The Influence Of Foreign Tourist Visits, Number Of Star Hotel Rooms, And Crimes Rate On Tourism Foreign **Exchange Of Indonesia**

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Abstract

In 2022, the tourism sector contributed 3.6% of GDP, which has increased compared to 2021 which amounted to 2.4% (BPS, 2023). Non-economic variable factors that influence the demand and supply of the tourism industry include number of tourist visits, rate of crimes, availability of amenities, attractions and accessibility. political stability and others. The purpose of this research is to determine the influence of non-economic variable factors, especially the number of foreign tourist visits, number of star hotel rooms and crime rates on Indonesian tourism foreign exchange. In this research, a quantitative descriptive method is used. A Multiple Regression equation model with independent variables such as the number of foreign tourist visits, number of star hotel rooms, and rate of crimes is used to analyze the factors influencing the number of tourism foreign exchangein Indonesia. The data used in this study is secondary data on annual time series for the period 2003 – 2022. Secondary data was obtained from the Ministry of Tourism and Creative Industries, the Statistics Bureau of Indonesia (BPS), the Ministry of Finance, Bank Indonesia, and various other related agencies or associations. The research result shows that the non-economic factors that significantly affect the number of Indonesian tourism foreign exchange is foreign tourist visits. In contrast, the number of star hotel rooms and crimes rate have no significant effect. There are still other economic and non-economic factors that influence the number of Indonesian tourism foreign exchange, including the exchange rate, inflation, economic growth, culture, social, personal and psychological factors of tourists. Several factors that need to be considered to increase interest in foreign tourists visits to Indonesia are tourist attractions (attractions), accessibility, amenities, ancillary (additional services), attractive promotions, and social, political and security stability. For developing the tourism industry in Indonesia, the Government needs to enhance the promotion of Indonesian tourist attractions both directly and indirectly through various activities, improve the quality of service provided by tourism workers, enhance accessibility to these attractions, maintain cleanliness in tourist destinations, provide essential amenities, offer attractive promotions, and ensure social, political, and security stability to foster a thriving tourism industry

Keyword: Foreign Tourist, Accomodation, Tourism Foreign Exchange, Crimes rate. _____

Date of Submission: 12-05-2024

Date of Acceptance: 22-05-2024 _____

I. Introduction

Tourism is one of the economic factors that can quickly bring in foreign exchange for the country if managed properly and sustainably(Rifai & Kurniawan, 2023). In 2022, the tourism sector contributed 3.6% of GDP, which has increased compared to 2021 which amounted to 2.4%(BPS, 2023). Optimally developing and utilizing tourism can increase economic growth. Therefore, propermanagementis needed to develop Indonesia's tourism sector (Rohman & Azizah, 2019). As a country ranked number 4 with the largestpopulation in the world, Indonesia's economyhas significant potential with excellent prospects going forward. One of these sectors is the tourism industry, which plays a vital role in creative economic development (Faidzin& Cahyono, 2017). International tourism is a global economic activity utilized by numerous countries worldwide to enhance their contributions to domestic economic growth (Patera & Suardana, 2015). In the competition to increase the promotion and attractiveness of its tourist destinations, every country around the worldhas adjusted the standard needs of international tourism.

As shown in Table 1, the number of Indonesian tourism foreign exchange over the past ten years has tended to increase before the COVID-19 pandemic hit the world. The number of Indonesia tourism foreign exchange peaked at USD 16.9 Billion in 2019 but saw a sharp decline of 81% in 2020 to USD 3.3 Billion, and further decreased to USD 540 million in 2021 due to the abnormal conditions caused by the COVID-19 pandemic. However, in 2022, after the relaxation of the restrictions on community activities, the number of tourism foreign exchange surged by 689% (USD 4.2 billion) from the previous year's (USD 540 million).

