INDONESIA TOURISM PERFORMANCE 2011

1. INTERNATIONAL VISITOR ARRIVALS

The international arrivals to Indonesia in 2011 reached 7.65 million representing 9.24% growth over 2010 (Figure 1 and 2). It generated foreign exchange earnings of US$ 8.55 billion or an increased of 12.51% compared to the year 2010. The International Arrivals to Indonesia for the last decade can be seen on figure 2.

Figure 1
Average Expenditure and Foreign Exchange Earnings 2010 – 2011

YEAR	2010	2011	Growth (%)
Tourist Arrivals (Milion)	7.00	7.65	9.24
Average Expenditure per visit (USD)	1,085.75	1,118.26	2.99
Foreign Exchange Earning (Billion USD)	7.60	8.55	12.51

Source : Statistics Indonesia, MTCE, 2012

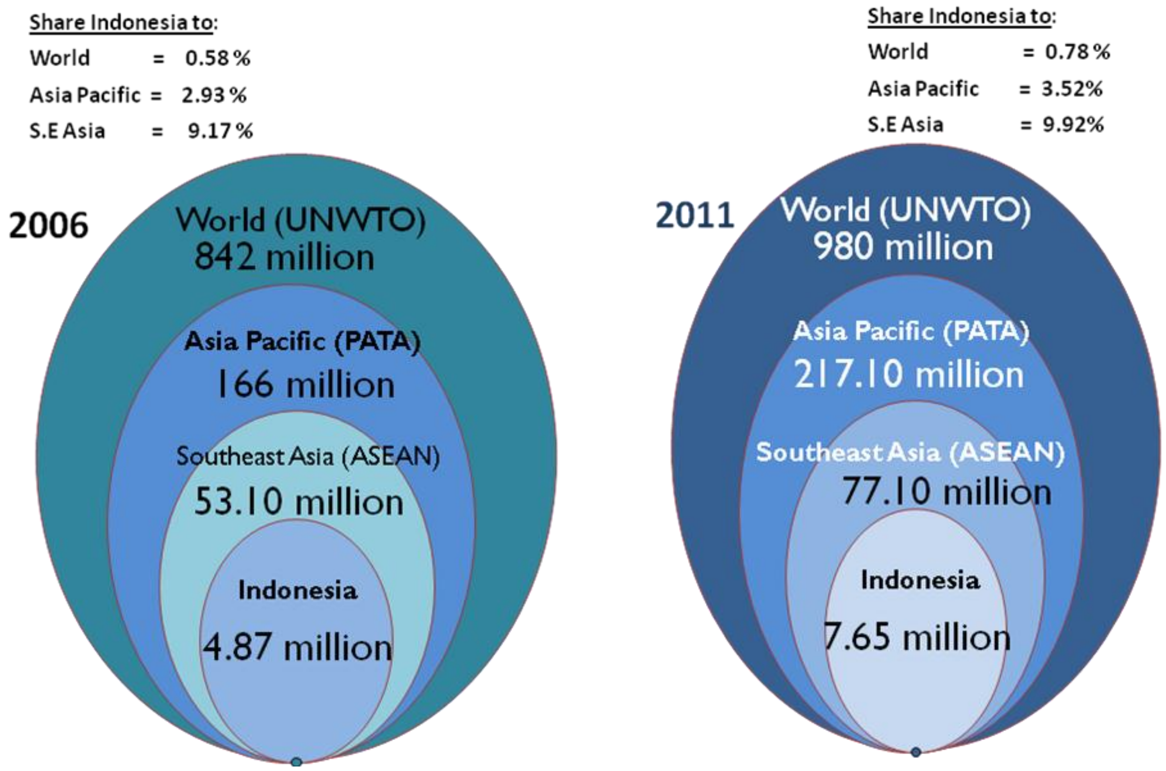
Figure 2
International Visitor Arrivals
(2002 – 2011)

