

**ANALYSIS OF THE COMPETITIVENESS TOURISM INDUSTRIES
INCREASING THE LOCAL ECONOMY
(The Comparative Study Analysis of the Competitiveness Tourism between
Surakarta and Yogyakarta)**

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Abstract

The purpose of this study are measuring tourism competitiveness in Surakarta region and determining the contribution of tourism for economic region. These cases are compared with Yogyakarta region as benchmark region for tourism in Indonesia. The study is important because it contributes to PAD (Pendapatan Asli Daerah) and gives impact on related industries such as: travel agent, hotel, restaurant, and small industries. The analysis of this study used Competitiveness Monitor (CM) that is the popular measurement to determine tourism competitiveness. It was used more than 200 countries and it is developed by World Travel and Tourism Council (WWTC). The indicators of CM are Human Tourism Indicator, Price Competitiveness Indicator, Infrastructure Development Indicator, Environment indicator, Technology Advancement Indicator, Human Resources Indicator, Openess Indicator, dan Social Development Indicator. From these indicators, we measure tourism competitiveness index and classify the region in green, grey or red area of tourism competitiveness. The result of analysis indicates the Surakarta region is classified in grey area region of tourism competitiveness. The result also indicates the position of tourism competitiveness of Surakarta region with Yogyakarta region. The government has to develop the tourism sector by analysis the indicators which determine the tourism competitiveness because the tourism sector gives the added revenues for the region. It is very important, whichever Adisumarmo airport (Surakarta) is one of the international airport in Indonesia.

Keywords: *tourism, competitiveness, index, competitiveness monitor, tourism competitiveness index, local economy*

THE BACKGROUND OF PROBLEM

In the global rank, a tourism industry has been becoming an important industry as the contributor of Gross Domestic Product (GDP) in a country and the supporter of Local Government Original Receipts (*PAD*) in an industry region. This industry is able to give the contribution more than 10% of *PAD*. Therefore, it makes the many region is compete each other to introduce their potential tourism to attract the local and foreign tourist. The development of this sector will bring to a big impact toward the other related industries such as hotels, restaurants, travel agents and small medium enterprises (*UKM*) that can produce and sell the souvenir in those places.

Based on the data from World Trade Organizations (WTO in the year of 2004), the visits of local and foreign tourist has contributed GDP more than 15% and this number will more bigger toward the countries who plan the tourist visits country such as Malaysia with their slogan "Malaysia- Truly of Asia". Based on *Laporan Kajian fasa pertama Rancangan Malaysia Kelapan* (in the year of 2003), the income of this country from the tourist arriving has reached more than US\$476 billion and gave contribution to *Keluaran Dalam Negara Kasar (KDNK)* as 18,7%. In the year of 2000, Indonesia has been planning Visit Indonesian Year that makes tourism as the backbone of the economic country and at that time, Tourism sector also giving the contribution as 19,84% toward GDP of the country in the year of 2001 (Statistic Bureau 2002). A tourism sector becomes a government attention to develop recently. A tourism sector was becoming a creator of work field when more than 100 billion people travelled whether for business or tourism activities. A tourism industry also gives the government revenue through the accommodation and restaurants taxes, airport tax, sales tax, income tax and the other taxes. Moreover, a tourism industry also encouraging the investment toward the infrastructure in the tourist visits region such as the airport infrastructure, road, drainage system, museum preservation, monument, tourist resort and the central of shopping places.

A tourism industry is becoming one of the important sectors to develop in Central Java. In the year of 2000, this sector had been contributing toward Central Java GDRP as 8,78% and rose as 10,16% in the year of 2004 (BPS Central Java 2005). In Jogjakarta, this sector had been giving a high contribution toward GDRP of Jogjakarta since the tourism industry is done well. In the year of 2003, this sector had been giving 19,06% contribution toward GDRP and rose in the middle year of 2004 as 19,64% (BPS Jogjakarta 2005).

