

of small-scale and household industries should be intensively carried out.

06.179 We thus recommend that BAPPEDA and Dinas Perindustrian Jawa Tengah establish a research team to specifically work at identifying feasible projects of high value added productive activities and for devising means of implementation of identified projects.

06.180 For this purpose, 36 man-months of internationally qualified expert services will be needed prior to the beginning of Repelita III. BAPPEDA is thus recommended to take immediate action to consult with UNIDO, FAO and ILO on this issue.

6.7.3 Investment Priority

06.181 We identified the existence of excess capacity and/or low rates of capacity utilization in the industrial sector in Central Java. Considering the importance of making best use of existing production capacity in the Province, we contemplate an investment priority as follows: (1) New investment projects which may have competitive effects on available raw materials in Central Java must be discouraged. (2) More investment projects should be encouraged for increasing the capacity utilization of existing capital stock. And, (3) the highest priority should be given to selective mechanization of food processing, wood and related products, metal processing and clay and related product manufacturing industries. In addition, it is recommended to promote the type-setting printing industry at Kudus, Surakarta and Semarang. The ready-made wearing apparel manufacturing industry should also be promoted.

6.7.4 Pilot Scheme for Diversification of Small-Scale and Household Industries

06.182 BIPIK has been endeavoring to improve the productivity of small-scale and household industries in the Province. The activities of BIPIK, however, hitherto have been primarily related to traditional lines of productive activities. As shown in the section concerning household and cottage industries, there are a number of branches in manufacturing industry which can generate high value added. It is important that the future activity of BIPIK include identification of high value added manufacturing industries which can be introduced to small-scale and household industries in the Province, and to make a serious effort to spread such activities in the Province. This requires three preparatory works. First, a number of action-oriented research into feasibility of introducing high value added branches of manufacturing industry to rural areas should be undertaken (see our recommendation on the promotion of intensive study of small-scale industry). Second, an adequate distributive system has to be established. We already noted that a putting-out system can help to solve this (see our recommendation concerning alternatives for

improving the distribution system). Third, intensified technical training will be needed for potential participants who will engage in prospective high value added branches of manufacturing industry. Here is the place where BIPIK must assume its responsibility.

06.183 We recommend as an example that BIPIK and BKPM-D cooperate with the Provincial Government to secure at least funds to purchase 50 sewing machines (Rp.1.25 million or Rp.25,000 per unit), and provide them to a selected desa possibly near Surakarta in order to establish a village factory of ready-made shirts and trousers hopefully for school uniforms. One instructor will be needed to train young women in villages. 12 man-months of service will be sufficient. BKPM-D is advised to locate a distributor who will function as a promotor of putting-out system. This pilot scheme, if successfully implemented, will provide further opportunity for multiplying this line of activities to more high value added branches of manufacturing industry. We are not convinced by any opinion that says that rural cottage industry can not be developed to the point of including units assembling transistor radios or small transistorized desk calculators in any foreseeable future in Central Java.

6.7.5 Strengthening the Industrial Extension Services

06.184 To strengthen the effective implementation of industrial extension services in Central Java, the following recommendations deserve serious attention.

06.185 First, at the present the scarce manpower at Dinas Perindustrian Jawa Tengah is thinly spread, being divided between BIPIK and BAPPIKRA. It is advised to make a clear distinction between the two by establishing a two-tier system in the administration of industrial extension services. For the first thing, BIPIK may assume an overall planning function and provide in-service training for BAPPIKRA staff, thus leaving the actual operation of BAPPIKRA to those officers who are employed at the local governments. In any case, it is almost impossible for BIPIK to extend its services to both small-scale industries and household and cottage industries. On the other hand, the relative lack of competency among industrial extension officers employed by the local governments tends to limit effective implementation of BAPPIKRA. Therefore, the proposed two-tier system may allow BIPIK to concentrate its effort on small-scale industries.

06.186 Second, the provision of BIPIK services may be more confined to selective targets existing in the growth centers and development corridors. This approach may appear to be against an equity principle since it tends to discriminate against potential clients existing in other areas. However, the fact is that the scarce manpower which have technical competence is at the present not effectively mobilized to materialize effective implementation mostly due to over-extended provision of their services. The "once-and-for-all" approach thus has been taken as an inevitable result of the scarcity of competent manpower.

This approach should be changed. If BIPIK selects more limited number of clients, and if it provides continuous and intensive extension services to them, we can expect improvement of prospects for the future of BIPIK in Central Java.

06.187 Third, both BIPIK and BAPPIKRA are advised to enlarge its marketing extension services. We present another recommendation concerning an improvement in distribution system in Central Java. Unless marketing problems can be taken care of by BIPIK and BAPPIKRA, technical and managerial extension services can not achieve their objectives. Although government agencies intervention in the market mechanism in a free market economy should be avoided, BIPIK and BAPPIKRA may facilitate functioning of market mechanism by a number of means. For example, a number of local governments established a showroom where they exhibit a variety of local products manufactured within respective kabupaten or kotamadya. Those showrooms are not necessarily utilized for marketing promotion. Almost always the showrooms are locked, and anyone who wishes to see them must obtain special permission to enter. If these showrooms are kept open to public, they may better accomplish their original objective. As mentioned, the establishment of a collecting depot of handicrafts goods produced by rural household and cottage industries can be combined with the establishment of those showrooms at kabupaten and kotamadya.

06.188 Fourth, in-service training of industrial extension officers should be carried out. This is particularly important for BAPPIKRA operations, but also quite useful even to BIPIK operations. BIPIK has prepared a variety of booklets which are to be used for industrial extension services. We are convinced that the quality of those booklets are quite adequate for small-scale industries and household and cottage industries. What is important, however, is how to make best use of those booklets. Regrettably, we often encountered local government officers who are not aware of the availability of those teaching materials, and more often encountered officers who apparently have some difficulty in using them as extension instruments. The Provincial Government, particularly Dinas Perindustrian Jawa Tengah, is advised to establish in-service training programs for BIPIK and BAPPIKRA.

