Analysis of the Tourism Sector and GDRP Contribution
To Local Own-Source Revenue in West Kalimantan

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Abstract: This research is aimed to analyze contribution of the number of tourists, the number of hotel occupancy, gross regional domestic product, waterfrontcity Pontianak, and openness indicator on locally generated revenue through the tourism sector in West Kalimantan Province with the period 2012 to 2019. The method used in this study is a panel data regression model. Variables of this research indicate that from 2012 to 2019, the number of tourists, the number of hotel occupancy and waterfrontcity Pontianak, gross regional domestic product, andopeness indicator. The results of this research indicate that from 2012 to 2019, the number of tourists, the number of hotel occupancy and waterfrontcity Pontianak has a insignificant effect on locally generated revenue. While gross regional domestic product has apositive and significant effect on locally generated revenue. Openess indcator has a negative and significant effect on locally generated revenue.

Keywords: Gross Regional Domestic Product, Tourism Sector, and Waterfrontcity.

1.   Introduction

In 2019, the average economic growth rate for all provinces in Kalimantan is in the range of 5.22% (year-on-year). The fastest growing is East Kalimantan Province, with 6.89%. The increase in development was mainly due to the improved capability of the mining business division. For grouping data from Bank Indonesia, as of the last quarter of 2019, Kalimantan was divided into 4 provinces, namely South Kalimantan, East Kalimantan, Central Kalimantan, and West Kalimantan.

The South Kalimantan Province's economy grew by 3.72% (yoy) in the third quarter of 2019. This progress was slower than the development of 4.20% (yoy) in the previous quarter. The slowdown occurred on the demand front, mainly due to a slowdown in government consumption and growth in imports and exports. For East Kalimantan, the economic capacity of PAD in the third quarter of 2019 grew by 6.89% (yoy), up from 5.43% (yoy) in the previous quarter. East Kalimantan's economic development is greater than the growth of the national and regional economy of Kalimantan, increasing 5.02% and 5.92% respectively. And this economic progress is the highest in Kalimantan. Central Kalimantan's economic capacity in the third quarter of 2019 was slower than in the previous quarter. The pace of the economy was constrained by a slowdown

in the trade and architectural business sectors. This is happening on the demand side because export performance is declining, and government consumption is also slowing down. The realization of the overall income of the Central Kalimantan regional authorities was driven by an increase in transfer revenue in the third quarter of 2019 reaching 72.07% of the total 2019 calculation ceiling.

West Kalimantan's economy grew by 4.95% (year-on-year) in the third quarter of 2019, slowing compared to the level of economic progress of 5.07% (year-on-year) in the previous quarter. From the application side, West Kalimantan's economic progress slowed in the third quarter of 2019 driven by a slowdown in domestic applications. On the supply side, the progress of the construction business (LU) aspect has declined. In the third quarter of 2019, the percentage of Local Own-Source Revenue (PAD) reached by West Kalimantan reached 80.42% of the target, down from 89.60% in the third quarter of 2018. But in a nominal way, West Kalimantan's Local Own-Source Revenue (PAD) achieved in the third quarter of 2019 increased to IDR 1.5 trillion. 64. 627 billion, from IDR 1.1 trillion. 605.28 billion in the third quarter of 2018. Judging from the portion, regional taxes are the largest share of Local Own-Source Revenue (PAD), which reaches 83 or reaches 84% of the total Local Own-Source Revenue (PAD).

There is previous research that has been tried by (Kapang, Sarta. et al 2016). The variables in this research are the hotel occupancy rate, the number of tourists, and the gross regional domestic product on the original income of the city of Manado. The research results show that the hotel occupancy rate variable has a positive and insignificant effect on regional original income. The effect of the variable number of tourists on the region's original income is positive and not important. The Gross Regional Domestic Product (GRDP) variable has an important positive influence on the region's original income.

There is also other previous research that has been tried (Putri, 2020). This research aims to identify the position of the tourism zone in the region's original income in South Sulawesi Province "South Sulawesi" which is observed from the increase in the number of tourist visits, the number of recreational objects, the number of lodging, and capital expenditures in the South Sulawesi Province "South Sulawesi". The results of the study are convincing if simultaneously all variables have an important influence on the area's original income. On the contrary, in a partial way, all variables have a positive and important influence on regional original income.

