



NEW CHAPTER

A new chapter in Indonesian tourism is being written on the strength of cultural heritage, Bali's beaches and many infrastructure developments

BY ANITA DUFFIN

People sometimes forget just how vast the country of Indonesia is. Comprising around 13,000 islands with 33 provinces, home to around 240 million people, it represents a rich dichotomy of cultures, individual histories and spectacular landscapes all under the united Republic of Indonesia flag. While many look to the sleeping giants of India and China as both travellers and being travelled to, an eye should be kept open on what's fast becoming one of the most moving countries in the world, both domestically and internationally.

Setyono Darmono, Chairman of PATA's Indonesia Chapter, believes technology has helped to contribute to the tourism evolution

the country is currently enjoying.

"The past 14 years of a democratic Indonesia has coincided with the explosion of the internet age, bringing with it a new generation of Indonesians who are 'tech savvy,'" Darmono said. Supporting the advancements in communication, Indonesia continues to record economic growth while the rest of the world struggles with a recession, which sees greater numbers of Indonesians travelling with a disposable income both at home and overseas.

"Also, I believe that the prevalence of social networking in Indonesia has an enormous impact on broadening the minds of the many who may otherwise be

contented 'staying at home,'" he added.

So who's coming and who's going? You have to keep in mind that this is the largest Muslim country in the world so religion plays a big part in domestic and international travel movements. The busiest times are Idul Fitri, when Muslims customarily return to visit family and Haj for the Mecca pilgrimage.

There is, however, says Darmono, a notable increase in the desire of Indonesians to visit some of the more "beautiful locations at home", like Belitung, Danau Toba, Gunung Bromo, Mentawi Islands, Bunaken or Lombok, "which for so long seem to have only been on a foreigner's itinerary".

"There are vast demographic differences

across the Indonesian population with the majority being those with limited facility for travel and therefore only in the 'visiting friends & relatives' market. However, while I don't believe there is more vacation time being taken, I do

(Opposite page) Borobudur is Indonesia's answer to Angkor Wat: a sprawling Mahayana Buddhist complex in Central Java. **(Above)** Indonesia's national carrier signed an MoU on reducing carbon emissions with the International Air Transport Association (IATA)

believe that Indonesians (more than foreigners), will readily accept long journey times for relatively short stays at their destination. This translates into an enormous potential market for any destination in Indonesia which

'markets' itself well. I say this since even amongst Indonesian nationals there is an underlying perception that 'Bali' is Indonesia's holiday destination! I am sure that once this domestic perception is changed then the whole tourism sector will benefit."

He added: "Internationally, aside from business and student needs (which will surely continue to grow), there is still a strong desire to visit landmark western destinations, like London, Paris, Rome or New York and this appeal continues amongst young and old alike."

CROWN JEWEL

Darmono admits that the impact of terrorist activity in Bali some years ago had great consequences on the island's tourism market but today's visitor numbers outshine arrival figures prior to the bombings, and just continue to grow. "Bali holds a great deal of mystique for foreign travellers, since the 'Island of the Gods' is still synonymous with ideas of tropical paradise."



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(Above) Bali remains the most popular hotspot for tourism in the country.

As ever, Australia remains the largest source market. "Surfing has increased in popularity worldwide and a large number of Australian visitors, even if not surfers themselves are regularly exposed to the surf scene, which recognises Bali as one of the premier destinations in the world," said Darmano.

Interestingly, and as he points out, other parts of Indonesia are increasingly being discovered by the outside world, especially those somewhat a little jaded with Bali's growth as a tourism destination. "The truth of the matter is that there are many other Indonesian surf locations of equal world-class status, but current lack of infrastructure means that they are only visited by dedicated and adventurous travellers. Hopefully, one day the rest of Indonesia will be thought of in the same way [as Bali]," said the chairman.

Still, Bali has been receiving a rather rough beating in the media in recent times, with criticism of waste disposal, roads and airport in the international press, and speculation about entrapment from police with the sale of drugs to a 14-year-old Australian tourist. Can Bali survive the critical onslaught in its strongest market – Australia? Darmano believes so.

To this end, the PATA Indonesian Chapter is establishing '100 destinations', each with their own distinctive appeal which can be then be promoted in a concerted Tourism Marketing Plan

"There are definite infrastructure issues that remain to be addressed, but I believe the political will is there to continue to make improvements. It should be remembered that other world destinations of similar attractiveness like the West Indies, Seychelles or Pacific Islands have at least as many infrastructure problems and probably less opportunity to overcome them," he observed.

"With regard to the speculation about entrapment, I think this isolated incident has been somewhat overplayed, particularly with Indonesia's clear policy about drug enforcement. I don't think that it will have any lasting effect on Australian's desire to come to Bali, and we should always try

to steer clear of political posturing. One could just as easily enquire whether the imprisonment of Indonesian crew members (also juveniles, on a ship carrying refugees) would have an effect on Indonesians desire to go to Australia. The government can allow the proper legal process to take place, and ensure a fair and balanced approach to media coverage."