The region of Joglosemar (Jogjakarta, Solo and Semarang) is a gold triangle region that becomes the economic central development. In Central Java, Solo or Surakarta becomes the potential city to develop as the tourist visits places. This region as the central of economic growth and trade is expected to be able bring the impact toward their around regions. Based on the theory of the Central Growth stated that the central of city is assumed becoming as the central of local economic growth and defining the level of economy as a whole since there is independency between the central city and around the city. Based on the correlation between central and local, Surakarta (as the central of growth) so around of city such as Surakarta, Boyolali, Sukoharjo, Wonogiri, Sragen and Klaten (Subosukowonosraten) will going to do internal and external economy agglomeration. Developing certain region as the central of growth will bring the trickledown effect toward around the city so that the development of Surakarta tourism is expected also able to encourage the tourism industry around that region.

The analysis of tourism industry is important to do particularly in the tourist visit places. In the year of 2006, Surakarta city has been opening new page in tourism sector by operating Adisumarno as an international airport. By opening the airline route, Air Asia (Kualalumpur-Solo) in February 1, 2006 and Silk Air (Singapore-Solo), is expected to be attract more tourism sector with the foreign tourist entering this region. Supported by the easiness of transportation, the infrastructure and the other supported facilities will give the impact toward the economic growth in the central growth (Surakarta city) and effecting the economic growth in the regions around the city.

This study is expanding the previous study involving the entire competitiveness indicator from WWTC such as Human Tourism Indicator, Price Competitiveness Indicator, Infrastructure Development Indicator, Environment indicator, Technology Advancement Indicator, Human Resources Indicator, Openness Indicator, and Social Development Indicator. Furthermore, the measurement of tourism competitiveness index is done by focusing on the Surakarta destination. This destination had been choosing since Surakarta opened the international airport in the year of 2006. Moreover, this studies also comparing the destination competitiveness with Jogjakarta as the benchmark of tourist places in Indonesia.

The decision analysis of this competitiveness is important to give the description the competitiveness position of Surakarta and to compare the competitiveness with Jogjakarta. The result of analysis is giving the implication toward the Surakarta local government policies in developing the tourism sector by concerning the competitiveness indicators. It is important to concern with those indicators to analyze the strength and the weaknesses the region in developing the tourism industry as one of the source of potential *PAD*; moreover Adisumarno airport (Solo) has been becoming an international airport.

THE PURPOSE AND BENEFIT OF THE STUDY

The purpose of this study is to measure the competitiveness tourism industry in Surakarta that becomes the tourism window in Central Java, to define the competitiveness position of Surakarta tourism industry compared with Jogjakarta as the comparative analysis in this study. Moreover, it is also describing this tourism contribution toward the Local Government Original Receipts (*PAD*) and analyzing the factors that are able to raise the competitiveness tourism industry in this region.

This study is expected to bring a beneficial related with the tourism competitiveness is able to describe the competitiveness position of Surakarta tourism industry and the comparison with tourism Jogjakarta. In addition, the result of this analysis is expected giving the implication toward the Surakarta local government policies to develop the tourism sector by concerning with the competitiveness indicators. It is important to concern with those indicators to analyze the strength and the weaknesses the region in developing the tourism industry as one of the source of potential *PAD*.

THEORETICAL FRAMEWORK

Based on the tourism literature, the competitiveness measurement is interesting to analyze since it becomes the crucial factors toward the successful of tourism industry (Rozak dan Remington, 1999; Go and Gowers, 2000; Mihalic, 200; Crouch and Richie, 1994, 1995, 1999; Dwyer et al, 2000). The competitiveness is a complex concept and consists of some elements whether observed or unobserved elements. In addition, this concept is not easy to measure. The study has been done by Kozak and Remington (1999), Haahti and Yavas (1983) using survey data to measure the tourism competitiveness through the tourist perception and opinion about the tourist destinations. Based on their opinion and perception, there are some competitiveness indicators such as quality of beach, the society friendly; shopping facilities, etc. these indicators are very subjective and difficult to measure and intrinsic. The other studies had done by Dwyer (2000) measuring the competitiveness of tourist destinations by comparing with 19 tourist destinations. The publication data from each tourist destinations is used in this study.

