

G20: Catalyst for Change in Indonesia's Regional Economies

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ABSTRACT

MICE (Meetings, Incentives, Congresses, and Events) serve as a significant catalyst in driving economic growth. During 2021-2022, Indonesia hosted one of the largest MICE events, the G20 Presidency. This study aims to determine the impact of hosting the G20 Presidency in Indonesia, including factors such as the number of domestic and international tourists, the Open Unemployment Rate (TPT), the Monthly Average Expenditure Per Capita for consumption (RPK), and local taxes which include taxes on restaurants, hotels, and entertainment, on the Gross Regional Domestic Product (PDRB) in five host provinces of the G20 Presidency. This research adopts a data panel analysis using multiple linear regression with secondary data sourced from the Central Bureau of Statistics and the Directorate General of Fiscal Balance, from 2010 to 2022. The results show a significant influence of the G20 Presidency organization, tourist numbers, TPT, and local taxes on the PDRB in these five provinces. Conversely, the Monthly Average Expenditure Per Capita for consumption (RPK) does not significantly impact the PDRB in these regions. These findings provide practical implications in the form of recommendations for the development of the MICE sector, infrastructure enhancement, and an integrated tourism approach. This research potentially offers important insights for the government as policymakers and industry stakeholders in optimizing MICE events to boost regional economic growth.

Keywords: *Gross Regional Domestic Product, G20 Presidency, MICE (Meetings, Incentives, Congresses, and Events), Regional Economy*

INTRODUCTION

In the early 21st century, MICE—an acronym for Meetings, Incentives, Congresses, and Events—has been one of the fastest-growing economic sectors in many countries [Walujadi et al., \(2022\)](#). This sector contributes to economic diversification, generates foreign exchange earnings, and promotes job creation [\(Yusuf et al., 2023\)](#). Moreover, research by has demonstrated that every 1% increase in MICE activities can raise a country's Gross Domestic Product (GDP) by 0.06% to 0.15%.

According to data published by (International Meetings Statistics Report, 2023) there has been an average of over 12,000 MICE events held globally each year from 2001 to 2019. However, in 2020, there was a decline in the average number of MICE events due to the impact of COVID-19.

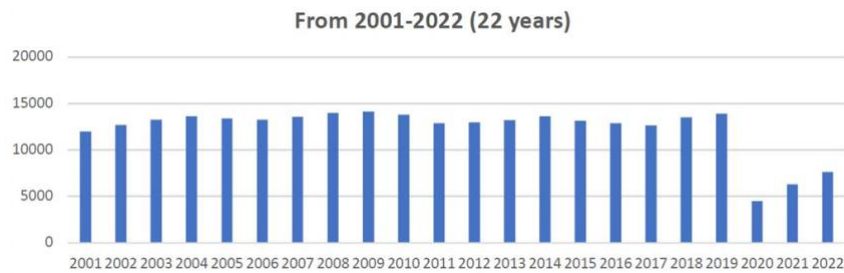


Figure 1. Global Number of MICE Events
Source: Union of International Associations (UIA)

Research conducted by [Setiawan & Ariutama](#) (2018), building on earlier studies by [Susetyo et al.](#) (2017) states that there are three main reasons why it is important to analyze the impact of MICE activities. First, evidence suggests that business visitors tend to spend more money per day or per visit compared to recreational visitors. Second, there is a significant relationship between MICE participants and the use of facilities at the event locations, with MICE participants generally having longer stays than recreational visitors. Third, the development of exhibition and conference infrastructure by a city or country enhances its attractiveness for expanding visits, which benefits not only the local community but also provides broader advantages, including support for the tourism sector.

Not only does the organization of MICE impact the growth of Gross Domestic Product, but it also has a positive and significant effect on regional economies, as found in a study by [Honggang & Shaoyin](#) (2014) focusing on China. In line with this, research by [Tiecheng](#) (2018) concluded that MICE could stimulate growth across various industries in most provinces in China by up to 77%. These industries include wholesale and retail trade services; production and provision of electricity, steam, and hot water; paper products, printing, stationery, and toys; accommodation and food services; as well as telecommunications and computer services.

