INTRODUCTION

United Nations World Tourism Organization estimates that there will be 1.8 billion tourists by 2030. Tourism industry will most likely expand very rapidly reaching a total transaction of 1 trillion USD. The industry is currently dominated by developed countries. The United States tops the list of countries with most visit with 75 million tourists, making 153 billion USD from tourism in 2014 alone.

Meanwhile, 9.4 million tourists visited Indonesia in 2014, only the fourth biggest in South East Asia. Number of tourists coming to Indonesia is way smaller compared to Malaysia (27.4 million), Thailand (24.8 million), and Singapore (11.8 million). Worse, Indonesia lost the overall competition against the three neighboring countries. For instance, even with lower index of security and safety, Thailand still has the upper hand in regards to business climate, workforce, hygiene, and health. No wonder why Thailand’s number of visitor is 3 times bigger than Indonesia’s.1 Though, it is noteworthy that Indonesia experiences increase of visitors annually. In 2015, number of visit to Indonesia reached 10.4 million, a 10% increase from the previous year.

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1 World Economic Forum, The Travel & Tourism Competitiveness Report 2015
The increase is a surprise; the world is experiencing a global economic slowdown including countries where our tourists come from. There are several explanations to the paradox. First, Indonesia’s visa-free entry policy for 90 countries unsurprisingly attracts more tourists. Second, Indonesia has debureaucratized entry process for cruises. Third, Indonesia has also developed 10 tourist destinations to expand choices for tourists. Lastly, Indonesia promoted its tourism and culture to the world more aggressively than before.

**ECOTOURISM: PROBLEMS AND CHALLENGES**

Even with an increase of visitors in the last five years, its contribution to Indonesia’s GDP is not big, only 26.1 million USD which accounts for 3.2% of the GDP. That number is lower than four other ASEAN countries. It is ironic that a country rich of beautiful natural landscapes and cultural heritages is not competitive in tourism. Possibly, it is because we have not invested all resources available for the growth of our tourism industry. Instead, many exquisite natural tourist destinations are damaged due to our inability to preserve them and excessive exploitation.

Indonesia is indeed late in developing its tourism industry. With abundant natural resources such as oil, minerals, forest, and its relatively huge farming industry, tourism is not very attractive. For more than 40 years Indonesia’s economy heavily relied on extractive industry. That is regrettable considering that environmental costs of the industry far outweighed its insignificant social-economic benefits. In fact, Indonesia’s Human Development Index is as small as 0.684, ranked the 110th out of 187 countries. Poverty is also rampant; 28.6 million Indonesians live below the poverty line with just Rp 330 thousand (equivalent to 25 USD) per month.

The economic slowdown unfavorably affects employment; slower job creation combined with high population growth is not a nice duet. Public services barely function adequately. Consequently, access to proper healthcare and education is severely limited. For instance, infant mortality in Indonesia is as high as 125 for every 100 thousand babies born. Not to mention, 37% of child below 5 years old suffer from malnutrition. For the exact reasons, Bloomberg New Survey in 2015 categorized

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2 Voice of America (VoA) 21 December 2015
3 Bank Dunia, 19 September 2016
Indonesia as one of 15 most miserable places to live.¹

In 1992, Indonesia’s tourism industry made its first debut. The government started to realize the importance of tourism industry in contributing to the national revenue. The government then launched a program called ‘Tahun Kunjungan Wisata’ or Vacation Year two years later. Even though only 400 thousand tourists visited Indonesia at the year, the number started to rocket in 2000, but then faced a downfall in 2003 due to the Bali bombing tragedy. The government recorded the top 10 favorite provinces for both foreign and national tourists. Those provinces are (unsurprisingly) home to spectacular destinations, including unbelievable natural beauties (for instance, mountains and beaches) and exquisite cultural heritages (such as historic sites, art, and traditional handcrafts). Accessibility, transportation, infrastructure (such as accommodations and restaurants), and human resources also play an equally important role.