Competitiveness Monitor (CM) analysis had introduced as the tool of the competitiveness tourism analysis in the year of 2001 before it renewed in the year of 2002. This renewal was as the cooperation result between WWTC and Christel DeHaan Tourism and Travel Research Institute (TTRI), University of Nottingham. This CM also developed in different research area like the result of World Bank Global Competitiveness report, UK Regional Competitiveness Indicators and IMD World Competitiveness Yearbook. The CM analysis is using 8 (eight) indicators to form the competitiveness. Those indicators are Human Tourism Indicator, Price Competitiveness Indicator, Infrastructure Development Indicator, Environment indicator, Technology Advancement Indicator, Human Resources Indicator, Openness Indicator, and Social Development Indicator.

The Dwyer (2000) study has used Price Competitiveness Indicator to measure the competitiveness of tourist destinations. This study has differentiated two prices category which is travel cost and ground cost. Travel cost is related with the cost that spends from one place to other places; meanwhile Ground cost is related with the commodity cost in one of tourist destination.

The other study has done by Inskeep (1991) and Middleton (1997), they stated that Quality Environment as the important indicator in the measurement of competitiveness. This study constantly involved the environment factor as the determination of tourism competitiveness indicators like Ritchie and Crough (1993) and Mihalic (2000) had done before.

Ritchie and Crough (1993) have expanded the previous study by underlying the Comparative Advantage theory that stated the ownership and consumption of country (destination) resources will affecting the country (destination) is more extremely better than other destinations. The researcher

involves wider category such as human resources, knowledge resources, physical resources, infrastructure, and cultural resources.

THE RESEARCH METHOD

The Study Design

The design of this study is exploratory research by measuring the competitiveness tourism industry in Surakarta. Then the studies also analyze the comparison of competitiveness tourism industry study with the Jogjakarta as the benchmark. The time period analysis is from year 2005 to year 2007. Those time period has chosen because in the year of 2005, Surakarta had not become international airport yet then in the year of 2006 became an international airport. Therefore, the comparison between "before" and "after" period is assuming can give more complete descriptions of the tourism condition in that region. The objects of study are Surakarta and Jogjakarta as the comparison studies. This study is using the secondary data sourced from tourism department, local bureau statistics, local economy divisions, and other related departments. Primary data is needed if the measurement of competitiveness indicators is not able to get. These data is sourced from hotels, restaurants, travel agents and the tourist that visits to Surakarta. These data is needed to explore the strength and the weakness factors of Surakarta tourism industry.

The measurement and Variables

The variable that used in this study is tourism competitiveness index created from the eight determinations of tourism competitiveness indicators. The eight indicators as follows:

1. **Human Tourism Indicator (HTI)** → This indicator shows the achievement of local economy development because the tourist visits in those regions. The measurement is used that is Tourism Impact Index (TII) which is the ratio between the number activities of tourist (come and go) and the population numbers of destination in that regions.
2. **Price Competitiveness Indicator (PCI)** → This indicator shows the commodity price that consumed by tourist during their visits such as accommodation cost, travel, car rental, etc. the Purchasing Power Parity (PPP) is used to measure as the price proxy that is the average of minimum tariff worldwide hotels. The researcher was used the data from Quality, Novotel and Sheraton. PPP value is accounted from the number of tourist in an X region, the average of X tariff hotels and the average time of stay.
3. **Infrastructure Development Indicator (IDI)** → This indicator shows the development or rail road, the repairmen of sanitation facilities and increasing of society access toward the clean water facilities. To measure the IDI, there is a difficulty so that CM doing the proxy of IDI toward the society income per capita.
4. **Environment Indicator (EI)** → This indicator shows the environment quality and the society awareness preserving their environment. The measurement that used are the density society index (a ratio between the population number and the regional wide) and CO2 emission index that get from the information of a level of air pollutant in the rail road's.
5. **Technology Advancement Indicator (TAI)** → This indicator shows the infrastructure and modern technology development by expanding the use of internet, mobile telephone and a high

technology products export. The measurement is used such as the telephone index (a ratio of using line telephone with the population number) and the export index (a ratio of high technology products export, medical products, the industry machines and electronics with the export total as whole).

