

POST COVID-19; WHAT'S NEXT ON INDONESIAN TOURISM

Melly Kartika^{1*}, Mella Aqmal², Basri Fahriza³, Ira Rachman⁴

^{1,2,3,4}Institut Transportasi dan Logistik Trisakti, Jakarta, Indonesia

*Corresponding author: mellykartika.m99@gmail.com

Abstract. Indonesia Tourism Industry was affected badly due to the covid19 pandemic, this paper discussed the effect of the covid19 pandemic to the Indonesian tourism industry by assessing the four main sectors of the tourism industry, namely transportation, accommodation, ancillary service and sales and distribution channel of the tourism industry. The secondary data analysis was selected as a source to enhance the discussion and to create suggestions on formulating the Indonesian tourism recuperation. Suggestion is given in the conclusion on what Indonesian tourism should focus on healing the industry post covid19 pandemic.

Keywords: Covid-19, Indonesia, Tourism, Pandemic

Introduction

The tourism industry plays an important role in Indonesian economy. According to the United Nations, World Travel & Tourism Council (UNWTTTC) report, the tourism industry contributes 4.3% of Indonesia Gross Domestic Product (GDP) (Team, 2018). Indonesian President Joko Widodo has set the ambitious project in the tourism industry by generating 10 (ten) new tourist destination beyond Bali such as Raja Ampat, Lake Toba and Labuhan Bajo to double tourism industry contribution to Indonesian GDP in just next couple of years (Ihsanuddin, 2020)

The outbreak of the Corona Virus in Wuhan, China, has set fear among the tourists. In Indonesia, many tourists decide to postpone their trip to traveling overseas due to the coronavirus (Covid19) outbreak. The president of Indonesia saw the fear of traveling overseas as an opportunity to boost Indonesian tourism (Ihsanuddin, 2020). The controversial action on boosting the tourism industry in the middle of the pandemic was suspended when the president announced the first case of Corona Virus (Covid19) in Indonesia. Therefore, the restrictions on traveling and the closing of all tourist places, hotels, and flights have forced all tourism activities to shut down. Within three months, the coronavirus (Covid-19) pandemic has badly hit the tourism industry and it is expected that 60-70% of the companies in the tourism industry will go into bankruptcy (Hamdani, 2020a).

Method

This paper used secondary data for the data collecting method and analyzing the data. The secondary data analysis was chosen to create a question and discussion in which this study considered need to address. Here, the study addressed "What's Next on Indonesian Tourism Post Covid19". On conducting a secondary analysis of the qualitative study, the secondary data from the statistical report, government reports, reading material, reference book, and journals were used to analyze the data. News articles and web pages were also considered the enrich the study (Hoque et al., 2020).

Discussion and Result

Tourism Industry is a compound of other industries. Camilleri describes that the Tourism Industry is involving fourmain sectors, they are Transportation, Accommodation, Ancillary service, and Sales and Distribution (Camilleri, 2019). This study discusses the four main sectors in the Tourism Industry and investigates their effects on the Covid19 pandemic in Indonesia.

On April 2nd, 2019 Indonesian Immigration officially imposed restriction to foreign citizens to transit or enter Indonesian territory. This action is taken to decrease the spread of Corona Virus Covid19 in Indonesia. The restriction will remain in force until further notice. (Indonesia, 2020).

Table 1.

Airport in Indonesia	Intl Passengers in 2019			Intl Passengers in 2020		
	Feb	Mar	Apr	Feb	Mar	Apr
Kualanamu – Medan	91,9	88,2	90,4	63,6	25,3	6
Soekarno Hatta – Jakarta	577,3	695,7	635,4	444,4	187,8	17,5
Juanda Surabaya	87,9	99,9	91,5	71,7	22,3	1,0
Ngurah Rai – Denpasar	499,0	514,0	537,2	425,5	274,0	6,8
Hasanuddin – Makassar	13,9	17,2	13,4	16,1	1,7	0,0

Source: Indonesian Central Statistical Bureau 2020 (BPS, 2020)

The policy on restricting foreign citizens has made the number of International passengers in the main International Airport in Indonesia slumped drastically to the lowest number in the history of the Indonesian aviation industry. According to table 1, Hassanuddin Airport in Makassar received zero international passengers in April 2020, while table 2 shows that in the same month in 2019, 13,400 international passengers had used this airport. Soekarno Hatta airport as the main Airport has experienced the same number of passengers in April 2020. Its numbers of international passengers decreased drastically to only 17.500 due to cancelation on most International Airlines to Jakarta.

As the response on the restriction policy set by the immigration Angkasa Pura Dua as the airport operator, Soekarno Hatta Airport decided to close it's terminal 1 and Terminal 2F due to flight cancelation both for domestics and International flight at terminal one and two while terminal three remains open for International flight service for serving returning citizen to Indonesia and foreigners to their home countries (Angkasapura2, 2020).

Table 2.