6.7.6 Program for Improving the Distributive System

06.189 We consider that improvement of the distribution system is crucial for further productive integration of small-scale and household industries in economic development of the Province. Three alternatives can be envisaged. First, it is quite conceivable to expect a rise of entrepreneurial class who are able to handle nationwide distribution and foreign trade as well. Although it is still small, we see more than an embryo of upcoming Indonesian entrepreneurs in the commercial sector of the economy. One alternative may be found in that the Governments, both Central and Provincial, will offer them a number of incentives by which their growth can be accelerated. They must do all that is possible along this line. However, growth of the entrepreneurial

class in distribution activities can not be achieved in such a short time as Repelita II or Repelita III. It seems necessary therefore to find supplementary policy measures to improve the distribution system in the economy.

06.190 Second, the Central or the Provincial Government may be encouraged to establish a public trading agency which will handle the distribution of goods produced in the country and in the Province. It appears however that a number of developing countries have experienced serious problems with public trading agencies. Bureaucratic inefficiency and inflexibility are bound to occur in any public trading agency, and Indonesia may not be an exception. We thus are reluctant to recommending this alternative.

06.191 The third alternative, in which we lay our confidence, is that the Governments, both Central and Provincial, will make best use of the existing entrepreneurial skills with accumulated capital in the country. Admittedly, their prime motive is the pursuit of profits and primary producers in small-scale and household industries are economically weak. However, the interdependency between them must be fully explored at least for short-run benefits until the long-run prospect of the growth of competitive entrepreneurs will be realized.

06.192 It is this interdependency which calls for a need of expanding the putting-out system. We may further suggest that the BKPM-D can take its initiative in locating potential entrepreneurs who may launch an operation of a systematic putting-out system in order to help small-scale and household industries, and that BKPM-D may recommend banks to provide necessary fund for launching such operations.

6.7.7 Annual Exhibition Show and Contest of Handicrafts Products

06.193 Handicrafts industry in the Province can be encouraged by establishing annual exhibition show or contest of their products. If the Provincial Government establishes a system of rewarding individual craftsmanship through these shows and contests, its motivation effect should be significant among craftsmen/women. At the present, an old woman who produces extremely fine batik is rewarded nothing but a small amount of wages. Find out the "best batik maker of the year", and give him or her a Governor's medal and prize. This should be a tremendous encouragement for preserving and transmitting fine skills. Similar actions can be taken for wood carvers, bamboo craftsmen, and many other people engaged in a variety of handicrafts.

06.194 This approach may be extended to other small-scale industries. We can not ignore the importance of shows and contests as a means of marketing promotion.

6.7.8 Coordination Between BKPM-D and BKPM-S

06.195 According to Decree of the President of the Republic of Indonesia No. 20 Year 1973, BKPM (Badan Koordinasi Penanaman Modal) was established and since then it has acquired considerable experiences in promoting industrial investments in the country. Furthermore, Decree of the President of the Republic of Indonesia No. 21, Year 1973, Re. Basic Provisions on the Capital Investment Procedures specified procedures for applying domestic capital investment in Article 1, and procedures for applying foreign capital investment in Article 2. A couple of modifications in reporting procedures of capital investment projects were made by June 1975. After carefully examining those circulars and decrees we acquired the impression that means and ways of mutual coordination between the National Investment Coordination Board (BKPM-S) and the Provincial Investment Coordination Board (BKPM-D) are not necessarily clearly defined.

06.196 In any case, it seems clear that any reporting from, including investment applications, must first be submitted to BKPM-S and a copy must go to BKPM-D. Needless to say, this is particularly true for foreign investments. But in case of domestic investments, particularly of relatively small investments, BKPM-D may take more initiatives in the Province. Although our findings are gathered from scattered examples, we have to think that the extent of coordination is not satisfactory. Let us recall the examples of competing investment projects between tapioca flour and pelletizing industries, and coconut oil and copra sugar industries. Furthermore, in a branch of the basic metal industry, two competing investment projects, one foreign and the other domestic, were approved in the same year although the market situation did not justify the promotion of two factories at that time.

06.197 In the case of such a massive foreign investment like a cement plant at Cilacap, BKPM-S exclusively played a role of decision maker. In another case, a metal processing industrial investment project, BKPM-S gave advise of locating in Central Java, and BKPM-D was consulted by the investor as to specific location of investment within the Province.

06.198 It would be useful for further promotion of industrial investment projects in the Province to establish workable means and ways of mutual coordinations between the Center and the Province.

6.7.9 Infrastructure Development for Promotion of the Semarang

Industrial Estate Tugu

06.199 It is undoubtedly certain that Semarang will grow more rapidly as a center of administration and manufacturing industry in Central Java. However, more positive effort should be put forward to attract larger numbers of potential investors to Semarang. The Semarang Industrial Estate Tugu has to play a significant role in this regard.

It has been allocated a total area of 1,870 ha of land dispersed at 8 different places. Although most of the allocated land is on the north side of the Semarang-Jakarta highway, access roads from the sites to the highway are currently badly maintained. In addition, all the sites are located relatively far from harbor facilities. It is important for the Provincial Government as well as the Government of Semarang to improve roads and other infrastructure so that the promotion of the Semarang Industrial Estate Tugu can be integrated with wider development of the area as a whole.

06.200 It appears at the present that the promotion of the Semarang Industrial Estate Tugu is not so well conceived as that of Cilacap. It is recommended to BKPM-D, BAPPEDA and the Provincial administration to make a master policy of industrial development for the estate. In this regard, it should be of a matter of high priority to prepare a master plan for the future development of the Semarang Industrial Estate Tugu before Repelita III is launched. For this purpose, 12 man-months of effort, by two specialists, one for road construction and another for investment analysis, will be needed in order to help the local government and BKPM-D.

06.201 If our information about enhancing the capacity of Semarang port is accurate (we were told that dredging will begin next year), preparation of a master plan for the Semarang Industrial Estate Tugu must be started as soon as possible so that it can take advantage of increased port capacity as quickly as possible.

