Financial Regulatory Intervention in Encouraging the Tourism Industry—Portrait of the Top-5 Popular Destinations in Indonesia

Alexander Sampeling¹, Syaharuddin Y., Purwadi Purwadi¹

¹ Faculty of Economics and Business, Universitas Mulawarman, Jl. Tanah Grogot, Gm. Keluak Ummul, Samarinda City, East Kalimantan, Indonesia (75119)

Corresponding Author Email: purwadi@feb.unmul.ac.id

https://doi.org/10.18280/jsdp.xxxxx

Received: 
Revised: 
Accepted: 
Available online: 

ABSTRACT

Throughout the end of 2019 to 2021, Covid-19 had stolen the attention of many parties. Besides the eliminating crowds through a regional-national locking system, this incident also poses a threat to the world's population habitat, causing economic suffering, fades individual psychology, ethnic division, and makes other multi-components critical (such as the sustainability of tourist destinations). Although the government's efforts in many countries in reorganizing the tourism ecosystem are seen as not yet concrete, they should at least inform the public that there are positive initiatives to restore visitor confidence. Learning from this case, the motive of this paper is to investigate the determination of the National Economic Recovery (PEN) program which has been distributed by the Indonesian government since 2019 to encourage the informal sector such as the tourism industry. The data is divided into six key variables, which are grouped into two components. The observations are concerned with the top-5 destinations from Indonesia. After that, the data were calculated into three patterns (normal, post-pandemic, and towards endemic) and analysed using a linear regression approach. A series of explorations concludes in three equal methods, where the first and third models show that the PEN program has a significant effect on Tourism Visit Volume (TVV). The study also confirmed that the two variables were also significantly related in second model, despite the decline in the PEN budget. This finding focuses on two alternative schemes. The first urgency highlights practical regulations in preventing the effects of a pandemic that has the potential to darken the existence of tourism. Second, empirical evaluation teaches logical handling from an academic perspective for the advancement of tourist destinations in the future.

1. INTRODUCTION

Tourism is a business that has sustainable prospects because there is an interaction process of cultural exchange and social values contained in civilization between travellers and local stakeholders [1, 2, 3]. For centuries, some business actors have depended on their welfare from the tourism sector [4]. History has proven that tourism creates links to the development of a region [5, 6]. Unfortunately, many of the areas that rely on this sector actually end up being destroyed due to poor management [7]. In fact, tourism activities are not only connected to the service sector, but are also integrated into financial circulation, transportation, accommodation, hotel provision, and other elements. If the tourism manager is only profit-oriented, it will only give birth to a less participatory unit [8]. The blessing of tourism seems to deceive all elements involved in it, where there is a long-term work that must be obeyed, such as facilitating visitors to actively implement and campaign for “environmentally friendly tourism.”

Considering that Indonesia's natural wealth is very abundant and is dubbed as one of the "hidden paradises", it provokes various countries to expose, conduct studies, live, and visit to simply study biodiversity and cultural characteristics [9, 10]. According to Rahmawati et al. [11], interest in visiting is growing rapidly in line with the natural wealth base of thousands of islands in Indonesia, which has inherited eco-tourism. From here, it is important to realize the contribution of value added tourism to the regional and national economy. As an illustration, the top-5 most prominent destinations in Indonesia today are Borobudur Temple (Central Java), Mandalika Hill (West Nusa Tenggara), Labuan Bajo Beach (East Nusa Tenggara), Lake Toba (North Sumatra), and Likupang Beach (North Sulawesi). Referring to tourism objects cannot be separated from government protection and care in the "super priority" corridor [12, 13, 14]. Although the five are in the spotlight, the island of Bali first became an "international standard destination" known for its serenity, panorama, friendliness, and charm in the eyes of foreign countries [15, 16].

It is important to know that Indonesian tourism, which is supported by local wisdom through festivals and attraction experiences, creates job opportunities and absorbs 4.7 percent of Gross Domestic Product (GDP) in 2019 [17]. Meanwhile, the aggregate of economic growth seems to be sinking when Covid-19 has buried complex things across Southeast Asia, including Indonesia due to the implementation of the closure of transportation access, thus tightening distances involving...
mass crowds to reduce clinical problems such as health [18, 19, 20, 21]. Right in 2020, the intensity of tourism is in a dilemma because of the accumulation of tourism GDP of 0.3 points or an estimated 4.1 percent and a massive reduction in the workforce [22]. Tourism is one of the sides most affected by this extreme problem. Foreign tourist arrivals dropped dramatically to 75 percent. In 2019, the volume of visits from abroad was more than 16 million. Meanwhile, in 2020 it fell to 4.08 million visits.

Safety protection is implemented by implementing vaccinations, so that the hope is that the country’s foreign exchange will be progressive again. Recently, news about the country’s foreign exchange has moved negatively from the original record-breaking of US$16.9 billion for 2019, in 2020 it touched US$3.54 billion. Then, the condition of the tourism workforce is also concerning. In 2019, 14,966 workers participated in the tourism sector, now there are only 13,974 workers. Armed with the experience of the pandemic, the revival of national tourism will rise in 2022 with 4.2 percent growth even though the title from “pandemic” to “endemic” is still at stake [23].