Further, according to research by [Feriyanto](#) (2016), regional economic growth in Indonesia can be measured by the Gross Regional Domestic Product (GRDP). Indonesia hosted one of the premier MICE events, the G20 Presidency, from 2021 to 2022. This series of meetings included various important types, such as: 1) the Leaders' Summit, which is the pinnacle meeting of the G20 with heads of state or government attending; 2) Ministerial Meetings, held according to the topics discussed in the working groups; 3) Deputy and Sherpa Meetings; 4) Working Groups Meetings, focused on discussing priority issues handled by each group; and 5) Engagement Groups Meetings, forums for discussing specific issues within the G20 scope, such as Business 20 (B20), Think 20 (T20), Women 20 (W20), Youth 20 (Y20), Labor 20 (L20), and others.

According to a report from G20pedia (2020), the G20 Presidency in Indonesia included about 150 meetings, organized across various cities throughout the country. Apart from Bali, the main location, approximately 19 other cities participated in this event, including Jakarta, Bogor, Semarang, Solo, Batam - Bintan, Medan, Yogyakarta, Bandung, Sorong, Lombok, Surabaya, Labuan Bajo, Lake Toba, Manado, Malang, and several others. Based on calculations in the report, about 20,988 delegates participated in the series of G20 events.

Furthermore, regarding the tourism sector, research by [Putri](#) (2020) concluded that the hosting of the G20 Presidency influenced the behavioral intentions of tourists, thereby fostering trust and desire among these tourists to visit Penglipuran Village in Bali.

A publication from the Ministry of Finance (2022) also highlighted that the G20 Presidency in Indonesia is expected to have a direct positive impact on the Indonesian economy, across sectors such as tourism, investment, employment, domestic consumption, and state revenue. However, there has been no detailed research into the impact of Indonesia's G20 hosting on the regional economy

in the host areas. Therefore, this study aims to bridge this research gap by analyzing the impact of the G20 Presidency on the Gross Regional Domestic Product (GRDP) in five host provinces, namely DKI Jakarta, Bali, East Nusa Tenggara, North Sumatra, and Central Java. The choice of these provinces is based on the high frequency of G20 meetings conducted in these areas.

In a more specific context, this study integrates other indicators to measure the impact of hosting the G20 Presidency on the Gross Regional Domestic Product (GRDP) in the five host provinces. The selection of these indicators is based on a comprehensive literature review by the authors, including sources such as books, national news, and official publications from various Ministries and Agencies. These indicators include the number of domestic and international tourists, the Open Unemployment Rate (TPT), the Monthly Per Capita Expenditure for consumption (RPK), and local taxes that cover restaurant, hotel, and entertainment taxes in the five host provinces. The specific choice of these three types of local taxes is based on research by Ha et al. (2018), which showed that the three main locations visited by MICE delegates are hotels, restaurants, and entertainment venues. By considering these indicators, this study successfully developed a research framework that forms the basis for analysis, as illustrated in Figure 2.

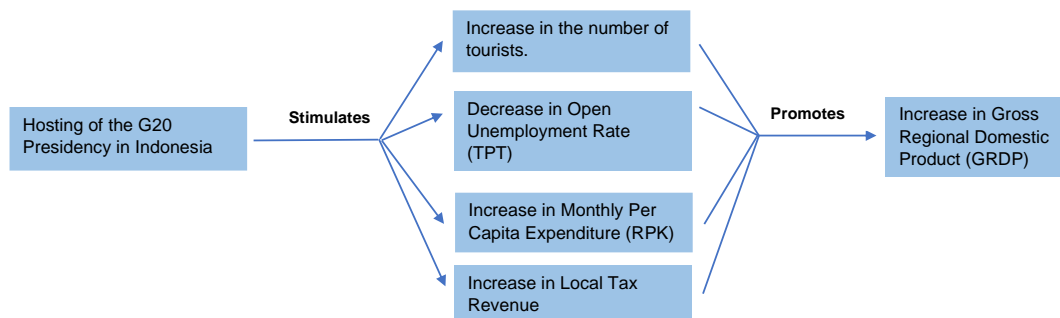


Figure 2. Research Framework

The objective of this research is to examine the impact of hosting the G20 Presidency in Indonesia, focusing on factors such as the number of domestic and international tourists, the Open Unemployment Rate (TPT), the Monthly Per Capita Expenditure for consumption (RPK), and local taxes including taxes on restaurants, hotels, and entertainment, on the Gross Regional Domestic Product (GRDP) in the five provinces that hosted the G20 events. Based on this objective, the following hypotheses were formulated:

