



## The Effect of the G20 Summit in Bali on Creative Economy and Tourism: Economic Impact Analysis of High-Level Events

An Nuur Khairune Nisa  
Universitas Gadjah Mada, DIY, Indonesia

**Abstract.** This research examines the impact of the G20 Summit in Indonesia in 2022 on the country's economy, especially in the creative economy and tourism sectors. The G20 summit in Bali became a platform for multilateral collaboration between 19 major economies and the European Union. The main focus of the conference is on issues of global economy and sustainable development with the theme "Recover Together, Recover Stronger." This research method involves the analysis of economic and statistical data, including official statements from Finance Minister Sri Mulyani Indrawati and the Central Statistics Agency (BPS). This data includes the impact on domestic consumption, Gross Domestic Product (GDP) growth, and Micro, Small and Medium Enterprises (MSMEs) sector growth. In addition, the research involved an analysis of women's empowerment programs in MSMEs, fund allocation, and the level of realization of the Kredit Usaha Rakyat (KUR) program. The research includes an analysis of the positive effects on infrastructure in Bali and the improvement of tourism image. Data on the influence on the tourism sector includes statistics on foreign tourist visits, hotel occupancy, and an increase in tourist visits during the conference period. The study also includes analysis from the MSMEs, restaurants, arts and crafts, and transportation sectors to detail the economic impact in various sectors.

**Keywords:** G20 Summit, MSMEs, Tourism, Domestic, Bali

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### INTRODUCTION

G20, or *Group of Twenty*, is a multilateral cooperation forum of 19 countries with large global economies to the European Union (Ariyanti, 2023). G20 members include several countries, including Indonesia, China, the United Kingdom, the United States, Saudi Arabia, Australia, South Africa, Argentina, Brazil, India, Italy, Germany, Japan, Canada, Mexico, Korea, Russia, France, Turkey, and the European Union. The conference focuses on collaboration on global economic issues and sustainable development with the theme "Recover Together, Recover Stronger."

One year ago, precisely on November 15-16, 2022, the peak of the G20 Indonesia Summit was held in Bali. Since December 2021, it has held around 437 *events* for working and *engagement groups* in 25 cities in Indonesia. Implementing Indonesia's G20

Presidency can provide a *multiplier effect* to people starting from Bali and other supporting cities, both in terms of economic improvement, tourism promotion, and job creation.

Implementing the G20 in Indonesia significantly impacts the country's economy. One of them is through increasing domestic consumption. Based on the statement of Finance Minister Sri Mulyani Indrawati, the G20 Summit will produce a positive impact on the Indonesian economy with a contribution of around US\$ 533 million, which is equivalent to approximately Rp7.4 trillion, to Indonesia's Gross Domestic Product (GDP) (Ariyanti, 2023). The increase in domestic consumption reached Rp1.7 trillion. In the accumulated months of January to September, this region's Gross Domestic Product (GDP) increased by around 4.19% compared to the previous year.

According to data released by the Central Statistics Agency (BPS), from July to September 2022, Bali's economy experienced growth of 8.09% compared to the same period in the previous year. This achievement significantly exceeded the national economic growth of around 5.72%.

## **METHOD**

This research method involves a descriptive-analytical approach to describe the impact of holding the G20 Summit in Indonesia. Economic data is obtained from official government statements and statistical agencies. Analyses were conducted before, during, and after the conference by comparing relevant economic and tourism data.

## **DISCUSSION**

The G20 Indonesia Summit involves the Micro, Small, and Medium Enterprises (MSMEs) sector, creating jobs that reduce unemployment. Around 33,000 workers will be involved in this *event*, potentially creating up to 700 thousand new jobs. The existence of MSMEs is a crucial foundation for the national economy, with the number of MSMEs currently reaching 64.2 million entities, which contribute 61.07% to the Gross Domestic Product (GDP) or equivalent to a value of IDR 8,573.89 trillion (Muna et al., 2022).

