesses such as of accommodation, restaurants food and beverages, transportation, and souvenirs. Service businesses and informal trade such as street vendors and food stalls, also stated that they experienced a significant increase in income due to the large number of tourists buying their wares.

Furthermore, since the development of the Mandalika EEZ, more and more hotels and homestays began to establish and expand. Accordingly, it opened opportunities for people to work there and opened their own businesses to support the amenities around the motels/homestays. Those who do not work directly in the tourism sector also enjoyed the results indirectly because the more income of the people who work in the tourism sector is, they higher daily necessities to be circulated, resulting in the growing numbers of stalls or grocery stores to meet the people's need (Mirate, Head Desa Kuta, interview on July 30, 2020).

The increasing income of business stakeholders was somewhat influenced by the frequency of tourist visits and length of their stays.

Table 4.1. The number of visits of foreign and domestic tourists in Central Lombok 2012 – 2018

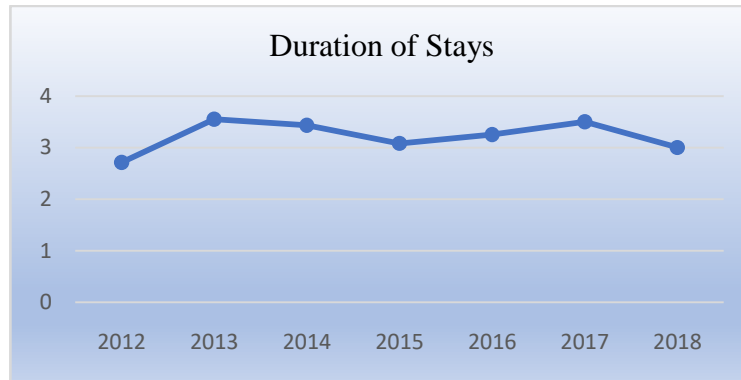
Year	Tourists		Total
	Domestic	Foreign	
2012	23.535	58.364	81.899
2013	25.150	77.278	102.428
2014	49.766	54.954	104.720
2015	53.820	46.908	100.728
2016	59.148	49.769	108.917
2017	113.959	86.524	200.483
2018	83.176	70.539	153.715

Source: Central Lombok Statistics Agency, 2019

Based on table 4.1 above, a significant increase in domestic tourist visits occurred in 2014, which reached 98% compared to the previous year. In 2017, it slightly decreased to 93%. Meanwhile, the increase in foreign tourist visits occurred in 2013, with 32% in total and in 2017 it reached the peak at 73%. In 2018, the number of tourist arrivals decreased due to the earthquake that hit Lombok Island in July and August 2018.

The increase in the number of tourists in 2017 was also followed by a steady increase in the average length of their stays at hotels, villas, bungalows and homestays in Central Lombok.

Graph 4.1. The development of the average length of stay of tourists in Central Lombok (day) 2012-2018:



Source: Central Lombok Statistics Agency, 2019

Based on Graph 4.1 above, the increase in the average length of stay of tourists occurred in 2013 and 2017. It turns out that the increase in tourist visits in 2013 and 2017 was also followed by the average length of stay of tourists. This directly affected the income of business stakeholders and people whose earnings depend on the tourism sector.

During the high season around June - August, people who own inns not only rent out homestays but also private homes and stay at the family's place to maximize their income. There are also foreign tourists who rent residents' houses because they originally planned to only take a week's vacation but turned out to stay up to 2-3 months to have a full-house experience during their vacation in Lombok. Since there are such high demands on accommodations for tourists during the high season, hotels and homestays are usually full that the residents' gazebos are also rented by backpackers, as long as they have a place to stay and do not get caught in the rain. Alfian Darmawan (interviewed 17 September 2020) and Dodi Apriadi (interviewed 9 August 2020).

One of the biggest impacts as the result of the operation of the Mandalika EEZ was the rise of land prices. This of course resulted in an increase in the income of the landowners around the Mandalika EEZ areas. The increase in land prices however resulted in local people being unable to buy land around Kuta Village because the prices has been skyrocketing (Lalu Artha Wijaya, interview 24 September 2020).

The increased investment in tourism which then has an impact on the rise of people's income can also be seen from the research conducted by Sa'ad and Santoso (2015). They identified several underdeveloped sub-districts in Central Lombok using the Klassen typology.