- H1:** The number of tourists has a significant impact on the GRDP.
- H2:** The Open Unemployment Rate (TPT) significantly affects the GRDP.
- H3:** The Monthly Per Capita Expenditure for consumption (RPK) significantly influences the GRDP.
- H4:** Local taxes have a significant effect on the GRDP.
- H5:** The G20 event significantly contributes to the GRDP.

LITERATURE REVIEW

Several studies have shown that hosting international events can have a positive impact on regional economic development. For example, a study by [Tiecheng](#) (2018) found that hosting international events such as conferences, summits, or sporting competitions can lead to increased tourism demand, job creation in various sectors including hospitality and services, and overall economic growth for the host region. This is due to the influx of visitors resulting in higher spending on accommodations, dining, shopping as well as an enhanced global visibility which attracts future tourists and investors.

Additionally, A study conducted by [Hall & Hodges](#) (1996) discovered that hosting international events can have a positive impact on the local businesses, attract foreign investment, and improve the reputation of the host destination. This is due to the increased visibility and exposure associated with such events. In line with that, recent research by [Shao et al.](#), (2020) has highlighted the

significant impact of international events on raising the profile of the host city or country. This leads to long-term economic benefits through enhanced destination appeal and increased investment opportunities. Furthermore, a comprehensive study conducted by [Getz & Page](#) (2019) thoroughly explored the wide-ranging economic impacts of hosting international events. Their findings revealed that such events can lead to substantially increased visitor spending and significant improvements in infrastructure development and maintenance.

In the specific context, hosting international events, has had a mixed impact on Indonesia's economy [Walujadi et al.](#) (2022). While it has boosted certain sectors like tourism and hospitality, the benefits have not been evenly distributed, and some local communities have faced challenges ([Nugraha et al.](#), 2020). International summits and conferences, particularly those of significant global financial bodies like the IMF and World Bank, are often viewed as catalysts for economic growth within host countries. The 2018 IMF-WB Annual Meetings in Bali present a case study in how such events can stimulate economic activity across various sectors. [Devi et al.](#), (2022) The government's expenditure in preparation for and execution of the event induced positive economic shocks, transcending the immediate sphere of the summit to foster broader economic development.

RESEARCH METHODS

In this study, a quantitative analysis method utilizing panel data from the Central Statistics Agency (BPS) and the Directorate General of Fiscal Balance (DJPk) was implemented. The data includes information on Gross Regional Domestic Product (GRDP), the number of domestic and international tourists, the Open Unemployment Rate (TPT), and the Monthly Per Capita Expenditure (RPK) for food and non-food consumption in urban and rural areas. This data was collected from the BPS, while information on Local Taxes, including taxes on restaurants, hotels, and entertainment, was obtained from the DJPK website, covering the period from 2010 to 2022 in five provinces: DKI Jakarta, Bali, East Nusa Tenggara, North Sumatra, and Central Java. Additionally, this study integrates categorical data related to the organization of the G20 Indonesia presidency activities in 2021 and 2022.

Given the research problem and the data presented, the variables in this study were classified as follows:

Table 1. Research Variables

Dependent Variable (Y)	Unit
GRDP	Rupiah
Independent Variables (X)	Unit
Number of Tourists	People
Open Unemployment Rate (TPT)	Percentage
Monthly Per Capita Expenditure (RPK)	Rupiah
Local Taxes	Rupiah
Dummy Variable	Coding
G20	1 for 2021-2022; 0 for 2010-2020

This study adopts the ordinary least squares (OLS) method based on panel data to analyze the impact of the independent and dummy variables on the dependent variable. To measure the proportionate influence (in percentages) of each independent variable on the dependent variable, natural logarithmic transformations were applied to the nominal data, resulting in the following regression equation:

$$\ln(\text{GRDP}_{it}) = \beta_0 + \beta_1 \ln(\text{Tourists}_{it}) + \beta_2 \text{TPT}_{it} + \beta_3 \ln(\text{RPK}_{it}) + \beta_4 \ln(\text{Local Taxes}_{it}) + \beta_5 \text{G20}_{it} + \varepsilon$$