YEAR	International Visitor Arrivals		Average Expenditure (USD)		Average Length of Stay (day)	Foreign Exchange Earnings	
	Arrivals	Growth (%)	Per Visit	Per Day		Million USD	Growth (%)
2002	5.033.400	-2,33	893,26	91,29	9,79	4.496,15	-17,18
2003	4.467.021	-11,25	903,74	93,27	9,69	4.037,02	-10,21
2004	5.321.165	19,12	901,66	95,17	9,47	4.797,90	18,85
2005	5.002.101	-6,00	904,00	99,86	9,05	4.521,90	-5,75
2006	4.871.351	-2,61	913,09	100,48	9,09	4.447,98	-1,63
2007	5.505.759	13,02	970,98	107,70	9,02	5.345,98	20,19
2008	6.234.497	13,24	1.178,54	137,38	8,58	7.347,60	37,44
2009	6.323.730	1,43	995,93	129,57	7,69	6.297,99	-14,29
2010	7.002.944	10,74	1.085,75	135.01	8.04	7.603,45	20,73
2011	7.649.731	9,24	1,118.26	142.69	7.84	8.554,39	12,51

Source : Statistics Indonesia, MTCE, 2012

The achievement of Indonesia's international visitor arrivals contributed 0.58% share of the world tourist arrival in 2006 and increased to 0.78% in 2011; 2.93% of Asia Pacific in 2006 and increased to 3.52% in 2011; and 9.17% of Southeast Asia in 2006 and increased to 9.92% in 2011 (Figure3).

Figure 3
Tourism Performance, Indonesia compared to Global



Source: Statistics Indonesia, MTCE, UNWTO, 2012

2. TOURISM ECONOMIC IMPACT

Based on the Tourism Satellite Account 2011 Indonesia, tourism has a strategic contribution for Indonesia Economy, namely:

1. contribution to National GDP: 4.06%
2. contribution to employment: 6.87% of total national workforce or 7.44 million people. The magnitude of this contribution can be an effective manner to alleviate poverty.
3. contribution to indirect taxes with 9.35 trillion rupiah.

Figure 3
Tourism Economic Impact 2010

No.	Economic Impact	Tourism Sector			National	
		Nominal		Percentage		
1	Output	**565.15**	IDR Trillion	**4.73**	**11,956.62**	IDR Trillion
2	GDP	**261.06**	IDR Trillion	**4.06**	**6,422.92**	IDR Trillion
3	Employment opportunities	**7.44**	Million people	**6.87**	**108.21**	Million people
4	Salaries	**84.80**	IDR Trillion	**4.63**	**1,831.09**	IDR Trillion

5	Indirect taxes	**9.35**	IDR Trillion	**4.16**	**225.10**	IDR Trillion
Source:Tourism Satellite Account 2011						

4. INDONESIA MAJOR MARKET

Figure 4 and 5 illustrate the 16 major markets of international arrivals to Indonesia in 2011. The Top 4 Countries are Singapore (16.32% share of Indonesia total tourists arrival), Malaysia (13.56%), Australia (11.59%), and China (6.60%). In 2011, Indonesia experienced significant growth from the Saudi Arabia visitors (21.69%), Australia (21.28%), Philippines (20.42%), China (19.75%), and India (15.80%). Due to the most significant number of growth from China and Australia, it will help in increasing the total number of International Tourist Arrivals.

The on-going global economic crises, which turn down the intention of people from travelling long distance, makes Indonesia tourism to focus on short and medium haul markets. Indonesia will remain to focus its expansion of tourists from these areas of market until the year 2015.

Figure 4
Indonesia Tourism Major Market 2010 – 2011
(by nationality)

No.	Nationality	2011		2010		Growth (%)
		Total	Share to Total Int'l Arrival	Total	Share to Total Int'l Arrival	
1	Singaporean	1,248,607	16.32	1,128,906	16.12	***10.6***
2	Malaysian	1,037,310	13.56	1,034,642	14.77	***0.26***
3	Australian	886,495	11.59	730,941	10.44	***21.28***
4	Chinese	504,749	6.60	421,518	6.02	***19.75***
5	Japan	415,088	5.43	406,011	5.80	***2.24***
6	Korean	302,184	3.95	281,785	4.02	***7.24***
7	Taiwanese	203,536	2.66	191,133	2.73	***6.49***
8	American	194,398	2.54	171,528	2.45	***13.33***
9	British	193,934	2.54	186,960	2.67	***3.73***
10	French	170,532	2.23	158,280	2.26	***7.74***
11	Indian	168,122	2.20	145,179	2.07	***15.8***
12	Dutch	157,693	2.06	153,284	2.19	***2.88***
13	German	141,883	1.85	138,707	1.98	***2.29***
14	Philippines	128,862	1.68	107,014	1.53	***20.42***
15	Russian	90,899	1.19	79,100	1.13	***14.92***
16	Saudi Arabia	83,815	1.10	68,878	0.98	***21.69***

