

VISIT VISA FREE POLICY (BVK) IN INCREASING THE TOURISM ECONOMIC SECTOR IN INDONESIA

Tomy Puji Setiawan¹
Lailan Safina Hasibuan²

^{1,2}University of Muhammadiyah Sumatera Utara, Indonesia
(E-mail: tomypujisetiawan@umsu.ac.id)

Abstract: This topic was raised based on various problems that have occurred, especially in Indonesia's tourism economic sector since the implementation of the visa-free policy for visiting 169 countries. As well as how much influence the visa-free visit policy has on the development of the tourism economic sector in Indonesia. The main objective of this research is to carry out a descriptive economic analysis of the development of the flow of foreign tourists and the economic sectors that support tourism and a comparative analysis using different test techniques to see the flow of foreign tourists and the economic sectors that support Indonesian tourism before and after the implementation of the Visa-Free Visit policy BVK). The data used in this research is panel data. Where the data collected is data on the number of foreign tourists and the economic sector that supports tourism in Indonesia for 6 years, starting from 2012 to 2017. Based on the results of comparative tests with different test techniques using SPSS 16 software, the results show that the BVK policy has a significant effect on the number of foreign tourists with a Sig value of 0.050, and Non-Tax State Revenue (PNBP) with a Sig value of 0.018. Whereas the average length of stay of foreign guests with a Sig value of 0.423, foreign exchange earnings from the tourism sector with a Sig value of 0.077, restaurant growth with a Sig value of 0.863, and the number of accommodations with a Sig value of 0.194 have no significant effect.

Keywords: *Economic Growth , Fertility , Mortality ,Lobar*

Introduction

Creative Economy in various countries in the world today is believed to be able to make a significant contribution to the nation's economy. The emergence of the term creative economy has awakened countries across continents to explore and develop the creative potential of each country. This creative industry needs to be developed because it contributes to several aspects of life, not only from an economic point of view, but can also have a positive impact on other aspects, such as enhancing the image and identity of the nation, supporting the use of renewable resources, is a means or a forum for to foster innovation and creativity of the nation's children, and have a positive social impact. Indonesia has also begun to see that various sub-sectors in the creative industry have the potential to be developed, because the Indonesian nation has creative human resources and a rich cultural heritage.

As a concrete step and the government's commitment to improving the nation's economy in Indonesia, the President of the Republic of Indonesia has issued Presidential Instruction Number 6 of 2009 concerning the development of the creative economy in 2009-2015 For this reason, in the context of increasing employment and alleviating poverty, it is necessary to develop a creative economy to overcome the amount of poverty so that it does not increase,

where the development of the creative economy is influenced by development of creative industries in the country.

Other clear evidence is that the government has also conducted an initial study to map the economic contribution of the creative industries which are part of the creative economy. Indonesia has great potential in attracting foreign tourists, but currently foreign tourists still prefer locations in other countries in Asia. In this case the creative industry which is part of the creative economy can provide a very broad role in improving the image of national tourism, where the foundation of the creative industry itself is creative workers who have a role in creating content or content based on culture.

Apart from that, in terms of national character, directed development in the culture-based creative industry sector can create a strong foundation of local cultural character. For this reason, the development of creative industries in Indonesia must be based on local cultural heritage and the development of skilled, trained and empowered human resources to develop knowledge and creativity as well as Indonesian culture. On the other hand, the development of creative industries that elevate local cultural heritage is expected to create new creations so that the domestic and international community can better appreciate Indonesia's cultural heritage. The territory of Indonesia that is passed by the equator makes Indonesia has a climate that gives rise to a wide variety of flora and fauna that fascinates tourists to visit Indonesia.

Indonesia's geographical conditions in the form of tropical rain forests, mountains, beaches, and also the oceans as well as cultural diversity which is a very potential basic capital to become a world-famous Tourist Destination Area (DTW). Against the background of natural beauty and cultural diversity, Indonesia is a country that is famous for its tourist attractions, both natural and cultural attractions. In addition to maintaining the survival of tourism actors, income from tourist objects can also increase revenue for local governments in particular and the central government in general.

For the smooth development of tourism, several important drivers are needed, including good roads, land, sea, air transportation and accommodation as facilities that are no less important in tourism development.

According to the Big Indonesian Dictionary, tourism is everything related to travel for recreation, travelers, tourism (Ministry of National Education, 2005:830). "Tourism" is identified with the word "travel" in English which is defined as a trip that is made many times from one place to another. On this basis, by looking at the current situation and conditions, tourism can be interpreted as a planned trip carried out individually or in groups from one place to another with the aim of getting satisfaction and pleasure (Sinaga, 2010).

The tourism sector is an alternative source of income for the country's foreign exchange, even for developed countries, even though tourism is serious to develop. In this regard, in the Law of the Republic of Indonesia No. 9 of 1990 states that tourism has an important role in expanding and equalizing business and employment opportunities, encouraging regional development, increasing national income in the context of increasing the welfare and prosperity of the people and fostering a sense of love for the motherland, enriching national culture and strengthening its development in order to strengthen national identity. nation and strengthen friendship between nations. The separate tourism sector in Indonesia is a promising sector. The national tourism sector is now the new prima donna for national development. The contribution of foreign exchange and employment in this sector is very significant for the country's foreign exchange.

Management of tourism activities is needed in order to restrain tourists from staying longer in tourist destinations. The longer tourists are in a tourist spot will increase their spending. So that it will generate transportation service companies, entertainment, accommodation, and other services. Tourism policy is an ethical framework that focuses on the issues faced and

effectively reconciles the desires or needs of the community with plans, development, products, services, marketing, and sustainability goals and objectives for future tourism growth (Edgel, 2008).

Steps to encourage tourism, many policies have been carried out by the Indonesian government such as Improving the quality and access of tourism destinations, Strengthening data and information, Increasing access to finance, Intensification of digital payment system services, Strengthening synergies in the promotion of tourism destinations between the Central Government and Regional Governments and Bank Indonesia , Strengthening land and air access/connectivity, Development of integrated attractions, Improvement of amenities, Improvement of the quality of Human Resources (HR), and Visit Visa Free Policy (BVK).

Improving the quality and access of tourism destinations requires cooperation between countries or international relations to make it happen. International relations are intertwined because of interdependence between countries to meet the needs of these countries. No country can live alone if there is assistance or cooperation with other countries. By definition, international relations can be interpreted as relations between nations, or as global relations which include all relations that occur by going beyond constitutional boundaries. International relations are also often termed relations between countries to mark all of these relations (Sitepu, 2011).

There are several opinions related to the notion of international relations, including:

1. According to the Law of the Republic of Indonesia Number 37 of 1999 concerning Foreign Relations Chapter I General Provisions Article 1 letter a that international relations are any activities related to regional and international aspects carried out by the government at the central and regional levels, or their institutions , state institutions, business entities, political organizations, community organizations, non-governmental organizations, or Indonesian citizens.
2. According to Mochtar Kusumaatmadja, international relations are relations between nations. In this relationship, customs and legal regulations also develop which are part of the mutual agreement.
3. According to Teuku May possibly Rudi International relations include various kinds of relationships or interactions that cross national boundaries and involve actors of different nationalities.