6.7.10 Promotion of Groundnut and Soybean Oil Production Industry

06.202 The demand for vegetable oil will certainly increase in the Province. If the Provincial Government and BAPPEDA do not take immediate actions for promotion of the vegetable oil producing industry in the Province, the extent of dependency of the Province on transferred or imported vegetable oil will further increase. Since the traditional coconut oil production seems to meet more difficulties in obtaining raw materials, it is necessary to explore other vegetable oil producing industries.

06.203 The Province has rich potential in expanding the production of groundnut and soybean as shown in the chapter on the agricultural sector. If demand is assured for those crops, the farmers in the Province will respond to it. Vegetable oil manufacturing is marked by its use of labor-intensive production processes. Relatively small amounts of capital can generate relatively large number of employment opportunities, and linkage effects between industry and agriculture are so high that farmers can also find opportunities for better incomes. Therefore promotion of vegetable oil production, which utilizes groundnut and soybean, must be given a high priority in the economic development of the Province. As mentioned, there are only 20 groundnut oil producers, most of which are small-scale establishments, and no soybean oil manufacture exists in Central Java.

06.204 It is thus recommended to BKPM-D to explore potential investors in groundnut and/or soybean oil production in the Province.

6.7.11 Promotion of a Pilot Project for Sunflower Oil Production

06.205 Although 1962 research on the feasibility of sunflower oil production in the Province did not find bright prospect at that time, the conditions of copra supply have changed significantly since then. Sunflower oil processing should be considered in the broad framework of oil processing industry. It may now be necessary to reconsider the potential of sunflower oil production in the Province. A factor which we consider decisive is that sunflower oil production should be introduced to Central Java because the sunflower plant does not require any new space. The land-conserving nature of the sunflower can be of paramount importance in such a land-scarce province like Central Java.

06.206 Furthermore, we envisage a massive mobilization of school children in growing sunflowers. If every school children in a selected kabupaten are given a dozen sunflower seeds, and the school makes them grow sunflower at any place of their homesteads, a vast quantity of sunflower seeds can be easily obtained. With an initial assurance of the supply of sunflower seeds, potential investors will be attracted to this industry or BUUD/KUD may be in a good position to start this industry. At the moment, no investors are interested in starting to make sunflower oil in the Province since little sunflower seeds are available here. In fact, the profitability of sunflower oil is high since all the remnants after oil is extracted can be sold, to animal feed industries. The initial capital investment required is relatively small since a small oil extracting machine driven by a diesel engine is sufficient enough to begin with.

06.207 It is said that the oil content of sunflower seeds in the Province is low. But, if so, a better variety of sunflower can be introduced. It is thus recommended to the Provincial Government and BAPPEDA to launch a pilot project of sunflower growing by school children and furthermore to do a small pilot project for sunflower oil production. For this purpose, also, it is recommended that BAPPEDA will take action in gathering information about sunflower oil manufacturing industry in developing countries. UNIDO and FAO can certainly assist BAPPEDA on this matter.

CHAPTER VII

TOURISM

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TOURISM

7.1 Introduction

07.001 Central Java possesses a variety of tourism resources in natural, historic, and cultural senses. Moreover, some traditional activities constitute important assets for tourism development such as batik in the Pekalongan and Surakarta areas and wood carving in the Jepara area. A notable feature of these assets is intimate integration in the historic, cultural and natural environment; for example, Borobudur and Dieng Plateau are typical historic and cultural assets in an attractive natural setting. The interaction of natural environment and human activities has long been in operation and has created the integrated tourism assets in the area, and this may be a key point for the future development of tourism in Central Java.

