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Decoding the Sustainability Nexus in Tourism Driven Economies: A Macroeconomic Analysis of Indonesia's Super Priority Destinations

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ABSTRACT

The designation of five Super Priority Destinations (SPDs) in Indonesia's National Tourism Development Strategy (RENSTRA) 2020–2024 represents a strategic policy intervention aimed at accelerating regional economic growth through tourism-led development. This study seeks to decode the sustainability nexus in tourism-driven economies by examining the macroeconomic impacts of SPD designation on provincial economic performance. Using Gross Regional Domestic Product (GRDP) data, this research evaluates how the establishment of SPDs influences overall and sectoral economic dynamics in the five host provinces. The analysis is conducted in four stages. First, GRDP trends from 2020 to 2024 are examined to capture the trajectory of regional economic growth in the five SPD provinces. Second, a Growth and Share analysis is applied to all Indonesian provinces to assess relative growth performance and regional competitiveness, and to position the SPD provinces within the national economic structure. Third, sectoral economic performance is evaluated using Location Quotient (LQ) analysis to determine the degree of specialization and comparative advantage in tourism-related sectors. Finally, tourism statistical indicators including tourist arrivals and tourism-related GRDP over the last five years are analyzed to evaluate the linkage between tourism performance and regional economic outcomes. The findings are expected to reveal heterogeneous economic impacts across SPD provinces, reflecting differences in growth dynamics, structural readiness, sectoral composition, and tourism development intensity. This study contributes to the literature on sustainable tourism and regional development by providing empirical macroeconomic evidence on the effectiveness of destination prioritization policies through a combined growth, competitiveness, and sectoral specialization perspective. The results offer policy-relevant insights for strengthening tourism-led economic development in a more inclusive, resilient, and sustainable manner.
Keywords: *sustainable tourism; regional economic development; super priority destinations; GRDP*

ABSTRAK

Penetapan lima Destinasi Super Prioritas (DSP) dalam Rencana Strategis Pembangunan Pariwisata Nasional (RENSTRA) Tahun 2020–2024 merupakan intervensi kebijakan strategis yang bertujuan untuk mempercepat pertumbuhan ekonomi daerah melalui pengembangan pariwisata. Penelitian ini bertujuan untuk mengkaji keterkaitan keberlanjutan (sustainability nexus) dalam perekonomian yang digerakkan oleh sektor pariwisata dengan menganalisis dampak makroekonomi penetapan DSP terhadap kinerja perekonomian provinsi lokasi DSP. Dengan menggunakan data Produk Domestik Regional Bruto (PDRB), penelitian ini mengevaluasi bagaimana penetapan DSP mempengaruhi dinamika ekonomi secara agregat maupun sektoral di lima provinsi lokasi DSP. Analisis dilakukan melalui empat tahapan. Pertama, perkembangan PDRB selama periode 2020–2024 dianalisis untuk menggambarkan arah dan dinamika pertumbuhan ekonomi regional di provinsi lokasi DSP. Kedua, analisis Growth and Share diterapkan pada seluruh provinsi di Indonesia untuk menilai kinerja pertumbuhan relatif dan daya saing wilayah, serta memposisikan provinsi lokasi DSP dalam struktur ekonomi nasional. Ketiga, kinerja ekonomi sektoral dianalisis menggunakan Location Quotient (LQ) untuk mengidentifikasi tingkat spesialisasi dan keunggulan komparatif sektor-sektor yang berkaitan dengan pariwisata. Keempat, analisis statistik kepariwisataan yang mencakup jumlah kunjungan wisatawan dan PDRB sektor pariwisata selama lima tahun terakhir digunakan untuk mengevaluasi keterkaitan antara kinerja pariwisata dan kinerja ekonomi regional. Hasil penelitian ini diharapkan menunjukkan adanya dampak ekonomi yang beragam antarprovinsi DSP, yang dipengaruhi oleh perbedaan dinamika pertumbuhan, kesiapan struktural, komposisi sektoral, dan intensitas pengembangan pariwisata. Penelitian ini berkontribusi pada pengembangan literatur pariwisata berkelanjutan dan pembangunan ekonomi regional dengan menyediakan bukti empiris makroekonomi mengenai efektivitas kebijakan penetapan destinasi prioritas. Temuan penelitian ini diharapkan dapat memberikan masukan kebijakan yang relevan untuk

memperkuat pembangunan ekonomi berbasis pariwisata yang lebih inklusif, tangguh, dan berkelanjutan.
Kata kunci: pariwisata berkelanjutan; pembangunan ekonomi regional; destinasi super prioritas; PDRB

1. INTRODUCTION

Tourism has long been recognized as a strategic instrument for driving economic growth, job creation, and regional development, particularly in developing countries endowed with diverse natural and cultural resources such as Indonesia (Samper-Mendívil et al., 2025). Within the framework of sustainable development, tourism is expected not only to generate economic benefits but also to contribute to environmental conservation and the improvement of local community welfare. Consequently, tourism development is increasingly understood as a multidimensional process that requires alignment between economic objectives, environmental carrying capacity, and social inclusion. As a result, the integration of tourism policy with regional economic development has become a critical issue in the national development agenda, especially for countries seeking to balance long-term growth with sustainability principles (Liu et al., 2025).

