

## **Analysis Of Indonesian Tourism Potential and its Impact on Gross National Product (GNP)**

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INDEXING	ABSTRACT
<p><b>Keywords:</b> Keyword 1; Tourism Keyword 2; Potential Keyword 3; Indonesia Keyword 4; GNP</p>	<p>This study aims to describe the potentials of Indonesian tourism, the impacts of tourism on local communities around tourism and the impact on the country of Indonesia as well as the impact of tourism on Gross National Product (GNP). The method used in this study uses descriptive analysis, namely the literature comparison method and the triangulation method. The results of this study indicate that the tourism sector contributes significantly to the country, the community around tourism, and Gross National Product (GNP), especially foreign exchange earnings, creating jobs, and foreign investment. Leading destinations such as Lombok, Bali, Manado, Labuan Bajo, and other tourism areas show consistent growth in contribution, although there are challenges in the form of inequality in infrastructure development and service quality in several tourist areas.</p>

### **Article History**

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## **INTRODUCTION**

The tourism sector is one of the key sectors in driving Indonesia's economic growth. With its rapid growth rate, this sector has become an important part of the dynamics of the global economy and has great potential to be developed as a significant source of income (Manik, et al., 2022). It can also be interpreted that the tourism sector has an important role in driving Indonesia's economic growth. Its rapid growth makes it a potential source of income and an inseparable part of global economic development. With this potential, the government is expected to help manage the tourism sector, so that the potential of the tourism sector is maximized and increases the country's economic income.

According to Nusraningrum and Pratama (2019) explains that the tourism sector has played an important role as the main foundation in the development of the creative economy in Indonesia. Its existence not only encourages the growth of various creative sub-sectors such as art, culture, culinary, and handicrafts, but also creates jobs and increases regional competitiveness through unique local attractions. Rosalina et al (2023) describes that tourism has become an increasingly important sector for many developing countries, including Indonesia.

Kiriman et al (2023), Lumansik et al (2022), Manik et al. (2022) studied the same topic about Indonesia's tourism potential and its impact on GNP. However, there is a difference between the current study and the previous study, namely that they studied before May 2025 and their research method is different from the current research method. The current researcher uses descriptive analysis with the literature comparison method and the

triangulation method, while the previous researcher used a method outside the literature comparison.

The aim of this research is to find out what tourism potentials there are for Indonesia and the impacts of tourism on local communities around the tourist area and the impact on Indonesia and its Gross National Product (GNP).

## LITERATURE REVIEW

Indonesian tourism is one of the industries that has an important role in the country's foreign exchange earnings. Eddyono (2021) explains that tourism is one of the service industries that is growing rapidly and has many opportunities to continue to grow. Darmayasa et al. (2024) explain that tourism is a social, cultural, and economic reality that includes the movement of people from their original location to another place, both domestically and internationally for recreational, business, or other purposes.

Meanwhile, Kiriman et al (2023) explained that tourism in Indonesia is one of the service economic sectors that has good prospects for the future, but currently it has not shown a role that is in accordance with expectations in the development prospects in Indonesia. Lumansik et al (2022) explained that Indonesia's tourism potential is a variety of natural resources, from physical and biological aspects, as well as human cultural wealth that can be developed for tourism. Nugroho et al (2018) described that in Indonesia, the tourism sector has become an important part of national development, and has even become one of the priority development programs of the Indonesian government.

GNP is the monetary value of all goods and services produced by the labor and property provided by the residents of the country (Argandoña, 2016). Based on the important points of Indonesia's tourism potential, it is a sector where the Indonesian government and people, especially the people around tourist areas, participate in managing tourist attractions to be better because tourism is one of the regional and state income sectors (Yamin et al, 2021). Tourism makes a positive contribution to regional economic growth. In Indonesia, the tourism sector has great potential in increasing state foreign exchange and encouraging increased income at the city and district levels, so that it becomes one of the important pillars in national economic development (Fafurida et al, 2020).

According to Temiraliyeva et al (2021), national income from tourism is influenced by local and foreign tourist spending, government and private investment, promotional costs, and economic activities of tourism business actors. All of these components play a role in increasing money circulation and creating jobs in related sectors. The tourism sector contributes through foreign exchange earnings, business opportunities, and the influx of foreign currency into Indonesia. This sector also drives the development of infrastructure and related industries. Although its contribution is not always directly visible, the role of tourism in the economy is very important and cannot be ignored (Kuncoro, 2016).