Table 4.2. Analysis of Underdeveloped Districts in Central Lombok

No.	Kecamatan	Economic growth rate (%)	PDRB Per capita (juta)	District's categories
1	Praya Barat	4,04	3,10	Developing
2	Praya Barat Daya	5,04	2,74	underdeveloped
3	Pujut	30,22	3,53	Advanced and fast-growing
4	Praya Timur	5,68	3,39	Developing
5	Janapria	5,28	2,31	underdeveloped
6	Kopang	5,64	2,42	underdeveloped
7	Praya	6,37	4,38	Developing
8	Praya Tengah	5,29	2,06	underdeveloped
9	Jonggat	5,04	2,35	underdeveloped
10	Pringgarata	5,41	2,39	underdeveloped
11	Batukliang	5,43	2,33	underdeveloped
12	Batukliang Utara	4,95	1,92	underdeveloped
Rata - rata		8,27	2,77	

Source: Saad & Santoso (2015)

This study placed Pujut District as the advanced and fast-growing category with very high GDP per capita and economic growth. This is due to the operation of Lombok International Airport (BIL) in 2011, a



program from the provincial government to promote tourism, namely the visit of Lombok Sumbawa 2009-2012 and the inauguration of the Kuta Mandalika area as an EEZ area for Tourism in Indonesia.

#### **4.3.2. Impact On Job Opportunities**

Tourism activities in the Mandalika EEZ and its surroundings provide considerable job opportunities for local communities. There has even been a shift in the pattern of people's livelihoods, especially in Kuta Village and in Gerupuk, Sengkol Village, from plantations and fishermen to the trade and services sector. As stated by Lalu Artha Wijaya, a respected figure in Kuta Village (interviewed 24 September 2020).

Investment is a major component in driving the wheels of the economy. Theoretically, an increase in investment will encourage trade volume and production volume, which in turn will expand productive employment opportunities. It means that the per capita income as well as the welfare of the community are escalating. Investment in the tourism sector has experienced a rapid increase after the stipulation of the Mandalika area as an exclusive economic zone. It can be seen from the number of companies in the form of limited liability companies (PT) invest in sector of accommodation. Within the Mandalika EEZ area, several hotels on an international scale will start their investments and some of them have already started the construction. Accordingly, the area outside the Mandalika EEZ area also experienced the similar situation. A large amount of land surroundings was already owned by companies such as PT. Fuji Home Japan, PT. Kaliya Development, PT. Living Dream Lombok, PT. Lombok Cabana Lodge and others.

Based on interviews and observations about the demography of origin of the workers who work around the Mandalika EEZ at this time, most workers employed by tourism business owners, especially those who open accommodation, restaurant or restaurant, and transportation businesses are mostly residents of Central Lombok. There are also small groups from East Lombok, West Lombok or Mataram City. Meanwhile, workers from outside the regions such as Java and Bali are workers who have certain skills and competencies such as chef, general manager (GM) or other important positions.

Currently, local workers are mostly still in middle to lower-level positions. Although there are also small numbers of them who become general managers, front office managers or head of restaurants. Therefore, government and ITDC programs include training and counseling for community groups who have an interest in tourism are needed as an effort to add skills, increase human resources, and encourage community's participation for tourism development.

People around the Mandalika EEZ whose lands or yards are large enough sometimes sell some part of their land as means to open businesses such as homestays, clothing shops, food stalls, grocery stores, rental shops for diving equipment, snorkeling, fishing equipment, and some are buying cars or motorbikes to then rent it for tourist transportation. Those who do not have business capital work in hotels, restaurants or become tour guides.

The development of tourism around the Mandalika EEZ area has also brought new creativity in the business sector. It is evident that there are several businesses that previously did not appear and have been developed well such as Mandalika Paragliding, a business in the field of paragliding or paragliding, Kuta Pet Care, a pet clinic that provides care for tourists' pets and Kite Surfing, a kind of surfing but relies on the wind and provide parachuting service.