From a macroeconomic perspective, tourism-led development has been widely discussed in the literature as a catalyst for regional growth through multiplier effects, intersectoral linkages, and structural economic transformation (Berhanu Melese et al., 2026). Numerous empirical studies demonstrate that tourism activities stimulate demand in related sectors such as transportation, accommodation, trade, and creative industries, thereby strengthening regional value chains and employment absorption. However, the literature also emphasizes that tourism-driven growth is not inherently sustainable and may generate inequalities if not supported by coherent policies and adequate institutional capacity (Dinan, 2023; Wang et al., 2026). Therefore, macroeconomic evaluations of tourism must account for regional heterogeneity and policy context in assessing its economic impacts (Dinan, 2022).

In Indonesia, tourism is positioned as a priority sector to accelerate economic growth and reduce interregional disparities. This strategic orientation reflects government recognition of tourism as a sector with strong forward and backward linkages to the overall economy (Santosa et al., 2023). In line with this strategy, the Indonesian Government designated five Super Priority Destinations (SPDs) Lake Toba, Borobudur, Mandalika, Labuan Bajo, and Likupang under the Ministry of Tourism's Strategic Plan (RENSTRA) 2020–2024. The SPD policy represents a targeted development approach aimed at strengthening selected destinations through concentrated investment in infrastructure, accessibility, amenities, and sustainable destination governance. By focusing resources on a limited number of strategic destinations, this policy is expected to create growth poles capable of generating economic spillover effects at both provincial and interregional levels (Charef et al., 2021).

Despite its strategic significance, empirical studies evaluating the macroeconomic impacts of the SPD policy remain limited and fragmented. Most tourism research in Indonesia has focused on micro-level analyses, such as destination attractiveness, tourist behavior, community participation, and environmental management. While important, these approaches do not fully explain how destination prioritization policies influence broader regional economic performance. In particular, systematic studies linking SPD designation to Gross Regional Domestic Product (GRDP) dynamics, economic growth rates, and interregional structural

changes are still scarce, leaving a significant research gap.

Furthermore, the implementation of the SPD policy coincided with a period marked by major external shocks, most notably the COVID-19 pandemic, which severely disrupted tourism flows and regional economies (Bhatia et al., 2022). The pandemic not only caused sharp contractions in tourism-related sectors but also revealed variations in economic vulnerability and resilience across regions. Consequently, economic performance during the 2020–2024 period reflects a complex interaction between policy intervention, crisis response, and economic recovery dynamics. This context underscores the importance of a longitudinal macroeconomic approach to capturing both short-term impacts and medium-term structural adjustments in SPD host provinces (Deb & Nafi, 2020; Jaipuria et al., 2021).

Within this context, a GRDP-based macroeconomic analytical framework provides a robust foundation for evaluating the economic implications of SPD designation (Hassan et al., 2020). Growth–Share analysis is employed to assess relative growth performance and provincial economic competitiveness by comparing regional GRDP growth rates with national trends, thereby enabling the positioning of SPD provinces within the national economic structure (Leite & Weidmann, 1999; Wang et al., 2026). This approach offers insights into regional capacity to capitalize on growth opportunities and evolving competitive dynamics. Subsequently, Location Quotient (LQ) analysis is applied to identify the degree of specialization and comparative advantage of economic sectors, particularly those directly or indirectly related to tourism. When combined with tourism statistical indicators such as tourist arrivals and tourism-related GRDP this approach allows for a more comprehensive understanding of the linkages between tourism performance and regional economic dynamics.

Based on this framework, this study aims to analyze the economic impacts of the designation of five Super Priority Destinations on provincial economic performance during the 2020–2024 period. The analysis focuses on provincial GRDP growth trends, the relative position of SPD provinces within the national economic structure as assessed through Growth–Share analysis, and sectoral specialization in tourism-related industries. In addition, the study explores the relationship between tourism performance indicators and regional economic outcomes to assess the extent to which tourism development contributes to regional economic resilience and sustainability. The novelty of this research lies in its integrated macroeconomic approach to evaluating national tourism prioritization policies, combining growth and competitiveness analysis, sectoral specialization, and tourism performance indicators within a sustainability perspective. By moving beyond micro-level destination analysis, this study provides new empirical evidence on how policy-driven tourism development shapes regional economic structures in developing countries and offers relevant policy implications for more inclusive, adaptive, and sustainable tourism strategies in Indonesia.

2. METHODOLOGY

2.1 Research Design and Analytical Framework

This study employs a quantitative and descriptive-analytical research design with a policy analysis approach to evaluate the macroeconomic implications of the Super Priority Destination (SPD) policy in Indonesia. The analysis is structured within a regional macroeconomic framework that integrates economic growth assessment, regional typology classification, sectoral specialization analysis, and tourism performance evaluation. This framework enables

a comprehensive examination of how tourism prioritization policies are reflected in regional economic outcomes, particularly in provinces hosting SPDs.

