

Tourism Impact on the Regional Economy (Case Study of the Kalimantan Tengah Province)

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ABSTRACT: Tourism plays an important and strategic role in economic development and the Indonesia's government has established tourism as one of the priority sectors in national development. This study aims to measure the impact of tourism activities on the economy in Kalimantan Tengah Province in 2019 using the Input-Output Model. The results of the study found that local tourists play an important role in driving tourism in Kalimantan Tengah. The water transport, accommodation, and food and beverage service activities are strategic industries because they have a strong driving force in spurring economic growth. Meanwhile, the wholesale trade (except of motor vehicles and motorcycles), land transport, and information and communication services are sectors that can meet the final demand from other sectors above the average capacity. In total, the impact of tourism activities on Kalimantan Tengah's GRDP in 2019 reached 1.09 percent. Wholesale trade (except of motor vehicles and motorcycles) received the largest impact, while enterprise services and accommodation made the largest contribution to the industries.

KEYWORDS : *local tourist, GRDP, backward linkage, forward linkage*

I. INTRODUCTION

Tourism plays an important and strategic role in Indonesia's economic development. Data of the Indonesia Tourism Satellite Account (ITSA) show that the direct contribution of tourism to gross domestic product (GDP) in 2019 reached 4.97 percent (BPS, 2021a). The intersectoral chain of tourism activities is expected to support national development moving forward. Thus, tourism can accelerate economic growth and improve people's welfare.

The government has established tourism as one of the priority sectors in national development. Various policies are carried out to support tourism development. Promotions continue to be carried out intensively and accompanied by service improvements, so it is hoped that the number of foreign tourists and domestic tourists will continue to increase. In addition, the central government also encourages local governments to build and develop tourism in their respective regions.

Kalimantan Tengah has the potential to become a tourist destination, both domestic and foreign. Kalimantan Tengah has many unique tourist attractions that are not found in other regions. One of them is TanjungPuting National Park which is well known to foreign countries. Some other well-known tourist objects include Ujung Pandaran Beach and Sebangau National Park. Various activities, such as festivals and cultural exhibitions, are also carried out to attract tourists.

However, tourism in various literatures and researches is not a separate sector, so the impact of tourism in the economy of a region cannot be seen directly. Some studies use econometrics as a tool to measure the impact of tourism in the economy, including Aliansyah and Hermawan (2019), Sulastri and Pariyanti (2019), and Soewarni, et al. (2019). Another method that is also widely used to measure the role of tourism in the economy is the Input Output Model, including Khairunnisa, et al. (2021), Cahaya (2020), Aji, et al. (2018), Arianti (2016), and Malbaand Taher (2016).

This study is conducted to examine the impact of tourism activities on the economy in Kalimantan Tengah Province using the Input-Output Model. Input Output Analysis is an analysis based on the input-output table (table I-O) which is presented in the form of a matrix. The I-O table is one of the complete and comprehensive analytical tools, especially for economic analysis. The impact of final demand on output, value added, imports, tax revenues, and employment in various production sectors can be estimated using Table I-O (BPS, 2021b). So that through input output analysis it will be known the impact of tourism to the economy of a region. The results can be used as input and evaluation material for policy makers in the tourism sector regarding the impact of tourism development in improving the economy in Kalimantan Tengah Province.

II. RESEARCH METHOD

The location of this research is Kalimantan Tengah Province with a time reference of 2019. While the I-O Table used is the 2016 Kalimantan Tengah Input-Output Table.

The Contribution of Tourism in the Economy

The role of tourism in the economy can be seen from various angles. This study will use contribution analysis to measure the role of tourism in the economy from the demand side. Contribution analysis is used to see the percentage of tourism expenditure or consumption in forming gross regional domestic product (GRDP).

The role of tourism in GRDP is identified through: (1) the share of household consumption of Kalimantan Tengah residents for tourism activities in their own province (local tourists); (2) the portion of government consumption expenditure, for various tourism-related activities; (3) investment portion for tourism development; (4) the export portion which includes the expenditure of foreign tourists and tourists from other provinces while they stay in Kalimantan Tengah; and (5) the import portion which covers the expenditure of Kalimantan Tengah residents while they were in other province or abroad.

Inter-Sectoral Linkage Analysis

Analysis of inter-sector linkages in this study will use linkage analysis. Linkage analysis is used to see the linkage of a sector with other sectors that make up the economy of a region. The linkage analysis in this study includes backward linkage and forward linkage. Backward linkage analysis is used to measure the impact of an increase in demand per unit of a particular sector on other sectors that provide inputs for that sector. Meanwhile forward linkage analysis is used to measure the linkage of a sector with the downstream sector which is the output user of the sector.

