INDONESIA

TOURISM RECOVERY: LESSONS AND PROGRAMME

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MINISTRY OF TOURISM
Disaster Risks to Tourism Development in Indonesia

1. Flooding, Volcanic Eruptions, Tsunamis, Earthquakes, Floods
   - Geographically Indonesia is an archipelago that lies on the juncture of four tectonic plates, they are the Asian plate, Australian plate, Indian Ocean plate, and Pacific Ocean plate.
   - In the southern and eastern parts of Indonesia there are volcanic arcs that extend from the island of Sumatra, Java, Nusa Tenggara, Sulawesi which sides are old volcanics and low plains that partially dominated by swamps.
   - The condition is very potential and proneness to disasters such as volcanic eruptions, earthquakes, tsunamis, floods and landslides

2. Terrorist Attack, Conflicts in a society
   The population of Indonesia reached 230 million people, made up of diverse ethnic groups, religions, and customs. Such diversity is the wealth of Indonesia which is not owned by other nations. However, due to the high population growth is not matched with the policy and economic development, social, and equitable and adequate infrastructure, there are gaps in some aspects and sometimes social jealousy appears. This condition leads to potential conflicts in a society which can develop into a national disaster.

Source: Indonesia Disaster Management
Disaster in Indonesia

Bali Tragedy I
October 12, 2002 (Bali Bombing I)

- Occurred at Paddy's Cafe and Sari Club in Legian, Kuta, Bali
- 202 people were killed, (164 are foreigners from 24 countries, 38 other Indonesian citizens, 209 people were injured)

Bali Tragedy II
October 1, 2005 (Bali Bombing II)

- Occurred at Kuta, Jimbaran
- 23 people and 196 people injured

Tsunami in Aceh

- The 2004 Aceh earthquake occurred at 00:58:53 on 26 December 2004 with an epicenter off the west coast of Sumatera, Indonesia
- Estimated the death total to be as high 220,000 in Indonesia

Tsunami in Pangandaran & The Jogyakarta Earthquake

- The 2006 Pangandaran earthquake and tsunami occurred on July 17 at 15:19 local time off the coast of west and central Java. The shock had a moment magnitude of 7.7
- The earthquake and tsunami killed at least 600 people and injured 431 people across six districts along Central and West Java provinces
Disaster Management System: Prepare for a crisis

The national system covers several aspects:

- **Legislation**
  - Act Number 24 of 2007 on Disaster Management
    - Government and regional governments shall bear responsibility for disaster management.
    - Government shall establish National & Regional Disaster Management Agency.
    - Rights and Obligation of the Community
    - Business Institutions and International Institutions Roles
    - Disaster Aid and Financing Management

- **Planning**
- **Institutionalization**
  - National Disaster Management Agency
  - Regional Disaster Management Agency
  - Platform Nasional (Planas) consisting of elements of civil society, businessmen, universities, media and international institutions

- **Funding**
  - State Budget /Regional Budget
  - Social Aid Fund
  - Sourced from the community
  - Fund from the international community

- **Capacity building**
- **Implementation of Disaster Management**
  Ex: Tsunami Ready Toolbox for Tourism

Source: Indonesia Disaster Management & Ministry of Tourism Indonesia
THE PLANNING RESOURCES:
PREPARE FOR A CRISIS (1)

❖ Police Efforts

✓ Consultative Group on Indonesia (CGI) provide support for Bali to mitigate the worst impact of the bombing on its economy, improvement in security. Concerted and credible policies were needed to restore confidence, including through progress on ongoing investigations relating to the bombing.

✓ CGI members response is likely to include measures to protect livelihoods in Bali and other tourism dependent regions.

✓ In addition to grant resources from bilateral donors, resources from ongoing operations financed by multilateral agencies including with bilateral grant co-financing, will be redirected to support infrastructure and other employment generating investments to ease the consequences of the decline in tourism based livelihoods.