Indonesian government aims to reach 20 million foreign tourists by 2020 and gain Rp 200 trillion. Besides optimizing currently available products such as leisure, MICE (Meeting, Convention, and Exhibition), and special interest tours, the government also tries to develop and promote ecotourism. Ecotourism is expected to be the alternative for sustainable tourism, biodiversity protection, and improvement of livelihoods by providing employments to local people. Focusing on nurturing ecotourism is a strategic decision for several reasons.

**First**, ecotourism aligns with the rising global environmental awareness. Now, more people are looking for natural destinations. Nature-conservation based tourism would surely suit their interest. Ecotourism itself has grown and accounts for 25% of the overall world’s tourism, worth US$ 473 billion.² A study by TripAdvisor in 2012 revealed that 30% of tourists look for environmentally friendly locations and Costa Rica is their first choice for that.

**Second**, Indonesia has a great potential for ecotourism. Take the example of Komodo National Park where visitors can enjoy trekking, bird watching, snorkeling, diving, and, of course, directly witness the ancient, endemic Komodo dragons. Ninety-three thousand tourists come to the national park annually and 93% of them are foreigners. The destination contributes Rp 19.3 billion to non-tax state revenue in 2015. Komodo National Park is currently Indonesia’s top tourist destination along with Cartensz Pyramid or the highest summit of Jayawijaya, Mount Bromo, Alas Purwo, Mount Rinjani, Ujung Kulon National Park and many others.

**Third**, Indonesia has various kinds of natural landscape to visit and unique cultural heritages to explore. Indonesia is extremely rich of biodiversity, deserving to be called the mega-diverse country. Indonesia’s tropical forest is the third largest in the world. Coral reefs and rich marine biodiversity accessorize Indonesia’s 17.000 islands. Indonesia covers 1.3% of the earth’s surface and harbors 10% species of plants, 12% species of mammals, 17% species of birds, 24% species of fish, and 10% of worlds remaining forest, the second biggest after Brazil.³ There are currently 120 spots of ecotourism in Indonesia, including national parks, natural parks, and marine parks.

Considering how limited the people’s knowledge about proper ecotourism, Indonesia is not fully ready for the bold shift. Some scholars observe that many tourism officers who are planning to develop ecotourism do not stick firmly to sustainability principle and willingly ignore biodiversity protection. Many pragmatically choose market satisfaction over environmental sustainability. Entrepreneurs are forced to make a trade off

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² United Nation World Travel Organization, Tourism Highlights 2015
³ Laporan Bank Dunia, 2006
between price competitiveness or quality superiority. Considering that ecotourism is leading in some markets and growing rapidly.²

Developing ecotourism in Indonesia is not an easy task. Tourism officers will be required to meet expectations of tourists. In a Medium Term Development Plan or RPJMN, the Ministry of Development Planning, states two biggest obstacles tourism officers face: 1) Low competitiveness in comparison to neighboring countries such as Singapore, Malaysia, Thailand, and India; 2) Globalization and market liberalization enables Indonesians to travel overseas instead of domestically. For example, 1.3 million Indonesians (accounts for 14% of the total number of tourist) visited Singapore in 2015; and 3) Changes in pattern of tourism services due to lifestyle changes and technological advancements which make it hard for the industry to grow.

POLICY RECOMMENDATION

Indonesia has a good chance of turning tourism as one of its main sources of revenue in a sustainable manner. One of the ways is ecotourism. There are two big steps Indonesian government should take to develop ecotourism. **First**, the government should create a roadmap of ecotourism development especially in 10 provinces to which most tourists go and 5 other provinces with rich biodiversity and cultural heritages. **Second**, the government should support the development of ecotourism by improving infrastructure, providing financial aid, and etc. The sustainable ecotourism does not only help Indonesia to increase its revenue, but also support the attainment of reduction of emission through forest preservation.

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³ Yonneh Chen, The American Chamber of Commerce, Ecotourism: Saving Indonesia’s Biodiversity, 6 Mei 2014

⁸ Singapore Tourism Sector Performance, Q2-2015 report