Apart from direct employment opportunities, there are also job opportunities that arise indirectly as a result of tourism development. This is due to the fact that not all of the residents around the Mandalika EEZ earn livings in the tourism sector. Some of them keep their old jobs such as fishermen, planters and breeders. However, because the tourism business has links with other businesses, people whose livelihoods outside the tourism sector also enjoy the development of the rapid growth of tourism. In fact, not only in three villages (Sengkol, Kuta, Sukadana), but the impact of the development of Mandalika EEZ spread to residents in buffer areas, likes of in tourist villages in Central Lombok such as Sade tourism village, Ende tourism village, the tourist village of Setanggor, Sukarara, Bilebante and many more.

#### **4.3.3. Impact On Prices and Rates**

Tourism activities around the Mandalika EEZ directly or indirectly have had affected the prevailing prices and rates. Based on the results of the interviews, the prices for staple goods that apply to the people around the Mandalika EEZ in general are the same as the prices used in Central Lombok. It is in fulfilling their needs, people have plenty options in choosing where to shop and are free to choose the price set. Unlikely, the case is different when it comes to hotels that rely on suppliers to meet hotel needs such as bathroom equipment and restaurant needs.

Currently, all hotels have collaborated with travel agents; local or abroad such as Air, Booking.Com, Agoda, Expedia. The hotel provides the same basic price to the travel agent. However, sometimes these travel agents make special promotions too, cutting their commissions or profits a little to subsidize potential visitors. Supposedly, they get 15% profit from the hotel room, sometimes they cut it to 10%. This is the reason why one room has a different price for each online Travel Agent.

Tourism actually has the ability to increase the selling value of local products such as handicraft products, food products, souvenirs and local culinary products. Some of them are local small and micro enterprises (SMEs) such as Nine-Nine Lombok with their hair ties, bags, and clothes. Gumi Bambu makes bamboo toothbrush products, bath foam from truwuk (a type of pumpkin) handicrafts made of bamboo and wood such as wooden spoons, wooden chopsticks and bamboo. There is also the Pituq Community, SMEs from Gunung Sari, West Lombok producing soap, shampoo and herbal toothpaste.

#### 4.3.4. Impact On Benefit and Profit Distribution

Attractive tourist destinations invite many investors to put their investments and surely it provides a positive impact on regional revenues.

Table 4.3. GRDP of Central Lombok 2016-2019 based on Constant Prices of 2010

Categories	Names	PDRB ADHK 2010 (in million rupiah)			
		2016	2017	2018*	2019**
A	Agriculture, forestry, and fishery	2.820.250,05	2.999.937,02	3.069.299,26	3.121.082,17
B	mining and quarrying	470.921,72	504.451,34	534.017,80	602.526,34
C	Processing industry	621.730,52	650.861,89	660.438,39	683.699,73
D	Electricity and gas procurement	8.214,24	8.657,33	8.755,69	9.595,35
E	Water Supply, Waste Management, Waste and Recycling	13.463,42	13.995,08	14.160,22	14.023,34
F	Construction	1.381.755,86	1.478.908,65	1.560.150,03	1.792.785,74
G	Wholesale and Retail Trade; Car and Motorcycle Repair	1.187.007,89	1.281.087,85	1.354.556,98	1.439.983,40
H	Transportation and Warehousing	1.869.789,49	1.986.269,33	1.966.429,40	1.856.236,51
I	Provision of Accommodation and Food and Drink supply	116.371,62	124.529,92	127.432,69	130.752,27
J	Information and Communication	194.432,75	210.026,26	221.234,66	230.796,91
K	Financial Services and Insurance	219.378,91	242.373,49	259.024,80	262.891,80
L	Real Estate	373.150,75	398.562,31	418.649,85	439.489,31
M,N	Company Services	15.747,56	16.588,48	17.464,54	18.353,29
O	Mandatory Government Administration, Defence and Social Security	568.919,77	583.484,12	587.951,01	608.091,60
P	Education Services	475.779,50	502.518,30	531.072,51	569.604,77
Q	Health Services and Social Activities	269.987,09	286.240,31	308.821,49	329.135,08
R,S,T,U	Other services	248.078,90	264.973,07	279.228,63	294.617,22
PDRB)		10.854.980,1	11.553.464,7	11.918.687,9	12.403.664,8

Source: Central Lombok Statistics Bureau, 2020

In 2016, the amount of GRDP in the tourism sector was Rp. 116.3 billion, grew by around 9.54% and was ranked third after financial services and insurance as well as electricity and gas procurement. Likewise, in 2017, the GRDP from the accommodation and food and drink provision sector increased to Rp. 124.5 billion, although in terms of growth it only grew about 7.01% from 2016. This growth fell into the 6<sup>th</sup> position after the financial services and insurance sectors, information and communications, wholesale and retail trade, and mining and quarrying and construction.

