The Impact of *Halal* Tourism on Regional Economic Growth in Lombok, West Nusa Tenggara, Indonesia

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*Abstract.* This study aims to analyze the economic development of the West Nusa Tenggara Province with the existence of halal tourism. It is expected that the halal tourism is able to support the economic development of the province. This is a quantitative research, using secondary data from the Central Statistics Agency (BPS) among others. The analysis tool used is SPSS. The results show that halal tourism has considerable potential as one of the leading sectors that can support the regional economy. The progress of the tourism sector in the West Nusa Tenggara Province is marked by the increase in the number of foreign and domestic tourist visits every year.

*Keywords:* Economic Growth, Halal Tourism, West Nusa Tenggara


*Kata kunci:* Pertumbuhan Ekonomi, Wisata Halal, Nusa Tenggara Barat

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Introduction

The economy is one of the patterns which determines how the stable condition achieve, since with a stable economy, the crucial conditions can be fixed and the improvements will be significant. Economic growth always become one of the goals that want to be achieved, either esoterically or exoterically, as well as the country and region. Economic factors are related to a problem called development. Therefore, the economy significantly determines the achievement of stable development, from national development to regional development (Riyadi & Bratakusumah, 2014).

Furthermore, like in developing countries, the stable development can be achieved as long as the economy provide benefits and become a stepping stone for its goals, since economy plays an essential role to all developments, either national or regional level. By considering the economic matters, the economy has a huge impact for the development (Riyadi & Bratakusumah, 2014). Meanwhile, Indonesia is a very intensive country, with its best tourism in the world. Based on the national scale, the tourism growth in Indonesia has been increasing (Subarkah, 2017), regarding the economic development in several regions.

Therefore, to achieve a stable development, the natural resources in the region should be exploited, since the existence of natural resources is certainly one of the factors that support the regional economy. Besides, various tourisms are able to become part of economic resources in Indonesia, either nationally or regionally. Hence, regarding the paradigm, the existence of those tourisms is expected to be able to provide prosperity and empowerment to the community (Atmoko P, 2014).

Regarding the tourism development plan from 2015 to 2019, Indonesia is a part of the country which has many tourism potentials, and the Indonesian government divides the tourism targets into growth targets and inclusive targets. There are three main aspects for the growth target, such as contribution to Gross Domestic Product (GDP), foreign tourist visits, and domestic tourist visits. In 2014, the percentage of GDP obtained was around 4.2%, and expected to be 8% in 2019. Foreign tourist from 2014 was about 9 million visit, and expected to reach 20 million in 2019. The number of domestic tourists visits which were calculated in 2014 were as much as 250 million, and reached 275 million in 2019.

Meanwhile, foreign exchange income in 2014 reached 120 trillion rupiahs, and its estimation in 2019 will reach 240 trillion rupiahs. Inclusive development
sector can increase local businesses in the tourism industry and can increase certified local employment. (BAPPENAS, 2014).

In the international scale, world tourism has followed the trend developments, one of them is halal tourism. This is a tourism segment by providing the basic needs of Muslim tourists, based on Islamic law. However, halal tourism facility can also be enjoyed by non-Muslim tourists as well, since those intended facilities refer to foods and beverages which have halal labels, halal restaurants, and sharia hotels. In Indonesia, the halal certificates are published by National Sharia Council from Indonesian Ulema Council. (Indonesian Ministry of Tourism, 2015).

Halal tourism not only develops in Muslim-majority countries, but also develops in countries with a Muslim minority, such as Australia which provides Muslim Travel Guide travel packages, The United States which have Serendipity Travel. At the same time, their facilities make Muslim tourists easier to prayer, and they also provide the prayer schedule. Hong Kong, Thailand, and South Korea also provide halal tourism facilities. (Indonesian Ministry of Tourism, 2015). In terms of economy, The Muslim population is also calculated in the development of halal tourism. In 2010, the members of the population which aged 14 to 29 years reached 457,950 million people, and it was arranged that in 2020 it would reach 501,070 million people (Global Religious Futures, 2019). With a high population of the productive age range, this can increase the tourists, so that the halal tourism will become one of the country’s foreign exchange potentials.

