

ABSTRACT

As one of economic sector which give positive impact towards the national and local economies, tourism sector can create jobs, increase household income, and stimulates other productive sector. The contribution of tourism sector towards national GDP shows a positive trend from 2015 to 2019 (Kemenparekraf, 2020). International tourism arrival to Indonesia is also increasing from 2015-2019 (UNWTO,2020). However, in 2020 the Covid-19 pandemic spread to almost all countries and caused an economic slowdown. Indonesia was also affected, the Large-Scale Social Restrictions (PSBB) policies implemented in various regions closed access to various tourism objects so that the number of national and foreign tourist arrivals decreased.

Therefore, this study was conducted with the aim of looking at the role of the tourism sector in creating a multiplier effect on output and household income and its relationship to other sectors. This research uses input-output analysis method with input-output table of Indonesia 2016 domestic transactions based on basic prices and additional case studies of Rp14,2 trillion of government spending for the tourism sector. The tourism sector in this study is the result of the aggregation of the accommodation provision sector, the provision of food and beverage services, and arts, entertainment, and recreation services.

The results showed that the tourism sector had a positive impact on the output and household income multiplier. However, the output multiplier is still higher than the household income multiplier. In terms of linkages between sectors, the tourism sector has a higher number of backward linkages than forward linkages. Manufacture industry has closely related to tourism when government spending is injected.

Keywords: *Tourism sector, input-output analysis, government expenditure, Covid-19*