Based on the concept of international relations above, the Government can adopt a policy that shows cooperation between countries. One thing the government can do is through visa policies. Visa is a written statement given by an authorized official at the Representative Office of the Republic of Indonesia or another place determined by the Government of the Republic of Indonesia which contains approval for foreigners to travel to Indonesian territory and forms the basis for granting a residence permit.

In order to improve relations between the Republic of Indonesia and other countries, it is necessary to provide facilities for foreign nationals of a country, the government of a special administrative region of a country, and certain entities to enter the territory of the Republic of Indonesia which is carried out in the form of exemption from the obligation to have a visit visa with pay attention to the principle of reciprocity and benefits.

Since mid-2015 the government has carried out a major policy which is considered to have a major impact on the progress of Indonesian tourism in the eyes of the world. RI President Joko Widodo in June 2015 issued a Presidential Regulation which contained the implementation of Free Visit Visa (BVK).

There are at least three (3) stages of implementation of the granting of Free Visit Visa (BVK) facilities stipulated through a Presidential Regulation (Perpres). The first stage, Presidential Decree No. 69/2015 regarding BVK which was signed by the President on June 9, 2015 (30 countries). Three months later, phase II of the BVK policy was put into effect with the signing of Presidential Decree No. 104/2015 concerning Amendments to Presidential Regulation No. 69/2015 (75 countries) on 18 September 2015, and Phase III through Presidential Decree No. 21 /2016 (169 countries).

Based on Presidential Decree No. 104 of 2015 concerning Amendments to Presidential Regulation No. 69 of 2015 concerning BVK, it is stated that foreigners who are citizens of certain countries to enter the territory of the Republic of Indonesia are exempt from the obligation to have a visit visa with due observance of the principle of reciprocity and benefits. The permit is granted for a maximum of 30 (thirty) days and cannot be extended or converted into another residence permit (article 6 point (4) of Presidential Decree No. 104/2015). Permits are granted to foreigners in the context of governmental, educational, socio-cultural, tourism, business, family or stopover tasks to continue their journey to other countries. (article 6 point 2). With the inauguration of this Presidential Decree, it means that Indonesia has implemented visa-free for 45 countries. In 2016, this policy was expanded to 169 countries. The number of countries that were granted visa-free based on continents, namely, the European continent was 52 countries, the Asian continent was 42 countries. 23 countries on the American continent, 18 countries on the Australian continent, and 34 countries on the African continent. The purpose of the visa-free visit policy is to increase the number of foreign tourists to Indonesia which is targeted to be 20 million tourists in 2019.

Based on the Free Visit Visa (BVK) policy, it is estimated that in 2019 tourism foreign exchange earnings will be able to beat foreign exchange income from the palm oil industry (CPO). It can be seen in 2015 that tourism foreign exchange earnings have increased even though their position is fixed.

Literature Review

The concept of national income was first coined by Sir William Petty from England who tried to estimate the income of his country (England) in 1665. In his calculations, he used the assumption that national income is the sum of the cost of living (consumption) for a year. However, this opinion is not agreed upon by modern economists because according to the view of modern economics, consumption is not the only element in calculating national income. According to them, the main tool for measuring economic activity is the Gross National Product (GNP), namely the total amount of goods and services produced annually by the country concerned is measured according to market prices prevailing in a country.

The source of state revenue is collection by the state as state revenue besides being a source of domestic revenue it also has the role of allocation, distribution and stabilization functions as stated by Musgrave (1989: 6).

Mardiyasmo (2001: 2), reveals that there are two collection functions for state revenue, namely:

1. Budgetair functions

Revenue as a source of funds for the government to finance its expenses

Regulating Function (Regulerend)

State revenue as a tool to regulate or implement government policies in the social and economic fields.

Agency Revenue or BLU Revenue is revenue originating from community service activities carried out by public service agencies. Types of BLU income include: public service

revenue, public service agency grant income, income from BLU cooperation and other BLU income (Machmud, 2014).

The definition of tourism according to Law Number 9 of 1990 concerning tourism is everything related to tourism, including the exploitation of tourist objects and attractions and related businesses in that field (Director General of Tourism, 2009: 7).

Tourism is a series of travel activities carried out by individuals or families or groups from their original place of residence to various other places with the aim of making tourist visits and not to work or earn a living at the destination. The intended visit is temporary and in time will return to the original place of residence (Muljadi, 2009).

Tourism is a journey that is carried out temporarily, which is carried out from one place to another, with the intention not to try or make a living in the place visited but solely to enjoy the journey of life for sightseeing and recreation or fulfilling various desires (Yoeti, 1996).

Tourism is a very complex social phenomenon, which involves the whole person and has various important aspects, these aspects include sociological aspects, psychological aspects, economic aspects, ecological aspects and other aspects. Among these many aspects, the aspect that gets the most attention and is almost the only aspect that is considered very important is the economic aspect (Yoeti, 1985).

The current impact of tourism includes: first, the economic impact, namely, as a source of foreign exchange; secondly, the social impact, namely, as job creation; and the last is the impact of culture, namely, introducing culture and art. The three points above can be explained, namely as follows (Muljadi, 2009):

A tourist attraction is anything that has uniqueness, beauty and value in the form of a diversity of natural, cultural and man-made assets that are the target or destination of tourist visits. The success of a place developing into a tourist destination (DTW) is highly dependent on three main factors, namely among others (Muljadi, 2009).

An important component in tourism development according to George (Mcintyre, 1993) reveals that a sustainable tourism development has links between tourists, local residents and community leaders who want a better life. In this case it is clear that a tourist spot must contain these components to become a good tourist object.

Method

This research is a mini quantitative research, which aims to describe the object under study through the data that has been collected. Then carry out a comparative analysis using a different test technique which aims to see differences in the flow of foreign tourists and the economic sectors that support Indonesian tourism before and after the implementation of the Free Visit Visa (BVK) policy. The data presented is time series data from 2012 to 2017. The variables to be observed are the Number of International Tourists, Accommodation, Restaurant Growth, Tourism Foreign Exchange Income, Non-Tax State Revenue, and Immigration Administration Actions. (TNR, 12, single spacing, justify).

To analyze a Visit Visa Free (BVK) policy on tourism economic growth in Indonesia using quantitative descriptive analysis which is described in the form of tables and diagrams to make it easier for readers to interpret the research results. As well as a comparative analysis showing differences in the flow of foreign tourists and the Indonesian tourism economic sector before and after the implementation of the visa-free visit policy.

Result and Discussion

Indonesia is a country that has great potential in attracting foreign tourists. Since 2006, Indonesia has implemented a creative economy which is considered to play a role in improving the image of Indonesian tourism. This development process was realized for the first time with the establishment of the Indonesian Design Power by the Ministry of Trade to assist the

development of the creative economy in Indonesia. In 2007, a study on mapping the contribution of Indonesia's creative industries was launched at the 2007 Trade Expo Indonesia. In 2008, the blueprint for the development of the creative economy in Indonesia 2025 and the blueprint for the development of 14 creative industry sub-sectors in Indonesia were launched. The 14 sub-sectors are advertising, architecture, art and goods market, crafts, design, fashion, video film and photography, interactive games, music, performing arts, publishing and printing, computer and software services, television and radio, research and development. . In addition, the 2009 Creative Indonesia year was proclaimed To realize a creative Indonesia, in 2009 a Creative Product Week and a Creative Economy Exhibition were held every year.