Regarding these developments, Indonesian needs to develop tourism. One region that is good for the development of halal tourism is West Nusa Tenggara, with its vision “Faithful, Cultured, Competitive, and Prosperous.” As a result, West Nusa Tenggara province received an award from the world halal tourism summit in Abu Dhabi for two consecutive years (2015 to 2016) with the title: The world’s best halal travel destination, the best destination for honeymoon in the world, and the best halal tourism page (Setyanti, 2019).

The variety in Lombok can be seen from one of its tourisms. Lombok is one of the regions in Indonesia that has a variety of tourisms, from the beach to mountain, and for the novelty one, halal tourism. According to the Global Muslim Travel Index (GMTI) quoted by Alwafi, halal tourism is a new form of a concept that is able to provide services and facilities which has its concept, and it is more friendly in providing services to Muslim tourists. Since we have entered the era of globalization, these developments will be an essential matter
to achieve prosperity and improve the regional economy. The development of tourism is claimed to be national and international trends, such as the halal tourism in Lombok, West Nusa Tenggara, (Subarkah, 2017).

As a Muslim-majority country, it is not surprising that Indonesia provides a novelistic form of tourism, such as halal tourism. Halal tourism combines the concept of tourism with Islamic values and more sharia. Therefore, Islamic tourism or halal tourism is a new concept that aims to collaborate on Islamic values in tourism. (Widagdiyo K, 2015). In addition, Islamic tourism or halal tourism aims to maintain destinations based on Islamic values and build a place of worship for tourists, so from that concept, Lombok is called as an island with 1000 mosques, which indeed becomes the foundation in enhancing the cultural and religious values contained in the region. (Kovjanic, 2014).

The significance of the research is to make the economy in West Nusa Tenggara Province gets better with halal tourism, and able to introduce the local cultures in West Nusa Tenggara province, especially in Lombok.

Literature Review

Economic growth is a process of changing a country’s economic conditions significantly towards a better way during that period. Economic growth is defined as the process of increasing the production capacity of an economy by increasing the national income. Economic growth is an indicator of the success of economic development. Economic growth shows the development of goods production and services in a specific region, with an exact time interval. The higher the level of economic growth, the faster the process of improving regional output so that the regional development will be better. In economic growth, three main factors affect economic growth, such as capital accumulation, population growth, and technological progress (Todaro & Smith, 2014).

Economic growth is an increase for the long term in a country (region), focused on providing a variety of economies to its population, which is manifested by a continuous increase in national output that is certain with technological advancements as well as the institutional adjustments, attitudes, and ideologies needed (Todaro, 2000). Economic growth can be explained briefly as the process of increasing output per capita in the long run, or in general, the increase in the total output of the Gross Domestic Product (GDP). Hence, it can be interpreted as how the increase is more tremendous-
more significant or smaller than the rate of population growth, or followed by economic structure or not.

According to Cohen (1984) in (Aryunda, 2011), the impact of tourism on the economy made the tourism as a source of foreign exchange, a source of community income, income for the government, employment creation, influence, and on prices and tariffs, affect the distribution and the benefits, affect the management and ownership, and positively can affect development. Meanwhile, according to (Hairey, 2013) several things can affect a region’s income related to tourism, such as the number of consumption or expenditure, the distance from the tour or how long it takes time, the work experiences, and the number of tourists which visit the places.

According to previous research by (Kodir, Karim, & Kartika, 2019), the tourism industry significantly contributes to the Japanese economy, this contribution almost suitable with the contribution of Japanese flagship industry in the automotive field. It also can be seen from the increasing number of foreign tourists who visited Japan until July 2018, as many as 18 million. One of the strategies that will be implemented is the halal industry. The Japanese government was seriously considering implementing halal tourism, with a Muslim-friendly concept.

According to the Organization of the Islamic Conference (OIC), halal tourism or Islamic tourism is a tour that aims to provide tourist services and facilities for Muslim tourists, based on Islamic rules Islamic Cooperation Organization, 2017). Halal tourism is tourism based on Islamic principles, by providing facilities and services that are friendly to Muslim tourists. (Global Muslim Travel Index, 2018).

