Factors Affecting the Tourism Sector and Implications for Economic Growthin the New Normal Era

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Abstract. The purpose of this study was to determine the factors that influence the acceleration of increasing Indonesia's economic growth through the tourism sector, with the dependent variable being Per capita Income, Creative Economy, Infrastructure, Investment, and Tourism Objects. The research method used is the research data method used quantitatively with the data source used is secondary data with a ratio scale with this research data taken from several sources, namely the World Bank, CEIC Data, United Nations Data/UN Data, Statistic, International Monetary Fund. The results of the study show that all variables of Per capita Income, Creative Economy, Infrastructure, Investment, and Tourism Objects affect the tourism sector (model 1); creative Economy, Infrastructure, Investment, and Tourism Objects affect the tourism sector and its implications for economic growth (model 2) and the tourism sector affects economic growth (model 3) is accepted and has an effect on increasing Indonesia's economic growth as a step in the new normal era.

Keywords: Economic Growth · Tourism Sector · New Normal

1 Introduction

Economic growth in Indonesia in 2019, the 2nd quartile, decreased to the 4th quartile, and the economic decline continued until 2020, the 3rd quartile. However, in the 4th quartile, there was a decline again until 2021, the 1st quartile, and experienced growth in the 2nd quartile as much as 3.31%.

Based on Indonesia's Economic Growth from 2016 to 2019, the 2nd quartile of Indonesia's economic growth has increased, only starting from 2019, and the 3rd quartile to 2020 continues to decline. This is due to the Covid-19 pandemic hitting all countries, including Indonesia.

In 2022 Indonesia must recover economic growth due to the last two years that have experienced a decline. Many improvements from various sectors have been addressed, and one of them is the tourism sector. The impact of the pandemic on tourism and the creative economy was devastating. The decline in foreign tourists reached 75% and domestic tourists around 30%. There are three impacts of the pandemic in each region,

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namely a decrease in hotel and restaurant tax revenues in each district/city and a decrease in the hotel and consumer occupancy in restaurants adapting to accommodation marketing programs during the Covid-19 pandemic, namely by providing accommodation packages and cooperation with the government, then the business transformation in the hotel and restaurant business sector.

Based on Room Occupancy Rate 2019–2021 hotel occupancy in Indonesia has begun to increase again, it can be seen that in 2020 the level of subduction of room occupancy in Indonesia is spread across hotels as a source of stay for tourists. This is, of course, a result of the Covid-19 pandemic, but the average room occupancy rate in Quarter 2 in 2021 began to increase compared to quarter 1 in 2021 and quarter 2 in 2020. The decline was due to various policies of lockdown of the country's territory or lockdown and restrictions on social activities resulting in the breaking of the tourism industry chain. This, of course, also has a severe impact on the Indonesian economy.

The tourism sector has a vital role as a source of foreign exchange receipts and can encourage national economic growth, especially in reducing the number of unemployed and increasing the productivity of a country. Tourism is one of the strategic sectors that must be utilized for tourism development as part of national development. Tourism development has the ultimate goal of increasing people's income which in turn can improve community welfare and economic growth. The development of tourism also encourages and accelerates economic growth [1]. Thus, this study is on the factors that affect the tourism sector intending to increase Indonesia's economic growth rapidly.

2 Research Methods

The research data method used is quantitative with the data source used secondary data with a ratio scale with this research data taken from several sources, namely:

1. World Bank (https://data.worldbank.org/)
2. CEIC Data (https://www.ceicdata.com/id)
3. United Nations Data/UN Data (http://data.un.org/)
4. Statista (https://www.statista.com/)
5. International Monetary Fund (https://www.imf.org/).

The research design used in this study is based on the level of explanation to explain the presence or absence of influences between variables. In this case, the research design is a descriptive study that aims to explain the relationship between variables and test hypotheses regarding the relationship between these variables. The operational variables of this study consist of:

a. Independent Variables (X) Per capita Income (X1), Creative Economy (X2), Infrastructure (X3), Investment (X4), Natural Attractions (X5)
b. Intervening Variable (Y) this study, the stimulus-response variable is the Tourism Sector (Y)
c. Bound Variable/Dependent (Z) This study is Economic Growth

3 Results and Discussion

3.1 Research Test Results

Partial testing is used to test the effect of independent variables on dependent variables (model 1). If the probability of <0.05, then H0 is rejected, and H1 is accepted so that it can be concluded that independent variables have a significant effect on dependent variables (Tables 1, 2, and 3).

