HALAL TOURISM DEVELOPMENT IN NTB
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KNKS was established based on Presidential Decree No 91/2016, and directly chaired by The President and Vice President

Launched by The President on July 27th 2017 at Presidential Palace, Jakarta

Main Functions: Fasten, Widen, and Advance the Development of Islamic Finance in order to support national economic development
ROADMAP FOR ISLAMIC ECONOMY DEVELOPMENT

Roadmap for Indonesian Islamic Financial Development
Encompasses Strategies and Recommendations for:
- Islamic Banking Industry;
- Islamic Non-Banking Industry;
- Religious Social Fund (ZISWAF and Hajj Fund);
- Capital Market

This Masterplan is as the complement to Masterplan for Indonesian Islamic Financial Architecture
It focuses more on real sector and halal industry
- 3 sectors of halal industry where Indonesia is in the top ten: *Halal Travel and Tourism, Modest Fashion, and Islamic Finance*
- Indonesian halal tourism is ranked number 1 (GMTI, 2019)
- Nevertheless, Indonesia has to move forward because other countries especially non-Muslim countries already claimed themselves as “Halal Travel Hub” like South Korea and Taiwan

Sumber: Global Islamic Economy Indicator 2018/2019
<table>
<thead>
<tr>
<th>THE URGENCY OF ISLAMIC BUSINESS CASE STUDY</th>
<th>WHY CASE STUDY ON HALAL TOURISM IN NTB?</th>
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<tr>
<td>Portrayal of best practices, uniqueness, and success story behind Indonesian Islamic economic development</td>
<td>Strong support from internal local government and external (community and industry players) on Halal Tourism</td>
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<td>As a lesson learned for any stakeholders nationally and internationally</td>
<td>The fame of Halal Tourism in NTB has increased substantially since 2013</td>
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<td>Increasing the exposure of Indonesian Islamic economic development to the world</td>
<td>Role model in halal tourism for other provinces</td>
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GLOBAL TOURISM POTENTIAL
Tourism Sector Grows Beyond World Economic Growth

GLOBAL DATA 2018

10.4%
Total GDP contribution

319 MN
Jobs globally (1 in 10 jobs)

While the global economy grew by 3.2%, Travel & Tourism grew significantly more at 3.9%

1 in 5 new jobs were created by Travel & Tourism over the last five years

Global GDP impact by sector (2016 data), Share of total economy GDP

Mining
Agriculture
Automotive
Travel & Tourism
Financial Services
Retail

Sumber: World Travel & Tourism Council 2019
GLOBAL TOURISM POTENTIAL

Halal Tourism Sector Grows Beyond Expectation

Muslim Tourist Growth

Muslim Tourists
(Million people)

2000 25 Million Visitors
2010 98 Million Visitors
2016 121 Million Visitors
2017 131 Million Visitors
2020** 158 Million Visitors

Halal Tourism Projection
(projection 2018)

Travel Expenditure
US$ 300 Billion
by 2026

Sumber: State of The Global Islamic Economic Report; Global Muslim Travel Index 2018
POTENTIAL OF TOURISM SECTOR IN INDONESIA

Indonesian Tourism Sector Continues to Expand

**INDONESIA 2018 KEY DATA**

- **CONTRIBUTION OF TRAVEL & TOURISM TO GDP**
  - 6.0% of Total Economy
  - Total T&T GDP = IDR$10,428.08BN (USD$62.68BN)
  - +7.8% 2018 Travel & Tourism GDP growth

- **CONTRIBUTION OF TRAVEL & TOURISM TO EMPLOYMENT**
  - 12,966.4 JOBS (000's)
  - (10.3% of total employment)
  - 18,496.6 JOBS (000's)
  - Expected in 2029

- **INTERNATIONAL VISITOR IMPACT**
  - IDR220,930BN
  - USD$15.5BN in visitor spend (5.8% of total exports)
  - 15.0 MN
  - Expected international arrivals for 2019

**SECTOR CHARACTERISTICS (2018)**

- **INBOUND ARRIVALS**
  - 1. SINGAPORE 15%
  - 2. MALAYSIA 14%
  - 3. CHINA 13%
  - 4. AUSTRALIA 11%
  - 5. JAPAN 5%
  - REST OF WORLD 41%