Table 4.4. GRDP Growth Rate of Central Lombok 2006-2019

Categories	Names	The growth rate of PDRB			
		2016	2017	2018*	2019**
A	Agriculture, forestry, and fishery	2,86	6,37	2,31	1,69
B	mining and quarrying	9,36	7,12	5,86	12,83
C	Processing industry	3,19	4,69	1,47	3,52
D	Electricity and gas procurement	9,85	5,39	1,14	9,59
E	Water Supply, Waste Management, Waste and Recycling	4,72	3,95	1,18	-0,97
F	Construction	8,68	7,03	5,49	14,91

G	Wholesale and Retail Trade; Car and Motorcycle Repair	8,12	7,93	5,73	6,31
H	Transportation and Warehousing	5,74	6,23	-1	-5,6
I	Provision of Accommodation and Food and Drink supply	9,54	7,01	2,33	2,6
J	Information and Communication	8,62	8,02	5,34	4,32
K	Financial Services and Insurance	11,11	10,48	6,87	1,49
L	Real Estate	6,54	6,81	5,04	4,98
M,N	Company Services	6,72	5,34	5,28	5,09
O	Mandatory Government Administration, Defence and Social Security	2,31	2,56	0,77	3,43
P	Education Services	6,01	5,62	5,68	7,26
Q	Health Services and Social Activities	5,78	6,02	7,89	6,58
R,S,T,U	Other services	6,25	6,81	5,38	5,51
Produk Domestik Regional Bruto (PDRB)		5,65	6,43	3,16	4,07

Source: Central Lombok Statistics Bureau, 2020

Economic growth during 2018 experienced a slowdown due to an earthquake that occurred in Lombok Island in mid-2018. The rate of economic growth in the sector of providing accommodation and food and drink contracted by 2.33% in 2018. However, even though Central Lombok experienced economic shocks due to the earthquake, but they were still able to produce and maintain gross value added. The value of PDRB in Central Lombok in 2017 was around 11.553 Trillion Rupiah, increased to 11.918 Trillion Rupiah in 2018 with the percentage of 3.16% or an increase of 0.365 Trillion. Through these natural disasters, we later learned that the tourism sector is a sector that is a disaster-sensitive industry. Therefore, in 2018 there were only two sectors that experienced greater growth compared to 2017: the education services and health services and social activities sector.

In general, the contribution of the accommodation and food and drink provision sector was not too significant for the GRDP of Central Lombok. However, the contribution of the tourism sector, of course, might not only be seen from the accommodation sector and the provision of food and drink, considering that the tourism sector has the power to link to any business, meaning that tourism can accommodate all business sectors to grow and develop along with the progress of tourism itself.

Apart from the benefits that can be enjoyed directly by the people around the Mandalika EEZ, the benefits of tourism are also distributed thoroughly through the many parties involved in providing complementary needs for tourism. For example, UD. Edola jaya, having their address at Jalan Kencana No. 1 Monjok Timur, Selaparang, Mataram. This company is a supplier of cleaning tools. PT. Lombok Mitra Utama, having their address at Jalan Brawijaya No.14 Cakranegara. is a Pertamina LPG supplier. UD.Timur Jaya Raya, having the address at Jalan Gareng No. 2 Cakranegara, Mataram is a supplier for room amenities, dental kits and various types of hotel slippers and many other supplier companies.

#### 4.3.5. Impact On Property Ownership and Control

Ownership and control of land in villages around the Mandalika EEZ, Central Lombok is categorized into three types: Government owned, private property, and individual property. Government-owned land is a land managed by ITDC which covers an area in the three villages, covering an area of 1,175 ha. Private land is a land which is managed and owned by several Limited Liability Companies. Some of these companies run a business to buy and sell land (property), some are legal entities of the hotels and restaurants that have been established. Individual property is owned by the local community and belongs to Indonesian citizens from outside the Province of West Nusa Tenggara.