In June 2015, the President of the Republic of Indonesia, Joko Widodo, carried out a policy that was considered to have an impact on Indonesian tourism in the eyes of the world by issuing a Presidential Regulation which contained the implementation of a Visit Visa Free (BVK). There are three stages of implementation of the granting of Free Visit Visa (BVK) facilities which are stipulated through a Presidential Regulation (Perpres). The first stage, Presidential Decree No. 69/2015 regarding BVK which was signed by the President on June 9, 2015 (30 countries). Three months later, phase II of the BVK policy was put into effect with the signing of Presidential Decree No. 104/2015 concerning Amendments to Presidential Regulation No. 69/2015 (75 countries) on 18 September 2015, and Phase III through Presidential Decree No. 21/2016 (169 countries). So that in 2016, this policy was expanded to 169 countries. The benefits that Indonesia gets from the visa-free policy are foreign exchange and foreign tourist visits. With the addition of visa-free now, Indonesia can get foreign exchange of 1 billion dollars. With the visa exemption, foreign tourists can visit Indonesia easily.

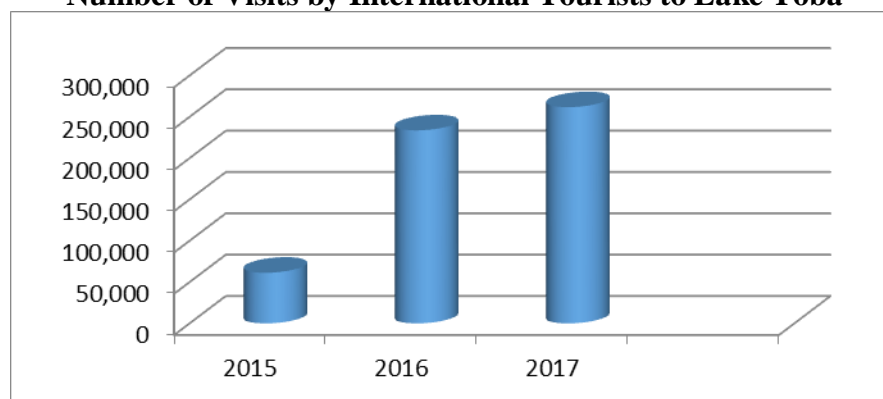
Aware of Indonesia's natural tourism potential, the government continues to strive to increase the number of foreign tourist visits to reach 20 million people in 2019. Since 2016, the government has carried out various specific strategies to bring in 12 million foreign tourists and 260 million domestic tourists.

One of the efforts made is to set 10 leading destinations. These ten destinations were selected by the Indonesian Ministry of Tourism based on the number of visits per province and the extraordinary potential that is expected to attract the attention of tourists. The 10 priority tourism destinations set by the provincial tourism office are as follows.

1. Lake Toba

Lake Toba is one of the largest volcanic lakes in Southeast Asia. This lake has an area of 30 x 300 kilometers and a depth of more than 500 meters. What is unique about this destination is the existence of a small island called Samosir in the middle of the lake. The number of foreign tourists visiting Lake Toba continues to increase every year. It can be seen in the graph below.

Figure 4-1
Number of Visits by International Tourists to Lake Toba

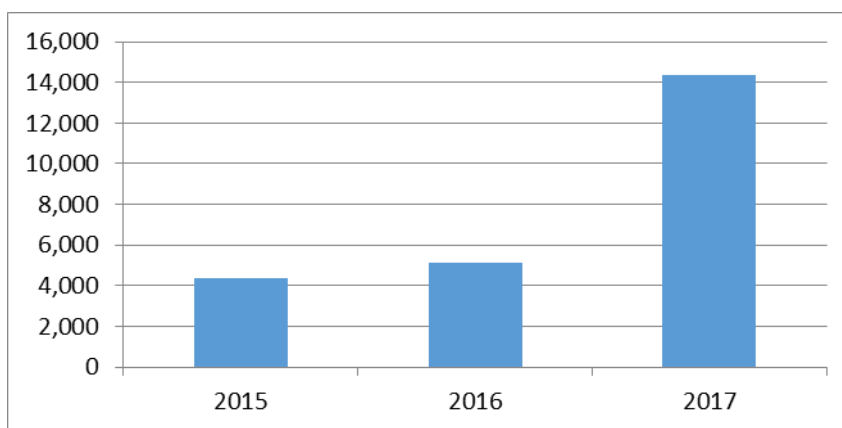


In the graph above, the number of foreign tourists visiting Lake Toba in 2015 was 61,337 people, there was a very significant increase in 2016, namely 233,643 foreign tourists, then in 2017 it also increased, namely 261,736 foreign tourists. The number of foreign tourists visiting Lake Toba has increased in line with the achievements of its tourism destinations such as the opening of the Singapore-Silangit international flight on 28 October 2017, the inauguration of the Medan-Tebing Tinggi toll road and operating from 13 October 2017, the erection Lake Toba jetty and completion of Sibisa authority land status in Toba Samosir Regency.

2. Tanjung Kelayang Beach

Tanjung Kelayang Beach has the characteristics of scattered rocks, namely large rocks that are arranged and form a number of "stone islands". Beyond that, this beach which is about 27 km from Belitung Island has a stretch of clear blue water which is perfect for swimming. Tanjung Kelayang Beach is increasingly in demand by foreign tourists, as can be seen from the visits of foreign tourists to Bangka Belitung.

Figure 4-2
Number of Visits by International Tourists to Bangka Belitung

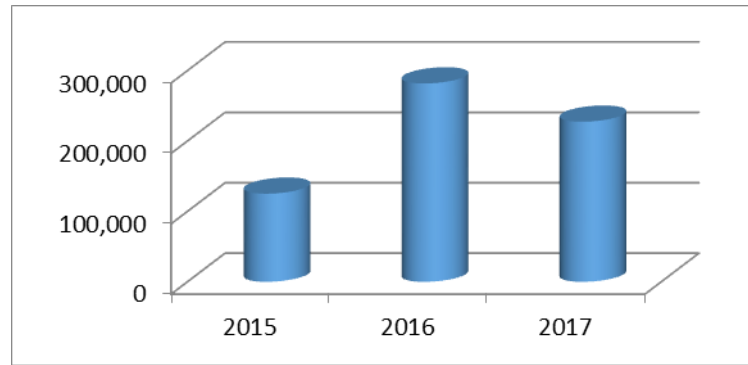


The data above shows that foreign tourists visiting Bangka Belitung in 2015 totaled 4,387 people, while in 2016 there were 5,106 people. Then in 2017, the number of tourists increased significantly to 14,366 foreign tourists. Foreign tourists entering Belitung come from 73 countries, but are still dominated by countries in the Asian Region. Based on data compiled by the Belitung Post, China occupies the first position of the 10 countries of origin with the highest number of tourists visiting Belitung with a total of 848 people.