According to [Baltagi](#) (2021), there are three types of models in multiple linear regression analysis: Pooled/ Common Model, Fixed Effect Model, and Random-Effect Model. [Getz & Page](#) (2019) to identify the most appropriate model for determining the relationships among variables, model

testing is necessary, which includes the F-Statistic Test (Chow Test), Lagrange Multiplier Test (LM), and Hausman Test. The details of each model test are as follows:

Table 2. Panel Model Testing in Multiple Regression Analysis

Panel Model Test	Null Hypothesis	Alternative Hypothesis
Chow Test	Same intercept, Pooled/ Common effect (PLS) is better than Fixed Effect (Fe)	Different intercepts, Fixed Effect (Fe) is better than Pooled/Common effect (PLS)
LM Test	Pooled/ Common effect (PLS) is better than Random Effect (Re)	Random Effect (Re) is better than Pooled/Common effect (PLS)
Hausman Test	Random Effect (Re) is better than Fixed Effect (Fe)	Fixed Effect (Fe) is better than Random Effect (Re)

Following the model testing to choose the best fit, classic assumption tests are conducted. Ghazali (2016) states that testing classic assumptions is an essential step before performing multiple linear regression analysis. The purpose of these tests is to ensure that the regression coefficients are free from bias, consistent, and provide accurate estimates. The details of the classic assumption tests are as follows:

Table 3. Classic Assumption Test

Test	Null Hypothesis	Alternative Hypothesis
Normality Test	Data is normally distributed	Data is not normally distributed
White's Test for Heteroskedasticity	Homoskedasticity	Heteroskedasticity
Autocorrelation Test	No autocorrelation	Presence of autocorrelation
Multicollinearity Test (VIF)	No multicollinearity	Presence of multicollinearity

After the classic assumption tests, coefficient tests are conducted, which include:

Table 4. Coefficient Test

Coefficient Test	Purpose
F-test	To test the influence of all independent variables on the dependent variable
t-test (Partial)	To test the influence of each independent variable on the dependent variable
R Squared Test	To test how well the regression model explains the variation in the dependent variable

RESEARCH RESULTS AND DISCUSSION

Descriptive Analysis Result

In this descriptive analysis, the author provides a synopsis of the data used for the research variables, as outlined in Table 5. The data indicates that the average Gross Regional Domestic Product (GRDP) for the five provinces hosting the G20 activities—DKI Jakarta, Bali, East Nusa Tenggara, North Sumatra, and Central Java—is IDR 821.840 billion. The smallest GRDP was recorded in East Nusa Tenggara in 2010, amounting to IDR 43.847 billion, while the largest GRDP was in DKI Jakarta in 2022, reaching IDR 3.186.470 billion.

The average number of tourists, both domestic and international, visiting these provinces is approximately 10.700.000 people, with the lowest number recorded in North Sumatra in 2021 (230 people) and the highest in Central Java in 2019 (58.600.000 people). The average Open Unemployment Rate (TPT) in these five provinces is 5.29%, with the lowest percentage in Bali (1.4% in 2018) and the highest in DKI Jakarta (11.69% in 2011). The average Monthly Per Capita Expenditure (RPK) for food and non-food in urban and rural areas is IDR 1.044.817, with the lowest expenditure in East Nusa Tenggara (IDR 384.025 in 2011) and the highest in DKI Jakarta (IDR 2.525.347 in 2022). Lastly, the average revenue from local taxes—including taxes on restaurants,

hotels, and entertainment—from these five provinces is IDR 1.260 billion, with the lowest amount in East Nusa Tenggara in 2011 (IDR 8.03 billion) and the highest in DKI Jakarta in 2019 (IDR 6.230 billion).