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Year	2013	2014	2015	2016	2017	
Tourism Foreign Exchange (USD million)	10054	11166	12225	11206	13139	
Change		11%	10%	-9%	18%	
Year	2018	2019	2020	2021	2022	
Tourism Foreign Exchange (USD million)	16426	16910	3310	540	4260	
Change	25%	3%	-81%	-84%	689%	

Table 1. Number of Indonesian Tourism Foreign Exchange in Year 2013 – 202	22

Source: (BPS, 2023)

As can be seen from the table, the level of Indonesian tourism foreign exchange has an increasing trend under normal conditions from 2013 to 2019. Many factors influence the level of foreign tourist visits to Indonesia, such as economic, social, cultural, educational, religious, and other factors. Several factors that influence tourist's decisions to visit are cultural, social, personal, and psychological characteristics of tourists. Furthermore, the trend that improved the number of foreign tourist visits to Indonesia before 2020 was due to the Indonesian government's increasant efforts to build various supporting infrastructures for the tourism industry and carry out tourism promotion through various conventional and digital promotional media.

Table 2. Development of Foreign Tourist Visits, Number of Rooms, and Rate of Crimesin Indonesia	in
Year 2013 -2022	

Year	2013	2014	2015	2016	2017
Foreign tourist (million person)	8.8	9.4	10.4	11.5	14.0
Star Hotel Rooms (unit)	171432	195886	217474	233007	233007
Rate of Crimes	342084	325317	352936	357197	336652
Year	2018	2019	2020	2021	2022
Foreign tourist (million person)	15.8	16.1	4.0	1.5	5.4
Star Hotel Rooms (unit)	314051	363749	367696	345062	358833
Rate of Crimes	294281	269324	247218	239481	321622

Source: (BPS, 2023)

Non-economic variable factors that influence the demand and supply of the tourism industry include number of tourist visits, rate of crimes, availability of amenities, attractions and accessibility, political stability and others. Table 2 shows the development of foreign tourist visits, number of rooms, and rate of crimes in Indonesia over the last ten years, where the average foreign tourist visits to Indonesia has increased each year before COVID-19 pandemic hit Indonesia. With positive foreign tourist visits, it is shown that Indonesia has its own attraction for foreign tourists.

The availability of accommodation is crucial for the development of the tourism industry. Accommodation is needed by tourists to rest after doing various tourist activities. Over the last ten years, the number of star hotel rooms in Indonesia has increased before the Covid-19 pandemic hit Indonesia. This increasing of the number of star hotel rooms shows that the prospects for Indonesia's tourism business are still good based on the increasing of number of tourist visits to various tourist destinations.

When visiting a country, tourists will usually choose a country that has good security from the risk of crimes. A country's high crimes rate will indicate that the country is unsafe to visit. Therefore, the state must guarantee the safety of tourists from crime. Over the last ten years the crime rate in Indonesia has fluctuated. This is a warning to the tourism industry.

Tables 1 and 2 show that when the number of foreign tourist visits reached the highest number of 16.1 million people in 2019, the number of tourism foreign exchange was only USD 16.9 billion. Meanwhile, when the number of foreign tourist visits reached the highest number of 15.8 million people in 2018, the number of tourism foreign exchange was only USD 16.4 billion. This shows that the level of foreign tourist spending in Indonesia is not yet satisfactory.

Any changes in the values of these non-economic variables will affect the demand and supply of the tourism industry, one of which is the number of tourism foreign exchange in Indonesia. Based on this, the aim of this research is to determine the influence of non-economic variable factors, especially the number of foreign tourist visits, number of star hotel rooms and crime rates on Indonesian tourism foreign exchange.

II. Research Method

The data used in this study is secondary data on annual time series for the period 2003 - 2022. Secondary data was obtained from the Ministry of Tourism and Creative Industries, the Statistics Bureau of Indonesia (BPS), the Ministry of Finance, Bank Indonesia, and various other related agencies or associations.