Some of the perspectives that can affect Local Own-Source Revenue (PAD) include government spending, population size, and inflation. The number of people is one of the determinants of the Local Own-Source Revenue (PAD) gap. Community hoarding is needed, not a problem, but is an important aspect that can lead to the development and economic development (Gde Bhaskara and A.A Bagus, 2014).

Based on the RTRW ("Spatial and Territorial Plan") of Pontianak City in the period 2013-2033, it is noted regarding the interpretation of the waterfront design which reads, "Planning of the riverside area (Waterfront) is a plan that maximizes the ability of the riparian/waterfront with a method of concentrating orientation of the building towards the river and making the river riparian area a public open space to increase the accessibility of residents to the use of water bodies". The research conducted by (Azlina and Abdul Jalil 2016) reported that the research results

showed that the development of Kuching's Riverfront, Malacca's Waterfront, and Glennmarie Cove Riverfront had some positive or negative effects. Improving the beauty of riverbanks and improving environmental problems such as water pollution and flooding are identified as the main impacts stemming from waterfront development in the field of research on certain problems. Therefore, optimizing the benefits of the seaside is important for maintaining the economic value of the waterfront area.

In this problem, the author is interested in analyzing the relationship of various variables related to the tourism zone on the achievement of regional original income in West Kalimantan Province. Based on the background and previous research conducted by (Putri, 2020) and (Azlina and Abdul Jalil, 2016) and (Kapang, Sarta. et al. 2016), this research will carry out aspects that ensure acceptance of Local Own-Source Revenue (PAD), especially tourism zones in Kalimantan/ West Kalimantan. So that the title of the research in this writing is an Analysis of the Contribution of Local Taxes, the Tourism Sector, and Gross Regional Domestic Product (GRDP) to the Local Own-Source Revenue (PAD of Regencies and Cities in West Kalimantan Province.

2. Research Method

This study uses panel data analysis, which combines time series data and cross-sectional data to increase the degrees of freedom. Researchers used time series data from 2012 to 2019, as well as cross-sectional data from 14 regencies and cities in West Kalimantan Province.

The type of data used in this research is secondary data. Secondary data in this research were obtained from the Statistics Management Agency, the Tourism Office in West Kalimantan Province, and the BPP "Tax Management Agency" and Regional Retributions in West Kalimantan Province. The data used includes Total Tourist Visits, Hotel Occupancy Rate, GRDP, Openess Indicator, and Local Own-Seource Revenue (PAD) for 2012-2019 as well as data regarding the Potianak Waterfront city as a Dummy for 2012-2019. The functional model that will be used to see the original income of the province of West Kalimantan is:

"PAD = f(Number of Local Tourism, Number of Hotel Occupancy, GDRP, Dummy Waterfront City, and Openness Indicators)"

"$PAD_{it} = \beta0 + \beta1\ JK\ it + \beta2\ JH\ it + \beta3\ PDRB\ it + \beta4\ Di\ it + \beta5\ OIit + \varepsilon i$"

Notes:

PAD = Local Own-Source Revenue
JK = Number of Local Tourism
JH = Number of Hotel Occupancy
GDRP = Gross Regional Domestic Product in West Kalimantan
Di = Dummy Waterfront City Pontianak
OI = Openness Indicator
"β0 = Intercept"
"β1,β2,β3,β4, and β5 are path coefficient"
"I = Indicates to the city/district"
"t = Indicates to time series"

"ε   = Error term"

Based on the formula model, it is known that the dependent variable (PAD) is influenced by the independent variables (JK, JH, GRDP, Di, and OI). In estimating panel data regression, there are 3 kinds of approaches that can be taken, namely "Common Effect Models", "Fixed Effect Models", and "Random Effect Models".

3. Results and Discussions

The data in this study has 112 sample data for each variable. The data was taken for the period 2012 – 2019. The Standard Deviation value was 91,102,984,241 which means that the mean value is greater than the standard value so that the data deviations that occur are low, so the distribution of values is even. The standard deviation value for the number of tourist visits is 65.412, which means that the mean value is greater than the standard value so that the data deviations that occur are low, so the distribution of values is even. The hotel occupancy rate sample data has a Standard Deviation value of 0.1138, which means that the mean value is greater than the standard value so that the data deviations that occur are low and the values are spread evenly. The GRDP sample data has a Standard Deviation value of 5,564,177,992,632, which means that the mean value is greater than the standard value so that the data deviations that occur are low, so the distribution of values is even. The Openess Indicator sample data has a Standard Deviation value of 0.000000031, which means that the mean value is greater than the standard value so that the data deviations that occur are low and the values are spread evenly. The dependent variable in this study is the Regional Original Income of West Kalimantan Province in rupiah units. The data was taken from 2012 - 2019 which came from the Central Statistics Agency (BPS) of West Kalimantan Province.