Table 5. Descriptive Analysis Summary

Variable	Average	Min	Max
GRDP	IDR 821.840 billion	IDR 43.847 billion	IDR 3.186.470 billion
Number of Tourists	10.700.000	230	58.600.000
TPT	5.29%	1.4%	11.69%
RPK	IDR 1.044.817	IDR 384.025	IDR 2.525.347
Local Taxes	IDR 1.260 billion	IDR 8.03 billion	IDR 6.230 billion

Classic Assumption Test Results

Following the descriptive analysis, classic assumption tests were conducted. The results of the classic assumption tests in this study are as follows:

Table 6. Classic Assumption Test Results

Test	Probability Value	Conclusion
Normality Test	0.3792	Data is normal
White Test	0.0051	Heteroskedasticity
Autocorrelation Test	0.0001	Presence of autocorrelation
Multicollinearity Test (VIF)	4.85	No multicollinearity

Before proceeding to regression analysis, the appropriate multiple linear regression analysis model was determined based on the results of the panel model tests as follows:

Table 7. Panel Model Testing in Multiple Regression Analysis

Test	Probability Value	Conclusion
Chow Test	0.0000	Fixed Model is better than Common/Pooled Model
LM Test	1.0000	Common/Pooled Model is better than Random Model
Hausman Test	-	Fixed Model is better than Random Model

Based on the test results, it was concluded that the Fixed Effect Model (Fe) is the most appropriate panel regression model for this study. However, from the classic assumption tests previously conducted, indications of heteroskedasticity and autocorrelation were identified in the data. In response to these findings, the author adopted a data transformation approach through the implementation of the Robust model. According to STATA 18, the Robust model is used to calculate robust variance estimators based on the list of equation-level scores and covariance matrices. This produces estimators for ordinary data (where each observation is independent), clustered data (data are not independent within groups but are independent between groups), and complex survey data from one stage of stratified cluster sampling.

Regression Analysis Results

After implementing data transformation using the Robust model, the regression analysis showed that all independent variables in this study have a significant effect on the dependent variable, GRDP, as evidenced by the Prob>F value being smaller than the significance level Alpha (0.05), which is 0.0000. Individually, independent variables such as the number of tourists, local taxes, and the dummy variable related to the hosting of G20 events in Indonesia, have a positive and significant impact on GRDP. Meanwhile, the Open Unemployment Rate (TPT) has a significant negative influence on GRDP, as evidenced by the probability value (P>t) being smaller than Alpha (0.05). However, the Monthly Per Capita Expenditure (RPK) did not show a significant influence on GRDP, marked by the probability value (P>t) being greater than Alpha (0.05). The results of the regression analysis are presented in Table 8 below:

Table 8. Regression Analysis Results

Variable	Coefficient	t-Stat	Prob.	Summary
lnGRDP	0.8554203	48.14	0.000	
lnNumber of Tourists	0.0064246	2.85	0.047	H1 accepted
TPT	-0.0201365	-3.51	0.025	H2 accepted
lnRPK	-0.0073265	-0.35	0.745	H3 rejected
lnLocal Taxes	0.0134485	3.59	0.023	H4 accepted
G20 (dummy)	0.0515809	2.90	0.044	H5 accepted
Constant	1.701806	7.87	0.001	
R-Squared				0.9946
Prob>F			0.0000	

Expressed in equation form, the data would yield the following model:

$$\ln(\text{GRDP}) = 1.701806 + 0.006\ln(\text{Tourists}) - 0.020\text{TPT} - 0.007\ln(\text{RPK}) + 0.013\ln(\text{Local Taxes}) + 0.051\text{G20} + \epsilon$$

This study found that hosting the G20 Presidency in Indonesia has a positive and significant impact on the Gross Regional Domestic Product (GRDP) of the five provinces involved. Regression analysis revealed a coefficient of 0.0515809, a t-statistic of 2.90, and a probability value of 0.044 (less than the alpha level of 0.05). This suggests that the G20 Presidency has contributed to a 5.2% increase in the GRDP of these provinces compared to scenarios without such an event.