6. **Human Resources Indicator (HRI)** → This indicator shows the human resources quality in that region in order to give the better services toward the tourist. The HRI measurement is using the education index that consist of literate society and a ratio of population education such as Elementary school, junior high, Senior high, Diploma and bachelor degree.
7. **Openness Indicator (OI)** → This indicator shows the level openness of destination toward the international trade and international or foreign tourists. The measurement is using a ratio of the international or foreign tourist acceptance numbers with the total *PAD* and a ratio of export-import tax acceptance with the total of acceptance.
8. **Social Development Indicator (SDI)** → This indicator shows the tourist safety and comfort ability to visits toward the tourist destinations. The SDI measurement is the average stay time period of tourist in the destination places.

Data Analysis

The analysis step of data is as follows:

1. Counting the tourism index of the eight index determination of the tourism competitiveness indicators that has been explaining above by using this formulas:

$$X_i^c = \frac{X_i^c - \min(X_i^c)}{\max(X_i^c) - \min(X_i^c)}$$
2. Counting index composite from the eight index determination of the tourism competitiveness indicators

$$Y_k^c = 1/n \sum X_i^c$$
3. Counting the index of tourism competitiveness

$$Z^c = \sum W_k Y_k^c$$
4. Make a comparison of tourism competitiveness between Surakarta and Jogjakarta. The result of this comparison can describe the factors effecting tourism industry in Surakarta is greater or less in order need to develop.

THE RESULT OF STUDY AND ANALYZE

This study is measure the index tourism competitiveness by putting the whole indicators from WWTC as eight indicators and specify to Surakarta destination. This destination had chosen because of the development of international airport in the year of 2006. Furthermore, this study also had compared the destination competitiveness between Surakarta and Jogjakarta as the benchmark of tourist places in Indonesia.

This determination competitiveness analysis is important to do describing the position of tourism competitiveness in Surakarta and the comparison with Jogjakarta. This analysis implies toward the policies that should be done of Surakarta local government to develop tourism sector by concerning with those indicators to analyze the strength and the weaknesses the region in developing the tourism industry as one of the source of potential *PAD*. It can be simplified as in the Table 1, as follows:

Table 1: The Index Tourism Competitiveness

INDICATOR	SURAKARTA	YOGYAKARTA
Human Tourism Indicator. (HTI)		
- Tourism Impact Index (TII)	0,0046	0,0237
- Tourism Participation Index	0,026	0,156
Price Competitiveness Indicator (PCI)		
- Purchasing Power Parity (PPP)	Rp 7.714.077	Rp 10.845.347
Infrastructure Development Indicator (IDI)	Rp 10.463.000	Rp 10.470.649
Environment Indicator (EI)	12.246,28	12,897
Technology Advancement Indicator (TAI)	0.0087	0,017
Human Resources Indicator (HRI)	0,656	0.774
Openness Indicator (OI)	0,00143	0.0268
Social Development Indicator (SDI)	1,1 hari	2,4 hari

Source: Own Calculation

Based on the table above, it can be stated that the index tourism competitiveness in Jogjakarta is higher than Surakarta. Some of the reason can be explained toward each of indicator that determining the index tourism competitiveness, as follows:

Human Tourism Indicator (HTI)