The government's seriousness is tested, not least in its capacity to make exclusive decisions to deal with disasters (including mitigation of non-natural disasters). In principle, the three functions of government are allocation, distribution, and stabilization [24]. All these vital steps are very suitable to anticipate the chaos caused by the Covid-19 situation. One of the mechanisms developed is the National Economic Recovery (PEN). This concept starts from budget planning to catch up with welfare and reduce income inequality of the population [25]. The PEN instrument was designed by the Ministry of Finance of the Republic of Indonesia since 2018, but its practice began in 2019. Initially, this policy only targeted small and medium enterprises (SMEs), fostering cooperatives, providing tax incentives, marine and fisheries business institutions, as well as direct cash assistance for the poor [26]. In addition, to respond to the many effects of the pandemic, the government is trying to turn tourism control [27]. Although the easing of the lockdown on a certain scale is still being reviewed periodically, it has not changed the uncertainty of the direction of tourism [28, 29, 30, 31].

To maintain the enthusiasm of visitors, the main pillar of PEN must collaborate with tourism stakeholders. With the limited government budget, State-Owned Enterprises (BUMN) and corporations as the front gate to channel financial subsidies and temporary financial loans for tourism actors because they see a reasonable consideration that this sector has a bright market share. Relevant publications that discuss the relationship between government financial support and tourism performance are reviewed. For example, from Jeungdo Island (South Korea) and rural tourism in Serbia, where there is a positive influence from both aspects [32, 33]. Other contrasting cases were identified by Adamış & Eskin [34] and Alabarganov et al. [35] that the reconstruction of the hospitality industry did not succeed in returning tourists to Uzbekistan and Turkey.

Reviewing the evidence presented, the motivation and usefulness of this paper is to understand the actualization of PEN in the refreshment of the tourism business network, especially to revive tourist visits in the future. The structure of the paper is summarized into five items. First point – introduction, second point – literature review, third point – methodology and materials, fourth point – results and discussion, and fifth point – conclusions. It is hoped that the paper’s contribution will provide broad benefits in building academic literature and practical insight into the role of financial policies allocated by the government to support the existence of domestic tourism.

2. REVIEW OF LITERATURE

2.1 The National Economic Recovery (PEN)

PEN is a preventive measure launched by the government in 2018 as a “pilot project” to revitalize SMEs [36, 37]. The goals of PEN are to offer a series of programs to cut and expect the “domino effect” at certain moments, such as economic collapse, war that rages on, unexpected events, and other bad things [38]. This includes Covid-19 [39].

One of the government’s focuses on PEN is SMEs [40]. The government hopes that this program can develop SMEs [41]. SME activists are dominant from business circles with small capital and medium economic conditions, such as the tourism industry. To control the longitudinal impact, emergency funds are disbursed in PEN and the nominal amount is not small. The five sources of PEN capital are summarized in Figure 1.

The four capital assistance schemes managed by BUMN include: PMN, compensation payments, working capital bailouts, and other support including optimization of State-Owned Goods (BMN), settlement of bills, loss limit guarantees, deferral of dividends, government guarantees, and payment of land bailouts in the National Strategic Project (PSN).

PEN has been set since 2018, but only took effect in 2019. In its journey, the current PEN remains much different from the previous one, where there are adjustments to priorities and budgets. The existence of these differences in parameters allows the goals of PEN 2019, 2020, 2021, and 2022 to shift. For 2019, the government has budgeted funds of up to IDR 695.2 trillion and IDR 575.85 trillion or 85.82 percent of the target has been realized. With the allocation of these funds, there are five PEN breakthroughs, namely business incentives, SME and corporate support, priority programs, social protection, and health care. Of the five, the social protection and SME support sectors require the most dominant budgets, which are IDR 216.59 trillion and IDR 172.99 trillion, respectively.

Continuing in 2020, budget policies are enforced more flexibly to harmonize the changing dynamics of the pandemic. For the allocation, of the total budget of IDR...
744.7 trillion, the government has only realized about 88.4 percent or IDR 658.64 trillion. The criteria of PEN 2021 lies in the improvement and revitalization of health. The vaccination program has begun, so that the budget allocation is much higher than in 2020 to IDR 715.19 trillion from the previous year. In 2021, the government actually carried out several evaluations, including deciding to re-allocate the Basic Food Card Top-Up program and Village Cash Liquidity Help (BLT) in the context of alleviating extreme poverty.

Now in 2022, the government has reduced the PEN program budget to IDR 455.63 trillion. The government also selects and reduces the PEN program unit into three scopes covering social protection, health care, and economic strengthening. Of the three, the largest budget was given to strengthen the economy of IDR 178.3 trillion. That way, PEN is more mobilized to stimulate recovery and employment to end the “scarring effect” and create an inclusive economy. During this program, the government has distributed the budget under the pandemic conditions, reduced assistance for SMEs, and diverts it to strengthen the economy.

2.2 Tourist Visit

Theories that highlight tourist visits are inseparable from the concept of “tourism behaviour” [44, 45, 46, 47]. Recently, there has been a cross-section of views from leading scholars and professionals about travelling with tourism [48, 49]. The point of view by Franklin & Crang [50] concludes that tourism is one of the most interesting topics over the last few centuries. Yet, due to uneven mobility in the world, things are complex. Paradoxically, tourism interest has changed drastically, precisely because of the growth of an aggressive tourism community.