Tourism Economic Impact

The measurement of the impact of tourism on the economy in this study is carried out by calculating the amount of production and added value of economic sectors created by consumption spending and investment in the tourism sector using a multiplier matrix (Leontief inverse matrix) table I-O.

Industry Classification and Data Sources

In using the I-O analysis, the 2016 Kalimantan Tengah I-O Table (52 x 52 industry classification) is used as the basic table. In order to obtain an effective analysis, the classification was aggregated into 25 industries by combining industries that do not have a direct relationship with tourism.

The focus of the analysis is on the tourism characteristic industries. In the 2008 International Recommendations for Tourism Statistics (IRTS) it is explained that the tourism characteristic industry is an industry that produces tourism characteristic products. Tourism characteristic products are defined as products that meet at least one of the following two criteria (UNWTO, 2010):

1. The value of tourist spending for the product is significant.
2. Consumption of these products has a significant share of the total value of production.

Based on these criteria, industries with tourism characteristics are wholesale trade (except of motor vehicles and motorcycles), transportation (land, water, and air), support activities for transportation, accommodation, food and beverage service activities, information and communication, and other services.

To measure tourism performance in terms of production, consumption and investment, 2019 data is used. In detail, the calculations and data sources in this study are described as follows:

1. The expenditure data for local tourists, namely residents of Kalimantan Tengah who travel within the Kalimantan Tengah region, is sourced from the publication of the 2019 Domestic Tourist Statistics.
2. The expenditure data of tourists from outside Kalimantan Tengah (inbound tourists) includes tourists from other provinces and foreign countries. Since there is no international port, the number of foreign tourists is approximated by the number of foreign guests staying at accommodation in Kalimantan Tengah, which is sourced from the Accommodation Services Statistics of Kalimantan Tengah Province 2019. Meanwhile, the average expenditure is obtained from the 2019 International Tourist Expenditure Statistics.
3. The expenditure data for Kalimantan Tengah residents who travel to other provinces and abroad are sourced and processed from the 2019 Outbound Tourist Statistics.
4. The data of government expenditure for tourism is calculated based on the regional government budget data for tourism and cultural functions.
5. Investment data is obtained from the website of the Investment Coordinating Board (BKPM) for the transportation sector, accommodation and provision of food and drink, as well as other services.

In order to measure the impact of tourism using the I-O multiplier, the structure of consumption expenditure, government spending, and investment is adjusted to the sector structure in the I-O Table.

III. RESULT AND DISCUSSION

The Contribution of Tourism in the Economy

The role of tourism in the economy (GRDP) by expenditure can be seen in Table 1. The share of tourism in household consumption reached 2.74 percent. The results of the September 2019 National Socio-

Economic Survey (Susenas) show that the average expenditure per capita of Kalimantan Tengah's population was mostly used (50.08 percent) for food consumption. Non-food consumption was also dominated for housing and household facilities. Expenditures on tourism-related activities, such as hotel stays, transportation, and recreation, are still relatively small (BPS, 2020).

Table 1. Tourism contribution on GRDP of Kalimantan Tengah Province by expenditure, 2019

Description	Unit	Household Consumption	Government Expenditure	Investment	Export	Import
(1)		(2)	(3)	(4)	(5)	(6)
Tourism	BillionRp	1,697.5	157.4	340.2	188.6	1,108.8
GRDP(current price)	BillionRp	61,920.2	19,927.0	64,656.8	70,087.3	70,735.4
Tourism share	Percent	2.74	0.25	0.55	0.30	1.79

Source: BPS, 2021a (processed)

The role of the government in promoting and developing tourism through budget allocation is also important. Research by Aliansyah and Hermawan (2019) found that government spending on tourism has a positive impact on the economy of a region. However, local government spending on tourism in Kalimantan Tengah was only 0.25 percent of total government spending. This fact shows that even though tourism is one of the priority sectors, it has not received full support in funding.

Malba and Taher (2016) in their research also found that investment in the tourism sector has a calculable impact on the economic development of a region. In Table 1 it can be seen that the role of tourism in investment in Kalimantan Tengah was relatively small, only 0.55 percent. BKPM data informs the main investment in Kalimantan Tengah in 2019 in the mining, processing and plantation sectors (BKPM, 2021).

