

Digital Economy Acceleration in e-Commerce and Online Travel Becomes One of the Effective Strategies to Encourage National Economic Performance



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The Covid-19 pandemic handling is the main key of the economic recovery efforts. The National Economic Recovery Program (PEN), which was carried out in 2020 and 2021, will be re-implemented in this year to continue economic recovery in various sectors that were directly affected by the Covid-19 pandemic, including the tourism and trade sectors.

The recovery process for the tourism and trade sectors is carried out gradually, in line with the expansion of vaccination, and the easing of travel requirements/restrictions (open border). Reporting from United Nations World Tourism Organization (2022), which notes that in 2021 there has been an increase in Global Tourist Arrivals as much as 4% (yoy), but it is still 72% lower compared to 2019.

"In Indonesia, the recovery of the tourism sector still needs to be encouraged, because in 2021 the number of foreign tourist arrivals has only reached 1.56 million, and this number is still below the pre-pandemic level of 16.10 million visits," said Coordinating Minister for Economic Affairs Airlangga Hartarto when virtually giving keynote speech in "Power Lunch Asosiasi e-Commerce Indonesia (IdeA)", Friday (1/4).

The performance of the Indonesian tourism sector in early 2022 is starting to show improvement. Several main indicators recorded positive growth in January 2022, seen from the number of foreign tourists visiting as many as 143.74 thousand or increase 13.62% (yoy), and the Room Occupancy Rate for star classification hotels reaching 42.43% or increase 12.08 points (yoy). It is expected that throughout 2022, the tourism sector can grow by 4.3% (yoy), increase from the realization in 2021 which was 4.2% (yoy).

One of the factors that is driving growth in the tourism and trade sectors is the shift of people's preferences in utilizing digital technology during the pandemic. In 2021, the value of Indonesia's digital economy is recorded at US\$70 billion and this is the highest in ASEAN. This number is estimated to be able to grow almost 5 times by 2030 with a value of US\$ 330 billion.

"E-commerce transactions give the biggest contribution to Indonesia's digital economy, where in 2021 the value reached US\$53 billion. This number is predicted to increase to US\$104 billion in 2025, with a growth rate of 18 percent," said Coordinating Minister Airlangga.

Despite being impacted by the pandemic, tourism is one of the fastest growing economic sectors in recent decades. Tourism is also able to provide great benefits for the development of tourist destinations and the surrounding community.

If planned and managed properly, Coordinating Minister Airlangga said that the sustainable tourism sector can support the improvement of living standards, inclusivity, preservation of national cultural heritage and natural resources and the environment.

In addition, digital platforms have provided global access to consumers and facilitate service providers to increase the capacity and competitiveness of the tourism and trade sectors. Therefore, the efforts to develop these two sectors need to optimize the role of digital platforms in promoting tourism products and tourism destinations.

The ways that can be carried out include increasing the use of user-generated content, providing digital infrastructure, competent human resources, and protecting consumers. Especially for the tourism sector, the efforts to optimize peer to peer accommodation need to be supported in order to increase the participation of Micro, Small, and Medium Enterprises and local communities.

"In addition, adaptation, innovation, and collaboration are the main keys for the tourism and trade sectors to be able to rise from adversity due to the pandemic. Acceleration of the digital economy, especially e-commerce and online travel is one of the effective strategies to encourage our economic performance," said Coordinating Minister Airlangga.

For that, the Government has committed to strengthening the resilience of the tourism sector as one of the pillars of post-pandemic recovery. Through the 2022 PEN program, a number of programs have been initiated, including the allocation of Rp13 trillion to accelerate the development of digital infrastructure in several priority destinations.

Then, implementing the travel bubble in Batam-Bintan-Singapore and Bali to support the activities of the G20 Summit and the Mandalika MotoGP. In addition, by strengthening health protocols through the establishment of the Covid-19 National Task Force at each tourism destination, in this case the hospitality industry has to require the Cleanliness, Health, Safety, and Environmental Sustainability (CHSE) standards.

"I also invite all stakeholders to strengthen cross-sector collaboration, especially in increasing the role of the digital economy through optimizing the potential in the trade and tourism sectors. With effective collaboration, I believe that we will be able to realize inclusive and sustainable economic growth to achieve the vision of Golden Indonesia in 2045," concluded Coordinating Minister Airlangga. (rep/dft/map/fsr)

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