Uniquely, today’s tourism has been dominated by industry sponsors, who tend to allow tourism products to be adapted to the demands of the international market. Tian et al. [51] see that urban functions are increasingly changing due to high tourism attention. As a consequence, the spatial urban tourism has also significantly transformed the structure and network of visitor flows that shape tourism decision-making. Saleh [52] asserts that divergent features in competition between destinations are worthy of debate in studying tourist behaviour. From the point of view of engagement, loyalty, and brand, shaping visitor behaviour is like assessing and controlling them towards an event. Furthermore, the insight and logic of the endpoint influences travel behaviour [53]. Depth in planning and decision-making is an absolute requirement for them by comparing and mapping three things such as consequences, visit plans, and motivation.

From Indonesia itself, the spread of Covid-19 has topped the tourism industry. Many local destinations have lost their turnover. Health awareness, subjective norms, suppression of information and scary issues, and government intervention, are believed to influence tourists’ decisions to visit a destination [62, 63, 64, 65, 66].

The relevance of government policy through financial grants to revive tourist visits has been revealed in the context of Covid-19. Like the study from Soliku et al. [67] which highlights the initiative of the Savannah (Ghana) government in reviving Indonesian tourism by offering financial stimulus packages to local companies to diversify eco-tourism. In Indonesia, the government distributes subsidies to ensure the resilience of small and medium scale tourism businesses. Apart from subsidies, responsive actions from the Indonesian government also provide financial stimulus for tourism-related business networks, such as food and beverage accommodation, hotels, transportation and other services [68, 69]. For the case of Japan, domestic travel subsidies through price discount strategies played a vital role in mitigating the decline in tourism business as a result of the pandemic [70]. Saving the sustainability of the tourism sector was also carried out in Uzbekistan during the pandemic crisis, where the government committed to providing financial compensation to tourists when infected with Covid-19 [71]. Okafor & Khalid [72] linked the Covid-19 economic stimulus package to reviving the tourism industry in 54 countries, including Indonesia. The output of the study validates that larger foreign debt can encourage monetary and fiscal leeway in efforts to eradicate poverty in the tourism sector. Referring to Figure 2 about the concept of the study based on a review of the developed literature, three hypothetical options are developed and proposed as follows:

H1.a: PEN program has a systematic effect on TVV when the situation is normal.
H1.b: PEN program has a systematic effect on TVV when post-pandemic.
H1.c: PEN program has a systematic effect on TVV when it is getting endemic.

3 METHODOLOGY AND MATERIALS

3.1 Data Sets and Sources

Publication data (secondary) collected is managed and understood under the auspices of government institutions. Study observation focuses on three times including normal conditions (2019), post-pandemic (2020-2021), and new normal or towards endemic status (2022). On the one hand, objectivity focuses on five popular tourism in Indonesia (see Figure 3).

Figure 2. Capital in PEN

Source: compilation from [54, 55, 56, 57, 58, 59, 60, 61].

Comment [i-4]: Is the choice of using a linear regression approach justified based on the research question? Ensure that the methodology section explains why this is the best approach for this study. Are the six key variables clearly defined and operationalized? Provide clear definitions as a rationale for the selection of these key variables. How was the data collected, and is this process replicable? Consider detailing the data collection process to enhance the replicability and validity of the study.

Reply: Yes, of course. Linear regression was chosen to be the best model for this research considering the type or characteristics of the data used, i.e. secondary data. More precisely, we use a panel data regression approach which allows a comprehensive evaluation of a wide range of study objects from across regions in Indonesia. Then, six variables are operationalized in section 3.1. Also, the actual data collection process has been detailed previously. This study emphasizes financial data reports collected from government agencies. Through documentation techniques and observations from available government websites, it makes it easier to track quantitative data to be developed into a model.
state equity participation is the process of transferring state assets into capital in private companies, state-owned companies, or companies owned by international institutions operating in the tourism sector to strengthen existing programs. Sixth, government investment is the provision of access to investment distributed by the government in the form of a profit sharing system to tourism business actors on a non-permanent basis. The reason for choosing these variables is to evaluate PEN’s policy in increasing foreign tourist visits to popular tourism in Indonesia.

3.2 Analysis Model

After data sourced from five objects during 2019-2021 was collected, then it was processed through the IBM-SPSS v.27 software. The simplified tabulation procedure of all variables is carried out using logarithms. This is because the two variables (independent and dependent) have different units of calculation, so they must be adjusted before being input into the statistical program. The model standard is determined by three stages, i.e. descriptive statistics, correlation coefficients, and partial hypothesis testing [6074, 2075]. Predicted analysis interpretation technique refers to linear regression of panel data. The basic functional form is assumed below:

$$TVV_{it} = f (CS_{it}, FP_{it}, G_{it}, SEP_{it}, GI_{it})$$  \hspace{1cm} (1)

Therefore, the equation model is operationalized as follows:

$$\log TVV_{it} = \log \beta_1 CS_{it} + \log \beta_2 FP_{it} + \log \beta_3 G_{it} + \log \beta_4 SEP_{it} + \log \beta_5 GI_{it} + \epsilon_{it}$$ \hspace{1cm} (2)

**Description:** TVV: volume of tourism visits; CS: country spending; FP: fund placement; G: guarantee; SEP: state equity participation; GI: government investment; $t$: the $t$-th period; $\log$s: double-logs; and $\beta_i$s: standardized coefficients of each independent variable.