In this study, a quantitative descriptive method is used. A Multiple Regression equation model with independent variables such as the number of foreign tourist visits, number of star hotel rooms, and rate of crimes is used to analyze the factors influencing the number of tourism foreign exchangein Indonesia. The results of this multiple regression equation are used to predict the number of tourism foreign exchange in Indonesia for the coming years. The Multiple Regression equation models developed in this study refer to the research results of (Astawa, 2015),(Jananto, 2018), and (Sufi & Sabri, 2020) with some necessary adjustments, formulated as follows:

 $Y = {}_{\scriptscriptstyle 0} + \beta_1 X 1 + \beta_2 X 2 + \beta_3 X 3 + \varepsilon$

This regression model is designed to help us understand and predict the number of tourism foreign exchange (Y) by considering various influencing factors. The key components of this model include the following: The constant (β 0) serves as the initial point or starting value in this equation. The regression coefficients (β 1, β 2, β 3) are numerical values that measure how much each independent variable (X1, X2, X3) affects the number of tourism foreign exchange. Furthermore, there is an error term (ϵ) that accommodates the variation in our predictions. In this context, Y represents the total number of tourism foreign exchange, X1 represents the number of foreign tourist visits, X2 signifies the number of star hotel rooms, and X3 encapsulates the crimes rate. By grasping the interactions between these variables, we can make forecasts and better understand the impact of foreign tourist visits, star hotel rooms, and crimes rate on the influx of tourism foreign exchange in Indonesia.

Theoretically, a significant influence is expected between foreign tourist visits, star hotel rooms, and crimes rate on the number of tourism foreign exchange in Indonesia. The statistical hypotheses for this test are t significance test, probability test, F test, multicollinearity test, autocorrelation test, and heteroscedasticity test.

III. Result And Discussion

Every country in the world expects an increase in the number of tourism foreign exchange for their economic growth, especially from the number of foreign tourists entering their country. Increasing the number of foreign tourists is one of the fastest ways to increase the amount of the country's foreign exchange reserves from the tourism sector. The increasing of foreign tourists visiting a country shows that a country's economic condition is good. Likewise, well-developed economic conditions indicate a correlation with a country's crimes that provides foreign tourists safety to carry out various activities to fill their vacation time. Positive economic growth from increasing of tourism foreign exchange shows that the economy is moving and creating jobs, thereby reducing the crime rate and impacting the social life of a safe and orderly society.

Non-economic variable factors influenced the number of tourism foreign exchange in Indonesia: foreign tourist visits, number of star hotel rooms, and crimes rate. In this study, the factors that influence the number of tourism foreign exchange were identified by processing data with a length of 20 years from 2003 to 2022 using a multiple linear regression equation. Table 3 shows the regression results for the dependent variable number of tourism foreign exchange.

Table3.Regression Structure of Number of Tourism Foreign Exchange in Indonesia

Variable	Coefficient	t	Sig.	VIF
Tourism Foreign Exchange (USD millions)			0,000 ^b	
Constant	-1405.6	-0.941	0.361	
Foreign Tourist Visits (millions of peoples)	1087.7	19.557	0.000	1.385
Number of Rooms (Thousands of rooms)	-2.526	-1.147	0,268	1.325
Crimes Rate (Thousands of numbers)	4.785	1.030	0,318	1.443
t-table (level of significance 10% dk 16)		1 746		

F calculated = 180.036F table (level of significance 5% n1=3 dan n2= 16) = 3.24

$$R^2 = 97.1\%$$

Adjusted $R^2 = 96.6\%$

Durbin Watson = 1.302

The t-test result show that the calculated t-value of the independent variable foreign tourist visits is 19.557, which has a value greater than t table (1.746). The p-value= 0.000 is smaller than α =0.05, indicating a significant correlation between foreign tourist visits and the number of tourism foreign exchange if the number