The analytical framework consists of four sequential stages. First, provincial economic growth is examined through the analysis of Gross Regional Domestic Product (GRDP) trends to capture overall economic dynamics during the policy implementation period. Second, Klassen Typology analysis is applied to classify provinces based on their growth rates and income levels relative to national averages, allowing for the positioning of SPD provinces within the national economic structure. Third, sectoral economic performance is analyzed using Location Quotient (LQ) to identify tourism-related sectors with comparative advantages. Finally, tourism statistical indicators are analyzed to assess the linkage between tourism development and regional economic performance.

2.2 Scope of Study, Location, and Time Frame

This study focuses on five provinces in Indonesia that host the government-designated Super Priority Destinations (SPDs), which are strategically positioned as national growth engines for tourism-led regional development. These provinces include North Sumatra (Lake Toba), Central Java (Borobudur), West Nusa Tenggara (Mandalika), East Nusa Tenggara (Labuan Bajo), and North Sulawesi (Likupang). The selection of these locations reflects their prominence in national tourism policy and their expected role in stimulating inclusive and sustainable economic growth through tourism development. To provide a broader comparative context, the Klassen Typology analysis incorporates all provinces in Indonesia, enabling an assessment of relative regional performance and structural disparities between SPD provinces and non-SPD provinces.

This comparative framework allows the study to identify whether the presence of SPDs is associated with higher economic growth dynamics and income levels relative to the national average. The temporal scope of the analysis spans from 2020 to 2024, aligning with the implementation period of the Ministry of Tourism's Strategic Plan that formally established the five SPDs as priority destinations. This timeframe also captures significant macroeconomic volatility driven by external shocks, particularly the COVID-19 pandemic and the subsequent recovery phase. Consequently, the analysis is able to reflect both periods of economic disruption and post-pandemic recovery, providing a more nuanced understanding of regional economic resilience and tourism-led growth trajectories. Figure below presents the spatial distribution of the Super Priority Destinations across Indonesia, illustrating the geographic context of the study areas and their regional dispersion within the national territory.

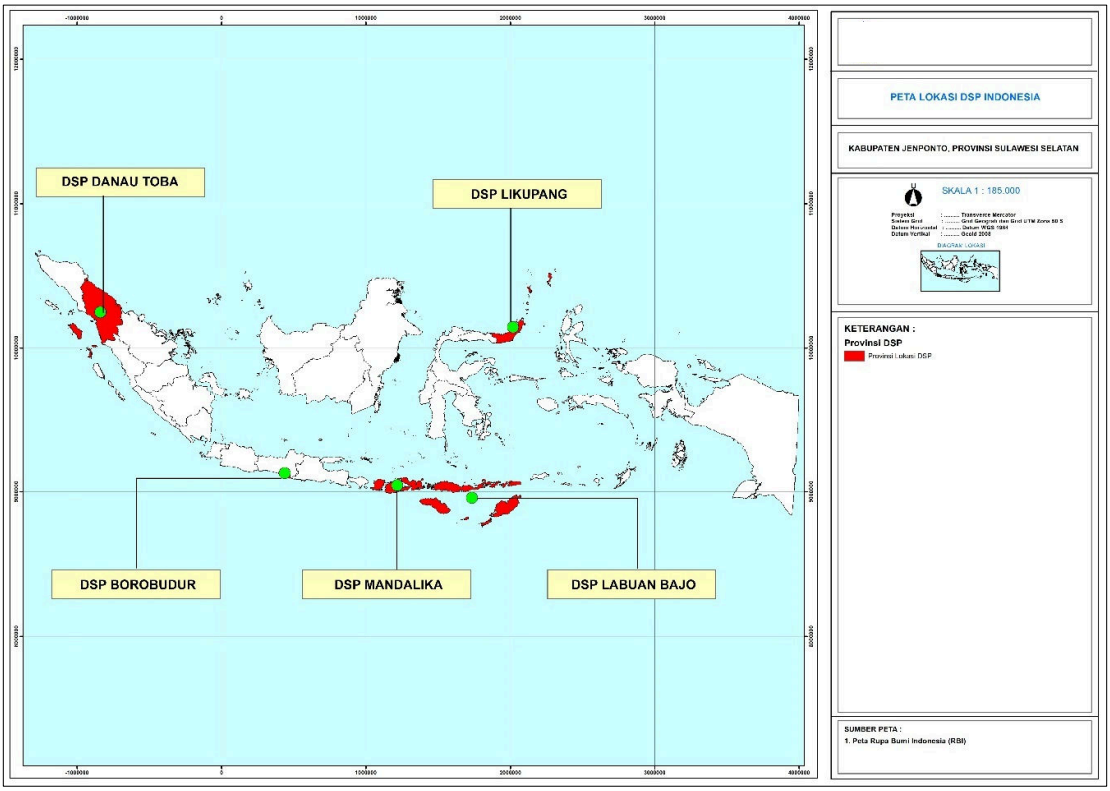


Figure 1. Spatial Distribution of Super Priority Destinations (SPDs) in Indonesia
Source: *Indonesian Geospatial Information Agency (RBI), 2025*

2.3 Data Type and Sources

This study utilizes secondary quantitative data obtained from official and authoritative sources. The primary data consist of annual GRDP data at constant prices, disaggregated by economic sectors, for all provinces in Indonesia. These data are used to analyze economic growth trends, regional typology, and sectoral specialization. In addition, tourism-related data include the number of domestic and international tourist arrivals and GRDP data for tourism-related economic sectors, such as accommodation and food services, transportation, and other supporting industries. All data are sourced from Statistics Indonesia (Badan Pusat Statistik/BPS) and relevant publications from the Ministry of Tourism and Creative Economy. The use of secondary data ensures data reliability, consistency, and comparability across regions and time periods.