Furthermore, the role of tourism in the export of goods and services was 0.30 percent, while in imports it reached 1.79 percent. It shows that foreign tourists visiting Kalimantan Tengah were very limited. In addition, in terms of the travel balance, Kalimantan Tengah experienced a deficit where the consumption of Kalimantan Tengah residents who traveled to abroad or other province was greater than the consumption incurred by foreign tourists and tourists from other provinces visiting Kalimantan Tengah.

Inter-Sectoral Linkage Analysis

The role of tourism in the economy can be seen through industries that have a high relationship with tourism activities. It can be analyzed using backward and forward linkages. Industries that are closely related to tourism activities include wholesale trade (except of motor vehicles and motorcycles), transportation (land, water, and air), support activities for transportation, accommodation, food and beverage service activities, information and communication, and other services.

If a backward linkage index (BLI) is greater than one, it indicates that the industry is absorbing a large number of inputs from the output of other industries. In table 2 it can be seen that the tourism-related industries that have a value greater than one are water transport, accommodation, and food and beverage service activities. Thus, it can be concluded that these three tourism industries are strategic industries because they have a strong driving force in spurring economic growth in Kalimantan Tengah.

Meanwhile, if the value of the forward linkage index (FLI) is greater than one, it indicates that output of the industry is widely absorbed by other industries and consumers in the economy. The results of the analysis show that tourism-related industries that have such high linkages are wholesale trade (except of motor vehicles and motorcycles), land transport, and information and communication services. Thus, it can be concluded that the shock in the three industries can increase the use of output and production in other downstream sectors.

Table 2. Inter-sectoral linkage analysis of Kalimantan Tengah Province

No	Industry	BLI	FLI
1.	Wholesale trade, except of motor vehicles and motorcycles	0.8785	1.4189
2.	Land transport	0.9647	1.2800
3.	Water transport	1.0284	0.9608
4.	Air transport	0.9922	0.7987
5.	Warehousing, support activities for transportation, postal and courier activities	0.9982	0.8283
6.	Accommodation	1.0769	0.7424
7.	Food and beverage service activities	1.2611	0.8607
8.	Information and communication	0.9074	1.0637
9.	Other services	0.9372	0.8142

Source: BPS, 2021b (processed)

Tourism Economic Impact

Tourism activities have an economic and social impact on the surrounding community, regionally and nationally, either directly or indirectly. Measurement of tourism performance uses the total value of economic transactions created by tourism activities. Tourism economic transactions are formed by a balance between supply and demand for goods and services related to tourism.

The value of direct economic transactions due to tourism activities in Kalimantan Tengah in 2019 reached Rp2,343.8 billion (see Table 3). Of the total transaction value, the transaction value created by the consumption of local tourists contributed 72.43 percent, followed by the transaction value for investment which reached Rp340.23 billion (14.52 percent). Meanwhile, the third largest contribution was government spending on tourism which reached Rp157.44 billion (6.72 percent).

Table 3. Consumption by categories of tourism in Kalimantan Tengah, 2019

Categories of tourism	Consumption (billionRp)	Share (%)
(1)	(2)	(3)
1. Local tourism	1,697.68	72.43
2. Inbound tourism (foreigntourists + tourists from other provinces)	17.59	0.75
3. Outbound tourism (overseas + to other provinces)	130.90	5.58
4. Investment	340.23	14.52
5. Tourism promotion anddevelopment	157.44	6.72
Total	2,343.85	100.00

Sources: BPS, BKPM (data processed)

From the figures, it can be seen that the contribution of local tourists to the tourism economy in Kalimantan Tengah is very dominant compared to other components. This shows that local tourists are the main driver of tourism in Kalimantan Tengah.

Furthermore, the measurement of the impact of tourism activities on the overall economy of Kalimantan Tengah in 2019 is calculated using an input-output multiplier based on the 2016 Kalimantan Tengah Input-Output Table. The economic aspect measured is the share of tourism in gross regional domestic product (GRDP) both overall and sectoral. The impact of tourism activities on Kalimantan Tengah's GRDP in 2019 can be seen in Table 4.