4 RESULTS

Table 2 scores in various descriptive statistics. The most prominent variable is TVV, but Guarantee is the smallest variable in almost all aspects. However, Guarantee collects a higher mean score than Fund Placement, which is 72.32 compared to 71.26. But, the minimum, maximum, and standard deviation (SD) scores on the Guarantee do not match the values of the three components of the other five variables. The minimum, maximum, mean, and SD scores in TVV outperformed the variables of Country Spending, Fund Placement, Guarantee, State Equity Participation, and Government Investment by achieving 1,557,530, 16,106,954, 5,947,522.25, and 6,857,841.71. Meanwhile, for the Guarantee variable, the minimum, maximum, and SD scores are the lowest, i.e. 52.06, 92.42, and 19.04.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Min.</th>
<th>Max.</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS</td>
<td>72.34</td>
<td>140.80</td>
<td>103.69</td>
<td>28.21</td>
</tr>
<tr>
<td>FP</td>
<td>37.66</td>
<td>108.04</td>
<td>71.26</td>
<td>30.44</td>
</tr>
<tr>
<td>G</td>
<td>52.06</td>
<td>92.42</td>
<td>72.32</td>
<td>19.04</td>
</tr>
<tr>
<td>SEP</td>
<td>122.38</td>
<td>265.57</td>
<td>203.28</td>
<td>63.02</td>
</tr>
<tr>
<td>GI</td>
<td>118.47</td>
<td>200.83</td>
<td>150.79</td>
<td>37.79</td>
</tr>
</tbody>
</table>
The next session discusses correlation analysis. Table 3 shows the achievement probability (p-value) and the correlation coefficient on the five independent variables. The use of the correlation matrix as a tool to measure the degree of linear relationship between two variables. In this case, the coefficient and covariance values reflect the strength of the relationship between these variables. If the coefficient and covariance score > 0, then there is a positive relationship and vice versa, the coefficient and covariance score < 0, then a negative relationship is defined. The lesson that can be learned is that Country Spending (β = -0.316, C = 0.017) and State Equity Participation (β = 0.236, C = 0.019) has a positive effect on TVV. Moreover, three variables, namely Fund Placement (β = -0.568, C = -0.150), Guarantee (β = -0.549, C = -0.029), and Government Investment (β = -0.182, C = -0.009) have a negative effect on TVV. The increase in TVV is only influenced by Country Spending and State Equity Participation.

Table 3. Correlation matrix

<table>
<thead>
<tr>
<th>Variables</th>
<th>Correlation (p)</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS</td>
<td>0.130*</td>
<td>Supported</td>
</tr>
<tr>
<td>FP</td>
<td>-0.568*</td>
<td>Not supported</td>
</tr>
<tr>
<td>G</td>
<td>-0.549*</td>
<td>Not supported</td>
</tr>
<tr>
<td>SEP</td>
<td>0.286**</td>
<td>Supported</td>
</tr>
<tr>
<td>GI</td>
<td>-0.182*</td>
<td>Not supported</td>
</tr>
<tr>
<td>p-value</td>
<td>0.684</td>
<td></td>
</tr>
<tr>
<td>Sum of Squares</td>
<td>0.051</td>
<td></td>
</tr>
<tr>
<td>Covariance</td>
<td>0.017</td>
<td></td>
</tr>
</tbody>
</table>

Based on Table 4, hypothesis testing reveals the partial effects of Country Spending, Fund Placement, Guarantee, State Equity Participation, and Government Investment on TVV in three different models. The estimation results exceed expectations, where in model 1: normal conditions, Country Spending and State Equity Participation have a significant effect on TVV with a probability below 0.01 (p = 0.000). Likewise, Fund Placement, Guarantee, and Government Investment have a significant effect on TVV (p < 0.05).

Not only that, for model 2: post-pandemic, Country Spending (p = 0.005) and State Equity Participation (p = 0.008) had a significant effect on TVV with a probability below 0.01. Likewise with the standard probability of 0.05, where Fund Placement (p = 0.018), Guarantee (p = 0.005), and Government Investment (p = 0.004), thus affecting TVV significantly. In model 3: new normal/towards endemic status, also reap the same status and all proposed hypotheses are accepted. It is known that Country Spending and State Equity Participation have a significant effect on TVV, with a probability criterion of less than 0.01 (p < 0.01). This also occurs at a significant tolerance limit of 0.05, Fund Placement, Guarantee, and Government Investment significantly affect TVV with p = 0.000.

Overall, it can be understood that country spending, fund placement, guarantees, state equity participation, and government investment have succeeded in encouraging TVV when applied to normal and endemic conditions. The statistical output also interprets that even though in cases of normal and endemic conditions there is a dominant tendency, it should be noted that throughout the pandemic, the five mechanisms in PEN continue to contribute to TVV.