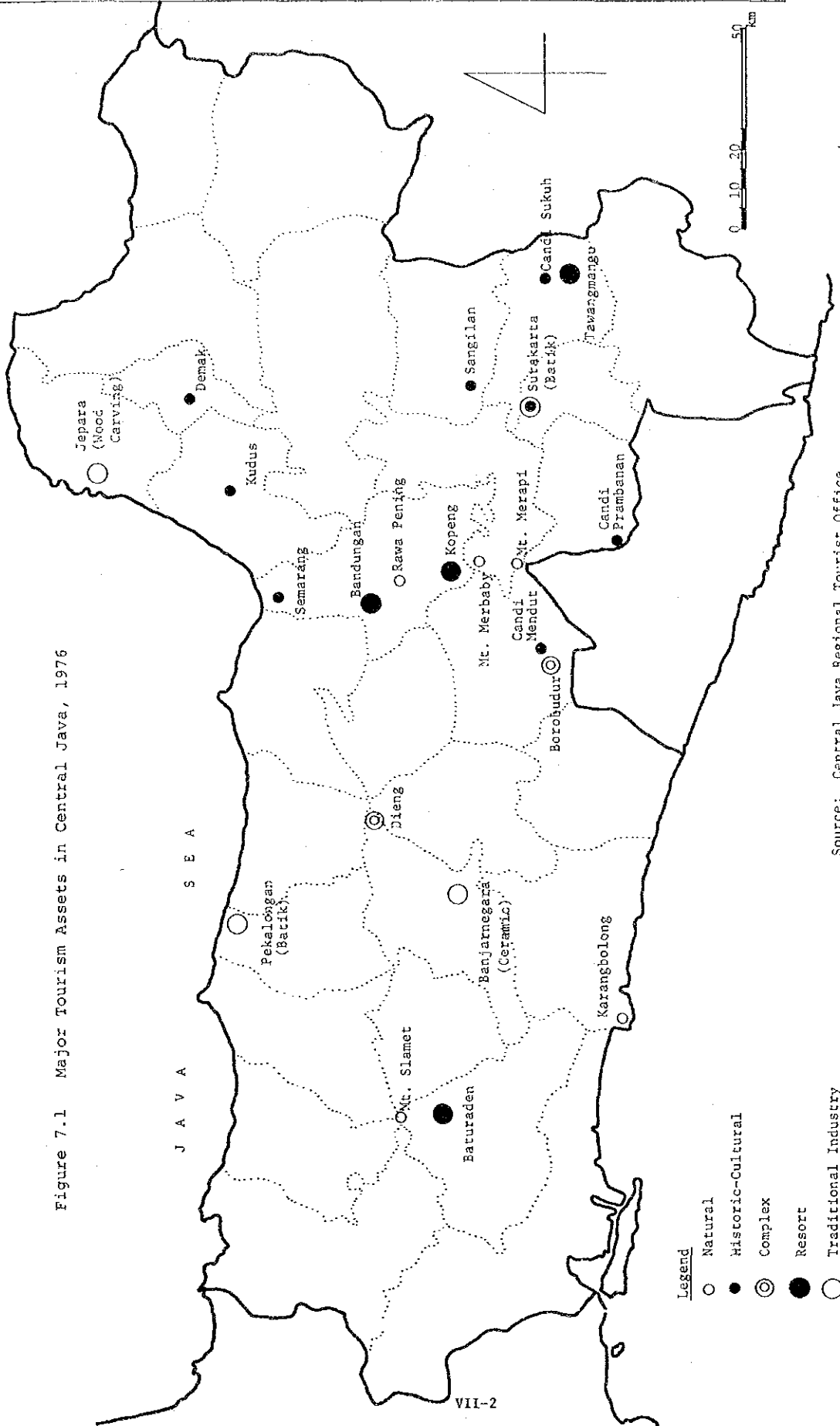
7.2 Tourism Resources

07.002 In general, the range of "tourism" covers a vast area and the definition of a tourism resource is ambiguous. Resources or assets can be physical objects, regardless of whether they are natural or man-made, and also human activities themselves. However, a characteristic of tourism resource is that it attracts people who travel for the purpose of seeing, using or enjoying, etc., that resource.

02.003 The classification of tourism resources for purposes of development planning should be in accordance (1) with characteristics of tourism, and (2) with the measures to be taken for their development. In this regard, the major existing tourism resources in Central Java may be categorized as follows, and the major resources are illustrated in Figure 7.1.

- (1) Purely natural: Mt. Merapi, Bleduk Kuwu, Rawa Pening, Gowa Jati Jajar, Pantai Logending, and Pantai Karang Bolong.
- (2) Natural resort: Tawangmangu, Baturraden, Bandungan, Kopeng, Colo, Tuwel, Bumijawa, and Curug Sewu.

Figure 7.1 Major Tourism Assets in Central Java, 1976



Source: Central Java Regional Tourist Office.

- (3) Natural-historic-cultural complex: Borobudur, Dieng Plateau, Candi Gedong Songo.
- (4) Historic-cultural: Sangiran, Candi Prambanan, Candi Mendut, Candi Sukun, Klenteng Sam Poo Kong, Masjid Agung Demak, Menara Kudus, Kraton Kasunanan, Kraton Mangkunegaran, Musium Radya Pustaka, Palagan Ambarawa, Monumen General Sudirman, Musium Kartini, and Patilasan Kamar Pangeran Dipanegara.
- (5) Industrial human activities: Seni Pahat Batu, Kerajinan Keramik Banjarnegara, batik in Pekalongan and Surakarta, woodcarving in Jepara, Anyaman Pandan, Anyaman Bambu, and Kerajinan Tanduk.
- (6) Human performances: Calung, Patal Sarang and many others.
- (7) Dams: Senpor, Cacaban, Panjalin, Malahayu, and Karang-sambung.

07.004 Despite the fact that Central Java faces the sea on the north and the south and the coastal line is considerably long, natural features of sea and shore have not been exploited and developed as tourism resources up to now. The main reason for this might be that the condition of the sea coast is not favorable for the purpose. In fact, although the northern coast facing the Java Sea is rather calm all the year round, the alluvial soil has made the coast muddy and caused the water to be shallow. This can be observed along the coast between Brebes and Jepara. On the other hand, the southern coast faces the rough Indonesian Sea and there are hardly any beaches suitable for recreation. Thus, the purely natural tourism resources are mostly in hilly and mountainous areas. This might also be a result from the cool climatic conditions of highland areas in Central Java, i.e., people prefer cool environments because of hot weather in lowland areas.

07.005 A natural resort is a place where human exploitation of the natural environment has been already undertaken, the better to enjoy. Usually some accommodation facilities are available. Tawangmangu and Baturaden are the typical of this category, while Bandungan and Kopeng are rather for week-end or one-day-trip vacationers. All of them are also located on mountainsides.

07.006 In the course of history, some excellent natural environments have been exploited for the purpose of religious and cultural activities. This kind of place could be excellent for tourism because of its historical and cultural interest as well as its natural environment. Borobudur, a site of world-famous Buddhism ruins, should be understood in this context. Dieng Plateau is a complex combination of nature and religious and cultural activities: cool climate, good scenery, volcanic activities and oldest Hinduism relics in the island of Java.

07.007 Historic-cultural objects, including sites of religious structures and also sites of royal palaces, are abundant in Central Java. Among them, Sangiran is quite unique because of its archeological importance. Another important subgroup in this category is one of religious relics, and the remarkable fact is that this covers various kinds of religions--Hindu, Buddhism and Islam. Even now, most of the relics in this subgroup are still active and important subjects of peoples religious activities. A still other subgroup in this category is the royal palaces in Surakarta.

07.008 Although modernization and industrial development sometimes has adverse influence on them traditional industries such as batik and woodcarving, and traditional arts and skills together with their products can be important for tourism. Also, human performances such as Calung in Cilacap and court dances and wayang shadow plays in Surakarta are tourism resources but as such they are best considered as secondary to major attractions.