This indicator shows the achievement of local economy development because the tourist visits in those regions. The measurement is used that is Tourism Impact Index (TII) which is the ratio between the number activities of tourist (come and go) and the population numbers of destination in that regions. The result of analysis shows that whether the local and foreign tourist is greater in Jogjakarta. In the year of 2005, it is proven by the number of 769.744 tourist, and increased becoming 915.610 tourist or raised as 18, 9% in the next year. The tourist visits had brought the significant multiplier effect toward societies. This industry had been encouraging the society economic life in Jogjakarta both services and goods company and home industries. The tourism sector also contributing a big enough the Local Government Original Receipts (PAD) toward Jogjakarta as 5,6%. Comparing with Surakarta, the contribution of this sector is only 2, 35%. The serious effort should be done by Surakarta government in order to enhance the local and foreign tourist visits. The effort such as the culture shows, SIEM and food tourism should attractively make, therefore Solo as the culture and tourism city is able to attract the local and foreign tourist.

Price Competitiveness Indicator (PCI)

This indicator shows the commodity price that consumed by tourist during their visits such as accommodation cost, travel, car rental, etc. the Purchasing Power Parity (PPP) is used to measure as the price proxy that is the average of minimum tariff worldwide hotels. The researcher was used the data from Quality, Novotel and Sheraton. PPP value is accounted from the number of tourist in an X region, the average of X tariff hotels and the average time of stay. The amount of tariff the three hotels is Rp 525.000 for deluxe rooms. The amount of this tariff of these hotels is quite to be same between in Surakarta and Jogjakarta.

The result of PPP index also proven that PPP index in Jogjakarta is higher than Surakarta. It is because of the number of tourist visits to Jogjakarta is higher than Surakarta. Beside of that factor, the average stay time period in the destination places becomes the other indicator to determine this PPP index. The average of stay time period in Jogjakarta is 2, 4 days meanwhile in Surakarta is 1, 1 day. The differences of the average stay time period is determined by the conformity of destination places and the interesting place that is offered. The Surakarta local government should sell the other interesting places Surakarta and other regions near Surakarta such as Sukoharjo, Boyolali, Wonogiri, Sragen, Karanganyar, and Sragen. Those places have many potential places that should be more developed seriously therefore Surakarta which famous as the Culture city can developed well the tourism potential as like Jogjakarta.

The stay time period also determined by the hotel conformity and the society friendly in the destination places. As the services quality, the hotels and home stay both in Surakarta and Jogjakarta has no significant differences. In the year of 2005, the total of hotels and home stay is 329 hotels that consist of 23 star hotels and 306 non star hotels in Jogjakarta. The level of rent the room hotels is reached 43,3% and increasingly 6,68% compared with the previous year in 2004. On the other hand, Surakarta has many star hotels which include worldwide classification such as Quality hotel, Novotel hotel, Sahid raya hotel, Sahid Kusuma and Lor-in hotel and the other star hotels. These resources should be managed well in order to maintain the conformity of tourist in the destination places. Moreover, the safety factor also needs to be more attention to protect the tourist from the criminality action and the other criminalities. Therefore, by concerning with those factors the tourist will be stay longer and feel more comfortable in that place.

Infrastructure Development Indicator (IDI)

This indicator shows the development or rail road, the repairmen of sanitation facilities and increasing of society access that caused by trickledown effect of local and foreign tourist visits. Their visit is expected giving wealthier toward the society of destination places. To measure the index, this study is using the society income per capita. In the year of 2005, the income per capita in Surakarta is 10.463.000 meanwhile in Jogjakarta is 10.470.647. Based on that fact number, it is proven that the income per capita in both destination places is not different significantly. However, if it is see from the economic growth in the previous year, Jogjakarta had increased their income per capita as 5, 83% meanwhile Surakarta income per capita had rose as 4, 31%. One of the causing factors that raised the income per capita is the increasing of tourism sector.