This aligns with publications by the Ministry of Finance (2022), which projected that the G20 Presidency would contribute approximately US\$533 million or about IDR 7.4 trillion to Indonesia's GDP. Furthermore, a study by [Yuniarto et al.](#), (2022) found that the G20 Presidency in Indonesia, which lasted from December 2021 to November 2022, organized over 160 official activities and potentially created around 33,000 job opportunities, with a total consumer spend of IDR 1.7 trillion. These activities also attracted approximately 20,000 delegates to Indonesia. Moreover, Indonesia has hosted similar MICE events such as the IMF-World Bank Meeting in 2018.

Research by [Setiawan & Ariutama \(2018\)](#) showed that the IMF-WB Meeting had a significant economic impact, particularly in the accommodation, food and beverage sectors, including the hospitality and restaurant industries, meeting facilities, and the construction sector that supported the event infrastructure. The government-funded Annual IMF-WB Meeting in 2018 also significantly boosted economic growth not only in Bali but also in the surrounding regions. This event further helped increase national revenue, especially from Value-Added Tax (VAT).

Tourist Numbers

The study also revealed that tourist numbers positively and significantly affect the GRDP of the provinces hosting the G20 Presidency. The regression analysis displayed a coefficient of 0.0064246, with a t-statistic of 2.85 and a probability value of 0.047 (less than alpha level of 0.05). This indicates that a 1% increase in tourist numbers can raise the GRDP by 0.006%. These findings are consistent with a Location Quotient (LQ) analysis by [Putri \(2020\)](#), which identified tourism as a key sector in Surakarta City, showing that increased tourist numbers can stimulate the city's economy as measured by GRDP. Similar research by [Yuniarto et al.](#), (2022) indicated that visitor numbers to tourist spots have a positive and significant impact on the GRDP in regions such as Probolinggo, Pasuruan, Mojokerto, Lumajang, Jember, and Banyuwangi also found that a 1% increase in tourist numbers in the Yogyakarta Special Region could raise the GRDP by 0.233%.

Hosting the G20 Presidency is expected to boost tourist numbers and foreign exchange in the tourism sector, as many delegates (both domestic and international) will visit local tourist attractions, thereby benefiting the GRDP. The Ministry of Tourism and Creative Economy (2022) stated that the G20 event is expected to significantly increase the number of international tourists, potentially between 1.8 to 3.6 million, and create 600,000 to 700,000 new jobs, enhancing sectors like culinary, fashion,

and crafts. Overall, this is projected to contribute to achieving a foreign exchange target of \$1.7 billion, or about IDR 26.35 trillion at an exchange rate of IDR 15,502.

On the other hand, in order to provide a greater multiplier effect on the regional economy, research by [Spencer & Bavuma](#) (2018) revealed that business operators (especially in the creative industries) require training prior to the execution of MICE agendas. The purpose of this training is to enable them to establish closer relationships with delegates and attract their interest in purchasing the products offered.

Open Unemployment Rate

This research found that the Open Unemployment Rate (TPT) has a significant and negative impact on the GRDP of the provinces hosting the G20. The regression results showed a coefficient of -0.0201365, with a t-statistic of -3.51, and a probability value of 0.025 (less than the alpha level of 0.05). This suggests that a 1% increase in the unemployment rate could decrease the GRDP by 0.020%. Theoretically, this is consistent with Okun's Law, which states that there is an inverse relationship between unemployment rates and economic growth. Further empirical validation in Indonesia by [Darman](#) (2013) confirmed that Okun's Law is applicable, where the Okun coefficient is negative, indicating that unemployment rates tend to increase with GDP growth. Additionally, analyses by [Yang & Fik](#) (2014) using Ordinary Least Squares (OLS) and Granger Causality Test concluded that economic growth statistically affects unemployment variables.

In relation to the G20, the hosting of the G20 Presidency is expected to promote job absorption which will ultimately reduce the Open Unemployment Rate (TPT). According to a publication by the Ministry of State Secretariat (2022), Indonesia's role as the host of the G20 Presidency is anticipated to involve up to about 33,000 workers.

Monthly Per Capita Expenditure

The study also found that Monthly Per Capita Expenditure (RPK) for food and non-food consumption in urban and rural areas has a negligible and statistically insignificant effect on the GRDP of the provinces hosting the G20 Presidency. Regression results revealed a coefficient of -0.0073265, with a t-statistic of -0.35, and a probability value of 0.745 (greater than the alpha level of 0.05), indicating insufficient evidence that RPK can enhance the GRDP in these provinces.

