Strengthening Agro-Marine Tourism For Foreign Visitors To Increase Regional Economic Growth Of Aceh Province

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Abstract

Data from the Central Statistics Agency show that in 2018, 33,787 foreign visitors from various countries visited the province of Aceh, which is identical to agro-marine tourism. This visit will, undoubtedly, increase regional economic growth in the region. The data also reveal that the highest number of visitors came from Malaysia and the United Kingdom. The purpose of this study is to analyze the impact of tourist visits on regional economic growth in the province of Aceh between 2004 and 2017. This research uses secondary sources of data from the Aceh Provincial Statistics Authority using a simple semi-logarithmic Regression analysis model.

Based on the results of the study, it was found that the correlation coefficient (R) is 0.398. The number further indicates that there is a low correlation of the relationship between foreign tourist visits and economic growth in the province of Aceh. Furthermore, the coefficient of determination (R2) is 15.90 percent. The equation model Y = 0.157 + 0.431 × 1 + e, with a t-test value for economic growth of 0.055 and not significant at α = 5%, given the short data and the earthquake / tsunami disaster. The author's recommendation is that various provincial and local government programs are needed in 23 regions / cities of Aceh province to increase the number of foreign tourists coming to the province. The program includes capturing and strengthening the potential of agro-marine tourism, increasing tourism advertising through tourism ambassadors or media, improving the quality of accommodation, public services, enhancing the potentiality of craft production, local food product and international language training for communities and several other programs. Hence, the regional economic growth continues to grow and people’s welfare is increasing.

Keywords: foreign visitors, economic growth and agro-marine tourism.

1. INTRODUCTION

1.1. Background

The number of foreign tourists visiting Indonesia reached 1.15 million visits in December 2018, an increase of 22.54 percent compared to December 2017, which amounted to 1.41 million visits. Similarly, when compared to November 2018, the number of foreign tourist arrivals in December 2018 increased by 21.43 percent. In 2018, the number of foreign tourists who came to Indonesia reached 15.81 million visits, an increase of 12.58 percent over the number of visits in the same period in 2017, which amounted to 14.04 million visits (https://www.bps.go.id) [1].

The number of foreign tourist arrivals or tourists to Indonesia in April 2019 has increased 0.11 percent compared to the number of visits in April 2018. Meanwhile, when compared with March 2019, the number of visits in April 2019 has decreased by 2.74 percent. Cumulatively (January - April 2019), the number of foreign tourists visiting Indonesia reached 5.12 million visits, an increase of 3.22 percent compared with the number of foreign tourists visiting Indonesia in similar period in 2018, which amounted to 4.96 million visits. Room Occupancy Rate (ROR) of star rated hotel in Indonesia in April 2019 reached an average of
58.90 percent or down 3.53 points compared to the ROR of April 2018 which was recorded at 57.43 percent. At the same time, compared to the ROR in March 2019, the ROR of star-rated hotels in April 2019 increased by 1.02 points. The average length of stay of foreign and Indonesian guests at star rated hotels in April 2019 was recorded at 1.83 days, an increase of 0.02 points when compared to the situation in April 2018 (released June 10 2019) [2].

The same thing also happened in the province of Aceh, a province located at the northern end of Sumatera. The data obtained in January to December 2018 show that a total of 33,787 foreign tourists entered the province of Aceh through the entry gate. It indicates that there is a notable increase of 2.06 percent over the same period in Indonesia in 2017 (Aceh Tourism Office Pages) [2].

Furthermore, the number of foreign tourist arrivals or tourists to Indonesia in April 2019 has increased 0.11 percent compared to the number of visits in April 2018. Meanwhile, when compared with March 2019, the number of visits in April 2019 has decreased by 2.74 percent. Cumulatively (January - April 2019), the number of foreign tourists visiting Indonesia reached 5.12 million visits, an increase of 3.22 percent compared with the number of foreign tourists visiting Indonesia in a similar period in 2018, which amounted to 4.96 million visits. Room Occupancy Rate (ROR) of star rated hotel in Indonesia in April 2019 reached an average of 58.90 percent or down 3.53 points compared to the ROR of April 2018 which was recorded at 57.43 percent. At the same time, compared to the ROR in March 2019, the ROR of star-rated hotels in April 2019 increased by 1.02 points. The average length of stay of foreign and Indonesian guests at star rated hotels in April 2019 was recorded at 1.83 days, an increase of 0.02 points when compared to the situation in April 2018 (https://www.bps.go.id released June 10 2019) [3].

The above description shows that foreign tourist visits at the northern tip of Sumatra have continued to increase in the last five years. This will indirectly affect the increasing regional economy and society.

In addition, the economic situation of Indonesia grew by 5.07 percent in 2017 compared to 2016 (5.03 percent). On the production sector, the service business achieved the highest growth with 9.25 percent. Meanwhile, in terms of expenditure, exports of goods and services posted the highest growth at 8.50 percent (https://www.bps.go.id) [5].