2.4 Data Collection Process

Data collection was conducted through systematic compilation of published statistical reports and databases. GRDP and sectoral economic data were collected from provincial and national statistical publications issued by Statistics Indonesia. Tourism statistics were obtained from annual tourism reports and official datasets released by the Ministry of Tourism and Creative Economy and provincial statistical offices. All datasets were cross-checked to ensure consistency in classification, measurement units, and time coverage before analysis.

2.5 Data Analysis Techniques

Several analytical techniques are employed in this study. First, descriptive statistical analysis is used to examine Gross Regional Domestic Product (GRDP) trends and tourism

performance indicators across provinces and over time, providing an overview of regional economic dynamics before and after the implementation of the Super Priority Destination (SPD) policy (Pratama et al., 2024). Second, a Growth Share analysis is applied to all Indonesian provinces to assess relative economic growth performance and regional competitiveness (Dinan & Setijawan, 2022). This approach compares provincial GRDP growth rates with national growth trends, enabling the positioning of SPD provinces within the national economic structure and the identification of provinces that exhibit progressive, lagging, or convergent growth patterns. The Growth–Share analysis offers insights into the capacity of regional economies to capitalize on growth opportunities within the broader national context.

Table 1. Growth Share Formula

Formula	
$GS_i = (r_i - r) - (y_i - \bar{y}) = \left(\left(\frac{-}{\text{GRDP}_{j,t}} \frac{\text{GRDP}_{i,t,-1}}{\text{GRDP}_{r,t-1}} \frac{\text{GRDP}_{i,t}/P_i}{\text{GRDP}_{j,t}/P_r} - \bar{y} \right) \right)$	
Symbol	Description
(GS_i)	Growth–Share index of province *i*
(r_i)	GRDP growth rate of province *i*
(r)	National GRDP growth rate
(y_i)	Per capita income of province *i*
(\bar{y})	National average per capita income
(GRDP_{i,t})	Gross Regional Domestic Product of province *i* in year *t*
(GRDP_{i,t-1})	Gross Regional Domestic Product of province *i* in the previous year
(GRDP_{r,t})	Gross Domestic Product at the national level in year *t*
(GRDP_{r,t-1})	Gross Domestic Product at the national level in the previous year
(P_i)	Population of province *i*
(P_r)	Population at the national level

Third, Location Quotient (LQ) analysis is employed to evaluate sectoral specialization by comparing the contribution of tourism-related sectors in SPD provinces with their corresponding contributions at the national level (Ramadhani et al., 2024). An LQ value greater than one indicates that a sector possesses a comparative advantage and functions as a basic sector within the regional economy, suggesting a stronger structural role of tourism-related activities in the province.

Table 2. LQ Formula

LQ Formula	**Symbol**	**Description**
$LQ = \frac{\frac{S_{t,i} = S_{t,r}}{GRDP_i}}{\frac{S_{t,r} = S_{t,r}}{GRDP_r}}$	(LQ)	Location Quotient index
	(S_{t,i})	Value of tourism-related sector *t* in province *i*
	(GRDP_i)	Total Gross Regional Domestic Product (GRDP) of province *i*
	(S_{t,r})	Value of tourism-related sector *t* at the national (reference) level

LQ Formula	Symbol	Description
	(GRDP_r)	Total Gross Domestic Product (GDP/GRDP) at the national (reference) level

Finally, tourism statistical analysis is conducted to examine the relationship between changes in tourist arrivals, tourism-related GRDP, and overall regional economic performance. By integrating descriptive analysis, Growth–Share evaluation, sectoral specialization metrics, and tourism indicators, this study provides a comprehensive macroeconomic assessment of the impacts of the Super Priority Destination policy within a sustainability-oriented regional development framework.

3. RESULT AND DISCUSSIONS

3.1. Provincial GRDP Dynamics in Super Priority Destination Areas

An examination of Gross Regional Domestic Product (GRDP) dynamics provides an initial macroeconomic overview of how provinces hosting Super Priority Destinations (SPDs) have performed during the implementation period of the tourism prioritization policy. GRDP is employed as a key indicator to capture overall economic activity and to observe changes in regional economic performance over time. Analyzing GRDP trends across the five SPD provinces allows for the identification of growth patterns, economic resilience, and potential structural shifts associated with tourism-led development. The period under review, 2020–2024, represents a particularly critical phase for regional economies in Indonesia, as it coincides with both the formal implementation of the SPD policy and the occurrence of major external shocks, most notably the COVID-19 pandemic. Consequently, GRDP movements during this period reflect not only the influence of tourism policy interventions but also broader macroeconomic disruptions and subsequent recovery processes. This context is essential for interpreting provincial economic performance and distinguishing between cyclical fluctuations and emerging structural trends.

