ABSTRACT

ADI LUMAKSONO. The Economic Impact of International Tourism in Indonesian Economy: An Econometric and Input-Output Analysis Approach. D.S. PRIYARsono, as Chairman; KUNTJoro and RUSMAN HERIAWAN, as Members of the Advisory Committee

Tourism has played an important role in the Indonesian economy especially inbound tourists which give foreign exchange earnings. On the other hand, outbound tourists bring dollars outside Indonesia. It will have an impact on tourism balance which is still surplus in the case of Indonesia. In this study found that the surplus of tourism balance tends to decrease where the increase of outbound tourists and their expenditure was faster than the increase of inbound tourist and their expenditure.

By using econometric models, this study will also identify the variables which influence inbound and outbound tourists both the number of arrival/departure and their average expenditure per visit. GDP was the most influenced variable beside Indonesian tourism price and neighbour countries’ tourism price as competitors of Indonesian tourism.

Simulation will be applied to know the impact of economic growth and monetary policy on the flow of foreign exchange through international tourism. The results of this simulation will be used to know the economic impact of inbound tourists such as tourism balance, added value, indirect tax, and wages & salaries as well as employment by using Input-Output Model. It shows that economic growth of tourists’ country of origin will give a higher impact to the Indonesian economy compared to the both exchange rate and monetary policy.

Key words: Inbound-outbound tourist, economic impact, econometric model, input-output analysis