- **OUTBOUND DEPARTURES**
  - 1. MALAYSIA 29%
  - 2. SINGAPORE 23%
  - 3. SAUDI ARABIA 12%
  - 4. CHINA 6%
  - 5. THAILAND 5%
  - REST OF WORLD 25%

**Total International Tourist**

- CAGR: 14%
- CAGR: 9%

The Department of Tourism of the province of NTB (2018)

World Travel & Tourism Council
TOURISM SECTOR IN NTB IS GROWING SIGNIFICANTLY
IT HAS EXCEEDED THE CUMULATIVE GROWTH OF NATIONAL TOURISM

The importance of combination between consumption value, personal value and Islamic Value

- According to a survey conducted by CrescentRating since 2011, Muslim tourist expectations of halal tourism destinations are:
  1. Peace & Family Safety
  2. Muslim-Friendly Facilities and Services
  3. Halal-Awareness & Ease of Access

- Based on a recent study by the University of Portsmouth (2019) on halal tourism, it was concluded that 'Islamic values' are as important as 'the combination of other values' when Muslims choose holiday destinations.

### Suitability as a holiday destination, family friendliness and safety
- 40% weighting
  - Muslim visitor arrivals
  - Family friendly holiday destination
  - Safe travel environment

### Muslim friendly services and facilities available at the destination
- 40% weighting
  - Dining options and Halal assurance
  - Ease of access to prayer places
  - Airport services and facilities
  - Accommodation options

### Halal awareness and reach out to Muslims by the destination
- 20% weighting
  - Muslim travel market awareness and reach out
  - Ease of communication

HALAL TOURISM MILESTONE IN NTB

The Ministry of Tourism proposed the Development of Special Economic Zones (KEK) in Mandalika, NTB

The Ministry of Tourism established 10 Priority Destinations "National Tourism Strategic Areas (KSPN)" where NTB is represented by the Mandalika region.

The governor formed the NTB Halal Tourism team consisting of:
1. NTB Regional Tourism Promotional Board
2. NTB Tourism Office
3. All tourism industry players in NTB

The establishment of NTB Regional Regulation Number 2/2016 on Halal Tourism as a guide for all stakeholders and the public

- "The purpose of Halal tourism regulation is to provide great services to tourists so they can enjoy their visits while ensuring it Halal and also to allow ease of access to facilities for both tourist and tourism service providers" -

Sumber: Kementerian Pariwisata 2019

World Halal Travel Awards 2015:
1. Best Halal Destination
2. Best Honeymoon Destination

World Halal Travel Awards 2016:
1. Best Beach Resort
2. Best Honeymoon Destination
## NTB’S POTENTIAL IN HALAL TOURISM

1. Fully supported by Governor and other government agencies in NTB

2. Rich in culture and beautiful nature NTB, such as Kuta Mandalika, Senggigi, and Geopark Tourism i.e. Mount Rinjani, Mount Tambora, etc.

3. The rising of awareness and support from majority Muslim society in NTB

4. Synergy between government agencies in NTB such as Tourism Agency and Investment Agency has started to grow

5. Big potential of Islamic financing from BPD NTB Syariah
4 MAIN ASPECTS IN TOURISM
Access, Communication, Environment, Services

Mastercard-CrescentRating
Global Muslim Travel Index
(GMTI) 2019

ACCESS
- Visa Requirements
- Connectivity
- Transport Infrastructure

COMMUNICATIONS
- Outreach
- Ease of Communication
- Digital Presence

ENVIRONMENT
- Safety
- Faith Restrictions
- Visitor Arrivals
- Enabling Climate

SERVICES
- Core Needs (Halal Food and Prayer Facilities)
- Core Services (Hotels and Airports)
- Unique Experiences

Sumber: GMTI 2019
1. Innovation of various services and attraction as halal tourism destination
2. High quality of human resource and technology advancement
3. Supporting infrastructure development of halal tourism in NTB
4. Providing more direct flights to NTB from some cities in developed countries especially from GCC e.g: UAE dan Qatar
5. Encouraging and Convincing Investors to be confident and interested to invest in NTB, this can also include regulations
6. Islamic financing access should be increased for halal industry in NTB with “customized-banking” or “tailor-banking” approach
THANK YOU