Analysis of Determinants The Foreign Exchange Earnings Of Tourism Sector In Indonesia

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Abstract
This research aims to analyze determinants of the number of foreign tourist, average foreign tourist expenditure, average length of stay foreign tourist, and dollar exchange rate against rupiah on foreign exchange earnings of tourism sector in Indonesia 2009 – 2013 periods. The data is secondary from Indonesia Statistical Agency, Bank of Indonesia, Ministry of Tourism and Creative Economy, articles, journal, and result of previous researches. This research uses panel data regression analysis. The result shows that the number of foreign tourist, average foreign tourist expenditure, average length of stay foreign tourist and dollar exchange rate against rupiah are giving positive effect on foreign exchange earnings of tourism sector in Indonesia 2009 – 2013 periods. Average length of stay foreign tourist is a variable that mostly affecting on open foreign exchange earnings in Indonesia 2009 – 2013 periods. Based on the result, the government is targeting foreign tourist arrivals to Indonesia for foreign tourists bringing foreign currency so that the rupiah demand will rise and increase tourism foreign exchange. Government, investors and communities leveraging existing infrastructure so that the average length of stay of foreign tourists continues to increase so Enhancing tourism foreign exchange. Stability of rupiah should always be maintained.

Keywords
Foreign Exchange Earnings of Tourism; The Number of Foreign Tourist; Average Foreign Tourist Expenditure; Average Length of Stay Foreign Tourist; Dollar Exchange Rate Against Rupiah

INTRODUCTION
Definition of foreign exchange in relation to foreign trade transactions refers to Regulation No. 16 in 1970 which is known two common types of foreign exchange, namely general foreign exchange and credit foreign exchange. The general foreign exchange, according to Law No. 32/1964 means bank balances in foreign exchange and foreign banknotes (non-coin) that there is a note on the official exchange rate of Bank Indonesia. Foreign exchange reserve will be used as the medium of payment between the countries. Indonesia is a developing country where the state is doing a lot of development in all fields to achieve a just and prosperous society. To perform such development, it requires significant funding. Funding is obtained from the foreign exchange reserves that can be obtained from trade activities among the countries where a country has its limitations and the scarcity of resources. If a country is not able to meet their needs then the country will import goods to meet their needs and the country that supplies of certain goods over the other country in need will tend to export the goods and will be written in the balance of payment. Balance of payments is a record of financial flows that shows the value of trade transactions and the flow of funds conducted among a country to another in a given year. In the balance of payment there is a deficit or surplus, so if there is a deficit in the balance of payment, one of the solutions to solve the problem is to increase the foreign exchange reserve of tourism. According to Mill(2000), tourism contributes for the collection of foreign currency (foreign exchange), increases income and employment opportunities, improves the structure of the economy and encourages the development of small businesses.

Tourism development can improve state foreign exchange. The tourism sector provides an opportunity for movement of various economic activities, the tourists who visit the country bringing foreign exchange to the country of destination. With the exchange, the state will obtain development...
funds to boost the economy. But, on the other hand, it often appears the problem of the low tourism services, low investment, security and infrastructure unpreparedness. These issues must be anticipated early so as not to cause long term harm. Indonesia is a developing country that has the potential to advance the role of tourism sector in improving its economy. It can be proved that the contribution of tourism sector that is on number 4 can be seen in the following table.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Foreign Exchange Earnings of Tourism (Million US Dollar)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
</tr>
<tr>
<td>Oil &amp; gas</td>
<td>19,018</td>
</tr>
<tr>
<td>Coal</td>
<td>13,817</td>
</tr>
<tr>
<td>Palm oil</td>
<td>10,367</td>
</tr>
<tr>
<td>Tourism</td>
<td>6,289</td>
</tr>
</tbody>
</table>

Source: Ministry of Tourism and creative economy

Table 1 shows that Indonesia is on the 9th after Taiwan and can only exceed Vietnam in the number of foreign tourism. When compared to other Asian countries such as Malaysia, Singapore, Taiwan and Thailand that the natural resources and the richness of Indonesian culture as well as the total areas of Indonesia is much more but the large Indonesia foreign exchange generated from tourism is lower than other Asian countries.