of rooms and crimes rate are constant. The calculated t-value of the independent variable number of rooms is |-1.147|lesser than t table |-1.746| and p-value= 0.268, which is greater than α =0.05, indicating that there is no a significant relationship between number of star hotel rooms and tourism foreign exchange if the foreign tourist visits and crimes rate are constant. This is probably because foreign tourists choose to stay in non-star hotels. The calculate t-valueof the independent variable crimes rate is 1.030 lesser than t table (1.746) and p-value= 0.318, whichs is greater than α =0.05, indicating that there is no a significant relationship between crimes rate and tourism foreign exchange if the foreign tourist visits and star hotel rooms are constant. This is possibly because foreign tourist relationship between crimes rate and tourism foreign exchange if the foreign tourist visits and star hotel rooms are constant. This is possibly because foreign tourists have a particular interest in tourist destinations in a country that is not influenced by the level of crimes that occurs in that country. On the other hand, tourists visit the tourist destinations in a country to gain experience and enjoy its unique culture. In addition, the cleanliness of tourist destinations and the friendliness of tourism workers also affect the number of tourist visits (Wiraguna&Pratama, 2019).

The calculated F value of 180.036, greater than F table (3.240) dan p-value= 0.000° , indicates a significant influence between foreign tourist visits, star hotel rooms and crimes rate on the number of tourism foreign exchange in Indonesia.

Based on the regression analysis result, an R^2 of 97.1% and an Adjusted R^2 of 96.6% indicate that 97.1% of the variation in the dependent variable (tourism foreign exchange) can be explained by variations in the independent variables (foreign tourist visits, star hotel roomsand crime rates). At the same time, the other 2.9% can be explained by other variables outside the model.Other factors that influence tourists' decisions to visit are influenced by cultural, social, personal, and psychological factors of tourists (Kotler & Amstrong, 2012).

The Durbin Watson (DW) value was 1.302 based on the regression analysis results. Meanwhile, from the DW table with a significance of 0.05 and the number of data n=20 and k=3, the dU value is 1.676 and dL is 0.997. Because the DW value is greater than dL and lies between dU and (4-dU), it can be concluded that there is no autocorrelation.

The Variance Inflation Factor (VIF) values of the three variables, namely foreign tourist visits (1.385), star hotel rooms (1.325), and crimes rate (1.443), are smaller than 5, indicating there is no multicollinearity between the independent variables.

The heteroscedasticity test is used to examine the regression model. Inequality of variance from the residuals was observed by looking at the Scatterplot pattern. Based on the output of the Scatterplots, it can be seen that the data points are spread above and below or around the number of 0. The dots do not gather only above or below, and the spread of the data points does not form a wavy pattern. It widened, then narrowed, and widened again, and the spread of dots is non-patterned. The result shows no symptoms of heteroscedasticity in the regression equation.

Furthermore, the results of the research table show that foreign tourist visits has a positive and significant effect on the number of tourism foreign exchange in Indonesia. The regression results show that the number of foreign tourist visits in 2003 - 2022 has a positive sign β (1087.7) and has a significant effect (0.000< 0,05) on the number of Indonesian tourism foreign exchange in 2003 - 2022. The regression equation for the number of Indonesian tourism foreign exchange formed shows that every change in the number of foreign tourist visits by 1% will increase the number of Indonesian tourism foreign exchange formed shows that every change by USD 1087.7 million (cateris paribus). The increase in foreign tourist visits shows to the world community that Indonesia's condition is good. For the tourism industry, this means expediting the development of the tourism industry with the growth of new places as tourist destinations that will attract a lot of interest from both foreign and domestic tourists to visit, then that will give effect to the increasing of Indonesian tourism foreign exchange.

The results of the research table show that the star hotel rooms has a negative and no significant effect on the number of Indonesian tourism foreign exchange. The regression results show that the star hotel rooms in 2003 - 2022 has a negative sign β (-2.526) and has a no significant effect (0.268 > 0,05) on the number of Indonesian tourism foreign exchange in 2003 - 2022. The regression equation for the number of Indonesian tourism foreign exchange in 2003 - 2022. The regression equation for the number of Indonesian tourism foreign exchange formed shows that every increasing per unit in the number of star hotel rooms will decrease the number of Indonesian tourism foreign exchange by USD 2.5 million (cateris paribus). For Indonesia's tourism industry, this indicates that foreign tourists do not really choose star hotel rooms as accommodation, so Indonesian tourism industry need to provide a number of non-star hotel rooms.