Table 4. Regression estimation

<table>
<thead>
<tr>
<th>Path</th>
<th>Model 1 (t &amp; p-value)</th>
<th>Model 2 (t &amp; p-value)</th>
<th>Model 3 (t &amp; p-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS → TVV</td>
<td>33.738** (0.000)</td>
<td>7.352** (0.005)</td>
<td>33.651** (0.000)</td>
</tr>
<tr>
<td>FP → TVV</td>
<td>18.722** (0.000)</td>
<td>4.683* (0.018)</td>
<td>18.472* (0.000)</td>
</tr>
<tr>
<td>G → TVV</td>
<td>31.578* (0.000)</td>
<td>7.591* (0.005)</td>
<td>31.404* (0.000)</td>
</tr>
<tr>
<td>SEP → TVV</td>
<td>31.020** (0.000)</td>
<td>6.451** (0.008)</td>
<td>30.905** (0.000)</td>
</tr>
<tr>
<td>GI → TVV</td>
<td>41.538* (0.000)</td>
<td>7.980* (0.004)</td>
<td>41.169* (0.000)</td>
</tr>
</tbody>
</table>

Source: output of IBM-SPSS v.27; Noted: *p <0.05 and **p <0.01

The main benefit of PEN is to ensure and improve the economic capacity of the community, especially business actors during the pandemic era, the main task of the government is to maintain the performance of industries with small and medium capital. Therefore, the government took the initiative and took intervention to break a crisis also to stimulating the growth of SMEs, but now also to changes in marketing strategies, improvements in the tourism component. The main attributes respond to a decrease in purchasing power, weak consumption levels, security stability, and adequate health protocols.

5 DISCUSSION

The realization of PEN funds from year over year (t-o-y) has increased, although in the 2022 period it appears to be decreasing. Like the explanation in the previous chapter, the PEN budget in 2019 reached IDR 575.85 Trillion and increased by 14.38 percent in 2020 to IDR 658.64 Trillion, then grew again by 8.59 percent in 2021 to reach IDR 715.19
Trillion. Unfortunately, due to fiscal refocusing reasons, the government reduced PEN funds to 36.29 percent or IDR 455.63 trillion for 2022. In the PEN instrument, State Equity Participation is the most conspicuous post and the largest use. The post that absorbs the second-highest budget is Government Investment, while the third is Country Spending, Guarantee (ranked fourth), and Fund Placement in fifth position (see Figure 4).

Figure 4. Realization of PEN fund
Source: [4773].

To overcome the budget shortfall in PEN, this program is also supported by Corporate Social Responsibility (CSR) help from local and domestic companies, which are channelled to BUMN through direct supervision by the Ministry of Finance. In Taiwan, for example, in stemming the tourism crisis, the government maintains open communication with tourism stakeholders and as a financial sponsor in disaster management [2476].

As an illustration, PEN is a representation of the government’s efforts, which are projected to help communities affected by the pandemic for an indefinite period of time. This is because it is not only the property sector that is sinking, but also the tourism sector [2277]. However, the tourism industry is slowly crawling positive. At least, this can be seen from the regulations that make it easier for domestic tourists and foreign tourists to come to Indonesia through ease of licensing (visa), discounts on airline and ship tickets, allowing crowds with the greatest limit, distributing vaccines in all destination locations, providing a centralized quarantine place. In the capital city (Jakarta) for free, adding recreation and attractions, and partners with inns and restaurants to track the transmission of Covid-19 infection near tourist points.

Figure 5 displays the frequency of visits from tourists from various countries to Borobudur Temple, Mandalika Hill, Labuan Bajo Beach, Lake Toba, and Likingap Beach via airway, sea route, and land route. Those who visit via airway use flight services, the point of arrival is at the airport. The peak arrivals at the port are visitors who use the services of boat crossings and tourist boats (sea routes). On the land route, the arrival of visitors is at the station and through the border toll road using buses and cross-country trains, as well as private vehicles. Generally, those who come through this route come from neighbouring countries that are geographically close to Indonesia, such as Papua New Guinea, Timor-Leste, Brunei Darussalam, and Malaysia. Throughout 2019-2022, the highest peak of tourist visits in 2019 reached 16,106,954 frequencies. After that, the volume of visits fell in 2020-2021 to 74.84 percent (4,052,923) and -61.57 percent (1,557,530). Meanwhile, tourism visits are predicted to increase by 33.07 percent in 2022 or 2,072,682 frequencies. Airway as the favourite route with the proportion of 76.78 percent of visitors. The rest of the visitors who like the sea route amounted to 19.74 percent compared to those who chose the land route, which was only 3.47 percent.

Publications investigating the effect of government financial support with tourist visits in several locations during the Covid-19 era have been discussed. In China, financial inclusion has a significant impact on tourist sensitivity [2278]. In contrast, the economic navigation approach of 46 countries, not all levels of specialization, has a positive effect on tourism growth [2479]. From the global recreation and travel industry recovery strategy, Abbas et al. [2480] highlight that the situation of organization, creativity, and allocation of financial assistance can reduce the spillover impact of the economic crisis and health care, so that the operational activities of the tourism industry recover. The study initiated by Do et al. [2481] commented on financial support from the government as implementing strategies to respond to the pandemic crisis and promote innovation in Vietnam’s tourism.