The tourism sector can be an economic driver that helps reduce poverty, create jobs and reduce unemployment. Income from tourism is also often used to assess the economic contribution of a region or even a country (Li et al, 2018). The development of tourism potential is an ongoing process to achieve better results. This process is carried out through improvements and adjustments based on the results of monitoring, evaluation and feedback from the plans that have been implemented, which then become the basis for determining policies and directions for future development (Lumansik et al , 2022).

## RESEARCH METHOD

This study used qualitative descriptive analysis with literature comparison and triangulation methods. Researchers will look for secondary data sources from journals, books, online newspapers, and websites related to Indonesia's tourism potential and impact on GNP. With this, researchers will compare and explain in detail from these sources.

## RESULT AND DISCUSSION

In the results of the researcher's analysis, there are many interesting things to explain regarding the analysis of Indonesia's tourism potential and its impact on GNP, including; 1.) Indonesia's tourism potential, 2.) The impact of tourism on local communities around tourism and the impact of tourism on Indonesia, 3.) The impact of tourism on Gross National Product (GNP). The following are prominent tourism potentials, as follows:

### A. Indonesia's Tourism Potential

As reported by Liputan6.com, Indonesia's natural tourism potential has many choices. Indonesia is a country with a variety of exotic natural landscapes. Starting from mountains, lakes, beaches, and underwater, Indonesia's natural tourism potential never disappoints (Sundari, 2020). The Ministry of Tourism and Creative Economy (Kemenparekraf) has set ambitious targets, including increasing foreign exchange to USD 19–22.1 billion, contributing 4.6% to GDP, and 14.6–16 million foreign tourist visits. Indonesia has many tourist destinations to be enjoyed by both local and foreign tourists. Here are some of Indonesia's tourism potentials:

#### 1. Nature Tourism

Indonesia has a very beautiful and diverse nature. There are beautiful beaches like in Bali, Lombok, and Labuan Bajo. There are many mountains that can be climbed such as Mount Bromo and Rinjani. In addition, there are forests and national parks that are home to rare animals such as orangutans, elephants, and Komodo dragons. Lake Toba and Lake Kelimutu are also interesting tourist attractions. All of this makes nature tourism in Indonesia very rich.

#### 2. Cultural Tourism

Indonesia has many unique cultures from various regions. We can see historical temples such as Borobudur and Prambanan. Traditional dances such as the Saman Dance and Barong Dance are often performed at cultural events. There are also regional festivals that are interesting to see. Crafts such as batik, carvings, and weaving are also attractions for tourists.

#### 3. Artificial Tourism

In addition to natural and cultural tourism, Indonesia also has many artificial tourist attractions. There are playgrounds such as Dufan and Trans Studio, interesting museums, and large shopping centers. These places are suitable for family vacations and city tours. This artificial tourism continues to grow and is popular with tourists.

#### 4. Culinary Tourism

Indonesian traditional food is very diverse and delicious. Each region has its own unique cuisine, such as rendang from Padang, gudeg from Yogyakarta, or pempek from Palembang. In addition, there are also traditional snacks and drinks. Tourists often look for typical culinary delights when visiting because food is also part of the culture.

#### 5. Adventure Tourism and Ecotourism

For those who like challenges, Indonesia has many places for adventure tourism. For example, diving in Raja Ampat, rafting on rivers, or climbing mountains. There are also tourist villages that invite tourists to get to know village life and the surrounding nature. This type of tourism is suitable for those who want a vacation while preserving nature.

### **Impact of Tourism on the State of Indonesia and Communities in the Areas Around Tourism**

Based on a report from Kompasiana.com, the tourism sector has a significant impact on national income through foreign exchange earnings. Based on data from Bank Indonesia, it was noted that in 2019 the tourism sector contributed around 10.4% of the country's total foreign exchange earnings. The existence of tourism can bring various benefits, such as increasing community income, creating jobs, and preserving culture. However, tourism can also have negative impacts, such as socio-cultural changes, environmental damage, and social conflict (Febriani, 2019). The following are the positive and negative impacts of tourism:

#### A. Positive Impacts

##### 1. Increased Income and Economic Growth

Nationally, tourism is a significant source of foreign exchange through visits by foreign tourists. On the other hand, local people earn income from tourism-related businesses such as lodging, culinary, transportation, and souvenirs.