Across the five provinces, GRDP dynamics generally exhibit a contraction phase during the early years of the period, followed by varying degrees of recovery in subsequent years. However, the magnitude of decline and the pace of recovery differ markedly among provinces, indicating heterogeneous economic responses to both the pandemic and tourism policy implementation. Provinces with more diversified economic bases tend to show relatively greater stability, while those with stronger dependence on tourism-related activities display higher volatility in GRDP growth. These differences suggest that the economic impact of tourism prioritization is closely linked to pre-existing regional economic structures. Furthermore, the analysis of GRDP levels and growth rates highlights the relative scale of provincial economies and their capacity to absorb shocks. Larger provincial economies with higher baseline GRDP levels may experience smaller proportional declines but slower growth acceleration, whereas smaller economies may exhibit sharper contractions alongside faster rebound rates. This variation underscores the importance of considering both absolute and relative GRDP changes when assessing the effectiveness of tourism-led development policies at the provincial level.

Overall, the descriptive analysis of GRDP dynamics serves as a foundational step for subsequent analytical stages in this study. By establishing baseline economic conditions and

identifying interprovincial differences in growth trajectories, this subsection provides critical context for the application of Klassen Typology and Location Quotient analyses. The observed GRDP patterns also inform the interpretation of tourism sector performance and its contribution to broader regional economic outcomes, particularly within a sustainability-oriented development framework. To illustrate these dynamics more clearly, Table below presents the GRDP levels and growth trends of the five provinces hosting Super Priority Destinations over the 2020-2024 period, serving as a basis for further comparative and structural analysis in the following sections.

Table 3. Gross Regional Domestic Product (GRDP) at Constant Prices by Province in Indonesia Super Priority Destinations

No.	Super Priority Destination	Province	2020	2021	2022	2023	2024
1	Lake Toba	North Sumatra	533,746	547,652	573,529	602,236	632,535
2	Borobudur	Special Region of Yogyakarta	101,699	107,373	112,901	118,626	124,59
3	Mandalika	West Nusa Tenggara	93,289	95,438	102,074	103,906	109,415
4	Labuan Bajo	East Nusa Tenggara	68,81	70,541	72,711	75,235	78,045
5	Likupang	North Sulawesi	88,126	91,791	96,768	102,07	107,575

Source: *BPS Indonesia, 2025*

The GRDP data presented in Table indicate that all provinces hosting Super Priority Destinations experienced a consistent increase in real economic output over the 2020–2024 period. Despite the economic contraction experienced nationally during the early phase of the COVID-19 pandemic, the five provinces show a gradual upward trend in GRDP at constant prices, suggesting a phase of economic recovery and stabilization in the later years of the study period. This overall pattern reflects the combined effects of macroeconomic recovery and sustained development activities, including tourism-related investments. North Sumatra, as the host province of Lake Toba, records the highest GRDP level among the five provinces throughout the observation period. Its steady growth trajectory reflects a relatively diversified economic structure, where tourism development complements other dominant sectors such as agriculture, manufacturing, and trade. This diversification appears to enhance economic resilience, allowing the province to absorb shocks more effectively and maintain stable growth.

In contrast, provinces with smaller economic scales, such as the Special Region of Yogyakarta, West Nusa Tenggara, East Nusa Tenggara, and North Sulawesi, display lower absolute GRDP levels but show comparable upward growth trends. The consistent increase in GRDP in these provinces suggests gradual strengthening of regional economic activities, potentially supported by improvements in tourism infrastructure and accessibility following the designation of Super Priority Destinations. However, the relatively modest growth increments also indicate that the economic impacts of tourism prioritization may be incremental rather than immediate. Notably, provinces with a stronger reliance on tourism-related activities, such as West Nusa Tenggara and East Nusa Tenggara, exhibit more moderate growth patterns, reflecting higher sensitivity to external shocks during the early years of the period. This observation highlights the vulnerability of tourism-dependent economies during crisis periods,

while also underscoring the importance of recovery dynamics in the post-pandemic phase.

Overall, the GRDP trends illustrate heterogeneous economic performance across SPD provinces, shaped by differences in economic scale, structural diversity, and sectoral dependence. These findings provide an essential baseline for subsequent analyses using Klassen Typology and Location Quotient methods, which further explore the relative economic position and sectoral specialization of the provinces within the national and tourism development context. While the GRDP levels presented above illustrate the overall scale and trend of economic output in each province, an analysis of GRDP growth rates is required to better capture the dynamics and pace of economic change over time. Growth rates provide a clearer indication of how rapidly provincial economies expanded or recovered during the observation period, particularly in response to policy interventions and external shocks. Therefore, Table presents the annual growth rate of Gross Regional Domestic Product (GRDP) at constant prices for the five provinces hosting Super Priority Destinations, allowing for a more nuanced comparison of economic performance across regions and years.