The concept of halal tourism can be interpreted as the values of Islamic teachings which are implemented as a reference in making a tour without discriminating non-Muslim tourists. Halal tourism is also able to attract Muslim tourist visits (Kusumaningrum, M, E.P , & Amalia, 2017). According to (Battor & Ismail, 2015) it involves Muslims, as the reference to other industries in tourism. (Ramli, 2012) also explained that halal tourism is a travel tour which provides services based on Islamic sharia, as well as tourism options for Muslim tourists to avoid alcoholic drinks, porks, and places that do not separate men and women.
Table 1. General Criteria For *Halal* Tourism

<table>
<thead>
<tr>
<th>Category</th>
<th>Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism destinations (natural, cultural, man-made)</td>
<td>There is a choice of tourism, arts and cultural activities that do not lead to pomoaction and polytheism. If possible hold at least one <em>Halal</em> lifestyle festival. Guides dress and look modest. There are choices of separate beach and bath tourism attractions for women and men and/or have minimal visitor rules.</td>
</tr>
<tr>
<td>Hotel</td>
<td>Availability of <em>Halal</em> food. Available facilities that make it easy to worship, such as mosques, prayer rooms and cleaning facilities. Available during Ramadhan to meet the needs of the meal and breaking the fast. The absence of non-<em>halal</em> activities, such as gambling, alcoholic drinks, and discotheque activities. There are the recreational swimming pool and fitness/gym facilities that are separate between men and women. If the hotel provides spa facilities, then male therapists for male customers and female therapists for female customers. Therapy does not use ingredients that contain pork, alcohol or its derivatives.</td>
</tr>
<tr>
<td>Travel agency</td>
<td>Providing tour packages that meet the general criteria for <em>halal</em> tourism. Does not offer non-<em>halal</em> activities. Have a list of <em>halal</em> food and beverage providers. Tour guides understand and are able to carry out sharia values in carrying out their duties. Look polite and attractive in accordance with Islamic ethics.</td>
</tr>
</tbody>
</table>

Source: (Alwi, 2018)

It can be concluded that *halal* tourism is tourism that wants to provide services and facilities to Muslim tourists, but also can be enjoyed by non-Muslim tourists, where Muslim tourists can enjoy the adequate worship facilities and services, a place that is friendly to Muslim tourists to stay (sharia hotels), food and beverages with *halal* certificates, in several destinations which have specific
nature, culture, supported by the facilities and the infrastructure, such as mosques and prayer rooms around the tourism area.

Method

This study uses a quantitative approach method that explains the existence of tourism in Indonesia where there is a new concept of international tourism, namely halal tourism as an instrument in the achievement of the national economy through tourism as a tourist object or tourists traveling to Indonesia, especially Lombok NTB. Indonesia, as a varied tourism country, certainly has the existence of halal tourism which aims to create Islamic values at the tourism level. Halal tourism in Indonesia is also the basis for explaining the increasing escalation of the national economy and halal tourism areas owned by West Nusa Tenggara (NTB). The type of data used in this study is secondary data. The analysis tool uses SPSS. Data collection in this study can be obtained through the West Nusa Tenggara Statistics Agency.

Results and Discussion

Development of halal tourism is considered to be able to support the economic development, as well as improving the community welfare, providing business opportunities, and capable of facing the challenges in local, national, and global life. West Nusa Tenggara, as stated in the Regional Regulation Number 2 (2016), concerned with halal tourism as a guideline in developing halal tourism model. The regulation aims to facilitate the tourists to be as comfortable as possible when travelling. One of the implementations is by providing Islamic hotels to facilitate the tourists to stay and prayer (especially for Muslim tourists, it provides facilitation for prayer, such as Al-Quran, and the direction of the Qibla in each room). Several sharia hotels that can be visited by tourists are Grand Madani Hotel, Lombok Plaza Hotel, Legi Hotel Hotel, Santika Hotel, Svarga Hotel, Villa Senggi, Holiday Resort, Lombok Raya Hotel, Sheraton Hotel, Golden Tulip Hotel Nirwan Ruswir, Graha Hotel, and Ayu Tarpi Jundi Hotel (Hassanuddin, 2016).