7.3 Present Situation of Tourism

07.009 The present situation of tourism in Central Java is rather difficult to grasp in quantitative terms, owing mainly to the shortage of data concerning the flow of tourists. Table 7.1 shows the number of tourists visiting Borobudur and Kabupaten Wonosobo; data for Yogyakarta is added for comparison. The data of Kabupaten Wonosobo may show the visitors to Dieng Plateau and, although the reliability of data for 1972 and 1973 might be questionable, the data reveal a considerably high growth rate in the number of tourists in Central Java. The resemblance of the growth rates for total tourists between Borobudur and Wonosobo gives a basis to estimate the recent growth rate as more than 30 percent per annum. On the other hand, however, the data of Yogyakarta shows growth less than 20 percent, although growth is fluctuating. This may be taken to imply that tourism trade in Central Java may be in its take-off period, while the rather established tourism trade in Yogyakarta is now reaching maturity.

07.010 The shares of domestic and international tourists in total in Yogyakarta implies an interesting tendency for the growth rate of each category: the share of international tourists is growing by almost 1 percent per annum, although the growth rate itself decreases every year. The share of international tourists at Borobudur is around 12 percent, but the growth rate has increased remarkably. The data of international tourists at Wonosobo is not available in the recent years, but if we take into consideration the case in Borobudur, it may be around 15 percent, and the number of international tourists visiting the Wonosobo area can be estimated at some 8,300 in 1975 and some 11,300 in 1976. Thus, assuming that all the international tourists visiting Borobudur and Wonosobo are from Yogyakarta, around 50 percent of international tourists in Yogyakarta visit Borobudur, and around 10 percent visit the Wonosobo area.

07.011 Table 7.2 is the accommodation facilities in each kabupaten and kotamadya. The accommodations mainly centers on kotamadyas of Semarang and Surakarta, and the share of both cities is 43.1 percent in Central Java in terms of the number of beds. The air-conditioned rooms are also concentrated in both cities, and the dominant share of 84.0 percent is held by Semarang and Surakarta jointly. It is notable, however, that in spite of the more tourism-oriented and generally favorable situation of Surakarta as compared to Semarang, the latter surpasses the former at

Table 7.1 Number of Tourists at Borobudur and Wonosobo

Year	(Unit: Number of Tourists)						
	Domestic (%)	Growth Rate (%)	International (%)	Growth Rate (%)	Total (%)	Growth Rate (%)	
Borobudur	1973	195,123 (86.3)	28.6	31,041 (13.7)	8.0	226,164 (100.0)	25.8
	1974	250,898 (88.2)	35.6	33,534 (11.8)	44.0	284,432 (100.0)	36.6
	1975	340,285 (87.6)		48,271 (12.4)		388,560 (100.0)	
Wonosobo	1972	4,778 (85.1)	198.7	837 (14.9)	284.1	5,615 (100.0)	211.4
	1973	14,271 (81.6)		3,215 (18.4)		17,486 (100.0)	140.1
	1974		42,000	30.9
	1975		55,000	36.4
	1976		75,000	
Yogyakarta	1972	221,175 (82.5)	22.2	47,044 (17.5)	28.5	268,219 (100.0)	23.3
	1973	270,303 (81.7)	16.0	60,463 (18.3)	25.7	330,766 (100.0)	17.7
	1974	313,452 (80.5)	16.9	76,017 (19.5)	10.6	389,469 (100.0)	18.2
	1975	366,293 (79.6)		84,058 (20.4)		460,351 (100.0)	

Note: ... indicates data not available.

Source: Hearing at Kabupaten offices of Magelang and Wonosobo.

Table 7.2 Accommodation Facility

	Number of Rooms	(Air- Conditioned)	Number of Beds	Number of Hotels
1. KDY Magelang	186	(2)	311	19
2. KDY Surakarta	1,058	(127)	1,801	68
3. KDY Salatiga	97		205	7
4. KDY Semarang	1,269	(304)	2,465	61
5. KDY Pekalongan	221	(21)	430	11
6. KDY Tegal	294	(17)	577	23
7. KB Cilacap	327	(42)	562	22
8. KB Banyumas	276		577	31
9. KB Purbalingga	55		55	2
10. KB Banjarnegara	68		81	6
11. KB Kebumen	167		223	12
12. KB Purworejo	127		181	11
13. KB Wonosobo	210		378	20
14. KB Magelang	-		-	-
15. KB Boyoalli	-		-	-
16. KB Klaten	30		...	4
17. KB Sukoharjo	-		-	-
18. KB Wonogiri	-		-	-
19. KB Karanganyar	231		463	20
20. KB Sragen	-		-	-
21. KB Grobogan	24		...	2
22. KB Blora	175		210	15
23. KB Rembang	116		129	7
24. KB Pati	141		206	11
25. KB Kudus	121		205	11
26. KB Jepara	29		31	3
27. KB Demak	7		...	1
28. KB Semarang	449		715	37
29. KB Temanggung	21		21	3
30. KB Kendal	-		-	-
31. KB Batang	3		6	1
32. KB Pekalongan	-		-	-
33. KB Pemalang	26		48	3
34. KB Tegal	6		12	2
35. KB Brebes	8		16	1
Total	5,742	(513)	9,908	414

Note: ... indicates data unknown.

Source: Petunjuk Industri Pariwisata 1976-Jawa Tengah.

least in terms of accommodation facilities. This may mean that the characteristics of Semarang as the administrative and trading center of Central Java are attracting more people, and also that the locational proximity of Surakarta to Yogyakarta is at present unfavorable for the tourism growth in Surakarta.

07.012 The distribution of accommodation facilities in other areas almost conforms with the location of tourism assets in Central Java except Cilacap and Tegal where industrial activities may be a strong source of demand for accommodations. Most of the accommodations in Kabupaten Semarang are located in Bandungan and Kopen, those of Karanganyar in Tawangmangu, those of Banyumas in Baturaden, while Kabupaten Wonosobo enjoys favorable access to Dieng Plateau. The activity of travel agents can be one measure of the extent or level of tourism. Although their actual activities such as tour operations, ticketing and provision of travel information are next to impossible to grasp, the current total number of travel agents is only 16 in Central Java, implying that the tourism in Central Java is still in the stage of infancy. Out of the 16, 12 are in Semarang and 4 in Surakarta, which again reveals the prevailing pattern of tourism activities.