Table 2 shows that Indonesia is on the 9th after Taiwan and can only exceed Vietnam in the number of foreign tourism. When compared to other Asian countries such as Malaysia, Singapore, Taiwan and Thailand that the natural resources and the richness of Indonesian culture as well as the total areas of Indonesia is much more but the large Indonesia foreign exchange generated from tourism is lower than other Asian countries.

The tourism sector can grow more significant to the advancement of the Indonesian economy. Tourism can also be environmentally friendly sector leading to the development of innovative and interesting public and private capital to flow into the path of low carbon, resource efficient. More than just an important foreign exchange earner. But, in fact the developing tourism like infrastructure, transportation, investment are not enough to achieve the foreign exchange earning target of 2 trillion USD in 2016.

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The tourism sector can grow more significant to the advancement of the Indonesian economy. Tourism can also be environmentally friendly sector leading to the development of innovative and interesting public and private capital to flow into the path of low carbon, resource efficient. More than just an important foreign exchange earner. But, in fact the developing tourism like infrastructure, transportation, investment are not enough to achieve the foreign exchange earning target of 2 trillion USD in 2016.

Table 2 Comparison of Asia Tourism foreign exchange (in Millions of US dollars)

<table>
<thead>
<tr>
<th>Ranked</th>
<th>Country</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>48,646</td>
<td>50,028</td>
<td>51,664</td>
</tr>
<tr>
<td>2</td>
<td>Thailand</td>
<td>37,284</td>
<td>33,826</td>
<td>42,080</td>
</tr>
<tr>
<td>3</td>
<td>Hong Kong</td>
<td>38,455</td>
<td>33,047</td>
<td>38,940</td>
</tr>
<tr>
<td>4</td>
<td>Malaysia</td>
<td>19,656</td>
<td>20,250</td>
<td>21,018</td>
</tr>
<tr>
<td>5</td>
<td>Singapore</td>
<td>18,086</td>
<td>19,023</td>
<td>18,953</td>
</tr>
<tr>
<td>6</td>
<td>India</td>
<td>17,707</td>
<td>17,971</td>
<td>18,397</td>
</tr>
<tr>
<td>7</td>
<td>Japan</td>
<td>10,966</td>
<td>14,576</td>
<td>14,934</td>
</tr>
<tr>
<td>8</td>
<td>South Korea</td>
<td>12,476</td>
<td>13,429</td>
<td>14,272</td>
</tr>
<tr>
<td>9</td>
<td>Taiwan</td>
<td>11,065</td>
<td>11,770</td>
<td>12,677</td>
</tr>
<tr>
<td>10</td>
<td>Indonesia</td>
<td>8,554</td>
<td>9,121</td>
<td>10,545</td>
</tr>
<tr>
<td></td>
<td>Vietnam</td>
<td>5,710</td>
<td>6,830</td>
<td>7,503</td>
</tr>
</tbody>
</table>

Source: UNWTO, 2014, the ASEAN Secretariat; January 2015

Problem Formulation

Based on the existing problems, foreign exchange earnings of tourism in Indonesia is very interesting to study. This is because Indonesia, as one of the larger countries in Asia with abundant of tourism resorts, but the number of foreign exchange earnings generated from tourism is lower than other Asian countries for only 10,054 billion US$ and the 9th in Asia. Therefore, Indonesia must increase the number of foreign tourists visiting Indonesia. As more tourists come, the more Indonesia earns foreign exchange besides improving service quality and investments aimed to allow tourists having a longer traveling. This is because the longer the tourists to stay in the tourist areas, their continue spending will increase so as to increase foreign exchange. Therefore, the aim of this study is to determine the role of...
tourism to the state revenue in the form of foreign exchange used for the construction of the country's economy. Indonesia foreign tourist in the period from 2009 to 2013 had passed because there were affecting factors hampered. So, the problems formulation is: Simultaneously, number of foreign tourists, average foreign tourist spending, average length to stay of foreign tourists, and rupiah exchange rate against the dollar affecting the foreign exchange earnings of tourism? Which is the sector that mostly affecting the foreign exchange earnings?

**Research Objective**

1. To determine the effects of foreign tourists number, average foreign tourist spending, average length to stay of foreign tourists, rupiah exchange rate against dollar on tourism foreign exchange earnings in Indonesia.
2. To find out what is the most influential variable among foreign tourists number, average foreign tourist spending, average length to stay of foreign tourists, rupiah exchange rate against dollar on tourism foreign exchange earnings.