Government services can affect the development of the tourism share. Government decentralization instruments in the form of general government administration, incentives to maintain pollution thresholds, protecting nature, financial administration, maintenance of recreation and parks, fire prevention, police protection, transportation, and capital expenditures are real evidences shown by the Malaysian government [2287], Japan [8328], Hong Kong [8279], Indonesia [8364], South Asia [864], Caribbean Islands [8324], and China [854] to expand and boost the added value of the tourism industry. In accordance with the objectives stated in the introduction, there are also similarities and consistencies in the papers presented by Firdausy [489], Mursalina et al. [90], and Saputri et al. [91] regarding the impact of the economic recovery program to increase tourism visits in several regions in Indonesia. In general, these findings show that the financial rehabilitation targets and actions introduced by the government are able to attract tourist arrivals to Indonesia.

6 CONCLUSIONS

The orientation of this article analyzes the relationship between the National Economic Recovery (PEN) and the
Volume of Tourism Visits (TVV) from the top-5 destinations in Indonesia. Based on hypothesis testing, empirical results imply that financial instruments in PEN (country spending, fund placement, guarantee, state equity participation, and government investment) have a systematic impact on TVV when conditions are normal, post-pandemic, and new normal or towards endemic status. The emergence of Covid-19 has hijacked the routine of domestic tourism, held the tourism economy hostage in various places, discouraged people from travelling, and stopped a series of trips for an unknown duration.

The significance of this paper is providing constructive insight into growing the national tourism sector through PEN. But, there are gaps in data limitations. The data analyzed is short term. Given these weaknesses, it is possible for other research to consider broader data or identify multidimensional comparisons. In a constructive context, this finding offers many suggestions and policies for tourism management. It is worth waiting for, proactive steps are beneficial for tourism companies to reinvest in the tourism industry, researchers and scholars can take more relevant knowledge from this study, government officials as regulators should pay attention to the sustainable implications, and industry practitioners can open up and solve key problems.

In fighting the pandemic, the government always monitors the peak arrival points from three areas (airway, sea route, and land route). To attract enthusiastic visits and prioritize the top 5 destinations in Indonesia, it is necessary to hunt down or reduce the number of Covid-19 infections first. Stakeholders must also care about the foreign situation or at least adopt policies to return the destination to its original condition. The fragility of the tourism industry does not fully depend on PEN. In the long term, only the easing of the lockdown can stimulate the domestic economy. Too, the anticipated flow of visitor arrivals is focused on the mid-year holiday period (June–July) and winter (end of the year).

ACKNOWLEDGMENT

The authors wishes to express gratitude to the Department of Management, Faculty of Economics and Business–Mulawarman University for providing internal grant. Thanks, are also extended to the BPS Statistics of Indonesia and Ministry of Finance of the Republic of Indonesia for their assistance with the data. The authors would also like to acknowledge the insightful comments of anonymous reviewers in IJSJD.

REFERENCES


We have revised the literature numbers in the contents of the paper.
Thanks for registering! What would you like to do next?

- Make a New Submission
- Edit My Profile
- Continue Browse
Dear editor,

Thank you for contributing your paper to INTERNATIONAL JOURNAL OF SUSTAINABLE DEVELOPMENT AND PLANNING.

- Please revise your paper according to the attached comments.
- Highlight the revised parts in the final version of your paper and give a response according to reviewer comments.
- Please revert your paper according to template.

To ensure fast publication of your paper, please submit your revised manuscript and answers to all queries to this email before 25th March 2024. Due to our busy schedule, we will not be able to process your manuscript in the near future. For further assistance, please do not hesitate to contact us via this email.

Language services: IJSDP’s team consists of experienced English language editors with various academic backgrounds such as mathematics, engineering, and even social sciences. Our editing team specializes in language polishing, including but not limited to, correcting any errors in grammar, punctuation, consistency, spelling, and word choice, etc. If any author has difficulties in improving the language quality of their papers, our editors will help you polish your papers in an efficient way at a low cost. We promise it to be completed within 7 days once the manuscript is received.

We would like to take this opportunity to thank you for choosing International Journal of Sustainable Development and Planning as your publishing medium and hope that we will receive further submissions from you or your colleague French in the future.

Best regards,

IJSDP Editorial Board
International Journal of Sustainable Development and Planning

---

Dear editor,

Sorry for just replying to your message. Thank you for your attention. With the time given, the authors attempted to revise this paper optimally. Overall, we also welcome comments from the jury. In response to editorial requests, we resubmit the corrected paper. Don’t hesitate if there is something you need to ask. We will follow up as soon as possible.

Regards,

Mrs. Purwadi Purwadi

One attachment · Scanned by Gmail
Dear author,

We have reached a decision regarding your submission to the *International Journal of Sustainable Development and Planning*.