Table 4. Growth Rate of Gross Regional Domestic Product (GRDP) Super Priority Destinations

Super Priority Destinations	Province	Growth Rate of Gross Regional Domestic Product (GRDP) (%)								
		2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Lake Toba	North Sumatra	0,052	0,051	0,052	0,052	-0,011	0,026	0,047	0,050	0,050
Borobudur	Special Region of Yogyakarta	0,050	0,053	0,062	0,066	-0,027	0,056	0,051	0,051	0,050
Mandalika	West Nusa Tenggara	0,058	0,001	-0,045	0,039	-0,006	0,023	0,070	0,018	0,053
Labuan Bajo	East Nusa Tenggara	0,051	0,051	0,051	0,052	-0,008	0,025	0,031	0,035	0,037
Likupang	North Sulawesi	0,062	0,063	0,060	0,056	-0,010	0,042	0,054	0,055	0,054

Source: *BPS Indonesia, 2025*

The growth rate of Gross Regional Domestic Product (GRDP) presented in Table reveals clear differences in economic dynamics across provinces hosting Super Priority Destinations over the 2015–2024 period. Prior to the COVID-19 pandemic (2015-2019), most provinces exhibited relatively stable and positive growth rates, indicating steady regional economic expansion. Provinces such as North Sumatra, Yogyakarta, and North Sulawesi consistently recorded growth rates above five percent, reflecting relatively strong and resilient economic performance during the pre-pandemic period. A sharp contraction in economic growth is evident in the 2019–2020 period across all provinces, corresponding to the onset of the COVID-19 pandemic. The magnitude of decline varies, with the Special Region of Yogyakarta experiencing the deepest contraction, reflecting its high dependence on tourism and related service sectors. Similarly, other tourism-oriented provinces, including West Nusa Tenggara and North Sulawesi, also recorded negative growth, underscoring the vulnerability of tourism-driven economies to external shocks and mobility restrictions.

Following the contraction phase, the 2020-2021 and subsequent periods show a gradual recovery across all SPD provinces. Growth rates return to positive values, although the pace of recovery differs among regions. Provinces such as North Sulawesi and Yogyakarta exhibit relatively stronger rebound patterns, suggesting higher adaptive capacity and quicker

reactivation of economic activities. In contrast, West Nusa Tenggara displays more fluctuating growth, indicating ongoing structural adjustments and sensitivity to changes in tourism demand. During the later years of the observation period (2022-2024), growth rates across most provinces stabilize at moderate levels, signaling a transition toward post-pandemic economic normalization. The sustained positive growth in this phase suggests that regional economies have gradually regained momentum, potentially supported by the revitalization of tourism activities and continued development efforts in Super Priority Destinations.

Overall, the growth rate analysis highlights heterogeneous economic trajectories among SPD provinces, shaped by differences in economic structure, tourism dependency, and recovery capacity. These findings emphasize the importance of complementing tourism prioritization with broader economic diversification and resilience-building strategies to ensure sustainable regional growth. The observed growth dynamics also provide a critical basis for further analysis of regional typology and sectoral specialization in subsequent sections.

3.2. Position of SPD Provinces within the National Economic Structure

Understanding the position of Super Priority Destination (SPD) provinces within the national economic structure is essential for assessing the broader implications of tourism-led development policies. While GRDP levels and growth rates provide valuable insights into economic performance over time, they do not fully capture the relative development status of regions compared to national benchmarks. A province may experience positive growth yet remain structurally lagging when evaluated against national income and growth averages. Therefore, a comparative regional framework is required to contextualize the economic performance of SPD provinces within Indonesia's overall development landscape.

Regional development theory emphasizes that differences in growth patterns and income levels reflect variations in structural composition, productivity, and development capacity. In this context, tourism prioritization policies such as the SPD initiative are expected to influence not only short-term growth but also the relative position of regions within the national economy. Evaluating whether SPD provinces tend to cluster in advanced, developing, or lagging regional categories provides important insights into the effectiveness of tourism as a driver of regional convergence and structural transformation.

Moreover, Indonesia's regional economy is characterized by substantial interprovincial disparities, shaped by unequal resource endowments, infrastructure availability, and historical development paths. As a result, the economic outcomes of the SPD policy are likely to differ across provinces depending on their initial development conditions. Assessing the relative position of SPD provinces within the national economic structure allows for the identification of whether tourism prioritization reinforces existing disparities or contributes to more balanced regional development.

To address this issue, this study employs Klassen Typology as an analytical tool to classify provinces based on their economic growth rates and GRDP per capita relative to national averages. This approach enables a systematic comparison of SPD provinces with other regions in Indonesia and provides a clearer understanding of their development status during the policy implementation period. Accordingly, the following section presents the results of the Klassen Typology analysis, highlighting the relative position of each SPD province within Indonesia's national economic structure and discussing the implications for sustainable tourism-led regional

development.