Note:
Total International Tourist Arrival 2011: 7,649,731; 2010: 7,002,944

Figure 5 shows 10 major market from 2006 to 2011, and target from 2012 to 2015. In the last 6 years, this major market was dominated by Singapore, Malaysia, and Japan (The Top 3). In recent years, we note significant progress from Australia and China market. Until 2015, we predict the figure will not be changed so much.

Figure 5
Top 10 Major Market 2006-2015
(by nationality)

Rank	2006	2007	2008	2009	2010	2011	2012-2015
1.	Singaporean	Singaporean	Singaporean	Singaporean	Singaporean	Singaporean	Singaporean
2.	Malaysia	Malaysian	Malaysian	Malaysian	Malaysian	Malaysian	Malaysian
3.	Japan	Japan	Japan	Australian	Australian	Australian	Australian
4.	Korean	Korean	Australian	Japan	Chinese	Chinese	Chinese
5.	Chinese Taipei	Australian	Chinese	Chinese	Japan	Japan	Japan
6.	Australian	Chinese	Korean	Korean	Korean	Korean	Korean
7.	Philippines	Chinese Taipei	Chinese Taipei	Chinese Taipei	Chinese Taipei	Chinese Taipei	Philippines
8.	Chinese	Philippines	Philippines	Philippines	British	American	Chinese Taipei
9.	British	British	British	British	American	British	British
10.	American	American	American	French	Philippines	French	French

5. POLICY AND STRATEGY OF TOURISM DEVELOPMENT

Indonesia policy on tourism sustainable development is directed to support 4 (four) pillars of national development strategy: pro poor, pro growth, pro job, and pro environment.

Indonesia tourism development policy and strategy is reflected on:

1. Tourism Law number 10, the year 2009
2. National Tourism Development Master Plan 2010-2025
3. National Master Plan of Acceleration and Expansion of Indonesian Economic Development 2011-2025
4. National Long-Term Development Plan 2004-2025 and National Mid-Term Development Plan 2010-2015
5. National Tourism Strategic Plan 2010-2014

The new Tourism Law serves as guidance for:

1. Tourism development plan at national, provincial, and local/municipal level.

2. Development of:
   a. tourism industry
   b. tourism destination
   c. promotion and marketing
   d. development of tourism resources and institution

3. Setting the Rights and Obligations of:
   a. tourists
   b. entrepreneur
   c. central and local government
   d. community

In 2011, Indonesia has launched the National Master Plan of Acceleration and Expansion of Indonesian Economic Development 2011-2025 which aims to boost high and sustainable economic growth by doing a breakthrough approach and not doing business as usual. This Master Plan, with keywords: “Acceleration and Expansion”, serves as complementary to the National Long-Term Development Plan from 2004 to 2025 and is expecting to bring Indonesia to be more developed by 2025. In this master plan, tourism development is focused in Bali, West and East Nusa Tenggara.

In line with this, National Tourism Development Master Plan 2010 – 2025 has been formulated which serves as umbrella to set Tourism Development Plan in provincial, regional and local level. The Master Plan has identified to develop 50 national tourism destinations that consist of 88 national tourism strategic areas and 222 potential tourism development areas until the year 2025.