7.4 Tourism Studies in Central Java

07.013 Recently, three tourism studies for Central Java have been carried out by foreign consultant teams as follows:

- (1) Java and Madura Tourism Study, in 1974, by T.D.C., Netherlands;
- (2) Tourism Development Study of Central Java and Yogyakarta Area, in 1975, by JICA, Japan; and
- (3) Design Plan of National Archeological Parks--Borobudur and Prambanan, in 1976, by JICA, Japan.

The first and the second studies deal with tourism development in the regional context, while the third is the preparation of master plans for Borobudur and Prambanan areas as national archeological parks. The second includes an evaluation of the first. The basic ideas of these studies are explained below.

07.014 The T.D.C. study covers all Java and Madura, and in Central Java two areas are given consideration: Merapi-Merbabu area and Kudus area. Merapi-Merbabu area covers Semarang, Salatiga, Surakarta, Magelang and Yogyakarta with additional extension to Dieng Plateau and Tawangmangu. The analysis was made for domestic tourism demand together with international tourism. The coverage of Kudus area is Kudus, Jepara, Colo, Pati and Demak, and the major tourism demand is from the residents of Semarang and religious groups related to religious relics in the area. Major proposed implementation programs for tourism development up to 1989 are summarized as follows:

Merapi-Merbabu Area

- (1) Semarang: development of a new recreational park together with the expansion of an existing zoo, upgrading and extension of the harbor and park facilities; and development of a cultural center.
- (2) Bandungan: upgrading and extension of weekend facilities and camping sites; site planning and zoning; and access roads to cultural remains.
- (3) Archeological parks at Borobudur, Prambanan, Suku: detailed site planning and regulations; preservation, conservation, and upgrading of monuments; and regulations for building and zoning.
- (4) Dieng Plateau: Detailed site planning and drafting of zoning regulations to preserve the natural environment.
- (5) Surakarta: upgrading of recreational park and development of a cultural center.

Kudus Area

- (1) Colo: site planning for religious and youth tourism.
- (2) Jebara: site planning of Kartini beach and planning of camping site and recreational facilities at Tirtasamudera beach.
- (3) Kudus and Demak: upgrading and preservation of cultural assets.

07.015 The study by JICA is a long-term master plan spanning from 1975 to 1994. The basic idea is the establishment of tourism block smaller than the T.D.C. areas. The main blocks are Dieng, Borobudur, Surakarta, and Yogyakarta. Prambanan, Surakarta and Yogyakarta are the core towns and archeological parks are proposed in Borobudur, Prambanan and Dieng Plateau. In the first half of the period (1975 to 1984), the reservation of mountainous landscape is proposed in the Mts. Merbabu and Merapi area and also in the Mts. Sumbing and Sindoro and Dieng Plateau area. New construction or improvement of existing roads is suggested between Boyolali and Borobudur through Selo and between Wonosobo and Dieng Plateau. In the latter half (1985 to 1994), the development of each block is planned to a more advanced stage of construction of accommodation facilities.

07.016 In the Dieng block, resort hotels are proposed at Dieng Plateau and on a mountain pass between Mts. Sumbing and Sindoro. In the Salatiga block resort hotels are expected at Bandungan and Kopeng, and in the Borobudur block a city hotel is planned at Magelang. In the Surakarta

block, together with the improvement of accommodation facilities at Surakarta, the development of the prehistoric park at Sangiran and improvement of tourism resource of Candi Sukuh is recommended. Moreover, the new Pati tourism block is proposed, including in it the improvement of religious relics in Demak and Kudus. At the same time, the southern coast of Yogyakarta is envisaged to become a new sea resort block. Connecting roads between Pekalongan and Dieng Plateau, between Secang and Salatiga through Kopeng, and between Surakarta and Sangiran will be improved together with those from Yogyakarta and Wonogiri to the new sea resort block on the southern coast.

7.5 Major Issues

07.017 As mentioned in the previous sections, tourism activities in Central Java are closely connected to those in Yogyakarta. There seem to be two aspects of this relationship, that is, the competition and mutual benefit. The competitive aspect is mainly the problem of the level of tourism development. The accommodation facilities in Yogyakarta are much more developed than those in Central Java. It is reported that in Yogyakarta City there are 8 international-standard hotels with a total of more than 500 rooms. Another point is the relative proximity of main tourism assets and towns of Central Java to Yogyakarta. Borobudur and Surakarta can be reached from Yogyakarta in almost one hour's drive. Moreover, some tourism attractions in Surakarta are similar to those in Yogyakarta. As a result of these, tourists tend to stop over in Yogyakarta and make a day-trip to surrounding tourism attractions which administratively belong to Central Java. Thus, the development of tourism assets in Central Java may facilitate the growth of tourism activities in Yogyakarta.

07.018 On the other hand, however, the prospect of mutual benefit can be observed, which is largely due to the rather delayed stage of tourism development in Central Java. Without tourism development in Yogyakarta, most of the tourism attractions in Central Java would remain unknown, and it can be said that the growth of tourism activities in Yogyakarta will help to develop tourism in Central Java.

07.019 Thus, the coordination and integration of tourism development in Central Java and Yogyakarta is a fundamental issue which has to be resolved.

7.6 Main Points of Attention and Recommendations

07.020 In order to develop tourism in Central Java, the basic factor is the Central Government policy to build up tourism in the Province. As the case of the national archeological parks at Borobudur and Prambanan, the conditions for development are growing more favorable and further support from the Central Government would be vital.

07.021 Another point to be given consideration is the growing importance of domestic tourism which is the outcome of general economic growth of the nation. Together with international tourism which has already drawn attention of the Government to some extent, this domestic tourism would be one of the major factors in planning tourism development.

07.022 Thus the basic objectives and criteria of tourism development in Central Java are itemized in the following:

- (1) stress on the facilitation of domestic tourism activities,
- (2) integration of traditional industrial activities with tourism,
- (3) protection of indigenous cultural heritage,
- (4) coordination with other sectors,
- (5) preservation of natural environment, and
- (6) development of tourism as an income earning sector.