The development of the Mandalika EEZ has shown a negative impact on land ownership as stated by Lalu Serinata, a land and property entrepreneur (interview on 28 September 2020). He stated that the land in the Kuta Village area is only owned around 30-40% by local people of the village area. In Gerupuk Hamlet, Sengkol Village, only about 30% is owned by the community, the rest of the land has been sold and belongs to outsiders both non-local Indonesians and foreigners. The same thing was expressed by Lalu Arta Wijaya, Sedahan or a land and building tax collector for Kuta Village (interview on 24 September 2020). He mentioned that many lands outside the Mandalika EEZ area have already changed the ownership to outsiders, so even if there are local people who own the land only a very small amount, no one owns up to 1 ha. They only have 5 acres, 10 acres and some don't even have it because it was sold out. Hence, they live on other people's land.

The hotels owned by Central Lombok residents around the Mandalika EEZ are only 2 hotels, JM Hotel Kuta Lombok and Family Beach Hotel. The rest are hotels owned by non-locals with a foreign investment model. Apart from the Novotel hotel which was developed by Indonesian entrepreneur Peter Sondakh, many hotels and resorts were developed by foreign entrepreneurs such as the Origin Hotel, Sima Hotel, Jifana Hotel, Kies Villas Hotel, Lombok Holiday Hotel, Dream Hotel Kuta Lombok and others. Likewise, with the restaurant. Restaurants such as Kenza, El Bazzar, KRNK, Palate Restaurant, Milk Espresso, Bamba, Bush Radio, Lee Too Much, Yogi Bar are owned by foreign investors. Local residents find it difficult to own hotels and restaurants because they require a lot of capitals, managerial experience as well as a marketing network in order to attract tourists' interests. In contrast, most homestays are still owned by local residents although some are owned by non-local investors.

For transportation facilities, the community creates a business consortium to strengthen the bargaining power in the transportation business. There are at least three business groups in the form of a Comanditer Association (CV): CV. Mandalika Tours and Travel, CV. Trans Kuta and CV. Local Transport. They manage vehicles owned by members and cooperate with the hotel as a transportation provider for tourists. CV. Mandalika owns 23 units of vehicles of various brands and types, CV Trans Kuta possesses 50 units of vehicles, and CV. Lokal Transport has 75 units of vehicles (Herman, interview, 21 September 2020).

#### 4.3.6. Impact On Regional Government's Income

There is a high potential of income in tourism due to government policies in making the Mandalika area an Exclusive Economic Zone. The impact of this policy is expected to spur the economic progression in Central Lombok. This is a response to the growing investment in the provision of accommodation facilities, thus there will be economic progression in general due to the demand and supply process for meeting the needs for goods and services (Alfian Muntaha, head of the regional retribution at BAPPENDA LOTENG, interview, 22 July 2020).

This situation causes local revenues from taxes and retributions to also progress with the movement of the financial market such as income from hotel taxes and restaurant taxes. It is due to the needs of tourists for accommodation facilities when they come to Mandalika. Likewise, the revenue from parking tax might also increase due to increased visits, which then affect the increase in street lighting tax revenue in line with the high consumption of electric power.

Table 4.5. Realization of Regional Taxes and Retributions in 2017 – 2019

No.	Types of tax/ Retribution	2017	2018	2019
		Realisation	Realisation	Realisation
1.	Hotel taxes	7.698.907.388	8.151.261.407	9.600.602.686
2.	Restaurant taxes	8.769.745.109	9.603.359.493	10.571.961.635
3.	Entertainment taxes	155.793.914	196.369.887	255.353.264
4.	Retribution for Recreational and Sports Places	61.590.000	65.252.000	90.310.000
5.	Retribution for Alcoholic Beverage Sales Place Permits	47.000.000	108.750.000	108.250.000

Source: Central Lombok Regional Revenue Management Agency, 2020

Based on the table above, there was an increase in local revenue from regional taxes in the tourism sector including hotel tax, restaurant tax and entertainment tax from the previous amount of Rp. 16,624,446,411 in 2017, increased by 7.98% to Rp. 17,950,990,787 in 2018 and continued to increase by 13.79% to Rp. 20,427,917,585 in 2019. This indicates that there has been a fairly significant increase in government revenue from the tourism sector. In addition, there was also an increase in user fees such as business services, specifically retribution for recreation and sports around Rp. 61,590,000 in 2017, increased by 5.6% to Rp. 65,252,000 in 2018 and Rp. 90,310,000 in 2019.