Environment Indicator (EI)

This indicator shows the environment quality and the society awareness preserving their environment. The measurement that used are the density society index (a ratio between the population number and the regional wide) and CO2 emission index that get from the information of a level of air pollutant in the rail road's.

It implies that if a destination region has the high density population level so it is assumed the environment quality of that place will be low. The environment quality will influence the conformity of tourist. Generally, they need a clean, safe, comfort and having a fresh air in their destination places. The population density in both places is not quite different. Therefore, the things that should society to do are their awareness keeping clean and beautiful their environment in order to make the tourist stay longer in those destination places.

Technology Advancement Indicator (TAI)

This indicator shows the infrastructure and modern technology development by expanding the use of internet, mobile telephone and a high technology products export. The measurement is used such as the telephone index (a ratio of using line telephone with the population number) and the export index (a ratio of high technology products export, medical products, the industry machines and electronics with the export total as whole). The analysis result shows that the technology index in Jogjakarta is greater than Surakarta as 0,017: 0, 0087.

It implies that the tourist visits will raise the high technology products in the destination places. It is assumed that the tourist particularly the foreign or international tourists will bring a technology change toward destination places.

Human Resources Indicator (HRI)

This indicator shows the human resources quality in that region in order to give the better services toward the tourist. The HRI measurement is using the education index that consist of literate society and a ratio of population education such as Elementary school, junior high, Senior high, Diploma and bachelor degree. It implies that the higher level of society education, it is assumed they will give the better services toward the tourist in those places. They understand and acknowledge that the more tourist

visit and the tourist will stay longer then will bring beneficial toward that destination places. One of the advantages is the regional income that comes from tourism sector. A high regional income is assumed that the wealth of society in that region will be higher and the economic development in that region will be higher too.

Openness Indicator (OI)

This indicator shows the level openness of destination toward the international trade and international or foreign tourists. The measurement is using a ratio of the international or foreign tourist acceptance numbers with the total *PAD*.

It implies that the foreign or international tourist visits causing the existence trade of both countries that are the original tourist places and the tourism destination places. It is realized that the purpose of tourist visits to a region is having vacation, trading, joining some seminars such education and health seminars. The several of tourist visits toward destination places are causing the trades particularly local products that can sell in international market. For instance, Batik of Solo in Surakarta destination and silver decorating of Kotagede in Jogjakarta. Both of local products is known in many countries as the impact of tourist visits toward that destination places recently.

Social Development Indicator (SDI)

This indicator shows the tourist safety and comfort ability to visits toward the tourist destinations. The SDI measurement is the average stay time period of tourist in the destination places. It implies that the longer stay time period of tourist so that the more consumption that spends of that region. From the macroeconomic view, the increasing of tourism spending or consumption by the tourist toward that destination places is causing the increasing of that region income. Based on this index, the average of stay time period tourist in Jogjakarta is longer than Surakarta. Therefore, it implies that the tourism contribution toward *PAD* in Jogjakarta destination is higher than Surakarta destination. This tourism sector had been contributing more of the Local Government Original Receipts (*PAD*) in Jogjakarta as 5,6% rather than Surakarta destination as 2,35%.

The eight indexes that have been explaining above can give the information on how the tourism competitiveness position in Surakarta and Jogjakarta as a comparison object. Based on the index value in the table 5.1, therefore it can clearly explain that the tourism competitiveness in Surakarta is lower than Jogjakarta. It might happen because Jogjakarta as the benchmark actually becoming the second tourist visits destination places after Bali Island. (Jogjakarta tourism department, 2003).

Based on the motivation of this study, the analysis of competitiveness determination is important to do giving the description of the tourism competitiveness position in Surakarta and the comparison of the tourism competitiveness with Jogjakarta. This analysis implies toward the policies that should be done of Surakarta local government to develop tourism sector by concerning with those indicators to analyze the strength and the weaknesses the region in developing the tourism industry as one of the source of potential *PAD*, moreover Adisumarno airport (Solo) had been becoming an international airport.