##### 2. Creating Jobs

Tourism opens up many job opportunities both at the national level (in the transportation, service, and government sectors) and locally (tour guides, craftsmen, homestay owners, etc.).

##### 3. Improving Infrastructure and Accessibility

The government tends to build infrastructure such as roads, airports, and public facilities in tourist areas. This facilitates access to remote areas and helps improve the quality of life of local communities.

##### 4. Cultural Preservation and Promotion of National Identity

Tourism encourages the preservation of local culture because it becomes a tourist attraction. This also strengthens national identity in the eyes of the world and makes local communities appreciate their cultural heritage more.

## B. Negative Impacts

### 1. Economic Inequality and Dependence

Some regions are too dependent on tourism as their main source of income. When a crisis occurs (such as a pandemic), the impact is very severe for both the country (decreased foreign exchange) and the local community (loss of livelihood).

### 2. Environmental Damage

Massive development without sustainable planning can damage the ecosystem (forest, beach, sea). Trash, waste, and pollution from tourist activities worsen the condition of the surrounding environment.

### 3. Gentrification and Rising Cost of Living

The entry of large investors into tourist areas often causes land and basic necessities prices to soar, making it difficult for local people to maintain their homes or businesses.

### 4. Social and Cultural Changes

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**Impact of Tourism on GNP**

The tourism sector is an important and strategic sector for the Indonesian economy. This sector has grown over the past two decades to increase its contribution to GDP, employment, regional and local economies, and strengthen the balance of payments (Heriawan et al., 2004). The impact of tourism on GNP (Gross National Product) can be explained through its contribution to national income derived from the economic activities of Indonesian citizens, both domestically and abroad. The following is an explanation of the impact of tourism on GNP:

**A. Positive Impact of Tourism on GNP**

**1. Increased state foreign exchange**

Foreign tourists bring foreign exchange through their spending in Indonesia, which is included in national income and helps strengthen GNP.

**2. Income from Indonesian Citizens Working in the Overseas Tourism Sector**

Indonesian citizens working in the tourism sector abroad (for example as hotel staff, tour guides, chefs) generate income that is counted in GNP because it comes from citizens, even though they are abroad.

**3. Domestic economic growth**

Money circulation from domestic tourism sectors such as lodging, restaurants, transportation, and local crafts increases income from Indonesian citizens, contributing to GNP.

4. Support for supporting industries  
Industries such as aviation, agriculture (for food supply), arts and culture, and manufacturing by MSMEs also grow due to tourism, increasing national income.

B. Negative Impacts or Challenges to GNP from Tourism

1. Foreign ownership in the tourism industry  
If many tourism sectors are controlled by foreign investors, then most of the profits can flow abroad, so that its contribution to GNP is smaller than to GDP.
2. Domestic Tourist Expenditure Abroad (Outbound Tourism)  
If more Indonesian citizens travel abroad than foreign tourists enter, then there will be foreign exchange expenditure that reduces GNP.
3. Income distribution gap  
Not all regions benefit equally from tourism. If only certain regions grow, the national GNP contribution may not be optimal

**Table. 1. Impact of AI on Industrial Efficiency (2023)**

Year	GNP ( Trillio's USD)	Growth (%)
2020	1,059	-3,41
2021	1,143	+7,90
2022	1,261	+10,33
2023	1,353	+7,27

*Source:* Macrotrends – Indonesia GNP 1969–2025



**Figure. 1. GNP Growth Graph**

*Source :* Macrotrends – Indonesia GNP 1969–2025

## CONCLUSION

Indonesian tourism has great potential in terms of natural beauty, cultural richness, and diversity of tourism types that can attract local and foreign tourists. This sector contributes significantly to foreign exchange, job creation, regional economic growth, and increased GNP. However, tourism also has negative impacts such as environmental damage, changes in socio-cultural values, overtourism, and economic inequality. Therefore, sustainable, environmentally friendly tourism management is needed that is in favor of local communities so that the benefits can be felt evenly and in the long term.

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