1.2 Problem formulation

The formulation of the problem in this study is how much influence the visit of foreign tourists to economic growth in the province of Aceh

1.3 Research Objective

The purpose of this study is to analyze the influence of foreign tourists on economic growth in the province of Aceh

2. Literature Review

2.1.1 Foreign Tourists

The definition of foreign tourists in accordance with the recommendations of the United Nations World Tourism Organization (UNWTO) is that any person visiting a country outside their residence is encouraged for one or more reasons without generating income in the place visited, and the duration of visit should last no more than 12 twelve months. This definition includes two categories of foreign guests:

a. Tourist
Any visitor as defined above who stays at the visited location for at least twenty-four hours, but not more than twelve (12) months, with the purpose to:
1. Travel for holiday

2. Visits that corresponds to business category such as visiting business partners, friends and family members, missions, meetings, conference, visits to health, study and religion.

b. Excursionist
Excursionist refers to each visitor who holds similar category with the above definition, or each person who stay less than twenty - four hours in the place visited (including cruise passengers, ie any visitor who arrives by boat or train in a country where he does not reside at the place available in that country (https://aceh.bps.go.id) [5].

Based on the definition above, the author classifies someone as a foreign tourist if he/she resides in a country with a minimum and maximum amount of time. This also involves foreign tourists with different purposes in the destination country.

2.2 Economic Growth

According to Sukirno (2006: 3) [6] economic development is a series of businesses in an economy to develop economic activities so that infrastructure is more widely available, companies are increasing and developing, the level of education and technology is increasingly high so that the implications of this development are expected to be increased, income level increases and community prosperity gets higher. Based on the description above, the economic development of the region will be sustainable well, if an area is always able to utilize effectively and efficiently with various leading sectors and even develop non-superior sectors of the region so as to make the region independent.

Regional economic growth is an increase in overall community income that occurs in the region, namely an increase in all added value. Calculation of regional income was initially made in the current price. However, in order to see the increase from one period to the next, it must be stated in real value, which means that it is expressed in constant prices (Tarigan 2009: 46). [7]

Mankiw (2005: 13) [8] further states that economic growth is an important indicator to see the successful of economic development in a country in addition to other indicators such as unemployment rates, poverty rates, inflation rates, and so forth. Rapid and stable economic growth is expected to have a positive impact both directly and indirectly on other economic variables.

Furthermore, according to Jhingan (2007: 57) [9] economic growth is as a long-term increase in the ability of a country to provide more types of economic goods to its population, this ability grows in accordance with technological progress and institutional and ideological adjustments needed.

2.3 Hypothesis formulation

It is believed that foreign tourist arrivals will have a positive and significant impact on economic growth in Aceh province.

3. Research Methodology

3.1 Scope of Research
The scope of research includes foreign tourist visits and economic growth in the province of Aceh for 14 years in the period 2004-2017.

3.2 Data Analysis Model
The data analysis model used is a quantitative analysis using a simple semilogarithmic regression analysis.
According to Syakhiruddin (2008: 248) [10], the calculation formula is as follows:

\[ y_i = a + b x_i + e \] ................................................. (2)

Where:
- \( y_i \) : economic transition
- \( a \) : interception
- \( b \) : coefficient regression factor \( x_i \)
- \( x_i \) : foreign tourist visits
- \( e \) : error term

3.3. Classic Assumption Test

a. Normality Test

According to Rumengan, et al (2013: 238) [11] data normality testing is carried out to see whether in the regression model, the dependent and independent variables have a normal distribution or not. If the data spreads around the diagonal line and follows the direction of the diagonal line, the regression model meets the normality assumption. Criteria for drawing conclusions: the data are normally distributed if the significant number of Kolmogorov Smirnov test \( \text{sig} > 0.05 \) and vice versa Kolmogorov Smirnov \( \text{sig} < 0.05 \) then the data are not normally distributed.

b. Multicollinearity Test

Multicollinearity test is used to test whether the regression model found a strong correlation between independent variables. The method used to draw conclusions is by looking at the Variance Inflation Factor (VIF) that does not exceed 5 (Rumengan, et al, 2013: 239).

c. Heteroscedasticity Test

This test according to Rumengan, et.al (2013: 240) heteroscedasticity is used to test whether in the regression model, there is an inequality of variance from the residuals of another observation. If the residual variation from one observation to another is fixed, then it is called homokedacity, and if the variance is different it is called Heteroscedasticity.

d. Autocorrelation Test

According to Sanggelerang et.al (2015: 4) autocorrelation is a member / series of observations ordered by time and space. Symptoms of large autocorrelation are likely to occur in observations using time series data because the data contained in a period is influenced by data that occurred in the previous period [12].

3.4 Hypothesis test

Based on the testing of this hypothesis, then:

a. \( H_0; \beta_1 = 0 \): Challenging visits by foreign tourists are not in conflict with support for economic growth in Aceh province.

b. \( H_1; \beta_1 \neq 0 \), the visit of foreign tourists discusses the importance of planning for economic growth in the province of Aceh.

Has performed the test criteria performed by t test.