Airport in Indonesia	Domestic Passengers in 2019			Domestic Passengers in 2020		
	Feb	Mar	Apr	Feb	Mar	Apr
Kualanamu – Medan	198,9	202,3	195,4	227,6	172,3	36,7
Soekarno Hatta – Jakarta	1,337,4	1,538,3	1,403,2	1,552,0	1,211,5	191,0
Juanda – Surabaya	473,1	481,1	443,5	479,7	408,7	97,8
Ngurah Rai – Denpasar	356,9	370,0	364,2	273,9	253,5	44,1
Hasanuddin – Makassar	242,5	261,8	234,5	290,53	230,9	49,0

Source: Indonesian Central Statistical Bureau 2020 (BPS, 2020)

The fourth week of April 2020 supposed to be the peak season on Indonesian Domestic flight. Usually the number of passengers would increase during Eid celebration which falls on early May 2020, but unfortunately as shown at table 2, the situation was different. The number of

passengers drastically dropped to the lowest number in past decades, for example, Soekarno Hatta Airport usually serves over a million passengers in a month. However, in April 2020, the Airport only served less than two hundred thousand passengers. This happened not the only because of the fear to travel due to Covid19 but also other factors. In April 2020, the government imposed the restriction toward Indonesian citizens not to return to their home towns for celebrating Eid (BBCNewsIndonesia, 2020).

Table 3.

Country	Intl Tourist in 2019			Intl Tourist in 2020		
	Feb	Mar	Apr	Feb	Mar	Apr
Malaysia	84,1	92,9	83,8	68,1	34,8	0,0
China	170,5	140,6	140,3	11,8	2,9	0,1
Singapore	33,9	41,8	33,6	22,4	11,8	0,0
Australia	73,7	86,1	98,1	84,9	39,9	0,0
Timor Leste	1,5	1,9	2,0	1,7	0,7	0,0

Source: Indonesian Central Statistical Bureau 2020 (BPS, 2020)

Since International passengers were not allowed to enter Indonesia, the number of tourists in February 2020 had shown a significant decline compared to the number of international tourists in February 2019. The number continued to decline drastically in March 2020 and fell into no International tourist in April 2020 as seen in table 3. Chinese, Malaysian, Singaporean, Australian and Timorese were the top five of International tourist in Indonesia. Bali as the main tourist destination has experienced a significant drop in the number of tourists since February 2020 and estimated to loss of 9 million US dollars (Indraini, 2020). According to Hariyadi, this loss will continue if the community does not carry out any activities but need to pay all operating cost (Hamdani, 2020a).

The number of international tourists will remain low for at least the next couple of months. Currently, many foreign countries still ban their citizens from traveling overseas. For example, the Malaysian government warned its citizen not to enter high-risk countries affected by Covid19 such as Indonesia (Mohamed Radhi, 2020). It means the Indonesian tourism industries should not hope on Malaysian tourists at least until the end of this year.

Hotel or accommodation is the other sector of the tourism industry affected badly by Covid19 pandemic in Indonesia. This industry experienced a drastic decline due to the implementation on Large Scale of Social Distancing (*Pembatasan Sosial Berskala Besar*) PSBB or semi lockdown regulation which also had a huge impact for entrepreneurs in the tourism and hospitality sectors. Several companies were required to close due to the lack of income and to avoid big loss. The main tourism destinations in Indonesia which rely on foreign tourists such as Bali, Yogyakarta, and Lombok, have experienced a drastic decline in visitors that is reflected on table 3. Bali is one of the destinations most affected. Foreign tourists are the number one source of income for this island of Gods. Moreover, tourists from China are the biggest contributors to Indonesian tourism.

Table 4.

Hotel Star	Guest Occupancy in 2019			Guest Occupancy in 2020		
	Feb	Mar	Apr	Feb	Mar	Apr
1	38,30	41,00	41,70	33,46	21,77	12,51
2	52,69	51,70	51,57	51,50	34,70	14,93
3	51,17	52,02	53,45	49,39	34,18	15,41
4	54,57	56,93	56,10	51,34	32,68	9,77
5	56,44	52,43	57,62	46,14	25,73	8,26

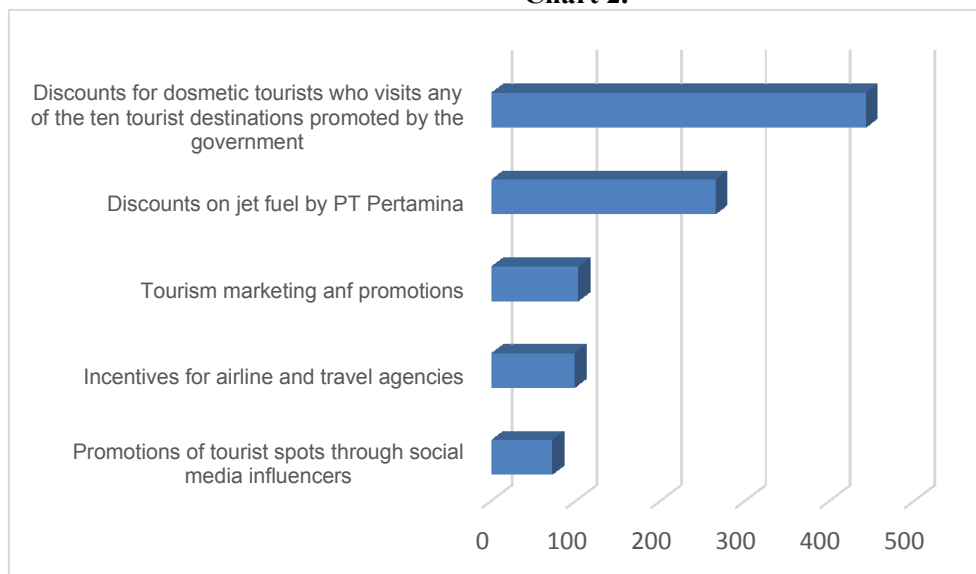
Source: Indonesian Central Statistical Bureau 2020 (BPS, 2020)