**Manuscript Title:** Financial Regulatory Intervention in Encouraging the Tourism Industry—Portrait of the Top-5 Popular Destinations in Indonesia  
**Manuscript ID:** 24539

Our decision is to: **Accept Submission**

Before we proceed with the publication of your article, please complete the arrangement of your article processing charge (US $500) in 15 days by the following ways:

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Check</strong></td>
</tr>
<tr>
<td><strong>Account number</strong></td>
</tr>
<tr>
<td><strong>Address</strong></td>
</tr>
<tr>
<td><strong>Note</strong></td>
</tr>
<tr>
<td><strong>Code</strong></td>
</tr>
<tr>
<td><strong>Type</strong></td>
</tr>
</tbody>
</table>

| Unit Price | USD | 500.00 |
| Payment |

**USD Remittance Path**

**BENEFICIARY NAME:** ISETA-RISIC Beijing LTD  
**ACCOUNT NUMBER:** [Redacted]  
**BENEFICIARY ADDRESS:** Room 302, Building 3, Fuzhe Plaza, Tongji University, Beijing, PRC  
**BENEFICIARY BANKER’S NAME:** Industrial and Commercial Bank of China, Beijing Municipal Branch, Beijing, PRC  
**SWIFT CODE:** CICRCHNM

Or

PayPal: michelchaeu@top14.com (Attention: PayPal email is for payments only, not for correspondence or charting.)

**PLEASE:**

1. Reference the manuscript ID in the transaction.  
2. Send the remittance receipt or payment screenshot, and name and account number of the remitter to this email.

**Terms and Conditions:**

- Total due in 15 days.  
- Overdue accounts subject to a service charge of 1% per month.

If you have any questions, please do not hesitate to contact us.

Kind regards,
Purwadi Purwadi <purwadi@feb.unmul.ac.id>  
May 12, 2024, 6:23 PM (22 hours ago)  

dear Editor (LUSD),

Sorry for just replying to your message. Hopefully you and your colleagues are well. The authors thank you for your positive response. Below we will send you the transaction receipt (attached). APC was just paid via PayPal by our assistant account: Mrs. Lia Yunitari. We are waiting for further news from you.

Regards,
Purwadi Purwadi

---

One attachment · Scanned by Gmail

---

Editor.ijsdp.lieti.a.org

Wed, May 15, 11:35 AM

dear author,

Thank you for submitting your payment for the publication of [ID:4528] in LUSD. We have received your payment and are currently processing it.

We appreciate your contribution to our publication and look forward to publishing your work.

---

Purwadi Purwadi <purwadi@feb.unmul.ac.id>

Sat, May 26, 2:43 PM

dear editor,

Nice to hear good news from you. Through this email, the authors would like to ask about the progress of the paper. Can you guarantee that existing papers are published on time? We hope there is a possibility of publication in the June-2024 edition. Happy weekend.

Sincerely,
Mr. Purwadi
Dear editor,

Thank you for contributing your paper to INTERNATIONAL JOURNAL OF SUSTAINABLE DEVELOPMENT AND PLANNING!

Please revise your paper with particular reference to the following points:

1. Please revise your paper according to comments in [USDPI 24529 galley proof]
2. Please highlight the revised parts.
3. Please provide the ORCID of all authors.

To ensure fast publication of your paper, please return your revised manuscript ASAP. For further assistance, please do not hesitate to contact us via e-mail.

Best regards,

[Signature]

USDPI Editorial Board
International Journal of Sustainable Development and Planning
https://www.eta.org/journals/USDPI
International Information and Engineering Technology Association (IETA)

---

Purwadi Purwadi - purwadi@feb.unmul.ac.id

Dear managing editor,

Thank you for your kindness. Via this email, we will resend the latest version of the galley proof (attached). The existing file has had the ORCID IDs of all authors added, deleted one citation of the same literature, and revised the arrangement of citation numbers in the body of the article. Next, we are waiting for your reply.

Best wishes,

Mr. Purwadi Purwadi

---

One attachment · Scanned by Gmail
Final Proof of your paper submitted to USDIP!

edwin.iseu@iere.org

Dear author,

Before publication, it is decided that this final proof should be sent to the authors for final-check, to read carefully and rule out the mistakes/errors of all kinds.

Download “final proof”. Read them carefully with particular reference to the following points:

1. Please carefully review the author's name, affiliation, and ORCID information. Once published, changes will not be made.
2. In the final proof version, please have the authors make modifications or provide explanations for the highlighted and annotated areas by the editor.
3. Check with care all the symbols in the text. If some corrections are left out, highlight them and add notes on how to correct directly in the PDF file.
4. No revisions will be allowed after the final proof.

Please return the corrected final proof ASAP.

It is our mutual responsibility that the academic works published in the journal should be “instruct or error free” and of quality as well. Our attention and efforts to this would make the journal still better, besides enhancing the utility of your published research.

Kind regards,

USDIP Editorial Board
International Journal of Sustainable Development and Planning
https://www.ieta.org/journals/USDIP

Purwadi Purwadi <purwadi@econmru.ac.id>

Dear USDIP Manager,

I have received the current version of the gallery proof and have just shared it with a colleague of the author. Both the author's name, affiliation, ORCID ID, and paper content are up to date with the latest correction. Nothing needs to be corrected anymore and everything looks clear. You can publish it now. Thank you for your attention.

Best wishes,
Mr. Purwadi Purwadi
Your paper has been published in IJSDP (Vol. 19, No. 6, 2024)!

Dear Author,

Thanks for patronizing International Journal of Sustainable Development and Planning (IJSDP) for publishing your research. The electronic version of your paper published in Volume 19, Number 6, 2024 is attached with this email. To read your paper online, please click: https://sieta.org/journals

Kindly acknowledge the receipt of the same. You must be satisfied with our services.