4. Results And Discussion
4.1 Foreign tourist visits

Based on secondary data obtained in the study, the number of foreign tourists in the province of Aceh can be described as follows:

![Foreign tourist visits in the province of Aceh in 2004-2017](image)

Figure 1 Foreign tourist visits in the province of Aceh in 2004-2017

Source: Central Bureau of Statistics of Aceh Province (Research in March 2019).

Graph 1 above revealed that the lowest number of tourists visiting the province of Aceh in 2004 was 83 inhabitants and the highest in 2017 was 75,758 inhabitants. This means that the number of tourists visiting the province is increasing year by year. The highest number of foreign tourists come from Malaysia and the United Kingdom. The first country grew out of social and political relationships that have been maintained since the 16th century during the reign of Raja Iskandar Muda. In addition to the short distance, affordable airline tickets and tourist charm especially in the area of Agro-Marine (agriculture such as high mountain coffee tourism of Gayo, Laut-Tawar Lake, the charm of Leuser Forest and Seulawah, several waterfalls in Aceh Besar and Southwest Aceh, Krueng Iseep Reservoir / irrigation tourism in Nagan Raya, Celocia Flower Park in Aceh Jaya, hot water crater in Aceh Besar etc. While marine tourism covers all the beaches in the west-south and northeast region of Aceh province, Bird's Nest offers Swallow Cave Beach in Aceh Jaya, Pulau Banyak in Aceh Singkil, Tapaktuan and Sisik Naga Beach in South Aceh, and it is hoped that this tourist attraction will be able to attract foreign tourists to the province in the future.

4.2 Aceh Province Economic Growth

Economic growth data for the province of Aceh over the period 2004-2017 are shown in Figure 2 below:

![Economic growth rate of Aceh province 2004-2017](image)

Figure 2 Economic growth rate of Aceh province 2004-2017
Based on graph 2 it can be seen that economic growth in Aceh Province fluctuates from year to year. The highest economic growth occurred in 2006 of 7.7 percent, which this year was the peak of the rehabilitation and reconstruction phase due to the presence of humanitarian agencies with various programs. One of these is the construction of infrastructure in the form of public facilities such as hospitals, schools, roads, bridges and housing for the community and so on. Unfortunately, the lowest economic growth was recorded in 2008, when the operations / programs of several local, national and international humanitarian organizations / NGOs were closed in several areas affected by the 2004 earthquake / tsunami disaster.

4.3 Discussion

Table 1
Simple Semi Logarithmic Regression Analysis

<table>
<thead>
<tr>
<th>No</th>
<th>Variables</th>
<th>Estimation Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Constant</td>
<td>0.157</td>
</tr>
<tr>
<td>2</td>
<td>The coefficient of foreign tourist visits</td>
<td>0.431</td>
</tr>
<tr>
<td>3</td>
<td>Correlation coefficient</td>
<td>0.398</td>
</tr>
<tr>
<td>4</td>
<td>Coefficient of Determination</td>
<td>0.159</td>
</tr>
</tbody>
</table>

Based on table 1, the regression equation is obtained as follows
\[ Y = 0.157 + 0.431X1 + e \] ..........................................

The linear regression equation can be interpreted as follows:

a. Konstanta

A constant value of 0.157 means that if foreign tourist arrivals and economic growth are equal to zero, then a constant value of 0.157.

b. Coefficient of variable foreign tourist visits

The coefficient value of 0.431 means that if foreign tourist arrivals increase by 1 percent then the economic growth in Aceh Province also increases by 0.431 percent.

c. Correlation Coefficient

Based on the results of research conducted can explain that the correlation coefficient (R) of 0.398 means that there is a low relationship between foreign tourist visits with economic growth in the province.

d. Analysis of the Coefficient of Determination

The coefficient of determination (R adj) of 0.159 means that 15.9 percent of economic growth is influenced by foreign tourist arrivals and the remaining 84.1 percent is contributed by other variables outside this research model, such as domestic tourist visits, income per capita, population and so on.

e. Test

The t value of foreign tourist arrivals is 0.055. The results of classic assumption test that the normality test and multicollinearity test were use for this research with the data are normally distributed and result of variance inflation factor (VIF) that does not exceed 5.
5. Conclusion

5.1 Conclusion

a. Foreign tourist visits did not significantly affect economic growth in the province of Aceh over the period 2004-2017 due to short secondary data, earthquake / tsunami disasters and various state measures in the tourism sector, as well as other factors that caused economic growth to fluctuate.

b. Foreign tourists visiting Aceh province are dominated by Malaysian and British countries. The most visited tours include coastal tourism (sea tourism) and then mountain, land, river and sea tourism (agrotourism), spread over 23 regions / cities in the northern top province of in Sumatera.

5.2 Suggestions

a. The Government of Aceh Province, the Aceh Tourist Office and the municipalities / cities and other related institutions should be involved in various programs that support tourism with the aim of increasing the number of foreign tourist arrivals.

b) The Provincial Government of Aceh needs to develop other sectors that support tourism, improve the ability of the population to speak foreign languages, increase tourist accommodation, and so on, in order to increase the economic growth of the province of Aceh.

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