

Does Halal Tourism Policy Attract More Tourists? Evidence from Indonesia

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ABSTRACT

The Government of Indonesia has implemented halal tourism strategies to attract tourists from Muslim countries since 2013. The number of tourist arrivals from Muslim countries has been growing since then, and so has that of non-Muslim countries. This study uses an augmented gravity model for bilateral tourism flows to examine the effect of halal tourism policy on the number of tourist arrivals in Indonesia. The results provide statistical evidence that halal tourism policy is effective and quite powerful in attracting foreign tourist arrivals. It increases tourist arrivals from both Muslim and non-Muslim countries by 21%. Furthermore, our findings suggest important implication for policy makers in designing tourism strategies.

Keywords: gravity model, religion, tourist arrivals, halal tourism, Indonesia

JEL Classification: L83, Z32, Z12

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