✓ Support will also be given for the education and health sector.
THE PLANNING RESOURCES: PREPARE FOR A CRISIS (2)

- **Financing Needs**
  - CGI members, while noting that their indications of assistance to Indonesia will be formally provided at the full meeting of the CGI early in the new year, indicated their intention to support Indonesia’s budget through additional commitments as needed should government develop and implement reform programs as outlined at the interim meeting.

- **International Solidarity/Partnership**
  - Pacific Asia Travel Association (PATA) planned to establish a task force for the long-term recovery plan for tourism on the island of Bali.
  - The United Nation World Tourism Organization (UNWTO) is also forming a task force to assist the Indonesian Government to recover Bali’s tourism.
Destination Tourism Recovery Model:
Prepare for Crisis

- Extraordinary Marketing Campaign
- When customers are ready to return
- External reassurance to customers

Destination Management Organization
(Central, Regional/Districts) (Pentahelix & ABCGM)

Crisis or catastrophe

- Crisis Plan
- Restore Internal Order
- External Emergency Response
- Once order is restored

- Coordination, Communication, Engagement
- Stakeholder Management (Disaster Management)

Source: Ministry of Tourism Indonesia
Actual Crisis Management:
Impact of Bali Tragedy

Bali Tragedy → Impact → Recovery Steps:
- ECONOMY
  Trade, Industry, Tourism, Investment, Monetary, Transportation, SME
- SOCIAL
  Labor Force, Social Disturbance
- POLITICS
  Political Instability & Security

Impact on Tourism Industry → Needs to be Prioritized → Recovery Steps:
- RESCUE
- REHABILITIZATION
- NORMALIZATION

Source: Ministry of Tourism Indonesia, 2014
# Actual Crisis Management: Bomb Attack in Bali 2002

## Direct foreign tourist arrivals in Bali 2001-2005

<table>
<thead>
<tr>
<th>Month</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>92,604</td>
<td>87,027</td>
<td>60,836</td>
<td>104,062</td>
<td>101,931</td>
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<tr>
<td>February</td>
<td>104,083</td>
<td>96,267</td>
<td>67,469</td>
<td>84,374</td>
<td>100,638</td>
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<tr>
<td>March</td>
<td>110,582</td>
<td>113,553</td>
<td>72,263</td>
<td>99,644</td>
<td>117,149</td>
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<tr>
<td>April</td>
<td>109,634</td>
<td>104,960</td>
<td>53,726</td>
<td>111,021</td>
<td>116,272</td>
</tr>
<tr>
<td>May</td>
<td>103,939</td>
<td>119,284</td>
<td>47,858</td>
<td>117,191</td>
<td>116,615</td>
</tr>
<tr>
<td>June</td>
<td>122,352</td>
<td>130,563</td>
<td>81,256</td>
<td>131,685</td>
<td>136,369</td>
</tr>
<tr>
<td>July</td>
<td>142,946</td>
<td>147,033</td>
<td>111,828</td>
<td>148,086</td>
<td>158,453</td>
</tr>
<tr>
<td>August</td>
<td>144,324</td>
<td>160,420</td>
<td>115,546</td>
<td>155,000</td>
<td>157,229</td>
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<tr>
<td>September</td>
<td>104,008</td>
<td>150,747</td>
<td>106,763</td>
<td>141,900</td>
<td>162,102</td>
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<tr>
<td>October</td>
<td>129,932</td>
<td>81,100</td>
<td>97,435</td>
<td>128,297</td>
<td>81,109</td>
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<tr>
<td>November</td>
<td>110,145</td>
<td>31,517</td>
<td>83,853</td>
<td>110,471</td>
<td>62,705</td>
</tr>
<tr>
<td>December</td>
<td>102,290</td>
<td>63,393</td>
<td>94,196</td>
<td>125,376</td>
<td>75,877</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,376,839</strong></td>
<td><strong>1,285,864</strong></td>
<td><strong>993,029</strong></td>
<td><strong>1,457,107</strong></td>
<td><strong>1,386,449</strong></td>
</tr>
</tbody>
</table>