West Nusa Tenggara Province is outstanding with its tourism, which is potentially considered to be one of the leading sectors in order to sustain the regional economy. The progress of the tourism sector in West Nusa Tenggara Province is indicated by the increasing number of foreign and domestic tourists every year. In 2016, the number of tourists which visit West Nusa Tenggara
was 3.1 million, while in 2017 it reached 3.8 million. It beyond the target in 2017, as much as 3.5 million. Meanwhile, in 2018, the targets were up to 4 million tourists. The targets were optimistically achieved.

Table 2. Tourist Visits in 2009-2016

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>International Tourists</th>
<th>Domestic Tourists</th>
<th>Total Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2009</td>
<td>232525</td>
<td>386845</td>
<td>619370</td>
</tr>
<tr>
<td>2</td>
<td>2010</td>
<td>282161</td>
<td>443227</td>
<td>725388</td>
</tr>
<tr>
<td>3</td>
<td>2011</td>
<td>364196</td>
<td>522684</td>
<td>886880</td>
</tr>
<tr>
<td>4</td>
<td>2012</td>
<td>471706</td>
<td>691436</td>
<td>1163142</td>
</tr>
<tr>
<td>5</td>
<td>2013</td>
<td>565944</td>
<td>791658</td>
<td>1357602</td>
</tr>
<tr>
<td>6</td>
<td>2014</td>
<td>752306</td>
<td>876816</td>
<td>1629122</td>
</tr>
<tr>
<td>7</td>
<td>2015</td>
<td>1061292</td>
<td>1149235</td>
<td>2210527</td>
</tr>
<tr>
<td>8</td>
<td>2016</td>
<td>1404328</td>
<td>1690109</td>
<td>3094437</td>
</tr>
<tr>
<td>9</td>
<td>2017</td>
<td>1430249</td>
<td>2078654</td>
<td>3508903</td>
</tr>
</tbody>
</table>

Source: Central Statistics Agency of West Nusa Tenggara Province.

From the table above, it reveals that the tourist’s visits have increased every year, either international or domestic tourists. This shows that West Nusa Tenggara Province has been able to support economic growth, by improving its regional income.

The number of tourist visits cannot be separated from the hotel lodgings for both international and domestic tourists. In 2017, there were 889 units, with the details: 75 units of star hotels, 814 units of non-star hotels, and several rooms in 4, 525 star hotels which have 6,721 beds, while for non-star hotels there were 8,892 units with 12,460 beds. The number of hotels or accommodations in West Nusa Tenggara province continues to increase from 2010, as many as 379 units, while in 2016, it increased to 889 units. By examining the number of hotels or accommodation development, it can be concluded that the economy in West Nusa Tenggara is increasing.
Tourism in West Nusa Tenggara (especially in Lombok) has developed based on several factors, such as the number of tourists and various tourist activities. The number of tourists tends to increase every year. Meanwhile, the various tourism activities can be seen from the introduction of a new tourism concept, such as *halal* tourism. The development of *halal* tourism in Lombok is based on the regional regulation, or West Nusa Tenggara which covers the whole islands. By considering the immense potential in tourism which develops in West Nusa Tenggara, it tends to be better than the other island located near Lombok, such as Bali.

*Halal* tourism is a type of tourism that has just been developed based on the Islamic beliefs, like in the hospitality, the religious facilities, the *halal* certified food, sharia lodging places, and other technical matters related to tourism. Generally, *Halal* tourism is not much different from other types of tourism. *Halal* tourism is a tourism concept which makes Muslim tourists easier, by facilitating their travel needs. Those needs are the existence of *halal* certified restaurants, the availability of mosques in public places, the existence of swimming facilities which separate men and women, and others. West Nusa Tenggara Province is outstanding with its natural destinations or its beautiful natural landscape, and it is also known as “Thousand Mosque Island” since it has more than 4,500 mosques, scattered in 598 villages. (Baskoro, 2014) In addition, Lombok also
has an Islamic Center as a halal tourism icon, and it is the largest mosque in West Nusa Tenggara Province. In addition, the Islamic Center has many events in Ramadhan, as the host in the 26th national MTQ event in 2016.