The rapid revenue growth is actually obtained from certain licensing fees, such as fees for permits for selling alcoholic drinks. Along with the development of tourism, this fee was recorded at Rp. 47,000,000 in 2017, then grew 131% in 2018 to Rp. 108,750,000 and decreased 0.5% to Rp. 108,250,000 in 2019. The retribution for permits for the sale of alcoholic drinks was of course directly related to income in the tourism sector, because the permits were granted for certain specific places such as bars and star hotels concentrated in tourism areas.

#### 4.3.7. Impact On Physical Development

Central Lombok has been officially declared to be out of the underdeveloped region. This is stated in the Decree (SK) of the Village Minister for Underdeveloped Areas and Transmigration (Mendes PDPTT) Number 79 of 2019 concerning the determination of underdeveloped areas that will be implemented in 2015-2019. Previously, in Presidential Regulation Number 131 of 2015 concerning the Determination of Underdeveloped Areas 2015 - 2019, there are eight districts with underdeveloped status in West Nusa Tenggara. Currently, North Lombok (KLU) is the only district to hold the status.

This situation has created even more challenges. One of the new challenges is how to maintain the status the districts have earned. The NTB Provincial Government itself keeps a close watch on the posture of the district/city's expenditure budgeting. This effort is an important mechanism to do. A healthy budget expenditure posture allows the area to focus its resources on activities to build basic facilities for the community.

As previously mentioned, tourism is a sector which the main advantage is of being a link to any business, meaning that tourism can accommodate all business sectors to grow and develop in line with the progress of tourism itself. Examples are the construction sector, electricity and gas procurement and transportation and warehousing.

Based on table 4.4., regarding the GDP growth rate of Central Lombok in 2016-2019, it can be inferred that the GRDP of the construction sector in Central Lombok in 2017 was IDR 1,478,908,650,000 in total and contributed 12.82% of the total GRDP of Central Lombok. The amount of this GRDP increased from the previous year which showed a value of Rp. 1,381,755,860,000 thus the increase that occurred was 7, 03%. In 2018, the year when an earthquake occurred in Lombok Island, the construction sector grew by 5.49% and in 2019 it grew by 14.91% with a total of Rp. 1,792,785,740,000 and contributed 14.45% to the GRDP of Central Lombok. This excellent growth was made possible due to the construction of the MotoGP circuit in the Mandalika EEZ, including the construction of tourism-supporting hotels, which continues to be intensively carried out despite the COVID-19 conditions.

GRDP of the transportation and warehousing sectors has increased from Rp. 1,869,789,490,000 in 2016 to Rp. 1,986,269,330,000 in 2017, which showed an increase of 6.23% rate. This increase was due to the increasing number of transportation operations including the need for transportation due to the development of the Mandalika EEZ. GRDP in the information and communication sector has also increased from Rp. 194,432,000,000 in 2016, growing up to 8.02% with amount of IDR 210,026,260,000 in 2017. GRDP growth in this sector continued to increase and grew 5,34% and 4,32% respectively in 2018 and 2019.

Apart from being distributed in GRDP, the impact of the development of the Mandalika EEZ might also be seen from the development of physical facilities such as the operation of the Lombok Tourism Polytechnic, the construction of the Lombok International Airport Bypass – Mandalika EEZ, the extension of the Runway and the Lombok International Airport Terminal, the development of a Tourism Village, SARHUNTA (Tourist Shelter Facility) and Mandalika Hospital.