Source: BPS Statistics Indonesia, 2006

## UNWTO Data:

<table>
<thead>
<tr>
<th>Year</th>
<th>Tourist Arrivals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2,385,122</td>
</tr>
<tr>
<td>2011</td>
<td>2,576,142</td>
</tr>
<tr>
<td>2012</td>
<td>2,826,709</td>
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<td>2013</td>
<td>3,278,598</td>
</tr>
<tr>
<td>2014</td>
<td>3,766,638</td>
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</table>
Actual Crisis Management:
Bomb Attack in Bali on October 12th 2002

- Immediately after the bomb attacked, and in the interests of improving its image as a tourist destination, the Indonesian government launched a recovery program.
- Expressions of sympathy were sent to victims’ families on behalf of the Indonesian people.
- Detailed and careful intelligence led to the speedy arrest of suspects.
- Assistance and support for medical and security equipment was sought.
- Security consultation services established.
- Public, interfaith purification ceremonies and prayer meetings were held.
- The Bali Recovery Group (a coordination committee of existing local non-government organisations), was created with the aim to deliver the best services, collect data and minimise duplication of effort.
- Government measures focused on a commitment to security and law enforcement, tourism promotion and the provision of a social safety net (World Bank, 2003).
- Most hotels and businesses laboured toward the resumption of services and the restoration of Bali’s tourist image.
- Marketing strategies led to an increase in domestic visitors and an expansion of the Asian market segment (UNDP, 2003).
- Security became the top priority as a new policing policy focused on greater visibility and upgrades to existing measures at all ports of entry.
- Several international events and tourist operator/journalist familiarisations were also presented to increase the profile of Bali and assurances of safety and security.

Source: Ministry of Tourism Indonesia
Recovery Planning: Stages in Tourism Program

<table>
<thead>
<tr>
<th>YEAR 0</th>
<th>YEAR +1</th>
<th>YEAR +2</th>
</tr>
</thead>
<tbody>
<tr>
<td>O N D J F M A M J J A S O N D J</td>
<td>REHABILITIZATION</td>
<td>NORMALIZATION</td>
</tr>
</tbody>
</table>

**Objective**
Recovery of the trust of international and domestic markets on Indonesia, particularly Bali as a safe, comfortable and attractive destination.

- **Year 0:**
  - Humanity
  - Condolescence
  - Media Center
  - Recovery of Bali Image
  - Sustaining of Cooperation
  - Roadshow (not for sale)
  - Travel Mart
  - Printed Materials
  - Fam Trip

- **Year +1:**
  - Marketing
  - Quality Enhancement of Products and Services
  - Provision of Incentives: fiscal and non-fiscal

- **Year +2:**
  - Fam Trip
  - Bilateral, Regional and Multilateral Cooperation
  - Events Organizing
  - Media Campaign
  - Standardization of Services
  - New Market Development
  - Increasing overseas promotion and foreign visitors
  - Developing Selective Market Segment
  - Diversification of products with high competitive and added values
  - Standardization of services

Source: Ministry of Tourism Indonesia, 2002
Indonesia has been the place of numerous natural disasters in the past. Examples are the devastating Aceh Tsunami that occurred on December 26, 2004, the Yogyakarta earthquake on May 2006 as well as the tsunami in Pangandaran and the recent Mentawai tsunami in 2010. These terrible events impacted Indonesia and its people in many ways.

This is especially true as 75% of Indonesia’s coastline will sooner or later be affected by tsunami. For this reason, we consider tsunami preparedness as an important obligation of the tourism industry.

The Indonesian Ministry of Tourism cooperates closely with Bali Hotels Association (BHA), an association of over 100 star rated hotels developed the 'Tsunami Ready Toolbox' which is geared to assist hotels to prepare for tsunamis.