Muslim tourists can visit halal Tourism Destinations in Lombok, as managed by the Association of the Indonesian Tours and Travel Agencies or travel agents of Indonesia (ASITA), West Nusa Tenggara. They provide halal travel packages for four days and three nights. The list of the recommended destinations is Sade Village, Islamic Center, Karang Bayan Mosque, and Benang Kelambu Waterfall.

Table 3. List of Recommended Destinations in Lombok, West Nusa Tenggara

<table>
<thead>
<tr>
<th>KSPD</th>
<th>Mataram Metro</th>
<th>Senggigi, Gili (s)</th>
<th>Kuta Mandalika</th>
<th>Resimas, Sembalun</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Theme</strong></td>
<td>Cultural, religious, and food destination, shopping center, and MICE.</td>
<td>Diving, traditional sport, cultural, religious, and food destination</td>
<td>Diving, traditional sport, and cultural destination</td>
<td>Agriculture sector, hills, cultural and food destination</td>
</tr>
</tbody>
</table>

Source: Tourism Plans of Lombok Islands (2015 to 2019)

Beside, to be a halal tourism destination, it cannot be separated from the kind of foods and beverages, which is one of the supporting factors to fulfill the tourist’s requirements. Global Muslim Travel Index (GMTI) states that one indicator for conducting halal tourism is by considering the availability of halal food, or in other words, a destination must provide halal food for the tourist’s conveniences. This has been provided by the regional governments of West Nusa Tenggara Province, by Department of Culture and Tourism, LPPOM, and Indonesian Ulema Council. Even though Lombok Island has received world appreciation such as World’s Best Destination for Honeymoon and World’s Best Halal Tourism Destination by International World’s Best Halal Travel Summit in Abu Dhabi, United Arab Emirates Emirate, it does
not mean that the government of West Nusa Tenggara is not facing various challenges in developing halal tourism. The first challenge is convincing its citizens about the urgency of halal tourism in West Nusa Tenggara since not all people in West Nusa Tenggara appreciate the government’s efforts in developing halal tourism. The second is the preparation of competent human resources, and the third is the regulation that encourages the stakeholders to conduct the halal certification process.

From the data above shows that the contribution of tourism to NTB’s Gross Regional Domestic Product from year to year continues to increase in 2012 the contribution to GRDP amounted to 66,340.81 billion, in 2013 it increased to 69,755.56 billion, in 2014 increased to 73,285.09 billion. In 2015 the contribution of tourism to PDRB NTB amounted to 89,344.58. It can be seen that before being designated as halal tourism, the contribution of tourism to GRDP continued to increase. After the issuance of West Nusa Tenggara Provincial Regulation No.2 of 2016 concerning Halal Tourism, in 2016 the contribution of halal tourism to Gross Regional Domestic Product was 94,639.54 billion. This means that the contribution of halal tourism from year to year shows that there is an increase in the contribution of tourism to NTB’s GRDP before and after it is determined as halal tourism.

Table 4. Gross Regional Domestic Product at Current Market Prices by Industry (billion rupiahs) 2012-2019

<table>
<thead>
<tr>
<th>Year</th>
<th>PDRB(Miliar)</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>66,340.81</td>
<td>Before</td>
</tr>
<tr>
<td>2013</td>
<td>69,755.56</td>
<td>Before</td>
</tr>
<tr>
<td>2014</td>
<td>73,285.09</td>
<td>Before</td>
</tr>
<tr>
<td>2015</td>
<td>89,344.58</td>
<td>Before</td>
</tr>
<tr>
<td>2016</td>
<td>94,524.29</td>
<td>After</td>
</tr>
<tr>
<td>2017</td>
<td>94,639.54</td>
<td>After</td>
</tr>
<tr>
<td>2018</td>
<td>90,323.42</td>
<td>After</td>
</tr>
<tr>
<td>2019</td>
<td>94,014.74</td>
<td>After</td>
</tr>
</tbody>
</table>