3. Tanjung Lesung Beach

Tanjung Lesung Beach is in the Banten area. With a 15 km white sandy coastline, visitors can enjoy tropical views at ease. Apart from that, tourists can also do water activities such as rowing, riding a banana boat, as well as jet skiing. The most distinctive thing on Tanjung Lesung Beach is the beautiful fishing village near the beach. And cultural activities at Kampung Cikadu Tourism which regularly hold art performances, ranging from dances to traditional music games. The number of foreign tourists visiting Tanjung Lesung beach increased significantly in 2016, namely 281,758 people compared to 2015, which amounted to 125,162 foreign tourists. However, in 2017 there was a decrease in foreign tourist visits, namely to 227,441 foreign tourists. The data can be seen in the graph below.

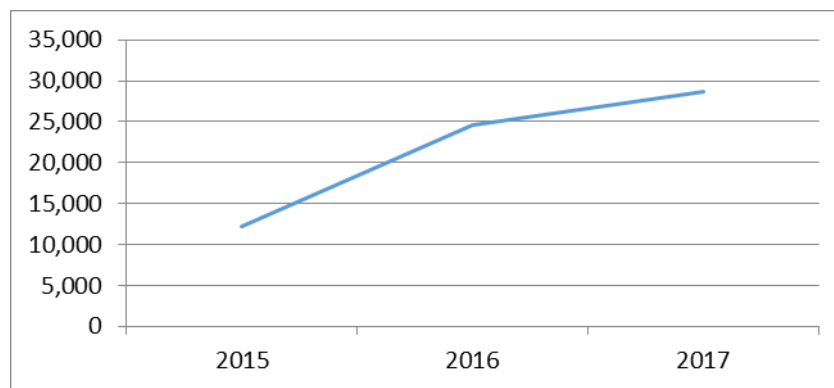
Figure 4-3
Number of Visits by International Tourists to Tanjung Lesung Beach



4.Thousand Islands

The Thousand Islands which have a total of around 105 islands, when viewed from above these islands will form a green cluster with clear blue waters. Some of the islands are uninhabited and are part of a conservation area. So there are lots of islands that have very well-maintained natural potential. One of the most eye-catching icons is the Love Bridge on Tidung Island, the southern island group. The Love Bridge is 800 meters long and serves to connect Tidung Besar Island and Tidung Kecil Island. Below is data on foreign tourist arrivals to the Thousand Islands.

Figure 4-4
Number of Visits by International Tourists to the Thousand Islands

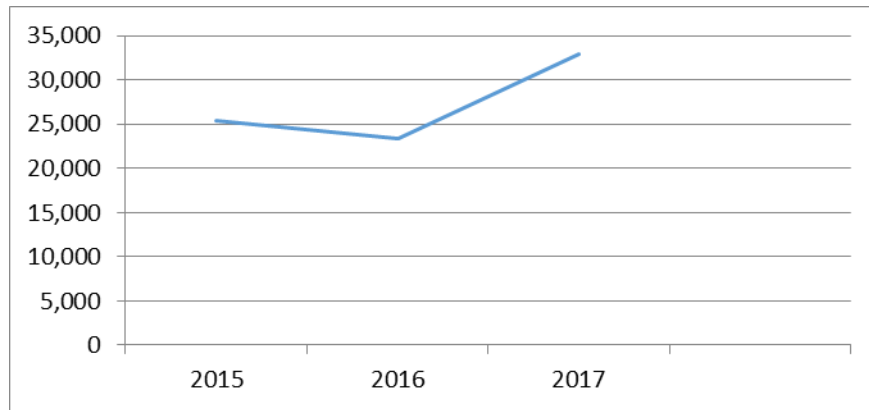


Based on the data above, the number of foreign tourist visits from 2015 to 2017 continues to increase. In 2015 there were 12,254 foreign tourists, then in 2016 it increased by more than 50% or as many as 24,517 tourists, and in 2017 it increased to 28,731 foreign tourists. One of the reasons for the increase in foreign tourists to the Thousand Islands is due to the increase in the number of trips per day and large ships (300-400 people), and a pier has also been built in West Ancol to increase transportation access to the Thousand Islands.

5.Borobudur temple

Borobudur Temple is the largest Buddhist temple complex in the world which was built around 750 with Indian architectural style. In addition to the main stupa at the top, this temple has 2,672 relief panels, 504 Buddha statues and 72 perforated stupas. In addition to the magnificent building, the location of the temple which is between two pairs of mountains, namely Mount Sundoro – Sumbing and Mount Merbabu – Merapi, makes it have an extraordinarily beautiful natural landscape.

Figure 4-5
Number of Visits by International Tourists to Borobudur Temple

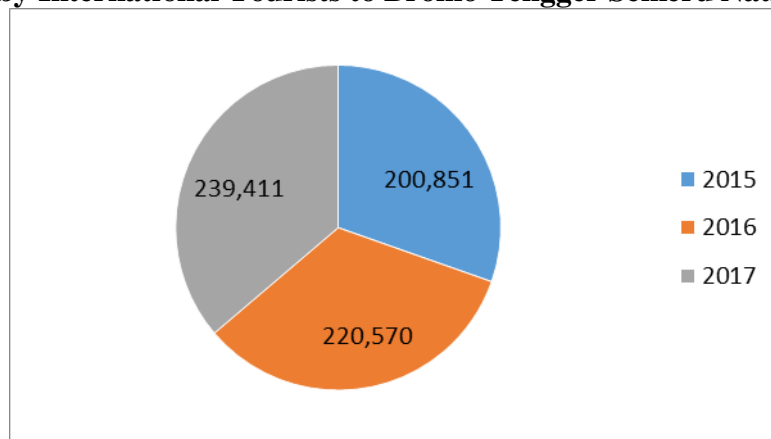


Based on the graph above, the number of foreign tourist visits in 2017 totaled 32,876, this figure increased quite significantly compared to 2016 which amounted to 23,303 foreign tourists. One of the reasons for the increase in foreign tourist visits to Borobudur is the achievement of developing tourism infrastructure around Borobudur (Joglosemar), such as the construction of the Adi Sumarmo Airport railroad to Solo Balapan Station, and the preparation of the Feasibility Study for the construction of the Bawen-Jogja toll road.

6. Bromo Tengger Semeru National Park

Bromo Tengger Semeru National Park has a sea of sand covering an area of 5,250 km above an altitude of 2,100 meters above sea level. In the area of Mount Bromo itself, what tourists like the most is the phenomenon of the rising and setting of the sun because its beauty is hard to find elsewhere.