07.023 The growing tendency of domestic tourism may require the reorientation of tourism objectives and accommodation facilities. Even though international tourists are maintaining a high share (12 to 15 percent), major attention has to be paid to domestic tourists. This, however, does not necessarily imply that facility standards be downgraded. Efforts should be made to upgrade facilities to the international standards.

07.024 The surviving traditional industries must be encouraged not only from the viewpoint of souvenir production but also due to recognition that they are cultural assets which may attract tourists by themselves. Of course there is the serious problem of the conflict of conservation and modernization. Solutions should which seek compatibility of both.

07.025 Indigenous cultural heritage is abundant in Central Java, and could be important tourism resources. Included here are performing arts embodying the history and culture of the people. Specific measures should be taken for their protection and utilization from the standpoint of tourism development.

07.026 As pointed out in the previous section, tourism attractions in Central Java are mostly connected to natural environment. Exploitation of such attractions sometimes damages the landscape and also the more fundamental balance of ecosystem. Care should be taken in the course of tourism development to conserve and protect the environment.

07.027 Tourism is dependent on other sectors: industries, infrastructure, communication and so on. Thus, without coordinated development with them, full success in tourism development will not be obtained.

07.028 The development of tourism as a whole should have as one object improvement of the income of these people who reside at or near the tourism sites. For this reason, facilities should be designed so that tourists may be encouraged to stay long.

07.029 Bearing these points in mind, the following 8 policies are recommended.

7.6.1 Study on Tourism Potential in Jepara Coastal Area

07.030 The area is mentioned in the T.D.C. report as a part of Kudus area development. Presently the coast of Kartini is visited by people of the area mainly on holidays, because of easy access from the center of Jepara and of other favorable conditions of the coast compared with other parts of the northern coast of Central Java. However, the coast is with sea walls, and in the coast there are almost no white sand beaches. On the other hand, the coast of Samudra seem to be more preferable for coastal development, and it is said that some foreigners visit the beach. It is 15 minutes' drive from the center of Jepara. The coastal area or the approach to the northeast point of Kabupaten Jepara, is attractive its plantations of rubber trees and teak and the ruins of Portuguese fortress are favorable for development.

07.031 In the research special attention must be paid to the following:

- (1) assessment of the area's potential as a sea resort for people in Semarang area;
- (2) the possibility of combining sea and mountain resorts and/or camping sites;
- (3) coordination with the development of wood carving industry in Jepara;
- (4) preservation of the natural environment along the coast including the mountain and plantations; and
- (5) improvement of infrastructure for the Jepara, Pati, Kudus and Demak areas.

The proposed nuclear power plant in Jepara should also be evaluated in connection with the proposed tourism development.

7.6.2 Study on Tourism Potential in Wonogiri Dam Reservoir Area

07.032 Considering the ongoing process of the construction of Wonogiri Dam, a study should be undertaken to assess tourism development potentials in the area. There will be a vast inland water surface stretching some 20 km north to south and this would be a valuable tourism resource. Another asset is its location close to Surakarta. If Surakarta can be a core town competing with Yogyakarta, it should have a variety of tourism resources within easy access. The research may cover the following:

- (1) ecological impact of the reservoir on the surrounding natural environment,
- (2) local tourism resources of Kabupaten Wonogiri and its surroundings, and
- (3) assessment of tourists' behavior in the inland water area and the required facilities.

7.6.3 Dieng Plateau

07.033 Dieng Plateau is a combination of natural assets and historic relics. In this regard, its tourism potential is quite high. The main actions to be taken for this area are as follows:

(a) Improvement of Access Road to the Area

07.034 The present access to the area is by the kabupaten road from Wonosobo. The change of the status of this road to a provincial road would be necessary. In this connection, the roads in the surrounding areas should be upgraded, including asphaltting of kabupaten roads and desa roads. This would help agricultural activities of the area which are the economic basis of the livelihood of the people there. The required length of the alteration is some 22 km from Wonosobo to Batur, and the related betterment is some 20 km. The O.T.C.A. tourism study proposes the connection of Dieng Plateau to Jolotigo (Kabupaten Pekalongan), but this may require new construction and extensive betterment, and will be subject to further study although the connection may greatly benefit the agricultural activities in mountainous areas of kabupaten Pekalongan, Wonosobo and Banjarnegara.

(b) Zoning and Land Use Regulation in the Area

07.035 This is to maintain the scenic beauty of the area while promoting desirable agricultural and industrial activities.

(c) Improvement of Tourism Facilities

07.036 In conformity with the regulations mentioned above, tourism facilities should be improved gradually to bring them up to international standards, so that the area may attract international as well as domestic tourists. The advantages of this development are: (1) the development will be multi-purpose encompassing agriculture, industry and tourism; (2) this would be the point of entry of development from the "development belt" to the "minus areas" in the mountain range; and (3) an area is accessible both from Semarang and Yogyakarta, the major centers. This development will form an important focus point in the Semarang-Magelang-Yogyakarta-Surakarta development complex.

7.6.4 Surakarta Area

07.037 To make Surakarta the major center for tourism in Central Java, the following measures need to be taken:

- (1) Exploitation and arrangement of tourism attractions in and around Surakarta: To compete with Yogyakarta as a major center, Surakarta has to develop variety of tourism resources which have not yet been fully exploited. Sangiran and Candi Sukuh might be the main attractions and the

improvement of the road from Boyolali to Borobudur through Selo might also provide excellent access to Borobudur.

- (2) Special measures to conserve and develop Surakarta batik as one of tourism attractions. See Chapter VI in this regard.
- (3) Gradual augmentation of accommodation facilities to meet the international standards.

7.6.5 Borobudur and Prambanan Archeological Parks

07.038 Although the project master plan of these two parks has been completed in 1976, the final decision does not seem to have been made. Considering the importance of the project, definite measures should be taken to promote the project. Especially as the restoration of Borobudur which is supported by UNESCO will be completed in 4 years, the project will require an immediate start.