Table 1. Model 1 T Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
GPK	0.140869	0.019609	7.183813	0.0000
EK	0.800426	0.037397	21.40335	0.0000
INFR	0.297783	0.063313	4.703364	0.0000
INV	0.016305	0.015374	1.060567	0.2921
C	3.362643	0.316420	10.62715	0.0000
R-squared	0.946970	Mean dependent var		9.202346
Sum squared resid	1.006973	Durbin-Watson stat		0.560989

Source: Data processed by eviews10 (2022)

Table 2. Model 2 T Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
GPK	−1.012831	0.165995	−6.101587	0.0000
EK	−2.635130	0.394179	−6.685113	0.0000
INFR	1.254992	0.565604	2.218852	0.0293
INV	0.547669	0.132507	4.133130	0.0001
C	7.354279	1.877617	3.916815	0.0002
R-squared	0.374063	Mean dependent var		3.755304
Sum squared resid	99.74326	Durbin-Watson stat		0.781150

Source: Data processed by eviews10 (2022)

Table 3. Model 3 T Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
PAR	−1.536510	0.152233	−10.09315	0.0000
C	17.68612	1.437323	12.30490	0.0000

Source: Data processed by eviews10 (2022)

Meanwhile, if the probability of >0.05, then H0 is accepted, and H1ditolaks can be concluded that the independent variable has no significant effect on the dependent variable. Based on model 1, GPK, EK, INFR, and C are accepted because the probability value is <0.05, while the INV variable is rejected because the probability value is >0.05. Based on model 2, GPK, EK, INFR, INV, and C, all dependent variables are accepted because the probability value is <0.05. Based on model 3, PAR and C are all accepted because the probability value is <0.05.

A country is said to be successful, one of which is seen in its economic growth. Economic growth can also be interpreted as the process of increasing the production capacity of an economy which is manifested in the form of an increase in national income. The economy is said to experience growth if the number of retributions to the use of production factors in a given year is greater than in the previous year. Sustainable economic growth should lead to a really higher standard of living and increased employment [2]. Based on the statement shows that if a country experiences economic growth, it means that it has shown a process of continuous change in economic conditions towards a better state over a certain period.

Economic growth is vital for developing countries such as Indonesia in building people's welfare. With the existence of economic development, it will increase the welfare and prosperity of the community based on the potential that exists in the community) [3].

From an economic policy perspective, these results suggest that investment in quality infrastructure and in productive capacity to move developing countries' production up the quality chain could be decisive in enhancing growth [4].

Thus, if a country experiences an economic downturn, it is sought to take immediate steps in economic recovery through investment from all fields as an effort to restore and grow the economy again. Investment has a positive correlation to the country's infrastructure development. The Ministry of Investment/Investment Coordinating Board said that the capital invested by foreign countries is used for infrastructure and tourism projects (HeldySatryaPutera, 2021). Based on this statement, it shows that Indonesia is currently increasing investment through tourism and infrastructure, but currently, Indonesia is still not optimal in optimizing tourism potential.

3.2 Tourism Sector in Increasing Indonesia's Economic Growth in the New Normal Era

New Normal Tourism is defined as adapting habits in traveling by adjusting to a new normal during the Covid-19 pandemic [5]. In 2022, the Covid-19 number has decreased, and even the Indonesian government is optimistic that with the decline in the Covid-19 numbers, in the future, the natural tourism sector will become the leading destination for the community because there is a change in people's preferences for a healthier life, one of which is by preferring to spend their vacation time in nature or returning to nature. This New Normal condition should be used as an opportunity by natural tourism managers to be more creative in creating tourist products that prioritize quality tourism and encourage the creation of wellness tourism. With the opportunity for natural tourism, of course, it will also be an opportunity for hotel businessmen to provide lodging facilities for tourists.

Currently, Indonesia has advantages in terms of natural resources. In this case, Indonesia has natural tourism that is difficult to compete with in the Asian region and has much natural wealth that holds various potentials to be utilized. Of course, this potential can be utilized industrially, not only in its tourist attractions but also in other tourism sectors, such as hotels, restaurants, culture, and other destinations.

The Tourism and Creative Economy sectors are two sectors that can be interrelated and/or can strengthen each other. To develop tourist activities, tourist destinations must at least have the following components (UNESCO, 2009):

1. Objects/attractions and tourist attractions
2. Transportation and infrastructure
3. Accommodation (place to stay)
4. Food and beverage business

Other supporting services (things that support smooth travel, for example, travel agencies that organize tourist trips, sales of souvenirs, information, guide services, post offices, banks, money exchange facilities, internet, wartel, places of sale of credit, salons).

The steps taken by the government through the Ministry of Tourism and Creative Economy (Kemenkarekraf) are to improve supply and demand with six steps in the tourism and creative economy sectors. Among them are [6]:

1. Prepare tourist destinations.
2. Build connectivity infrastructure that is competitive with other countries.
3. Implementation and monitoring of the implementation of the CHSE protocol in the area.
4. Creating and building tourist attractions.
5. Improving the quality of human resources of the creative economy workforce.
6. Increase the quantity and quality of creative economy products

Based on the theory above, of course, in accordance with the results of the study that all variables in model 1, model 2, and model 3 are accepted and have an effect on increasing Indonesia's economic growth as a step in the new normal era.

4 Conclusion

The results showed that all variables of Per capita Income, Creative Economy, Infrastructure, Investment, and Tourism Objects have an effect on the tourism sector (model 1), the Creative Economy, Infrastructure, Investment, and Tourism Objects affect the tourism sector, and their implications on economic growth (model 2) and the tourism sector affect economic growth (model 3) is accepted and has an effect on increasing Indonesia's economic growth as a step in the new normal era.

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