

Tourism beyond Bali

INTERVIEW WITH SAPTA NIRWANDAR

DIRECTOR GENERAL OF MARKETING, MINISTRY OF CULTURE AND TOURISM



SAPTA NIRWANDAR previously held the position of Permanent Secretary at the Indonesian Ministry of Culture and Tourism. As Director General of Marketing, he is responsible for the Ministry's promotion of Indonesia's tourist destinations to overseas and domestic markets.

What are the current tourism figures and market trends

Overseas tourist arrivals in Indonesia rose 13.2 per cent to 6.4 million (mn) in 2008. This fell short of a government target of 7 mn as the global economic crisis curbed foreign trips. Tourist arrivals in December last year rose 17.7 per cent from a year ago to 610,452, up from 518,700 in the same month a year. The financial crisis cooled tourism in 2008, but I think we can meet our target next year, despite the global economic slow down. The sector is worth about US\$5.3 billion (bn) dollars a year. Visitors spend just under US\$1,000 per head, and we would like to increase that amount. We are the second main contributor to the economy after oil and gas.

We are focusing on what we call the major markets: in Europe that means the United Kingdom, Germany, and Holland. In terms of marketing, we sell our tickets to travel agents via or through airlines.

And your main destinations?

Bali is still the main destination for the long-haul visitor, especially from Europe. We are trying hard to sell Baliem Valley in Papua. We are also developing other islands such as Sulawesi or Sumatra. You have to remember that people don't just come to Indonesia for five-star tourism. We have a range of niche sectors: adventure; ecological, diving, cultural, city breaks.

International tourist campaigns have been focusing largely on tropical destination with white sand beaches and blue skies. Beach resorts and hotels have been developed on some Indonesian islands, with Bali as the primary destination. Cultural tourism is also an important part of Indonesia tourism industry. Toraja, Prambanan and the Borobudur temples, Yogyakarta and Minangkabau are popular destinations for cultural tourism, apart from the many Hindu festivities in Bali.

How is the Government encouraging development of the tourism industry?

We have put together a programme to develop what we call the ten major destinations in Indonesia. We are developing the necessary infrastructure to do this. We normally encourage the private sector to develop resorts through joint ventures. An example would be the big project in Lombok, an island close to Bali. Emaar, an Emirati property company plans to build a new town in 1,200 hectares in Central Lombok at an estimated cost of US\$600 mn. It will have a 7 km natural waterfront, which

will support a marina, luxury residences, and five-star resorts by Ritz-Carlton, including a world-class golf course and retail amenities. The homes will employ tropical designs and low-rise architecture in tune with the surroundings. In projects like these, the government is helping investors negotiate with the local community, the local government, and we have also provided tax incentives.

Are you seeing any progress in lifting the ban on Indonesian carriers into Europe?

The Government is seeking a partial revocation of the ban on Indonesian airlines from entering the region. The European Commission (EC) ban applies to all Indonesian airlines, but with efforts to lift the ban progressing slowly, the Government is now calling on the EU to revoke the ban on Garuda at least.

What is your message to Europe about Indonesia as a destination?

Bali is our tourist icon, of course. It was nominated as the best island in the world in 2007 and 2008 by the main travel magazines in Europe. But it's only one island in Indonesia, that's why we have a programme beyond Bali and why we are proposing 10 key destinations. We have many other cultures aside from Bali. We have 17,000 islands, and this offers vast potential for the tourism sector.

Any final comments?

This is a country of 237 million people, so the domestic market is as important as the international market. Our domestic market is huge. As with most countries, domestic tourists are by far the largest market segment. The biggest movement of domestic tourists is during the annual Eid ul-Fitr, locally known as 'lebaran'. During this period, which is a two week holiday after the month of Ramadan, when many city-dwelling Muslim Indonesians visit relatives in their home towns.

We have been generating more domestic tourism. Competition amongst budget airlines has increased the number of domestic air travellers throughout the country. Recently, the Ministry of Labour legislated to create long weekends by combining public holidays that fall close to weekends, except in the case of important religious holidays. During these long weekends, most hotels in popular destinations are fully booked. So there is a huge domestic market to be developed here, and which needs infrastructure and facilities. **F**