

ABSTRACT

Tourism has been recognized as an important industry in Indonesia, tourism receipts ranks a close second to Oil and Gas parts export and they are many times that garment exports.. At a regional level, Indonesia ranks, behind only Singapore and Malaysia in tourist receipt and arrivals. Tourist to Indonesia spend relatively less per day than tourist to some other ASEAN destination. In 2004, 5.321.165 tourist visited to Indonesia and expenditure US \$ 901,66 per visit.. The Government target inbound tourism revenue to increase by 10 fiscal year.2007.

The research was aimed at analyzing the affects of exchange rate, GDP, length of stay and the tourist that come with group tour for tourist expenditure. An empirical analysis tourist spending of five tourist generating countries using OLS and ECM. The estimation error correction model provided information suggesting that the exchange rate, the Gross Domestic product, length of stay and the tourist that come with group tour had the significant effect in the short term

We assembled data on these variable for five countries that send tourists to Indonesia, they are Singapore, Malaysia, Japan, South Korea and Australia. Data for all other variable are taken from *Indonesia Tourism Statistical Report* 1985-2004, *Statistical Report on Visitor Arrival to Indonesia 1996 & 2003* published by Tourism Authority of Indonesia.

Analyzed time-series data for tourist generating countries found Exchange rate are significant and negative effect on expenditure of tourists from Singapore, Japan and

South Korea. GDP are significant and positive effect on expenditure of tourists visiting to Indonesia. Length of stay are significant and positive effect on expenditure of tourists from Singapore, Malaysia, South Korea and Australia, Package tour (group tour) are significant and positive effect on expenditure of tourists from Malaysia and South Korea

Keyword : Tourism demand, Daily Expenditure, Length of stay, Tourist generating countries,