Local Taxes

The research revealed that local taxes, specifically those on restaurants, hotels, and entertainment, positively and significantly influence the GRDP of the provinces hosting the G20 Presidency. Regression analysis showed a coefficient of 0.0134485, with a t-statistic of 3.59, and a probability value of 0.023 (less than the alpha level of 0.05). This indicates that a 1% increase in local taxes can enhance the GRDP by 0.023%. This finding corroborates research by Widodo (2011), which demonstrated that local taxes significantly and positively affect the GRDP in Jember Regency from 1991 to 2010. This occurs as the revenue from local taxes is invested by the government in public sector infrastructure development, supporting local economic activities and contributing to GRDP growth. At the provincial level, research by [Mutiaru](#) (2015) using the Fixed Effect Model (FEM) on panel data individually showed that local taxes significantly and positively influence the GRDP in eight districts/cities in East Kalimantan Province.

Hosting the G20 Presidency is also expected to boost local tax revenue, as shown by data from the Regional Revenue Agency (Bapenda) of Badung Regency, which reported that tax revenue realization in the fiscal year 2022 exceeded the set target, a phenomenon attributed to the G20 Presidency hosted in Bali Province. The Badung Regency Government set a target to increase tax revenue by IDR 800 billion, thus the total tax revenue estimated at the end of the fiscal year 2022 is expected to rise to IDR 2.4 trillion, up from the initial target of IDR 1.6 trillion. Of this total tax revenue, the largest contributions came from hotel and restaurant taxes, with hotel taxes reaching IDR 695 billion, and restaurant taxes exceeding IDR 209 billion.

On the other hand, infrastructure such as hotels, restaurants, and entertainment venues play a crucial role in determining the comfort of delegates attending MICE events in a country (Katsitadze & Natsvlishvili, 2017). This ultimately influences the amount of expenditure and the duration of time delegates spend in the host areas for MICE, thereby generating a broader economic impact.

CONCLUSION AND RECOMMENDATION

From this study, it can be concluded that hosting MICE events such as the G20 Presidency in Indonesia acts as an economic catalyst with a significant and positive impact on the Gross Regional Domestic Product (GRDP) of the five host provinces: DKI Jakarta, Bali, East Nusa Tenggara, North Sumatra, and Central Java. The presence of the G20 Presidency has been shown to boost the GRDP of these provinces by 5.2% compared to scenarios without the G20 event. This research also demonstrates that variables such as the number of tourists, the Open Unemployment Rate (TPT), and local taxes significantly influence the GRDP in these provinces. However, there is insufficient evidence to suggest that the Monthly Per Capita Expenditure (RPK) has an impact on the GRDP of the provinces hosting the G20 Presidency. Notably, the finding that the TPT has a significant negative influence underscores the importance of job creation to support regional economic growth.

Furthermore, several recommendations are proposed to enhance the contribution of MICE (Meetings, Incentives, Conferences, and Exhibitions) activities to the GRDP. Firstly, the government and relevant stakeholders, including professional MICE organizers, should continue to promote and advocate for MICE activities in Indonesia, particularly in the major host cities. One manifestation of this promotion and development strategy could be the provision of training to business operators before MICE events to enhance their appeal to delegates. Secondly, the enhancement and provision of supporting infrastructure for MICE activities, such as exhibition and conference facilities, accommodation, and transportation, are critical steps that must be continually pursued to support sustainable economic growth. Thirdly, an integrated approach in tourism development, which combines the organization of MICE with the promotion of cultural and natural tourism, can increase the duration of visits and tourist spending, thus providing broader economic impacts.

Additionally, this research opens opportunities for further studies that could expand the geographical scope of analyzing the impact of hosting the G20 Presidency to more regions in Indonesia. This includes exploring the long-term effects of MICE on regional economies. Integrating quantitative methodologies with qualitative approaches, such as in-depth interviews and surveys, is expected to provide more comprehensive insights and complement the findings of this study. Through these recommendations, it is hoped that MICE activities in Indonesia will continue to flourish and make significant contributions to both national and regional economies.

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