Figure 4-6 Number of Visits by International Tourists to Bromo Tengger Semeru National Park

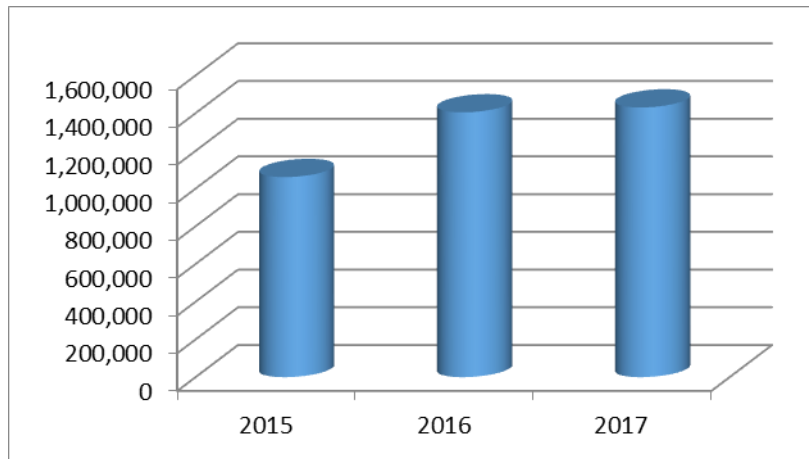


Based on the picture above, it shows the number of foreign tourists visiting the Bromo Tengger Semeru National Park in 2015 as many as 200,851 tourists. In 2016 the number of foreign tourist visits increased to 220,570 tourists, an increase of 9.81 percent compared to the previous year. The increase in the number of tourists continued until 2017. In 2017 it showed an increase in the number of foreign tourists to 239,441 tourists, an increase of 8.55 percent compared to the previous year. The success of tourism development in the Bromo Tengger Semeru National Park is that the draft Presidential Regulation on the Management Authority for the Bromo Tengger Semeru Area has been drafted.

7. Mandalika

Lombok is already known as an island rich in beautiful beaches, one of which is the Mandalika area. Here there are five beaches that are of great interest to tourists, namely Tanjung Aan Beach, Kuta Beach, Serenting Beach, Gerupuk Beach and Keliuw Beach.

Figure 4-7 Number of Visits by International Tourists to Mandalika (Person)

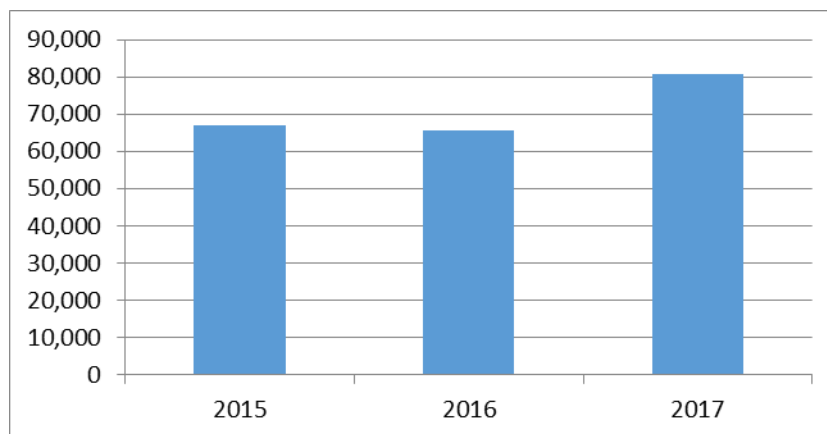


The graph above shows that the number of foreign tourist visits to Mandalika in 2015 was 1,061,292 tourists. In 2016 the number of foreign tourists increased to 1,404,328 tourists or grew by 32.32 percent compared to the previous year. whereas in 2017 the number of foreign tourists again showed an increase, but the increase was not very significant compared to the previous year, namely to 1,430,249 tourists, an increase of 1.8 percent compared to 2016.

8. Labuan Bajo

Labuan Bajo is called one of the most beautiful port cities in Indonesia. The highlight is the view of the setting sun with the silhouette of a ship floating on the waters. What is most distinctive in Labuan Bajo is Kampung Melo, which is about 17 km from Komodo Airport. Labuan Bajo is a traditional village that is still maintained in the midst of modernization. Here, people often hold cultural performances that attract the attention of tourists, one of which is the Caci Dance. Because of its beauty, many tourists visit Labuan Bajo. The following is data on the number of foreign tourists visiting East Nusa Tenggara Province from 2015 to 2017.

Figure 4-8 Number of Visits by International Tourists to Labuan Bajo

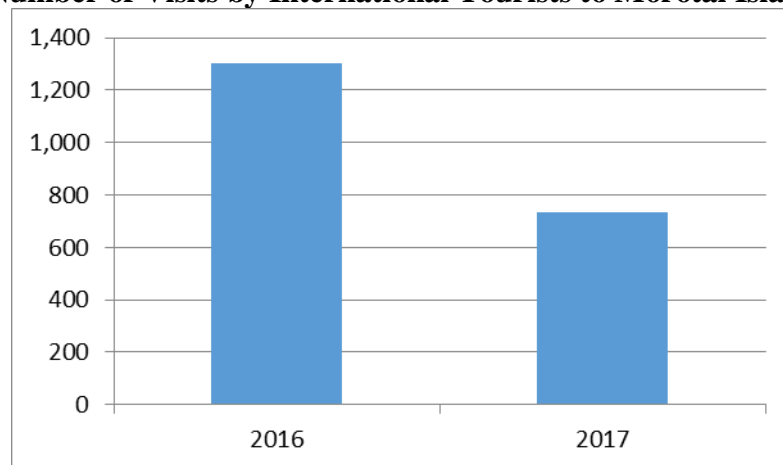


In 2015, the number of foreign tourists visiting NTT was 66,860 foreign tourists. In 2016 there was a decrease to 65,499 foreign tourists. However, in 2017, the number of foreign tourists visiting NTT again increased compared to previous years, namely as many as 80,665 tourists. In order to continue to increase the number of foreign tourist visits to Labuan Bajo, in 2017 a draft presidential regulation was drafted on the Management Authority for the Labuan Bajo Area.

9. Morota Island

Morotai Island is in North Maluku Province and is directly adjacent to the Pacific Ocean. Dubbed the “Pearl on the Lip of the Pacific”, this island became an important witness to the history of World War II as the location of Japan's fierce battle against the United States. That's why, there are many historical relics that are still guarded by local people today, such as cannon vehicles, combat aircraft runways, and armored vehicles scattered at several points. Morotai Island has become a priority tourism destination since 2016. In 2016, Morotai Island was visited by 1,304 foreign tourists. However, this number decreased in 2017 to 734 people as shown in the graph below.

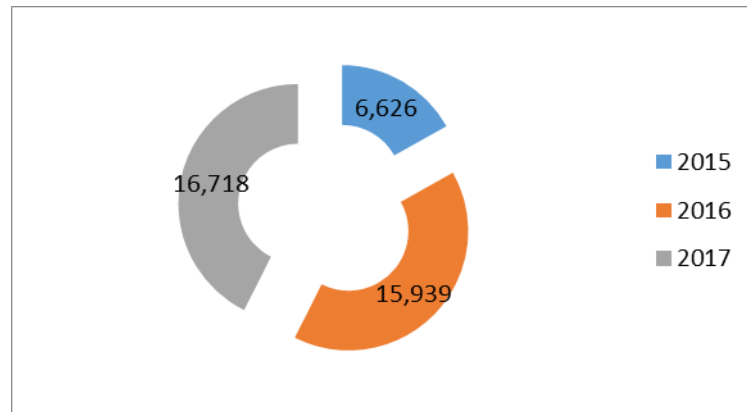
Figure 4-9
Number of Visits by International Tourists to Morotai Island



10. Wakatobi National Park

Wakatobi National Park is a group of islands that have extraordinary underwater natural potential. According to experts, the waters here have around 112 clusters of coral reefs and more than 93 species of fish with various shapes and colors. The beauty of the destination is the main attraction for foreign tourists. So that the number of foreign tourists visiting Wakatobi continues to increase every year, as shown in the following diagram.