**Research Benefit**

1. For Author
   As a means to apply the theories that have been obtained in the class, as a means to add insight and knowledge to develop an understanding, and a concrete manifestation of academic work in order to meet one of the requirements for a degree at Faculty of Economics and Business University of Jenderal Soedirman.
2. For the Faculty
   This study is expected to increase the completeness of the results of student researches and as information that can be used as a reference for other researchers.
3. For Government
   To provide input in the development of the tourism sector in order to increase foreign exchange earnings.
4. For Employers
   This study is expected to provide valuable input for entrepreneurs to improve their business performance.

**Framework of Thinking**

**LITERATURE REVIEW AND HYPOTHESES**

Hypotheses used in this study are:

1. Number of foreign tourists, average foreign tourist spending, average length to stay of foreign tourists, rupiah exchange rate against the dollar affects foreign exchange earnings.
2. Number of foreign tourist’s variable contributes the most significant influence on the tourism foreign exchange earnings.

**METHODS**

**Research methods**

The method used is descriptive analysis based on library research supported by quantitative analysis using secondary data. Secondary data is data obtained directly through reports results of an investigation.

**Research object**

Research objects are four variables affecting the foreign exchange earnings of tourism sector in Indonesia during 2009 – 2013 period. The four variables considerate are number of foreign tourists coming to Indonesia, average expenditure of foreign tourists, average length to stay of foreign tourists, rupiah exchange rate against US Dollar.
tourists, and the rupiah exchange rate against the us dollar.

**Type and sources data**

This study uses secondary data in the forms of annual reports that include: the number of foreign tourists coming to Indonesia, average expenditure of foreign tourists in Indonesia, average length to stay of foreign tourists in Indonesia, and the rupiah exchange rate against the us dollar. The data are time series in a period of 5 years, i.e. from 2009 to 2013, obtained from the ministry of tourism and creative economy, Bank Indonesia (BI) articles, journals and the results of previous researches.

**Conceptual definition**

A. The number of tourists
It is generally agreed that the definition for tourists according to the League of Nations in 1937 is any person who visits a country, apart from the usual state he/she lived for a period of at least 24 hours (Mill, 2000).

B. The average expenditure tourists.
The average tourist expenditure is amount of money spent by foreign tourists during they stay in Indonesia in one day and in one visit (bps, 2015).

C. The average length to stay of tourists
The average length of stay is the length of foreign tourists visiting Indonesia in one visit, the average length to stay of foreign tourists in the country of residence is derived from the passenger exit survey (PES). For example, the average length of stay of foreign tourists in May 2010 was 2.66 days. It means that on average, any foreign tourists staying in Indonesia is about 3 days (bps, 2015).

D. Exchange rate
Exchange rate in the study period of 2009-2013 was the price of the currency of a country assessed in the currency of another country. This study uses the exchange rate of the USD against the Indonesian rupiah or IDR. The data used is the average of the middle rate of the IDR against the USD with IDR unit per year.

**Operational definition**

A. Number of tourists
The number of tourists is the number of foreign tourists visiting Indonesia during the period of 2009-2013.

B. The average expenditure of tourists
This variable measures the average of every foreign tourist spending per visit to Indonesia, measured in USD.

C. The average length to stay of tourists
This variable is calculated based on the average length to stay of tourists, measured by day.

D. Exchange rate
Exchange rate in the study period of 2009-2013 was the price of the currency of a country assessed in the currency of another country. This study uses the exchange rate of the USD against the Indonesian rupiah or IDR. The data used is the average of the middle rate of the IDR against the USD with IDR unit per year.

**Data Analysis Technique**

The method used in this research is panel data regression:

\[ Y_{it} = \beta_0 + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \epsilon_{it} \]  

\[ Y=Dev(Jwm,Rpw,Rlt,Idr) \]

**Panel data regression methods comprises of:**

A. Common Effects
The common effects model is simplest version of panel data estimation, the period model, just pile up all the total observation to estimate a sizeable regression. In the panel data context, the population average model under the assumption that any hidden heterogeneity (individually or uniqueness) has been averaged out.