Domano says that managing PR for isolated incidents is probably "less important than establishing and implementing a strong marketing plan for the nation as a whole. There is much to be proud of, even more to offer in this rich and culturally diverse archipelago," he added.

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To this end, the PATA Indonesian Chapter is establishing '100 destinations', each with their own distinctive appeal which can be then be promoted in a concerted Tourism Marketing Plan. Indonesia's distinctive and largely unspoiled regions outside of Bali each have their own appeal, and according to Darmano are already being visited increasingly by foreigners. "Often they are sites of outstanding beauty and the number of visitors is on the increase, but our current challenged is to establish better infrastructure support for each of the destinations, to make them more accessible, and maybe more importantly have a strong clear message that will drive the desire for foreign visitors to make the trip."

CHANGING SKIES

Safety issues associated with Indonesia's airline industry have not helped the country's international reputation but Darmono and Garuda Airlines (the national carrier) say this is changing.

Said Darmono: "Indonesia is still emerging as an International destination, and as with any emerging nation there have been some valid criticisms. They should, however, be taken in context with other comparable nations. Purely because of the size of the population, and the accelerated growth of the airline industry, problems arose that may well have been arrested in more developed countries, and while there have been some company failures, the industry has recently become stronger and is now maintaining International Flight Safety Standards. It is incumbent upon Indonesian carriers to make it known across the world, that the airline industry here has undergone the necessary improvements and will maintain their international standards. Once again it becomes a matter of managing perceptions."

(Above) Traditional entertainment is a vital tourism product. (Right) Sunrises over the temple complex are spectacular.

OCCUPANCY RATES

According to PATA's Indonesian Chapter, occupancy rates are generally between 40 and 75%, depending on the location. "Averages are approximately 60% in Bali, 55% in Jakarta, 50% in Riau and 45% in other areas," said Darmono. "There are some hotels with considerably higher averages and where figures are consistently high, it can be seen that investors are taking the opportunity to develop new hotel projects."



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(Above) xxxxxxxx x xxxxx xxxxx xxxxx xxxxxxxx. (Below) Abandoned for some four centuries, the temple complex was rediscovered in 1814.

CAPITAL IDEA

Jakarta remains a bustling city with major traffic issues. There was even discussion last year of moving the seat of Indonesian government to nearby Bandung to escape the dreaded traffic. Infrastructure aside, the city continues to grow into a business hub for the entire country, and also neighbouring Singapore and Malaysia. The economic growth of the country is undeniable and while businesses continue to slide elsewhere Indonesian start ups, especially in the field of technology and fashion, is booming.

Dining and entertainment in the city is of a particularly high standard, once you finally arrive that is, and the city boasts 58 golf courses within an hour or so of the CBD. The superstar designed courses; Sir Nick Faldo is one, are meticulously manicured and offered at a fraction of the cost of those in Singapore and remain a big drawcard for visitors.

With Indonesians become wealthier as quickly as the months go by, the country will become more prominent as a source market and when you consider that perhaps 10 percent of a population of around 240 million are the wealthiest, that's a considerable number.

Executive Vice President of Marketing and Sales for Garuda Indonesia, M. Arif Wibowo, said that Garuda has undertaken a continuous transformation to become a five-star airline. "To expedite the process of joining with global alliances, to renew the fleet, enlarge network capacity for domestic, regional and international routes," he said of the process. "This is part of GA's challenging effort in order to build a stronger brand position in the upcoming years until 2015."

Garuda resumed flights to Amsterdam last year and added more frequencies to both domestic and international routes in 2011, including establishing Makasar in eastern Indonesia as a Garuda hub. Wibowo said the biggest growth for the airline has come from all of Asia and Australia. "Garuda strengthens its position in the Australian market by increasing frequency and capacity to Sydney and Melbourne, and offering Indonesian Hospitality Service Concept as our differentiation."

The airline has definitely made a concerted effort as a full service operator and the market is taking notice. Recently they announced the launch of Citilink, their own low-cost carrier which according to Wibowo is Garuda's "backbone to compete in the low-cost segment market both domestic and regional".

"GA recently introduced the B737-800NG with the newest Boeing Sky Interior, and will be continuously added to by the newest

aircraft of A330-200. In addition, the B777-300ER will be delivered at early 2013," he added.

Garuda's focus on service now includes onboard visa and immigration services to help simplify airport arrivals for passengers.

"The greatest challenge is to grow our business higher than airline industry growth with un-ending higher fuel costs and we are now facing the pressure of expanding not only with a low-cost carrier but also the global player of full service carrier into the region," he added.



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