7.6.6 Resort Area

07.039 The existing resort areas such as Tawangmangu, Baturaden, Kopeng and Bandungan should be emphasized as typical mountain resorts mainly for domestic tourists. Improvement of accommodation facilities and tourist facilities such as swimming pools and parks are recommended.

7.6.7 Promotion of Tourism Industry

07.040 Tourism industry in Central Java is still in its infancy, and its promotion including training of related officials and workers is highly recommended. Hotels, restaurants, travel agencies and transportation services are the basic parts of the industry. Guidance and selective provision of credit from the Government would be desirable. With the progress of this industry there will be possibility to organize a tourism association in Central Java which may collaborate with the Government in every aspect of tourism development.

7.6.8 Collection of Data on Tourism

07.041 The data collection related to tourism activities is of fundamental importance for the effective promotion and development of tourism in Central Java as well as the improvement of services to tourists. Systematic collection of data on tourists' activities should be undertaken by the Provincial Government.

7.6.9 Summary

07.042 These are the major points of recommendations and a summary of them are as follows:

- (1) new tourism area to be studied from the viewpoint of the provincial level: Jepara and Wonogiri;
- (2) major areas to be stressed at the provincial level: Dieng Plateau and Surakarta area;
- (3) implementation with close coordination with the national level and Yogyakarta: Borobudur and Prambanan;
- (4) improvement of existing resort areas: Tawangmangu, Baturaden, Kopeng, Bandungan and others; and
- (5) promotion of tourism management and services.

7.7 Comments on the Program and Budget

07.043 The 5 Year Tourism Development Plan of Central Java (1977/78 to 1981/82) gives the rough estimation of the expenditure of Rp.8,860 millions within the period. The breakdown is summarized in Table 7.3. It is expected that the general expenditure of Rp.655 millions will come from the Provincial Government budget and the project expenditures from the Central Government. The project expenditures do not cover infrastructure, but include the land acquisition cost on the supposition that unit land value is Rp.1,000 per sq. meter. The following are the observations and comments on this estimated expenditure in connection with the recommendations already described:

- (1) In consideration of the development stage of tourism activities in Central Java, the general expenditures should be given more attention. Especially, every instance of development of tourism attractions will require careful research and planning to maintain their quality. As mentioned in the previous section, the cases of Jepara and Wonogiri may require a large-scale study and the data collection operations, which should receive much Governmental attention and more financial care.
- (2) As for recreational development, the remarkable point is the high share of land acquisition cost which in most cases amounts to 50 percent. In some cases, however, where the arrangement of accommodation facilities is expected, the existing estimation will not suffice. Moreover, unit land price per sq. meter seems to be too low judging from the hearing at several kabupatens.

Table 7.3 Expenditure on Tourism Development Estimated in the
5 Year Tourism Development Plan of Central Java,
1977/78-1981/82

(Unit: Rp. Million)

General Expenditure

1-1	Advertisement and Promotion	150
1-2	Establishment of Tourism Association	40
2	Training and Education	165
3	Tourism Industry Promotion	90
4-1	Tourism Planning	110
4-2	Research and Observation	100
Total		655

Project Expenditure

Region	Recreation Development		Specific Project		Total Expenditure (Rp.Mil.)
	Land (ha)	Expenditure (Rp.Mil.)	Land (ha)	Expenditure (Rp.Mil.)	
Semarang	30 ^{1/}	600	10	200	800
Pati	40 ^{1/}	800	2	50 ^{2/}	850
Surakarta	27	545	13	1,750 ^{2/}	2,295
Kedu	35	700	-	2,500 ^{3/}	3,200
Banyumas	33	660	-	-	660
Pekalongan	20	400	-	-	400
Total	185	3,705	25	4,500	8,205
Grand Total					8,860

Notes: ^{1/} includes Jepara coastal development

^{2/} includes Sangiran and Prambanan development.

^{3/} includes Borobudur archeological development.

Source: Rencana Pengembangan Pariwisata Lima Tahun - Jawa Tengah.

- (3) According to the master plan of the archeological parks in Borobudur and Prambanan, the estimated total cost amounts to Rp.19,400 millions including land acquisition and infrastructure cost. Excluding the survey and infrastructure, cost the total cost is Rp.9,870 millions up to 1981/82. The present allocation is Rp.3,900 millions out of Rp.8,205 millions for Borobudur and Prambanan, i.e., 40 percent of the planned cost.

Taking into consideration these points and based on the following assumption, the estimation is worked out as in Table 7.4:

- (1) Planning and research expenditures are increased up to 150 percent of the existing estimation.
- (2) The unit land value per sq. meter is Rp.1,500.
- (3) Land for recreation includes additional 41 ha for Jepara and Wonogiri areas.
- (4) Facilities for recreation cost 120 percent of the land value per ha.
- (5) Borobudur and Prambanan parks expenditures are 50 percent of the planned expenditure up to 1983/84.
- (6) Project expenditure is exclusive of infrastructure expenditure.

Table 7.4 Estimation of Expenditure on Tourism Development

(1977/78 - 1983/84)

(Unit: Rp. Million)

General Expenditure

1-1 Advertisement and Promotion	210
1-2 Establishment of Tourism Association	56
2 Training and Education	231
3 Tourism Industry Promotion	90
4-1 Tourism Planning	231
4-2 Research and Observation	210
Total	1,064

Project Expenditure

Region	Recreation Development		Specific Project		Total Expenditure (Rp.Mil.)
	Land (ha)	Expenditure (Rp.Mil.)	Land (ha)	Expenditure (Rp.Mil.)	
Semarang	42	1,386	14	462	1,848
Pati	77	2,541	3	99	2,640
Surakarta	58	1,914	18	3,594	5,508
Kedu	49	1,617	-	2,940	4,557
Banyumas	33	1,518	-	-	1,518
Pekalongan	28	924	-	-	924
Total	300	9,900	35	7,095	16,995
Grand Total					18,059

Source: Estimation by the Study team.