After carrying out the Chow Test & Hausman Test, the next hypothesis test chosen is to use the Fixed Effect Model with the following regression results:

Fixed Effects Model

Variable Dependent: Local Own-Source Revenue (PAD)

Variables	*Coefficient*	*Prob.*	*Hyphotesis*	*Conclusion*
C	-51.50138	0.0000		
Number of Local Tourism	3.91E-06	0.1401	Ha Rejected	No Effect
Number of Hotel Occupancy	0.143046	0.8254	Ha Rejected	No Effect

Gross Regional Domestic Product in West Kalimantan (GDRP)	2.594718	0.0000	Ha Accepted	Positive Significant
Waterfront Pontianak	-0.131946	0.1381	Ha Rejected	No Effect
Openess Indicator	-11872573	0.0000	Ha Accepted	Negatifve Significant
R-squared	0.942851			
Adjusted R-squared	0.931790			
F-statistic			85.23984	

Based on the table above, the answers to the regression coefficients in the previous model can be arranged into the following equation:

PADit = -51.50138 + 0.00000391 JK it + 0.143046 JH it + 2.594718 PDRB it - 0.131946 Di it - 11872573 OIit + εi

Notes :

PAD = Local Own-Source Revenue
JK = Number of Local Tourism
JH = Number of Hotel Occupancy
GDRP = Gross Regional Domestic Product in West Kalimantan
Di = Dummy Waterfront City Pontianak
OI = Openness Indicator
"β_0 = Intercept"
"$\beta_1, \beta_2, \beta_3, \beta_4$, and β_5 are path coefficient"
"I = Indicates to the city/district"
"t = Indicates to time series"
"ε = Error term"

Coefficient of Determination

Based on the test results above, that the Adjusted R-Squared value is 0.9317 or 93.17%. Shows that all independent variables can explain the dependent variable of 93.17%, the remaining 6.83% is explained by other variables outside the model.

Simultaneous Test (F-Test)

Based on the test results, it shows the value of the Prob (F-Statistic) of 0.0000 <0.05, Ha Accepted. It can be concluded that simultaneously all independent variables have a significant effect on the dependent variable.

Partial Test (T-Test)

H1: The number of local tourists has a significant effect on local own-source revenue

Based on the test results, it shows a Prob value of 0.1194 > 0.05, Ha is rejected. It can be concluded that the number of local tourists has no effect on local own-source revenue.

H2: The number of hotel occupancy has a significant effect on local own source revenue

Based on the test results, it shows a Prob value of 0.6383 > 0.05, Ha is rejected. It can be concluded that the number of hotel occupancy has no effect on local own-source revenue.

H3: Gross Regional Domestic Product has a significant effect on local own source revenue.

Based on the test results, it shows a Prob value of 0.0000 <0.05, Ha is accepted. It can be concluded that the Gross Regional Domestic Product has a significant effect on local own-source revenue.

H4: Waterfront Pontianak has a significant effect on local own source revenue

Based on the test results, it shows a Prob value of 0.3177 > 0.05, Ha is rejected. It can be concluded that the Waterfront Pontianak has no effect on Local Own-Source Revenue.

H5: Openness Indicator has a significant effect on local own source revenue

Based on the test results, it shows a Prob value of 0.0000 <0.05, Ha is accepted. It can mean that the Openness Indicator has a significant effect on Local Own-Source Revenue.

Interpretation of results
a. The Influence of Number of Local Tourist on Local Own-Source Revenue

The number of local tourists does not have a significant effect on local revenue in West Kalimantan province. In this case the number of tourist visits includes domestic and foreign tourists. Where domestic tourists who come from outside the area do not stay at hotels in West Kalimantan Province, which will increase and decrease hotel taxes that affect Regional Original Revenue. These results are consistent with Fernanda Arraniry's research (2018) which states that the number of tourist visits has no effect on local revenue.