The toolbox consists of check lists, background information, templates, and best practice examples.

The booklet describes step by step what it takes to prepare a hotel in case of a tsunami: where the bottle necks are, where to obtain information from and what to look out for.

The 'Tsunami Ready' Initiative of Ministry of Tourism and BHA has been selected as a good practice example for 'Public Private Partnership in Disaster Risk Reduction ' by the United Nations branch ' International Strategy for Disaster Reduction (ISDR).

Source : Ministry of Tourism
Republic of Indonesia
A. Establish communication strategy
   - Crisis management plan
   - Set the spokesman
   - Establish a separate unit for the press and communication services
   - Hold regular communication with the media
   - Serious attention in the local media
   - Implement training and education for the spokesperson in the terms of safety and security

B. Planning promotional activities
   - Developing a shared database with business travel partners
   - Build email and fax information system
   - Being honest and ethical in promotion
   - Setting up a reserve fund for emergencies
   - Travel advisory
   - Enhance communication security issues with the tourists
   - Encourage travelers to learn food hygiene instructions

C. Security system checks
   - Establish good relationship with safety and security agencies
   - Involved in setting security procedures
   - Establish a special officer (focal point) safety and security
   - Implement training and education for tourism officer
During Crisis

A. Communication by direct resources that’s directly related with tourists
   • Being honest and open
   • Don’t apply a “shut up” Strategy
   • Opened a Media Centre
   • Act quickly
   • Remember victims of crisis
   • Avoid speculative statements and convince the public
   • Take advantage of our special coverage of media to remove the positive aspects
   • Include information about the crisis in the website
   • Cooperation with other news sources

B. Difficulty Promotions
   • Communication with business travel agencies
   • Change promotional messages by linking to security issues
   • Attend promotional events and international travel market
   • Additional funding campaign
   • Incentives and fiscal policy for tourism business
A. Communication to build the image
- Being proactive in communication
- Seek inclusion of positive news
- Increase the activity of fam trip for journalists
- Destination website Site
- Participate in the global communication network in tourism

B. Flexibility in promotion
- Create tourism products for niche market
- Create tourism packages with special prices
- Achieve special interest tourist
- Promotion to a potential market
- Increase the promotion of domestic tourism
- Increase fam trip for tour operator
- Travel advisories attention
MONITORING AND EVALUATION: CRISIS MANAGEMENT

- Early warning System
- Tsunami Escape Building Plan in Bali
- National Disaster Management Plan
- Capacity Building for local community
- Risk Management for Hotel, Resort and Services Industry in Indonesia
- National Crisis Center in Tourism: day to day monitoring in tourism
- **The Pre-disaster Mitigation Activity at tourism region** as an effort to decrease the risk of disaster (if the disaster happens).
- Destination Quality Audit: International Recognition (Bali best islands & green tourism)
- Platform E-tourism (call center & crisis center based on internet and integrated to ICT) and Capacity for operating website, email, online application (Blog, Journal Review, Twitter, others social media)
Insights

- Subsequent promotion and marketing based on discounts and incentives, while numerically successful, also reduced profit margins.

- No destination should consider itself immune to crisis and that preparation and proactive capacity building are more effective than complacency.

- With solid supports, especially from the neighboring ASEAN countries, this country’s tourism will soon rise again. All possible efforts to restore the shattered image will be taken as million’s lives depend on tourism.

- The spirit of tourism and economy must not be devastated by terrorism or natural disaster, or else the very purpose of terrorism will succeed at the first place.

- Securing an increase in the domestic and regional market segment to sustain the industry through times of hardship was perhaps one of the most productive tourism strategies.

Recommendations

- Enhancement early warning system

- Good collaboration among government, related sectors, and local people

- Commitment of government and the goodwill of local people (including funding and volunteers)

- Well managed of distributing the assistance for the damaged area

- Quick disaster recovery system

- Image recovery by corporation with local and international media

UNWTO
Thank You

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