In the period of 2012-2014, Indonesia targets the growth of 8 million international visitor in 2012, 9 million in 2013, and 10 million in 2014. In order to achieve this target, the government works on several efforts such as:

1. Gradually enhancing Visa on Arrival facilitation from 36 countries in 2005 to 65 countries since 2010.
2. Implementing Free Visa for Short Visit to 13 countries plus Hongkong SAR and Macau SAR
3. Improving quality of tourism destinations through tourism infrastructure development and capacity building for human resources
4. Developing thematic tourism products
5. Creating new events in destinations, such as Sport, Culture, MICE events
6. Increasing accessibility to destinations, by opening new airports, increasing capacity of seaports, enlarging air connectivity, etc.
7. Developing responsible marketing with the brand: “Wonderful Indonesia” meaning wonderful nature, culture, people and culinary.
8. Developing the creative economic sector to enhance tourism development, and vice versa.
9. Developing cruise tourism. As an archipelago country with rich diversities, Indonesia also develops Cruise Tourism. As shown in Figure 5 and 6, the growth of cruise tourism has been overwhelming with the number of 214 cruise calls in 2010 brings about 127.058 passengers. Despite the decreased number of calls in 2011 (189 calls), Indonesia still received 132.008 passengers. This number is supported by the fact that cruise ships calling Indonesia is now in bigger dimension and with larger capacity.

Figure 6
Cruise Calls Operated in Indonesia

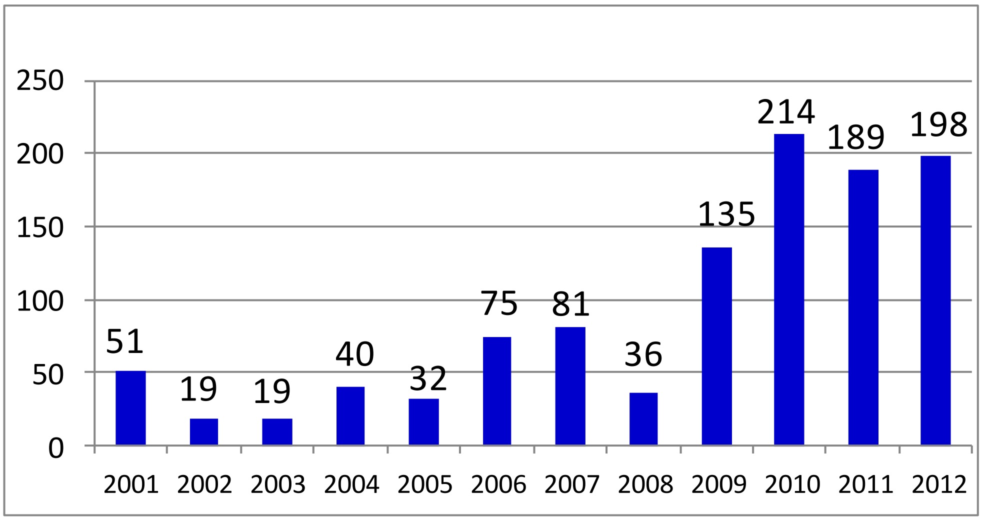
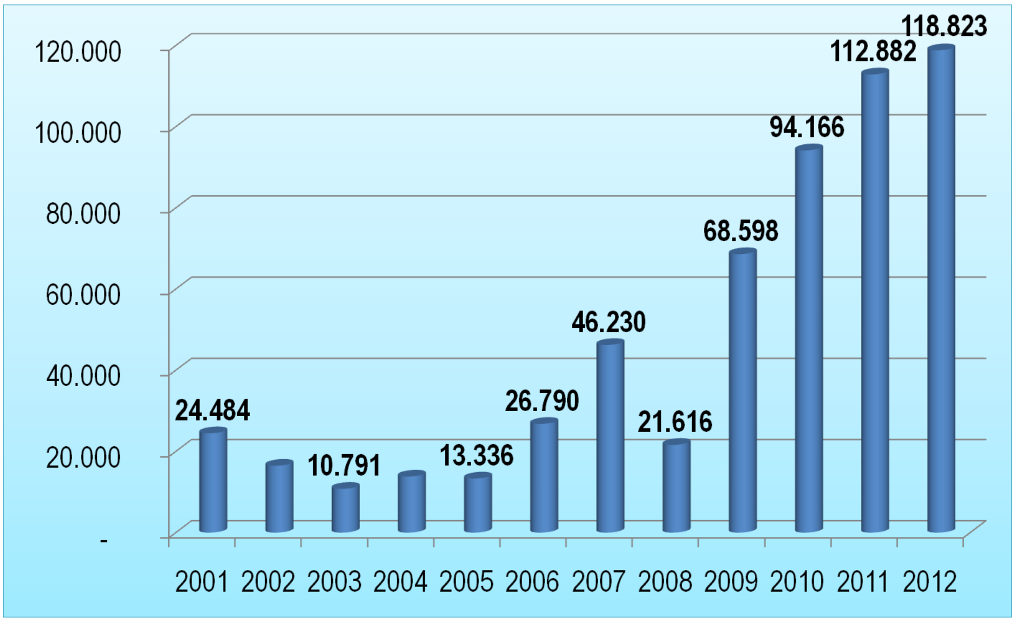