Indonesia has allocated US\$ 17.8 billion to support the program Kredit Usaha Rakyat (KUR) and the Micro Enterprise Productive initiative. Many funds of USD 1.1 billion have been successfully distributed with a realization rate of 63.5%, aimed at supporting the MSME sector (Muna et al., 2022). The government also plays a role in accelerating the implementation of digitalization in marketing, distribution, and production activities

through digital payment solutions. In addition, it also helps product development with product development strategies *and supply chains* from upstream to downstream to diversify target markets.

Furthermore, women's empowerment programs are carried out in the MSME sector to reduce poverty, increase income, knowledge, and quality of human resources, and prioritize the women's community to be more inclusive of banking services (Muna et al., 2022). MSME players also use the momentum of the G20 Summit to strengthen the image of the creative economy in the context of the COVID-19 pandemic through collaboration between MSME players and the government as organizers of G20 events.

These partnerships contribute to a more equitable dissemination of information (Pratama et al., 2022). This series of *events* includes initiatives to develop women's empowerment in MSMEs through seminars and training, as well as exhibitions initiated by government institutions such as the Department of Industry and Trade (Disperindag), as well as State-Owned Enterprises (SOEs) such as Bank Indonesia (BI) and also private banks such as BCA. This effort aims to strengthen the family's economic situation.

This is a priority the government holds, reflected in Indonesia's G20 Presidency, considering that 64 million MSMEs contribute up to 60% of the national Gross Domestic Product (GDP) (Muna et al., 2022). In addition, Bali has a positive impact through improved infrastructure improved by the central government. This step is realized through allocating funds to improve the aesthetics of the Nusa Dua, Sanur, and Ubud areas. (Ariyanti, 2023).

Another positive impact caused by the G20 Summit is the improvement of Bali's image and reputation in the international arena. The presence of tourists from 26 countries participating in the G20 Summit will provide broad exposure to Bali. This is expected to increase the positive perception of Bali as a highly valued tourist destination. Post-pandemic, Bali can be seen as a safe and worthy destination to visit, strengthening Bali's position in the global outlook (Ariyanti, 2023). This certainly has implications for the increasing economic benefits of the Balinese people, especially creative economy and tourism activists.

The G20 Summit has also become a tourism enthusiast sector from upstream to downstream, ranging from transportation both land, sea, and air, travel agencies, hotels with increasing hotel occupancy in the event implementation area (Ariyanti, 2023), local restaurants and culinary, art actors, souvenir artisans, tour guides to other MSME sectors.

The delegates and entourages who took part in a series of G20 summits also traveled on vacation. They took the time to explore tourist destinations or attractions in Indonesia. The G20 Presidency is also a marketing tool that has a positive and significant influence on tourism and an increase in tourist visits during the COVID-19 pandemic.

Based on the statement of the Head of the Central Statistics Agency (BPS), Margo Yuwono, in a press conference on Monday (2/1/2023), quoted by detikFinance, it was stated that from January to November 2022, the number of foreign tourist visits to Indonesia reached 4.58 million people. This achievement showed an increase of 228.3 percent compared to the same period in the previous year. This indicates that the G20 Summit Presidency is a significant momentum that can be used as a means of *branding* Indonesia and its tourism to foreign tourists, which will affect Indonesia's economic recovery (Santi, 2022).

## CONCLUSION

The implementation of this event provides a *multiplier effect* on the Indonesian economy, which has implications for improving the economy, especially in the creative economy and tourism sectors, by providing short and long-term benefits. The G20 Summit in Indonesia has a short-term effect on increasing domestic consumption and employment, providing long-term impact through the promotion and *branding of* Indonesian tourism, and a strategic role in shaping economic policy in Indonesia. In order to realize the recovery of the Indonesian economy after the pandemic following the theme, namely "Recover Together, Recover Stronger".

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