B. Fixed Effects
The term fixed effects given to the model is under the reason that different intercept of each subject does not change over time, called time invariant, with the assumption that coefficient (slope) of independent variable is the same for each individual.

C. Random Effects
Random effects model provides a way to solve the matter through error terms called
error components model. This model could accommodate the differential intercept comprised in the fixed effects model by constructing an overall intercept to represent the average value of all intercepts (cross section).

D. Chow test
Chow test is a test model selection to choose a model common effect or fixed effect that is the most appropriately used to test the assumptions of classical and statistical tests.

E. Lagrange Multiplier test (LM)
LM test is used to determine whether the model of random effect is better than the model common effect.

F. Hausman test
Hausman test is used to choose between the models of fixed effect or random effect.

G. Classic Assumption test
1. Multicollinearity
2. Heteroscedasticity and Autocorrelation

H. Statistic test
1. F test
2. Coefficient of determination
3. T test.

I. Elasticity test
Elasticity test is used to determine the effect of the most significant independent variable on the dependent variable. Elasticity test is done by looking at the value of the coefficient of elasticity of each variable.

RESULTS AND DISCUSSION
Panel Data Regression
Common Effect
To make easy the estimation, this research used Eviews 6 program with analysis panel data regression by combining these data without seeing the difference between the time and the individual. This data do not use panel data methods with common effect because this research does not show dimension between the time and the region, but combining these data without seeing the difference between the time and the individual.

Fixed effect
The results of panel data regression model of fixed effect of the 36 countries that contribute to the foreign exchange earnings of tourism in Indonesia with foreign tourist as the dependent variable and the number of foreign tourists, the average spending foreign tourists, the average length to stay of foreign tourists and the rupiah exchange rate against the dollar as the independent variables can be explained by the regression model output and the equation in Table 3.

Table 3. Output Test Panel Data Regression Results fixed effect

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std.Error</th>
<th>t-statistic</th>
<th>Prob.</th>
<th>Table α =5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>-8244.809</td>
<td>1708.470</td>
<td>-4.825844</td>
<td>0.0000</td>
<td>1.97</td>
</tr>
<tr>
<td>RLT</td>
<td>0.635919</td>
<td>0.296178</td>
<td>2.147084</td>
<td>0.0335</td>
<td></td>
</tr>
<tr>
<td>JWM</td>
<td>0.080731</td>
<td>0.008374</td>
<td>9.640784</td>
<td>0.0000</td>
<td></td>
</tr>
<tr>
<td>IDR</td>
<td>0.572950</td>
<td>0.014913</td>
<td>3.840315</td>
<td>0.0002</td>
<td></td>
</tr>
<tr>
<td>RPW</td>
<td>0.017472</td>
<td>0.002221</td>
<td>7.865748</td>
<td>0.0000</td>
<td></td>
</tr>
</tbody>
</table>

Source : Output Eviews 6, data is processed

\[ Y = -8244.80 + 0.63X_1 - 0.08X_2 + 0.57X_3 - 0.02X_4 + e \]

Where,
\[ Y = \text{DEV (Tourism Exchange)} \]
\[ X_1 = \text{RLT (Average Length of stay Tourists)} \]
\[ X_2 = \text{JWM (Number of Tourists)} \]
\[ X_3 = \text{IDR (The exchange rate against the dollar)} \]
\[ X_4 = \text{RPW (Average expenditure Tourists)} \]
\[ e = \text{Error} \]

Random effect In this research, the estimation using random effect model could not be proceed as the program The Eviews6 rejected the amount of panel data in
this research which comprise more times series data than cross section. The random effect result will not be presented as well.

**Chow Test**

In this study, test Chow is done by the program Eviews 6 with the results of the test Chow is significant if the probability of Chow <0.05. This means that the model fixed effect is better than the model Random effect that are shown in Table 4.

<table>
<thead>
<tr>
<th>Effects Test</th>
<th>Statistic</th>
<th>d.f.</th>
<th>Prob</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cross-section F</td>
<td>84.665910</td>
<td>(35,140)</td>
<td>0.000</td>
</tr>
</tbody>
</table>

*Source: Output Eviews 6, data is processed*

Probability of Chow test above is less than 0.05. Meant, the selection of test models in this study uses a fixed effect to determine the classical assumption test and statistical test.