Figure 4-10
Number of Visits by International Tourists to Wakatobi National Park



In 2015, the number of foreign tourists visiting Southeast Sulawesi was 6,626 people, in 2016 it increased significantly to 15,939 foreign tourists. Then in 2017 it also increased to 16,718 foreign tourists. In order to increase the number of foreign tourist arrivals, the government has formed an authority to manage the Wakatobi tourism area, accelerated the Komodo International airport, developed the Matahora Wakatobi airport, and increased air connectivity to Wakatobi.

Based on all the data above, it can be seen that the destinations that have experienced a significant increase in foreign tourist visits are Borobudur and Labuan Bajo. One of the important factors related to the increase in foreign tourists in the 10 priority destinations is partly due to infrastructure improvements and accessibility connectivity. For example, the opening of a direct flight route by Garuda airline from Jakarta to Labuan Bajo at the end of 2016. In 2017, activities were also carried out to support the target of increasing the quality of tourism destinations, which included coordination, facilitation and technical guidance related to the development accessibility (land, air and sea), development of attractions (nature tourism, cultural tourism and artificial tourism), and development of amenities.

The indicator used to measure the achievement of the target of increasing the quantity of foreign tourists to Indonesia is the number of foreign tourists entering Indonesia. The following is the target and realization of the number of foreign tourist visits.

Table 4-1
Actual Number of International Tourists to Indonesia from 2015 to 2017 (Millions)

2015			2016			2017		
Target	Realization	Achievements (%)	Target	Realization	Achievements (%)	Target	Realization	Achievements (%)
10	10,41	100,26	12	12,02	100,2	15	14,04*	93,60

Source: Ministry of Tourism 2017

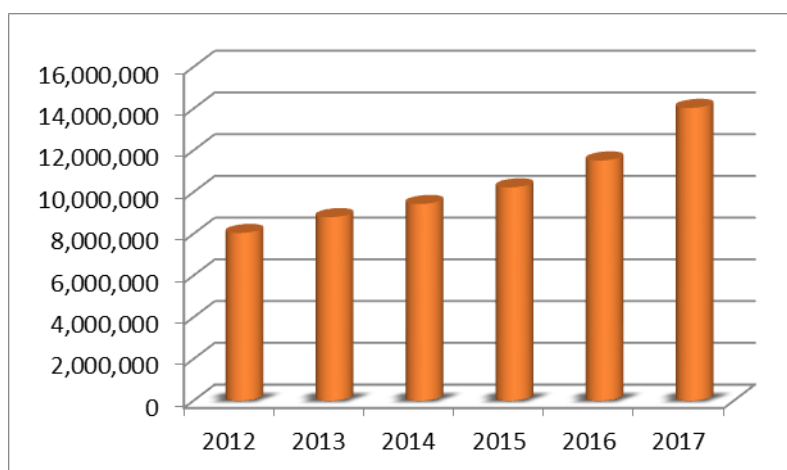
** Provisional Data (Pragnosis)*

In the table above it can be seen that the achievements of the target performance indicator "number of foreign tourists to Indonesia" reached 10,406,759 people, the 2015 achievement exceeded the predetermined target of 10,000,000 people or experienced an increase of 0.26%. In

2016 the number of foreign tourists visiting Indonesia reached 12,023,971 people or an increase of 0.2% from the predetermined target of 12,000,000 foreign tourists. When compared to the achievements in 2015, it experienced a growth of 15.54%. This success is inseparable from the breakthroughs made by the Ministry of Tourism. One of the new breakthroughs that is very influential in increasing foreign tourist arrivals is the Free Visit Visa (BVK) policy which was given to 169 countries. Another breakthrough made by the ministry of tourism is through optimizing cross-border activities and extrapolating the use of Mobile Positioning Data (MPD) to count foreign tourists entering through Cross-border Doors (PLB).

Whereas in 2017 the performance indicators targeted the number of foreign tourists entering Indonesia to reach 14,039,799 visits or 93.60%, of the predetermined target of 15,000,000 foreign tourists. The thing that caused the target of foreign tourists not to be achieved was the eruption of Mount Agung in Bali. This natural disaster had a significant impact considering that Bali is still the main destination for Indonesian tourism. However, when compared to the number of foreign tourists to Indonesia in 2016 and 2015, it seems to have increased.

Figure 4-11
Number of Foreign Tourist Visits to Indonesia from 2015 to 2017



Source: Central Bureau of Statistics (www.bps.go.id) and processed

The graph above shows the number of foreign tourist visits in 2012 amounted to 8,044,462 visits. In 2013 foreign tourist visits increased by 0.09% to 8,802,129 visits. In 2014 the achievement of foreign tourist visits increased compared to the previous year with a total number of visits of 9,435,441. Then the number of visits by foreign tourists in 2015 was 10,230,775 visits. The achievement of the number of foreign tourists to Indonesia in 2015 was recorded as the highest record in the last ten years. Several religious celebrations, historical tourism programs, cultural and artistic celebrations, even fashion shows held in Indonesia are contributing factors.

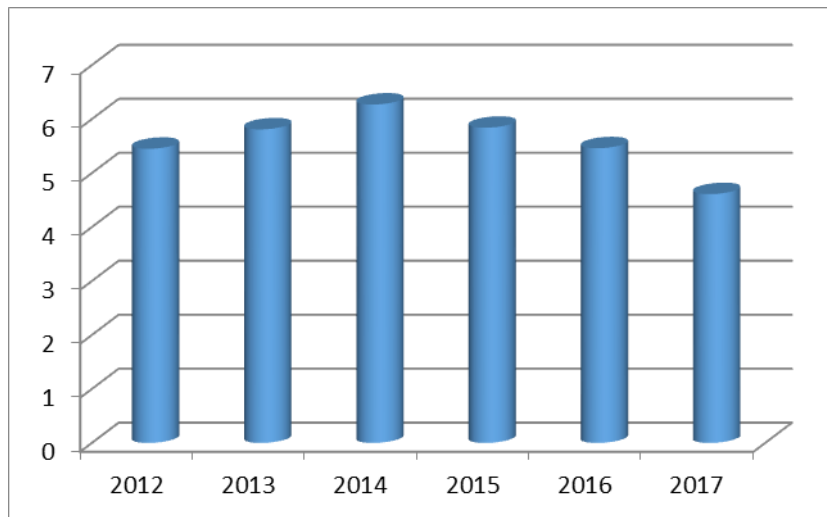
The development of the tourism economy in Indonesia can be assessed from several economic indicators that support the tourism sector. Some of these indicators include the average length of stay, Non-Tax State Revenue (PNBP), Tourism Foreign Exchange Revenue, restaurant growth rate, number of accommodations provided, number of foreign tourists to Indonesia, and several other indicators.