Hotel occupancy during the Covid19 pandemic in Indonesia was slum to the lowest number in April 2020. Five stars' hotels experienced a bad impact due to Covid19 with the lowest occupancy and some of them had closed their operation temporarily to avoid huge losses on operational cost. According to Hariyadi Sukamdani, Chairman of the Indonesian Hotel and Restaurant Association (PHRI), there are 698 hotels closed throughout Indonesia during covid19 (Lidyana, 2020). Some hotel operators attempt to avoid layoffs in the form of salary deductions for employees. There are also some hotel managements that ask workers to take time off due to lack of visitors (Ramadhan, 2020) and some employees have lost their jobs either because they were fired or exposed to mass layoffs. On the other hand, many are still working, but get salary deductions because they only work from home (Saputra, 2020).

The Ancillary service such as restaurant was the other sector losing business during Covid19. Many restaurants are forced to close temporarily due to no dine-in policy and no patrons visiting their premises. According to Emil Arifin, the vice president of Indonesian Hotel and Restaurant Association (PHRI), there are more than 6.800 restaurants and about 700 shopping malls closed and this has made more than two hundred thousand of restaurant employees were layoff (Hamdani, 2020b)

Travel Agency as the sales and distribution sector in tourism Indonesia, on March 2020 Pauline, secretary-general of Indonesian Travel Agent Association (ASTINDO) mentions that travel agent experiencing a reduction of sales up to 60% and more than 80% of passengers were requesting to cancel their journey (Al Hikam, 2020). Another Travel Agent Association in Indonesia (ASITA) experienced the loss of sales and distribution business reach USD 3,9 trillion, the most affected are inbound tour and domestic tour (Novika, 2020).

Chart 2.



Breakdown of the economic stimulus package for the tourism sector to combat the impact of COVID-19 in Indonesia 2020 (Hirschmann, 2020)

The controversy initiative of the Indonesian government in February 2020 to set aside a budget of 443 billion Indonesian rupiahs on promoting ten new tourist destination Indonesia (Hirschmann, 2020) can be applied now to recuperation Indonesian tourism. The breakdown of the package as shown in Chart 2 will relief to heal on the four main sectors of the tourism industry which is badly affected by Corona Virus (Covid19). The World Tourism Organization (UNWTO) expects tourism will recover by 2022 due to the crown episode infection (Mutiah, 2020). The Indonesia government has to find a way to recuperation the tourism industry

immediately as tourism is very reliable and create a fast effect and with multiple impacts on the Indonesian Economic (Tayibnapis & Sundari, 2020).

Conclusion

This paper presents the situation of the Indonesian tourism industry during the Covid-19 pandemic. In particular, it focusses on four main sectors involve in the tourism industry, Transportation, Accommodation, Ancillary Service and sales and distribution. The paper has described the effect on tourism industry due to covid19 pandemic. Inbound tourism has significantly dropped to almost zero international tourist in April 2020 due to no availability of transportation. Restriction on traveling imposed by the most government around the world and fear to travel, have implicated the other three-sector in the tourism industry, accommodation, ancillary service, and sales and distribution that lost their business.

The tourism industries must start doing activities to avoid further loss and find the best strategy to survive. Currently, Indonesia tourism should not depend on International tourist as a restriction on traveling to Indonesia from foreign countries is still imposed. Indonesian tourism industries should consider soon:

1. focusing on Indonesian domestic market. Indonesia with large population is potentially targeted to recuperation Indonesian tourism industries immediately. Central and Local government should focus on promoting tourist destinations through social medias or any other forms of medias.
2. Conducting campaign on safety instruction on how to travel during a new normal period to increase confidence and reduce the fear of local tourists while traveling.
3. Reducing air ticket and promoting safe flight during the new normal periods to encourage more tourists to travel which eventually increases the number of accommodation occupancy, increases ancillary services in tourist destinations, and increase sales and distribution activity.
4. Concerning the recuperation of the Indonesian economy, the government should provide an incentive or subside on the four sectors of the tourism industry and new job creation.

Support from the Indonesian government or minister of tourism may speedup recuperation of Indonesian Tourism post Covid19 and it may be the best momentum to increase Indonesian domestic tourism which is overlooked previously.

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