The result of the research table show that crimes rate has a positive and insignificant effect on the number of Indonesian tourism foreign exchange. The regression results show that the Indonesian crime rates in 2003 - 2022 has a positive sign β (4.785) and has no significant effect (0.318> 0,05) on the number of Indonesian tourism foreign exchange in 2003 - 2022. The regression equation for the number of Indonesian tourism foreign exchange by USD 4.7 million. The results of this research are different from previous research, if crime is high then foreign tourists will reduce their visits to that country (Idialis& Putra,

2021). This indicates that it is possible that criminal acts in Indonesia do not occur in tourism areas and are not related to tourism.

For the Government, the multiple regression equation model shows that the number of Indonesian tourism foreign exchange remains positive and continues to increase. Hence, the Government must increase the number of foreign tourist visits, continue to support the development of non-star hotel accommodation, and maintain security in tourism areas and develop various infrastructure that can support the development of the tourism industry.

In addition to the non-economic factors mentioned above, which only affect 97.1% of the number of Indonesian foreign exchange, there are 2.9% other non-economic and economic factors that must also be considered to attract foreign tourists to visit Indonesia. Factors that need to be considered to increase interest in visiting foreign tourists are exchange rate stability, inflation rate, economic growth, tourist attractions, accessibility, amenities, ancillary, attractive promotions, and social, political, and security stability (Sujai, 2016). (Abraham, 2019) revealed that a country's political conditions influence tourist's behavior in considering their visit. (Athari, 2020) proves that political security factors have a significant impact on the tourism sector. *Ancillary* are supporting services that the Regional Government must provide ina tourist destination, both for tourists and tourism actors (Permadi et al., 2021). Ancillaries are also things that support tourism, such as management institutions or organizations, tourist information, travel agents, and stakeholders who play a role in the tourism sector (Ardiansyah&Maulida, 2020).

IV. Conclusion And Suggestion

The number of Indonesian tourism foreign exchange is influenced by non-economic and economic. Based on the results of this study, the non-economic factors that significantly affect the number of Indonesian tourism foreign exchange is foreign tourist visits to Indonesia. In contrast, the star hotel rooms and crimes rate have no significant effect. This is possibly because foreign tourists have a particular interest in low-cost accommodation such as non-star hotel rooms and this indicates that foreign tourists who visit to Indonesia are not exclusive tourists. With the multiple linear regression equation coefficients, each variable is 1087.7 for foreign tourist visits, -2.526 for star hotel rooms, and 4.785 for the crimes rate; there are still other economic and non-economic factors that influence the number of Indonesian tourism foreign exchange, including the exchange rate, inflation, economic growth, culture, social, personal and psychological factors of tourists. Several factors that need to be considered to increase interest in foreign tourists visits to Indonesia are tourist attractions (attractions), accessibility, amenities, ancillary (additional services), attractive promotions, and social, political and security stability.

As a result, the recommendation for developing the tourism industry in Indonesia, the Government needs to enhance the promotion of Indonesian tourist attractions both directly and indirectly through various activities, improve the quality of service provided by tourism workers, enhance accessibility to these attractions, maintain cleanliness in tourist destinations, provide essential amenities, offer attractive promotions, and ensure social, political, and security stability to foster a thriving tourism industry. Furthermore, Indonesian government is essential to make monetary and fiscal policies that support the development of the tourism industry, such as creating stable and positive economic growth and continuing the development of infrastructure that supports the tourism industry. The Government also needs to maintain the stability of inflation and the exchange rate so that it does not affect other economic sectors (Rifai & Kurniawan, 2023).

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