The development of tourism in West Kalimantan, the government of the Province of West Kalimantan adheres to the Regional Regulation of the Province of West Kalimantan Number 3 of 2018 concerning the Regional Tourism Development Master Plan (RIPARDA)

for the 2017-2032 period which will have a positive effect on the management and development of world tourism. Draft Regional Regulations concerning tourist destinations in order to provide a legal umbrella for tourist objects in local districts and cities. RIPARDA (Regional Tourism Master Plan) West Kalimantan is the guideline for tourism development in West Kalimantan Province to implement Law no. 10 of 2009.

However, in the development of tourism in West Kalimantan, there are various problems faced, some of these problems are as follows; (a) the number and typology of Tourism Objects in Regencies/Cities in West Kalimantan Province are still very limited; (b). No/not yet developed tourism object; (c). And the third is the existence of tourism support facilities such as the Travel Bureau and Travel Agents which have not touched directly on aspects that can develop tourism in West Kalimantan. In this case it affects the destination of tourists who come to West Kalimantan.

b. The Influence of Number of Hotel Occupancy on Local Own-Source Revenue

Hotel occupancy rate has no significant effect on local revenue. However, that does not mean that the hotel occupancy rate has no effect on PAD at all. The hotel occupancy rate has an effect on PAD, it's just that the effect is very low and has no statistical significance. This could be due to the aim of tourists to visit family and not stay at hotels and also due to weak supervision of tax revenue channels. These results are also consistent with research by Agung and Bandesa (2016) which states that hotel occupancy rates have no effect on local revenue.

c. The Influence of Gross Regional Domestic Product on Local Own-Source Revenue

Gross Regional Domestic Product (GRDP) has a significant influence on Regional Original Income. In this case the increase in GRDP has an effect on regional original income, when GRDP increases and the private sector and the government as the parties that manage then respond positively to the tourism sector by making improvements will further increase GRDP so that it has an impact on increasing local revenue. These results are consistent with research by Kapang et al (2019) which stated that GRDP has a significant influence on GRDP.

d. The Influence of Waterfront Pontianak on Local Own-Source Revenue

Waterfront city Pontianak has no influence on local revenue. In this case the Pontianak Waterfront city was just completed in 2017 which in this case is still a new tour. The Regional Government needs to make adjustments and policies to maximize the utilization of Pontianak Waterfront city tourism. Therefore, the Pontianak waterfront city has not had a significant effect on local revenue. In the future the regional government can maximize the Pontianak Waterfront city area to become a Recreational Waterfront, namely a waterfront macro area that provides facilities and infrastructure for recreational activities for domestic and foreign tourists, such as adequate parks, play areas, fishing grounds, and facilities for tourist boats to dock. sufficient to increase interest in the tourism sector. And in this case the government is also advised to build Waterfront cities in regencies and cities in West Kalimantan Province so that not only Pontianak city residents can enjoy these tours, but other communities have tourist attractions such as Waterfront in their area.

e. The Influence of Openness Indicator on Local Own-Source Revenue

The Openness Indicator has a negative and significant effect on Local Own-Source Revenue. In this case the Openness Indicator in West Kalimantan Province has not been effective in driving Local Own-Source Revenue because there is still a lack of foreign tourist visits to West Kalimantan Province. West Kalimantan Province has also issued a budget to build 4 entrances for foreign tourists who will come to West Kalimantan Province. In this case, there is cultural or customary influence that is still strong to be maintained in West Kalimantan Province which has resulted in some rejecting openness to outsiders because they fear that there will be a mixed culture in the local area which can eliminate culture and customs in the area.

4. Conclusions

Based on the results of the research and discussion, it can be concluded that:
a. The results of this study indicate that GRDP has an influence on the Local Own-Resource Revenue in West Kalimantan Province.
b. The results of this study indicate that the number of tourists has no effect on the Local Own-Resource Revenue in West Kalimantan Province.
c. The results of this study indicate that the number of hotel occupancy has no significant effect on the Local Own-Resource Revenue in West Kalimantan Province.
d. The results of this study indicate that the Pontianak Waterfrontcity has no influence on the Local Own-Resource Revenue in West Kalimantan Province.
e. The results of this study indicate that the Openness Indicator has a negative and significant effect on the Local Own-Resource Revenue in West Kalimantan Province.

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