Table 5. Growth–Share Analysis of Provincial GRDP in Super Priority Destination Areas Before and After SPD Designation

SPD	Province	**Analisis Growth-Share PDRB Provinsi di 5 DSP**					
		2015-2019 (Before SPD Designation)			Tahun 2020-2024 (After SPD Designation)		
		Growth	Share	Classification	Growth	Share	Classification
Lake Toba	North Sumatra	-	+	Potential	-	+	Potential
Borobudur	Special Region of Yogyakarta	+	-	Dominant	+	-	Dominant
Mandalika	West Nusa Tenggara	-	-	Stagnant	-	-	Stagnant
Labuan Bajo	East Nusa Tenggara	-	-	Stagnant	-	-	Stagnant
Likupang	North Sulawesi	+	-	Dominant	+	-	Dominant

Source: *Analysis Result, 2025*

The Growth–Share analysis reveals that the relative economic position of provinces hosting Super Priority Destinations remained largely stable between the pre-designation period (2015–2019) and the post-designation period (2020–2024). The persistence of provincial classifications across both periods indicates that no significant structural shifts in provincial economic performance occurred following the designation of SPDs, at least at the macroeconomic level captured by GRDP dynamics. North Sumatra (Danau Toba) consistently falls within the *potential* category in both periods, characterized by a negative growth component and a positive share component. This pattern suggests that although the province continues to contribute positively to national GRDP, its growth rate has not surpassed the national average. The absence of a shift toward a more progressive classification implies that the economic benefits of DSP designation in Danau Toba have not yet translated into accelerated provincial growth relative to the national economy.

DI Yogyakarta (Borobudur) and North Sulawesi (Likupang) remain classified as *dominant* provinces before and after DSP designation, reflecting positive growth components alongside negative share values. This indicates that while these provinces exhibit relatively strong growth dynamics, their overall contribution to the national economy remains limited due to structural scale constraints. The stability of this classification suggests that DSP designation has reinforced existing growth trajectories rather than generating new growth momentum capable of altering their relative economic position. Meanwhile, West Nusa Tenggara (Mandalika) and East Nusa Tenggara (Labuan Bajo) persist in the *stagnant* category across both periods, with negative growth and share components. This outcome highlights that, despite their strategic importance as tourism development priorities, these provinces have not experienced measurable improvements in relative economic performance at the provincial scale. The lack of classification change points to structural rigidities and limited spillover effects, where tourism-led investments have yet to sufficiently permeate the broader regional economy.

From a discussion perspective, the stability of Growth–Share outcomes underscores that the macroeconomic impacts of DSP designation remain limited and incremental, rather than transformative. This finding aligns with the view in the tourism-led growth literature that policy-driven destination prioritization often requires longer time horizons and stronger cross-

sectoral integration to generate significant structural change. Moreover, the coinciding COVID-19 pandemic during the early phase of DSP implementation likely dampened potential growth effects, masking or delaying the expected economic benefits of tourism prioritization. Overall, the Growth Share analysis suggests that while DSP designation may strengthen existing economic trajectories, it has not yet produced significant shifts in provincial economic competitiveness or growth positioning. This reinforces the argument that achieving sustainable and inclusive tourism-led development requires not only destination-focused interventions, but also complementary policies aimed at enhancing regional productive capacity, sectoral linkages, and institutional effectiveness.

While the Growth Share analysis indicates that the relative macroeconomic position of SPD provinces has remained largely stable with no significant structural shifts, this aggregate perspective does not fully capture changes occurring within the internal composition of provincial economies. Macroeconomic stability at the provincial level may coexist with sectoral adjustments, particularly in sectors directly targeted by tourism development policies. Therefore, to further explore whether the Super Priority Destination designation has influenced the economic structure at the sectoral level, this study proceeds with an analysis of sectoral specialization and tourism-related economic activities. By employing the Location Quotient (LQ) approach, the following subsection examines the extent to which tourism-related sectors have developed comparative advantages within SPD provinces, and whether tourism functions as a basic or leading sector in their regional economies. Accordingly, the subsection "Sectoral Specialization and Tourism-Related Economic Structure" focuses on identifying structural patterns and sectoral shifts that may not be immediately reflected in aggregate growth indicators but are essential for understanding the sustainability and depth of tourism-led regional development.

3.3. Sectoral Specialization and Tourism Related Economic Structure

Beyond regional growth performance and relative economic position, understanding the sectoral structure of provincial economies is crucial for evaluating the effectiveness of tourism led development policies. Economic growth at the regional level is not only determined by the rate of expansion but also by the composition of economic activities and the degree of sectoral specialization. In the context of Super Priority Destinations (SPDs), tourism development is expected to strengthen specific sectors that are directly or indirectly linked to tourism activities, thereby reshaping regional economic structures. Tourism related economic activities typically generate forward and backward linkages with multiple sectors, including accommodation and food services, transportation, trade, construction, and creative industries. The extent to which these sectors become dominant or specialized within a regional economy reflects the depth of tourism integration and its potential to act as a basic or leading sector. A higher degree of sectoral specialization may enhance regional competitiveness and income generation, but it may also increase vulnerability to external shocks if economic diversification remains limited.