## V. CONCLUSIONS AND SUGGESTIONS

### 5.1. Conclusion

1. Development of the Mandalika Exclusive Economic Zone (EEZ) in Central Lombok has had a very good impact on the economy of the community, especially in villages surrounding the EEZ.
2. Tourism and the development of exclusive economic areas in Central Lombok have had a significant impact on increasing the business activities and income of the people in the region. Residents who own businesses which are linked to tourism activities have experienced an increase in income since tourism has started to grow, especially after the Mandalika EEZ was inaugurated for operation in 2017. This includes accommodation, restaurant/food and beverage, transportation, and souvenir businesses, and informal services and trades such as street vendors and local shops.
3. In terms of job opportunities, the development of an exclusive economic zone in Central Lombok provides quite impressive employment opportunities for the surrounding community, although it has not been able to reach all the people of Central Lombok wholly. The use of local labor is also an indication that the tourism sector provides jobs for local residents. In addition, migrants who come from other areas also have the opportunity to find work around the Mandalika Exclusive economic area.
4. The ownership and control of land in the Mandalika EEZ and its surroundings are divided into governmental and non-governmental, including the private sector and individuals. The government which manages the 1,175 ha of the Mandalika EEZ area is professionally managed by ITDC. Meanwhile, non-governmental land is managed by companies engaged in the accommodation and restaurant business or companies engaged in land and property. Respectively, individuals are residents who own the land around the Mandalika EEZ, including non-local investors who have purchased land around the Mandalika EEZ. The negative impact of the development of the Mandalika EEZ has resulted in too high individual and non-government ownership resulting in no control over resources by the community around the Mandalika EEZ.



5. The development of the Mandalika EEZ does not have a significant impact on prevailing prices and rates in both surrounding hotels and for the daily life of the community. The only thing that has a total increase is the price of land, where land prices have escalated significantly compared to the time before the establishment of the Mandalika area as one of the Exclusive Economic Zones.
6. Apart from being beneficial to the surrounding community, the benefits of the development of the Mandalika EEZ are also spread through other areas and communities both in Central Lombok and outside Central Lombok. Like the hectic visits to the Tourism Village as a buffer for the Mandalika EEZ. Furthermore, it positively supports the economic turnover from the supplier of hotel and restaurant needs to the area around the Mandalika EEZ.
7. Government revenues from hotel and restaurant taxes keeps their growth steady. This shows that the tourism sector has a significant influence in increasing local revenue.
8. In addition to the development of tourism as an economic driver, the development of the Mandalika EEZ also has significant impacts on the many physical developments and human resources in Central Lombok. For example, the establishment of the Lombok Tourism Polytechnic, the construction of the LIA – the Mandalika EEZ bypass line, the development of Lombok International Airport, the development of tourist villages, tourism housing facilities (SARHUNTA) and the Mandalika Hospital.

## 5.2. Suggestions

1. Central Lombok possesses excellent tourism potentials, thus it might become one of the supporters of Regional Original Income (PAD) as well as gives a positive impact on the development of the area in the surrounding area. In order to further encourage Central Lombok to be a supporting area for regional, national and international tourism, it is necessary to excavate and organize existing tourism objects and complete their supporting facilities. Especially by fully supporting the development of the Mandalika EEZ, which includes the construction of the MotoGP circuit which is planned to start operating in October 2021.
2. The Mandalika exclusive economic area has been able to provide a positive contribution to the community's economy, let alone if it is fully operational in 2040. Therefore, it is necessary for the government to take anticipation measures to carry on with preparing the human resource investment as part of the management of the Mandalika EEZ in the future.
3. In contrast to the positive impacts, the Mandalika EEZ also brings some negative economic impacts, especially in terms of land ownership. In the future, the government needs to thoroughly disseminate the people around the EEZ not to sell their land to investors but to choose other alternatives such as leasing or other models where the community can receive benefits from their land ownership without having to sell it to third parties.
4. To expand the distribution of the benefits of the Mandalika EEZ, the Government must facilitate micro, small and medium enterprises (MSMEs) or local companies to be the main suppliers for the needs of hotels and restaurants both around and in the Mandalika EEZ areas thus the benefits can be more fairly distributed.
5. The development of tourist villages by prioritizing local interests should be carried out in a sustainable manner. In addition to physical development, the empowerment of local communities must also be intensified for the development of a skillful and economically independent tourism community. They also need to be ready to optimize economic opportunities that present as the impact from activities in the Mandalika EEZ.
6. Improvement efforts need to be carried out, including enhancing strategies, integrating tourism components into all elements and activities of government and society, and beautifying tourist destinations and other areas that are passed as well as rural areas to support natural tourism. In addition, it is also necessary to increase tourism awareness in supporting national development thus Central Lombok might significantly contribute to national tourism development.
7. For further research, it is necessary to conduct a more measurable research on the economic impact of Mandalika EEZ using quantitative methods.

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