**Classic Assumption Test**

**Multicollinearity**

In a panel data regression model, the factors affecting the foreign exchange earnings of tourism sector in Indonesia can be explained relevance of each variable in the table 5.

Multicollinearity Detection is to see R squared of no more than 0.8, and the variables in this study are declared free from Multicollinearity.

<table>
<thead>
<tr>
<th>Variable Independent</th>
<th>R Square</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship of average length of stay of tourists with other variables</td>
<td>0.144203</td>
<td>Free Multicollinearity</td>
</tr>
<tr>
<td>The number of tourists relationship with other variables</td>
<td>0.102193</td>
<td>Free Multicollinearity</td>
</tr>
<tr>
<td>Relations rupiah exchange rate against the dollar with other variables</td>
<td>0.003143</td>
<td>Free Multicollinearity</td>
</tr>
<tr>
<td>Relations average tourists expenditure with other variables</td>
<td>0.150171</td>
<td>Free Multicollinearity</td>
</tr>
</tbody>
</table>

*Source: Output Eviews 6, data is processed*

**Statistical Test**

**F test**

Based on calculations by Eviews 6, it is obtained F statistic of 666.78 and F table with degrees of confidence of 95% (α = 5%) of 2.42. Thus, the value of F statistic > F table.

**Adjusted R square**

Based on calculations by Eviews 6, the value of coefficient determination (R²) is 0.99. And the value of Adjusted is 0.98.

**T test**

T test is used to measure how far the influence of each variable partially/individually in explaining variations dependent and independent variables. By using 95% confidence level (α = 5%), it is obtained t table of 1.97 and – t table of -1.97. If using α = 5% and if the probability is less than 0.05 which means that there is no significant.
Economic Analysis

The influence of number of tourists on foreign exchange earnings

This research notes that the number of tourists has positive influence on the foreign exchange earnings of tourism from 36 countries that came to Indonesia with a coefficient of 0.08. This shows that every 1 percent increase in the number of tourists, it will lead to increase foreign exchange earnings by 0.08 percent. The variable number of tourists has a 0.0000 probability value < 0.05 by t statistic value of 9.64 and 1.96 t table. The t statistic > t table, so that the number of tourists can be summed up with positive and significant impact on foreign exchange earnings of tourism in Indonesia in 2009-2013.

The results are consistent with the findings of Prasanna Perera Lalith Welgamage (2015) and the Titah Jati Prattis (2013). Because the research result shows that the number of tourists on an international scale affects the foreign exchange earnings in line with the hypothesis tested, then the research hypothesis is accepted.

This means that the number of foreign tourists visiting lifts up foreign exchange earnings of tourism in Indonesia. This is because tourists coming to Indonesia to bring foreign exchange in the form of foreign currency used to purchase the rupiah. So, demand increases and the rupiah is strengthened. As The more tourists carrying foreign currencies, the more the foreign exchange earned.

The influence of average length to stay on foreign exchange earnings

This research notes that the tourist average length to stay gives positive effect on the foreign exchange earnings of tourism from 36 countries who came to Indonesia with a coefficient of 0.63. This shows that every 1 percent increase in tourists’ average length of stay will lead to an increase in foreign exchange earnings for 0.63 percent. The average variable tourists having long stay 0.0000 probability value < 0.05 by t statistic is 2.14 and t table is 1.96. The t statistic > t table, so it can be concluded that the average length to tourist stay gives positive and significant impact on foreign exchange earnings from tourism in Indonesia during 2009-2013.

The result of the research is in line with of Syamsul Huda (2008), which showed the average length of tourist stay gives positive and significant impact on foreign exchange earnings of tourism in Indonesia. Because the research shows that the average length of tourist to stay has positive and significant impact on foreign exchange earnings of tourism and it is in accordance with the hypothesis tested, then the research hypothesis is accepted.

This means that the average length to stay of foreign tourists lifts up foreign exchange earnings of tourism in Indonesia. This is because the longer the tourists stay the more tourist expenditures for everyday purposes. The government of Indonesia should establish supporting facilities and infrastructures such as hotels, transportation, places to shop in order that tourists will stay longer in Indonesia.