Figure 7
Number of passenger calls in Indonesia



6. DOMESTIC TOURISM DEVELOPMENT

In 2011, domestic tourists were estimated to reach 236 million trips with an average expenditure of IDR 662,680 per visit and total economic turnover as much as IDR 156 trillion. This positive growth of domestic tourism is driven by the growing number of domestic flights, the increase in family income and also the campaign of promotional program of "Know and Love Your Country" launched by the Ministry of Culture and Tourism through various events in cooperation with local governments.

Figure 8
Domestic Tourism (2007 – 2011)

YEAR	DOMESTIC TOURIST (million)	+/- (%)	NUMBER OF DOMESTIC TOURIST TRIPS (million)	+/- (%)	AVERAGE EXPENDITURE PER VISIT (thousand rupiah)	+/- (%)	TOTAL EXPENDITURE (trillion rupiah)	+/- (%)
2007	115.34	0.93	222.39	8.72	489.95	13.61	108.96	23.52
2008	117.21	1.63	225.04	1.19	547.33	11.71	123.17	13.04
2009	119.94	2.33	229.73	2.08	600.30	9.68	137.91	11.96
2010	122.31	1.97	234.38	2,02	641.76	6.91	150.41	9.07
2011*)	**121.00**	**-1.07**	**236.00**	**0.69**	**662.68**	**3.26**	**156.00**	**3.71**

***) Preliminary figures**

7. ACCOMMODATION

In 2011, the total number of accommodation is 15,283 hotels, which consists of 1,489 classified hotels (one to five star rated hotel), and 13,794 hotels (non-classified) with a cumulative capacity of 381,457 rooms. In line with the increasing number of visitor arrivals to Indonesia, the average of occupancy rate of classified hotel also increased from 50.51% in 2010 to 52.82% in 2011.

Figure 9
Room Occupancy Rate of Classified Hotel in Twenty Provinces 2011/2010

20 Provinces	2011 (percent)	*2010 (percent)*	Change (point)
Central Sulawesi	65.08	*66.12*	-1.04
Bali	64.62	*60.67*	3.95
East Kalimantan	57.47	*47.04*	10.43
DKI Jakarta	56.95	*55.04*	1.91
South Kalimantan	56.36	*52.77*	3.59
Lampung	54.97	*49.07*	5.90
DI Yogyakarta	50.81	*49.21*	1.60
West Nusa Tenggara	50.39	*46.30*	4.09
East Java	49.71	*48.99*	0.72
West Java	48.96	*49.25*	-0.29
Riau	48.89	*45.24*	3.65
West Sumatera	48.69	*47.97*	0.72
North Sulawesi	48.57	*44.11*	4.46
Bangka Belitung Islands	48.08	*40.54*	7.54
West Kalimantan	45.94	*39.43*	6.51
Jambi	45.62	*45.78*	-0.16
South Sulawesi	45.55	*44.71*	0.84
Riau Archipelago	44.08	*40.54*	3.54
Central Java	43.34	*41.19*	2.15
North Sumatera	42.80	*42.97*	-0.17
Average	**52.82**	***50.51***	**2.31**

Source : Statistics Indonesia, MTCE, 2011