Table 4. Tourism impact on GRDP of Kalimantan Tengah, 2019

Description	Value (billionRp)	Share (%)
(1)	(2)	(3)
A. GRDP of Kalimantan Tengah	150,000.81	
B. Tourism	1,634.59	1.09
1. Local tourism	1,211.10	0.81
2. Inbound tourism (foreigntourists + tourists from other provinces)	13.43	0.01
3. Outbound tourism (overseas + to other provinces)	97.25	0.06
4. Investment	195.85	0.13
5. Tourism promotion anddevelopment	116.96	0.08

Source: data processed

The impact of tourism activities on Kalimantan Tengah's GRDP in 2019 reached Rp1,634.59 billion or contributed 1.09 percent of the total GRDP. The greatest impact of tourism on GRDP was created by local tourist spending with a role of 0.81 percent of the total GRDP. Meanwhile, the impact of consumption of tourists from abroad and other provinces on GRDP was 0.01 percent, investment was 0.13 percent, promotion and coaching spending was 0.08 percent, as well as pre and post-trips from Kalimantan Tengah tourists abroad or to other provinces 0.06 percent. The huge potential of tourist spending on the economy of Kalimantan Tengah encourages non-tourism businesses to participate in supporting tourism activities.

When viewed by industry as shown in Table 5, it is known that the non-car and motorcycle trade sector received the largest impact reaching Rp349.51 billion or 21.38 percent of the total impact, followed by the manufacturing and agriculture. However, when viewed by GDP sector, tourism provides the largest contribution to professional and support service activities and accommodation services, where tourism's contribution to GRDP reached 27.78 percent and 14.06, respectively. It means that the two industries are highly dependent on tourism activities. In addition, the contribution of industries which are closely related to tourism is quite high. Tourism activities contribute to air transport by 9.32 percent, transportation support services by 6.72 percent, and food and beverage services 6.81 percent. In other hand, eventhoughwholesale trade, except of motor

vehicles and motorcycles, had the biggest impact due to tourism, its contribution to the sector was relatively small, only 1.83 percent.

Table 5. Tourism impact on Kalimantan Tengah's GRDP by industry, 2019

Industry	Tourism gross value added (billion Rp)	GRDP of Kalimantan Tengah (billion Rp)	Share of tourism (%)
(1)	(2)	(3)	(4)
01. Agriculture, forestry, and fishing	154.68	30,182.53	0.51
02. Mining and quarrying	6.22	16,408.01	0.04
03. Manufacturing	183.03	22,476.77	0.81
04. Electricity, gas, steam and air conditioning supply	3.91	126.86	3.08
05. Water supply; sewerage, waste management and remediation activities	2.13	142.03	1.50
06. Construction	127.37	15,016.22	0.85
07. Wholesale and retail trade and repair of motor vehicles and motorcycles	4.77	749.30	0.64
08. Wholesale trade, except of motor vehicles and motorcycles	349.51	19,122.70	1.83
09. Land transport	110.91	4,614.80	2.40
10. Water transport	22.40	5,297.40	0.42
11. Air transport	59.22	635.20	9.32
12. Warehousing, support activities for transportation, postal and courier activities	54.88	816.90	6.72
13. Accommodation	52.50	373.30	14.06
14. Food and beverage service activities	172.26	2,530.80	6.81
15. Information and communication	60.99	1,514.72	4.03
16. Financial and insurance activities	10.84	4,793.55	0.23
17. Real estate activities	20.49	3,351.40	0.61
18. Professional, scientific, technical, administrative and support service activities	16.95	61.00	27.78
19. Public administration and defense, compulsory social security	99.59	9,792.53	1.02
20. Education	0.73	7,289.81	0.01
21. Human health and social work activities	92.73	3,057.92	3.03
22. Others	28.47	1,647.09	1.73
TOTAL	1,634.59	150,000.84	1.09

Source: data processed

IV. CONCLUSION

Local tourist trips have the largest consumption value and economic impact compared to other components. This shows the important role of local tourists in driving tourism in Kalimantan Tengah Province. Through the analysis of backward linkages, the tourism industry which has a strong driving force in spurring economic growth is water transport, accommodation, and food and beverage service activities. Meanwhile, forward linkage analysis found that wholesale trade (except of motor vehicles and motorcycles), land transport, and information and communication services are industries that are able to meet the final demand from other industries above average. The impact of tourism activities on Kalimantan Tengah's GRDP in 2019 reached 1.09 percent. The largest impact was received by wholesale trade (except of motor vehicles and motorcycles), while professional and support activities and accommodation services the largest contribution to the total production of the industry.

V. SUGGESTION

This study has limitations as well as suggestions for further research. This study uses investment data registered by BKPM. Further research is recommended to complete investment data from other sources such as the regional investment offices or other agencies authorized to issue investment permits.

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