CONCLUSION

Based on the analysis had done therefore the conclusion of this study, as follows:

1. The index tourism competitiveness in Jogjakarta is higher than Surakarta. Some of the reason can be explained toward each of indicator that determining the index tourism competitiveness.
2. Based on human tourism indicator, whether the local and foreign tourist is greater in Jogjakarta. In the year of 2005, it is proven by the number of 769.744 tourist, and increased becoming 915.610 tourist or raised as 18, 9% in the next year. The tourism sector also contributing a big enough the Local Government Original Receipts (*PAD*) toward Jogjakarta as 5, 6%. Comparing with Surakarta, the contribution of this sector is only 2, 35%.

3. Based on Price Competitiveness Index proven that PPP index in Jogjakarta is higher than Surakarta. It is because of the number of tourist visits to Jogjakarta is higher than Surakarta. The average of stay time period in Jogjakarta is 2, 4 day: 1, 1 day.
4. Based on the Infrastructure Development Indicator (IDI), it is proven that the income per capita in both destination places is not different significantly. However, if it is seeing from the economic growth in the previous year, Jogjakarta had increased their income per capita as 5, 83% meanwhile Surakarta income per capita had rose as 4, and 31%.
5. Based on the Environment Indicator (EI) shows that the population density in both places is not quite different.
6. Based on Technology Advancement Indicator (TAI) shows that the technology index in Jogjakarta is greater than Surakarta as 0,017: 0, 0087.
7. Based on Human Resources Indicator (HRI) shows that the education index in Jogjakarta destination is greater than Surakarta as 0,774 to 0,656.
8. Based on Openness Indicator (OI), the tourism competitiveness of Jogjakarta destination shows the greater value also as 0, 0268 to 0, 00143.
9. Based on the Social Development Indicator (SDI) shows that the average of stay time period tourist in Jogjakarta is longer than Surakarta. Therefore, it implies that the tourism contribution toward PAD in Jogjakarta destination is higher than Surakarta destination. This tourism sector had been contributing more of the Local Government Original Receipts (PAD) in Jogjakarta as 5, 6% rather than Surakarta destination as 2, 35%.

THE LIMITED OF STUDY

1. The study is focus on the tourism competitiveness position in Surakarta and the comparison of the tourism competitiveness with Jogjakarta as benchmark. The extension of this study area is needed in order to compare the analysis comprehensively.
2. The determination of the competitiveness index is using the eight indicators from WWTC version. The macro economy of competitiveness study is analyzing the contribution tourism sector toward GDRP. If this sector is giving significant contribution toward GDRP, therefore this analysis is able to become the determination factor of the main competitiveness in the destination region.
3. The data used in this study is in the year of 2005. It will give the description as comprehensively if the data used is time series data in order to analyze the development or regional economy.

RECOMMENDATION

The development of tourism sector in Surakarta needs more promotion. Beside the promotion intuition support, webpage, brochure, promotion to other countries and farm trips, the tourism facilities including infrastructure becomes the supporting factor to raise the regional tourism and to give significant contribution toward the regional economic growth.

The government should take more roles in the tourism development. Moreover, the government should more consultates with the private sector before creating the new policies, making more partnership with the private sectors, increasing the safety in the rail road and the health facilities, and the other supporting factors of tourism.

Surakarta government also needs the accurate strategy and policy in developing Surakarta to become the tourist destination places. Furthermore, it needs also the easiness of permission and other beneficial facilities to encourage the investor to generate Surakarta as the spirit of Java. In the future, Surakarta has potentially becoming as like Jogjakarta. Jogjakarta and Surakarta have the same culture nuance and *keraton* culture, the similarity and contiguous of access, and the attraction that tend to be the same. It means that what Jogjakarta is able to do, Solo also able to do. By

supporting from society and the accurate tourism development of Surakarta local government, it will quicken the tourism development process in Surakarta particularly Adisumarno airport already becomes an international airport.

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