In the following, the development of several indicators that are very influential on the development of tourism in Indonesia is to see how the tourism sector has been in the last 6 years.

1. Average Length of Stay of International Tourists

Figure 4-12

Average Length of Stay of Foreign Guests at Star and Non-Star Hotels

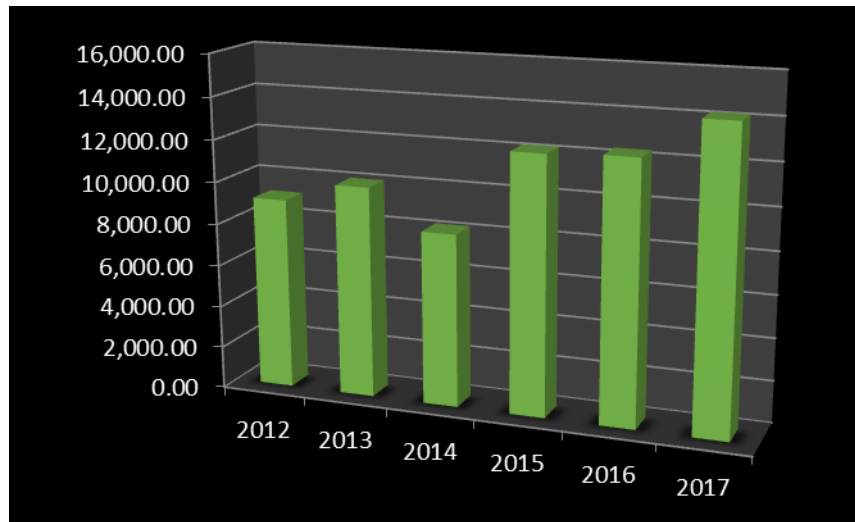


Source: Central Bureau of Statistics (www.bps.go.id) and processed

Based on the data, it shows that the average length of stay of foreign guests at star and non-star hotels before the implementation of the Free Visit Visa (BVK) policy continues to increase. Where in 2012 it was an average of 5.45 nights, in 2013 it was 5.81 nights, and in 2014 it was 6.27 nights. After the implementation of the Free Visit Visa (BVK) policy, the average length of stay of foreign guests or foreign tourists at star and non-star hotels in 27 provinces decreased, namely 5.84 nights in 2015. In 2016 it was recorded at 5.46 nights, there was a decrease of 0.38 points compared to the previous year. then in 2017 there was also a decrease of 0.85 points or decreased to 4.61 at night. The decrease in the length of stay of foreign guests in Indonesia from 2015 to 2017 was due to the many new tourist destinations in Indonesia which made these foreign guests not want to stay in one place for long. The emergence of this new destination is also accompanied by improvements in accessibility, both in the construction of airport facilities, facilities and infrastructure at the destination, and strengthening its cultural characteristics.

3. Tourism Foreign Exchange Receipts

Figure 4-13
Indonesian Tourism Foreign Exchange Earnings (Million US\$)



Source: Ministry of Tourism (www.kemenpar.go.id) and processed

Based on the graph above, tourism foreign exchange earnings before the Visa Free Visit (BVK) policy tended to be lower than the year after the policy was enforced. In 2012, tourism foreign exchange revenue was recorded at US\$ 9,120.90 million. In 2013 the foreign exchange earnings increased to US\$ 10,054.10 million. Whereas in 2014 there was a decline where tourism foreign exchange earnings amounted to US\$ 8,221.30 million. In 2015, the Visit Visa Free policy came into effect, but the visa exemption for foreign tourists did not cause a decrease in tourism foreign exchange, instead foreign exchange earnings in 2015 increased and created foreign exchange of 12,225.90 million US\$. This increase in foreign exchange earnings did not only come from an increase in the number of foreign tourists, but also came from an increase in the average expenditure of visiting foreign tourists, amounting to US\$ 1,190. In other words, an increase in the quantity of tourism foreign exchange is followed by an increase in the quality of tourist spending. Then in 2016 tourism foreign exchange receipts amounted to US\$12,366.90 million, an increase of 1.15 percent from 2015. This increase in tourism foreign exchange was also in line with the implementation of the Visa Free Policy for Visits to 169 countries. So that foreign tourists can travel longer in Indonesia. The longer foreign tourists are in Indonesia, the greater their expenses.

Whereas in 2017, tourism foreign exchange revenue also increased to US\$ 14.216 million. The increase in foreign exchange earnings was assessed by several factors:

a. Differences in Foreign Exchange Rates

The more foreign tourists visiting Indonesia, the more conception in the form of rupiah will be carried out. The difference between the buying and selling rates of foreign currencies also contributes to the amount of foreign tourism foreign exchange.

b. Number of International Tourists

The large number of foreign tourists and the amount of expenses they incur in Indonesia also affect the amount of tourism foreign exchange.

c. Total Spending of International Tourists

The amount spent by foreign tourists is very influential on the amount of foreign exchange received by the country.

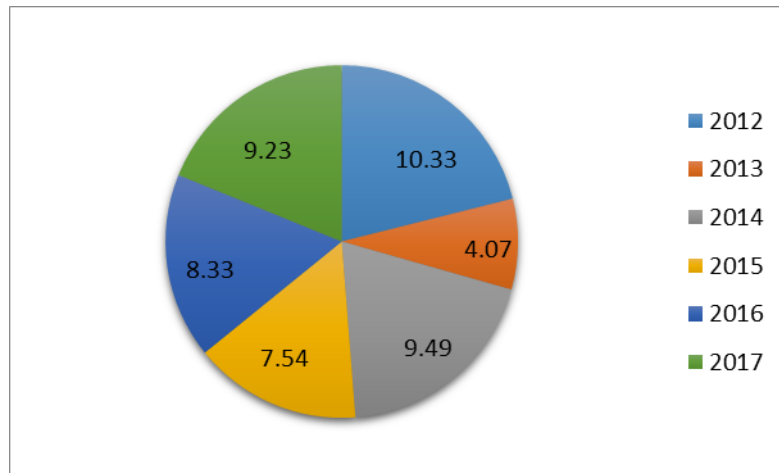
d. Length of Stay of International Tourists

The longer foreign tourists stay in Indonesia, the greater the tourism foreign exchange generated by the country.

4. Development of Restaurant Growth Rate

The national food and beverage industry (mamin) makes a major contribution to economic growth in Indonesia. Therefore, the Ministry of Industry continues to encourage the development of the national food and beverage industry.