Source: BPS NTB, 2020 (Process)
Based on the Group Statistics output table above, it is known that the number of years before tourism is designated as *halal* tourism uses the last four years, while after it is designated as *halal* tourism the number of years uses four years after it was determined. The average contribution value of NTB’s Gross Regional Domestic Product or the mean before the establishment of *halal* tourism was 7.47E4, while after it was designated as *halal* tourism, it was 9.34E4. Thus, statistically descriptive it can be concluded that there is a difference in the average contribution of the year before and after.

Based on the output above, it is known that the sig value. Levene’s Test for Equality of Variances is 0.090> 0.05, so it can be interpreted that the data variance between the years before and after is homogeneous or the same. So that the interpretation of the Independent Samples Test output table above is guided by the values contained in the Equal variances assumed table.
From the Independent Samples Test output table in the Equal variances assumed section, the sig value is known. (2-tailed) 0.011 <0.05. Thus it can be concluded that there is a significant (real) difference between the average contribution of tourism to NTB’s Gross Regional Domestic Product from the previous period and the year after being designated as halal tourism.

The Muslim population is currently around 30 percent of the world’s total population (Kim et al. 2015). The number of the Muslim population is expected to continue to increase from year to year. This increase is higher than the population of other religions (Pew Research Center, 2017). It is estimated that the Muslim population between 2015 and 2060 will increase by 70 percent (Figure 2), while the world population will increase by 32 percent, or the total world population in 2060 is 9.6 billion people. This also indicates that Muslim tourists will continue to increase. By 2020, Muslim tourists are expected to increase by 30 percent and increase the value of expenditures by up to 200 billion USD (Master Card and Crescent Rating, 2016).

An increase in Muslim tourists is an opportunity for the tourism sector to develop halal tourism. So that several countries have begun to take this opportunity by developing halal tourism, both countries with a majority of Muslims and non-Muslims such as Japan, South Korea, Australia and Thailand. It is expected that tourist attractions, hotels, restaurants, airlines, travel agents and all those involved in tourism can be involved in halal tourism. Travel agents have halal tourism opportunities in various fields (Battour & Ismail, 2015).

Figure 2. Population Growth Projection by Religion, 2015-2060

Source: pew research center
The number of halal restaurants and Islamic hotels is still limited, both in Muslim and non-Muslim majority countries. This limitation is also influenced by a lack of understanding regarding halal (El-Gohary, 2016; Han et al. 2018; Mohsin et al, 2016). Therefore, education and training programs related to halal are required. So that this can be an opportunity for universities and training or research centers to offer these programs. In addition, standards are needed in halal tourism, namely in the form of halal certification in restaurants, hotels, and others.

One of the challenges in developing halal tourism is related to marketing, because marketing halal tourism is not an easy one. This is due to the difference between the demands of non-Muslim tourists and Muslim tourists. Non-Muslim tourists can decide not to travel to a tourist attraction without specific attributes (Battour & Ismail, 2015). So that one of the challenges of halal tourism is how to serve non-Muslim tourists and meet their needs without colliding with the concept of halal tourism. For example, some hotels state that they are Islamic hotels in their promotion and this may not appeal to non-Muslim tourists. Therefore, halal tourism can be an obstacle in the tourism industry sector. However, it can also be a business opportunity to use creativity and flexibility in serving the various needs of Muslim and non-Muslim tourists. This can also be a study or research to solve the problem.

Conclusion

Halal tourism in West Nusa Tenggara Province has shown its strength in the economic sector, by significantly contributing to the regional economic growth. The development of halal tourism supports the realization of the community's prosperity, providing business opportunities, and capable of facing the challenges in local, national, and global life.

Halal tourism can be used as an alternative in improving the regional economy since it continues to increase, and the tourists with specific characteristics areas such as West Nusa Tenggara can fulfil the Muslim tourists’ requirements. It is not only intended for Muslim tourists but also non-Muslim tourists. Both of them can enjoy halal products, facilities, and services.

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