We wish you the best in your research career and hope to have outstanding studies coming from you for publication in IJSDP in the future as well. We would also appreciate your citing the research content published in IJSDP in other research papers that you intend to submit to other journals. This will help raise IJSDP's profile.

If you are interested, you may also apply for being our journal's peer reviewers or and editors. We would like to receive your CV for future cooperation.

Last but not least, we shall be grateful if you encourage us by submitting your valuable article(s) for the forthcoming issues and also promote our journal.

[Website Link]

IJSDP

Financial Regulatory Intervention in Encouraging the Tourism Industry-Portrait of the Top 5 Popular Destinations in Indonesia

Achmad Tampi A. | Suryadarma Y | Porsakh Ramadiz

Corresponding Author Email: tarmi@fakultas.ukm.ac.id

Pages: 251-268 DOI: 10.18280/ijds.190602

Received: 24 October 2023 Revised: 7 March 2024 Accepted: 12 May 2024

Available online: 3 June 2014 © 2014 The Authors. This article is published by SIETA and is licensed under the CC BY 4.0 license (http://creativecommons.org/licenses/by/4.0/)

Abstract:
Throughout the end of 2019 to 2021, COVID 19 had alone the attention of many parties. Besides the diminishing crowds through a regressive-national lockdown system, this incident also passes a threat to the world's population health, causing economic suffering, and leaving individual psychology, ethnic division, and makes other multi-occupant critical (such as the sustainability of tourism destinations). Although the government's efforts in many countries in recognizing the tourism sector as a core sector not yet concrete, they should at least retain the public that there are positive initiatives to restore tourism confidence. Learning from this case, the motive of this paper is to investigate the implementation of the National Economic Recovery (NER) program which has been distributed by the Indonesian government since 2019 to encourage the national sector such as the tourism industry. The data is divided into two layers, which are grouped into two components. The components are concerned with the top-5 destinations from Indonesia. After that, the data were calculated into three patterns (normal, post-pandemic, and towards endemic) and analyzed using a linear regression approach.
REVIEWER’S COMMENTS

Title of the article reviewed:
Financial Regulatory Intervention in Encouraging the Tourism Industry—Portrait of the Top-5 Popular Destinations in Indonesia

Introduction
Is the link between Covid-19 impacts on tourism clearly and concisely established? The introduction might benefit from a more focused and concise background that leads directly into the purpose of the study.

How does the study contribute to the existing body of knowledge? The importance of the research question could be emphasized more strongly to highlight the contribution this paper makes.

Consider stating the research objectives more succinctly to ensure readers understand the focus of the paper.

Review of Literature
Ensure that the literature review includes the latest research to validate the study's relevance.

Methodology and Materials
Is the choice of using a linear regression approach justified based on the research question? Ensure that the methodology section explains why this is the best approach for this study.

Are the six key variables clearly defined and operationalized? Provide clear definitions and rationale for the selection of these key variables.

How was the data collected, and is this process replicable? Consider detailing the data collection process to enhance the replicability and validity of the study.

Results
Is the statistical analysis explained adequately? Make sure the paper provides enough detail for the reader to understand how conclusions were drawn.

Are the results interpreted in the context of the existing literature and research question? Ensure that the results are discussed in relation to the literature review and study objectives.

Discussion
Does the discussion directly relate to the research objectives stated in the introduction? The discussion should consistently refer back to the research objectives and how the findings address them.

Conclusions
The conclusion should succinctly encapsulate the key findings and their significance.

Are limitations presented in a manner that provides context for future research?

Language Evaluation
The language level of the paper appears to be proficient, but there are instances where sentence structure and word choice could be improved for clarity and conciseness. It is advisable for the author to seek a professional language
Decision

The paper presents a potentially valuable contribution to the field of tourism studies, particularly in the context of the Covid-19 pandemic. However, due to issues with clarity, critical analysis, and presentation, I recommend **Major Revisions**.

After a thorough revision that addresses the points listed above, including a professional language polish, the paper may be resubmitted for further review.
Acceptance Letter

International Journal of Sustainable Development and Planning

29-Apr-24

Parwadi Parwadi

Faculty of Economics and Business, Universitas Mulawarman, Jl. Tanah Grogot, Gn. Kelua Unmu, Samarinda City, East Kalimantan, Indonesia

Dear Alexander Sampelling, Syaharuddin Y., and Parwadi Parwadi,

MS: Financial Regulatory Intervention in Encouraging the Tourism Industry: Portrait of the Top-5 Popular Destinations in Indonesia

I am pleased to inform you that as per the recommendation of the editorial board, your above-mentioned manuscript has been accepted for publication in International Journal of Sustainable Development and Planning (ISSN 1743-7601). The paper will be published when the administrative procedures are completed for importance.

Please note the following points, and ensure compliance:
1) Page Proofs of your paper will also be sent to you for minor corrections and approval.
2) Provide us with your E-mail ID for future correspondence.
3) Provide complete postal address with correct postal-code.
4) The corresponding author would receive a PDF of the published paper.
5) If your paper is found with plagiarism content after the release of Acceptance Letter, it will not be published in the Journal.

It is recommended that you cite this and other published works from International Information and Engineering Technology Association (www.ieta.org) in your papers to be published in other journals.

Yours sincerely,

Date: 29-Apr-24
Place: Edmonton, Canada