The influence of rupiah exchange rate against dollar on foreign exchange earning

This research notes that the rupiah exchange rate against the dollar has positive effect on tourism foreign exchange earnings from 36 countries who come to Indonesia with a coefficient of 0.57. This shows that every 1 percent increase in the exchange rate against the dollar will lead to an increase in foreign exchange earnings of 12.57 percent. Rupiah exchange rate against the dollar has a 0.0000 probability value < 0.05 by t statistic value of 3.84 and t table of 1.96. The t statistic > t table. So, it can be concluded that rupiah exchange rate against dollar gives positive and significant impact on foreign exchange earnings of tourism in Indonesia during 2009-2013.

This is consistent with researches conducted by Nani Martha (2014), Muhammad Afdi Nizar (2012), and Syamsul Huda (2008) which showed the rupiah exchange rate against the dollar has a positive and significant impact on foreign exchange earnings of tourism. Because this research shows that the rupiah exchange rate against the dollar has a positive and significant impact on foreign exchange earnings of tourism and it is in accordance with the hypothesis tested, then the research hypothesis is accepted.

This means that the rupiah exchange rate against the dollar lifts up foreign exchange earnings of tourism in Indonesia. If the rupiah demand rises because the tourists come to travel to Indonesia, rupiah requires the value of the dollar to go down. So, the foreign tourism will rise as well.
The influence of tourist average expenditure on foreign exchange earnings

This research notes that the average tourist expenditure has positive influence on the foreign exchange earnings of tourism from 36 countries who come to Indonesia with a coefficient of 0.01. This shows that every 1 percent increase in the average tourist expenditure would result in an increase in revenue of 0.01 percent. Average tourist expenditure has a 0.0000 probability value <0.05 by t statistic value is 7.86 and t table is 1.96. The t statistic > t table. So, it can be concluded the average tourist expenditure gives significant positive effect on the revenue of tourism in Indonesia during 2009-2013.

This is consistent with research conducted by Syamsul Huda (2008), which showed the level of the average tourist expenditure has significant and positive effect on tourism foreign exchange earnings. Because this research shows that the average tourist expenditure has significant and positive effect on the revenue of tourism, and it is in accordance with the hypothesis tested, then the research hypothesis is accepted.

Elasticity test

Based on the table 6, it can be viewed the independent variable that has the greatest value. The variable coefficient having the most elastic is the variable of average length of stay of foreign tourists (RLT). It has the greatest coefficient value of 0.63 which means RLT variable is the variable that most elastic.

Table 6 Output test panel data regression results elasticity

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>RLT</td>
<td>0.635919</td>
</tr>
<tr>
<td>JWM</td>
<td>0.080731</td>
</tr>
<tr>
<td>IDR</td>
<td>0.572950</td>
</tr>
<tr>
<td>RPW</td>
<td>0.017472</td>
</tr>
</tbody>
</table>

Source: Output Eviwes 6, data is processed

This means that the average length to stay of tourists is the most affecting the improvement of the foreign exchange earnings from tourism sector. This is because the longer the tourists stay, then spending in all sectors related to tourism will continue to increase as spending on hotel, needs to eat and drink, transportation, shopping and others. This is because the average length to stay of tourists has the most influence on foreign exchange earnings.

CONCLUSION

A. Number of foreign tourists, average foreign tourist spending, average length to stay of foreign tourists and rupiah exchange rate against the dollar are simultaneously giving positive effect on revenue of the tourism sector in Indonesia.

B. The average length to stay of foreign tourists is a variable that mostly affecting the revenue.

Implication

A. The government is targeting foreign tourist arrivals to Indonesia for foreign tourists bringing foreign currency in order that the rupiah demand will rise and increase foreign exchange. The Government, investors and communities should leverage the existing infrastructures, so that the average length to stay of foreign tourists continues may increase. In turn, it will enhance the foreign exchange. Stability of rupiah should always be maintained, then the dollar will go down. So, it will increase foreign exchange generated from tourism sector. Governments, investors and the public work together should improve the completeness of goods and services required by the tourists in order that the average tourist expenditure will rise. As a result, it will increase the tourism income.

B. Government increases all tourism-related sectors including transportation, restaurant, hotel/lodging and shopping in order that the
average length to stay of foreign tourists in Indonesia rises and boosts the foreign tourism.

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