Figure 4-14
Growth Rate of Restaurant Business in Indonesia

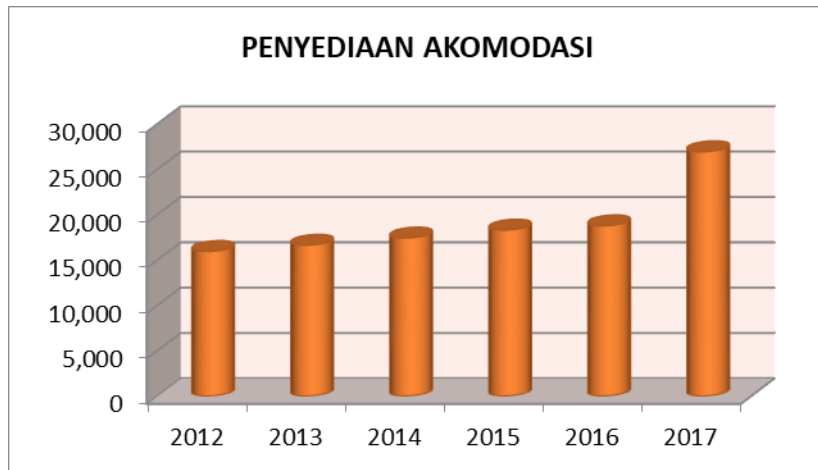


Source: Central Bureau of Statistics (www.bps.go.id) and processed

Based on the graph above, it can be seen that in 2012 the growth of restaurants was 10.33 percent. Then in 2013 the growth of restaurants experienced a significant decline, namely to 4.07 percent. In 2014, restaurant growth again increased by 9.49 percent. In 2015 the growth of the food industry national drinking reached 7.54 percent or higher than the growth of the non-oil and gas industry of 5.21%. Meanwhile, national economic growth reached 4.71%. In 2016 the growth of the food and beverage industry sector was recorded at up to 8.33 percent, while Indonesia's economic growth in 2016 was only 5.02 percent. The increase in the food and beverage industry sector was due to the high investment in this sector in 2016. The total investment value of the sector even reached IDR 61 trillion. This figure rose 41.86 percent when compared to 2015 of IDR 43 trillion. Whereas in 2017 the growth of the food and beverage industry reached 9.23%, an increase from 2016 which was 8.46%. In addition, the contribution of the food and beverage industry to GDP is also quite large. The food and beverage industry contributes 34.33% to non-oil and gas GDP.

4. Development of Accommodation Provision

Figure 4-15
Development of Accommodation Provision in Indonesia



Source: Central Bureau of Statistics (www.bps.go.id) and processed

Based on the data, the number of accommodations provided from 2012 to 2017 continues to increase. The provision of accommodation in 2012 was 15,998, in 2013 it increased to 16,685 units. Then in 2014 it also increased by 17,484 units. There was no significant increase that occurred for 3 years before the Visit Visa Free policy was enforced. After the visa-free policy is enforced, the provision of accommodation in various provinces continues to increase. The increase that occurred was not too large, namely in 2015 there were 18,353 units, then in 2016 it also increased to 18,829 units. Although the increase in the number of tourism businesses, especially hotels and other accommodations, is not very large, it has had a positive impact on employment in the tourism sector. However, in 2017, there was a bigger increase compared to the previous five years, namely 27,000 units. Based on the 2017 Nesparnas publication, one of the businesses that has made a significant contribution to employment is the accommodation business, with a distribution of 5.03%, On average, star hotels are able to absorb as many as 92.3 people in the workforce and in other accommodation businesses as many as 8.1 people (BPS, 2015).

Comparative Analysis Results

Number of International Tourists

A comparative analysis was carried out to see differences in the number of foreign tourist visits to Indonesia before and after the implementation of the Visit Visa Free (BVK) policy, the hypothesis is as follows.

$H_0: b=0$ (there is no difference in the flow of foreign tourists before and after the implementation of the BVK policy), $H_A: b \neq 0$ (there are differences in the flow of foreign tourists before and after the implementation of the BVK policy) .

Table 4-3

Paired Sample Difference Test Variable Number of International Tourists

Paired Samples Statistics					
				Mean	N
Pair 1	Number of Foreign Tourists	Before BVK		8.760.667,3333	3
	Number of Foreign Tourists	Before BVK		11.929.949,6667	3

Based on the table above, it shows that the average number of foreign tourists before and after the implementation of the Free Visit Visa (BVK) policy in Indonesia. The average number of foreign tourists from 3 years before the policy was implemented was 8,760,667.33 visits. Meanwhile, 3 years after the implementation of the BVK policy, the average number of foreign tourists visiting Indonesia was 11,929,949.66 visits.

Conclusion

Based on the results of the research and discussion described in the previous chapter, conclusions can be drawn namely There is a difference between the number of foreign tourists before and after the implementation of the BVK policy.

There is no significant difference between the average length of stay of foreign guests at star and non-star hotels before and after the implementation of the Visit Visa Free (BVK) policy.

There is a significant difference between Non-Tax State Revenue (PNBP) before and after the implementation of the Visit Visa Free (BVK) policy.

There is no difference between foreign exchange earnings from the tourism sector before and after the implementation of the BVK policy.

There is no significant difference between restaurant growth before and after the implementation of the Visit Visa Free (BVK) policy. Thus it can be stated that the BVK policy does not affect the growth of restaurants in Indonesia.

There is no significant difference between the number of accommodations before and after the implementation of the Visa Free Visit (BVK) policy.

References

- Central Bureau of Statistics. Foreign Exchange Receipt. www.bps.go.id . Retrieved October 31, 2018.
- Central Bureau of Statistics. Gross Domestic Product by Business Field in Indonesia. www.bps.go.id. Retrieved October 31, 2018.
- Central Bureau of Statistics. Foreign Tourist Visits in Indonesia. www.bps.go.id. Retrieved October 31, 2018.
- Central Bureau of Statistics. Star and Non-Star Hotel Room Occupancy Levels. www.bps.go.id. Retrieved October 31, 2018.
- Central Bureau of Statistics. Number of Accommodations. www.bps.go.id. Retrieved October 31, 2018.
- Central Bureau of Statistics. State Budget Summary. www.bps.go.id. Retrieved October 31, 2018.
- National Narcotics Agency. Drug Cases in Indonesia. www.bnn.go.id Retrieved December 5, 2018.
- David, R., Branden, Sembiring, C., & Pertiwi, D. (2002). *Econometrics*. New York: Erlanggis.
- Edgel, S. (2008). *Tourism Policy and Planning: Yesterday, Today, and Tomorrow*. Burlington: Elsevier.
- Ilham, M. (2017). The Influence of Income on Aggregate Consumption in Medan City. *Economist*, 12(2), 15-28.
- Machmud, A. (2014). *Indonesian Economy Post Reform*. Jakarta: Erlangga.
- Mcintyre, G. (1993). *Sustainable Tourism Development Guide for Local Planners*. Spars: C.H.N. Meditheek.
- Muljadi, A.J. (2009). *Tourism and Travel*. Jakarta: PT. King of Grafindo Persada
- Salvatore, D. (2004). *Theory and Problems of Micro Economic Theory*, 3rd Edition. Jakarta: Erlangga.

- Sinaga, S. (2010). Potential and Development of Tourism Objects in Central Tapanuli Regency. Paper Works , 12.
- Sitepu, P. A. (2011). International Relations Studies. Jakarta: Graha Ilmu.
- Yoeti, Oka A. (1996). Introduction to Tourism Science. Bandung: Space.
- Yoeti, Oka A. (1985). Professional Tourism Practical Guide. Bandung: Space.