Indonesia's provinces exhibit diverse economic structures shaped by variations in natural resource endowments, infrastructure development, and institutional capacity. Consequently, the role of tourism within provincial economies differs significantly across regions. In some provinces, tourism-related sectors may already function as core economic drivers, while in others they remain complementary to more dominant sectors such as agriculture,

manufacturing, or mining. Evaluating sectoral specialization allows for the identification of these structural differences and provides insight into how tourism prioritization policies interact with existing economic foundations. To systematically assess sectoral specialization, this study applies Location Quotient (LQ) analysis, which compares the relative contribution of specific sectors within a province to their contribution at the national level. LQ analysis is particularly useful for identifying sectors with comparative advantages and determining whether tourism related industries function as basic sectors in SPD provinces. Accordingly, the following section presents the results of the LQ analysis, focusing on tourism-related sectors and discussing their implications for regional economic structure and sustainable tourism led development.

Table 6. Location Quotient (LQ) of Tourism-Related Sectors in Super Priority Destination Provinces

Code	Economic Sector	Location Quotient (LQ) by Economic Sector in Priority Tourism Destinations 2020-2024									
		North Sumatra (Lake Toba)		DI Yogyakarta (Borobudur)		West Nusa Tenggara (Mandalika)		East Nusa Tenggara (Labuan Bajo)		North Sulawesi (Likupang)	
		LQ Value	Classification	LQ Value	Classification	LQ Value	Classification	LQ Value	Classification	LQ Value	Classification
A.	Agriculture, Forestry, and Fisheries	1,98	Basis	0,72	Non Basis	1,55	Basis	2,29	Basis	1,67	Basis
B.	Mining and Quarrying	0,14	Non Basis	0,05	Non Basis	1,90	Basis	0,16	Non Basis	0,67	Non Basis
C.	Manufacturing Industry	0,48	Non Basis	0,32	Non Basis	0,13	Non Basis	0,04	Non Basis	0,37	Non Basis
D.	Electricity and Gas Supply	0,50	Non Basis	9,03	Basis	8,36	Basis	0,39	Non Basis	0,62	Non Basis
E.	Water Supply, Waste Management, Wastewater, and Recycling	0,88	Non Basis	17,77	Basis	29,99	Basis	0,80	Non Basis	1,31	Basis
F.	Construction	1,02	Non Basis	0,89	Non Basis	0,90	Non Basis	1,00	Basis	1,31	Basis
G.	Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	1,06	Basis	0,58	Non Basis	0,81	Basis	0,85	Non Basis	0,94	Non Basis
H.	Transportation and Storage	1,03	Basis	1,90	Basis	1,35	Basis	1,33	Basis	2,31	Basis
I.	Accommodation and Food Service Activities	0,64	Non Basis	2,70	Basis	0,62	Non Basis	0,22	Non Basis	0,65	Non Basis
J.	Information and Communication	0,40	Non Basis	1,96	Basis	0,43	Non Basis	1,47	Basis	0,81	Non Basis
K.	Financial and Insurance Activities	0,62	Non Basis	0,83	Non Basis	0,80	Non Basis	1,06	Basis	0,97	Non Basis
L.	Real Estate Activities	1,13	Basis	2,25	Basis	1,13	Basis	0,75	Non Basis	1,15	Basis
M.N.	Business Activities	0,44	Non Basis	1,57	Basis	0,64	Non Basis	0,08	Non Basis	0,05	Non Basis
O.	Public Administration, Defence, and Compulsory Social Security	0,80	Non Basis	1,94	Basis	1,46	Basis	4,15	Basis	2,04	Basis
P.	Education Services	0,51	Non Basis	2,44	Basis	1,33	Basis	2,49	Basis	0,84	Non Basis
Q.	Human Health and Social Work Activities	0,51	Non Basis	16,10	Basis	15,53	Basis	1,76	Basis	3,35	Basis
R.S.T.U.	Other Services Activities	6,11	Basis	1,41	Basis	1,14	Basis	1,07	Basis	1,08	Basis

Source: *Analysis Result, 2025*

Based on the Location Quotient (LQ) analysis, there are seven economic sectors classified as tourism-related sectors according to KBLI, namely: Manufacturing Industry; Wholesale and Retail Trade; Transportation and Storage; Accommodation and Food Service Activities; Real Estate Activities; Business Activities; and Other Services Activities. The performance of these sectors varies across priority tourism destinations, reflecting differences in economic structure, development stage, and tourism specialization. The Manufacturing Industry consistently shows LQ values below 1 in all destinations, indicating that this sector is non-basic across Lake Toba, Borobudur, Mandalika, Labuan Bajo, and Likupang. This suggests that manufacturing activities supporting tourism such as souvenir production, food processing, or creative industries have not yet become leading sectors and remain underdeveloped relative to the regional economy. The Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles sector demonstrates a basic role only in North Sumatra (Lake Toba), while remaining non-basic in other destinations. This indicates that Lake Toba has relatively stronger local trade linkages related to tourism consumption, whereas other destinations still rely on external supply chains.

From the perspective of Growth Pole Theory Perroux, F. (1955), Indonesia's Super Priority Destinations (SPDs) were expected to function as regional growth poles capable of generating multiplier effects across surrounding economic sectors. However, the limited emergence of basic sectors beyond transportation and selected service activities suggests that the polarization effects anticipated from tourism-led growth have not yet fully materialized. This finding indicates that tourism investments have not reached the threshold necessary to stimulate broader structural transformation within regional economies. The weak performance of manufacturing and trade-related sectors in most destinations further suggests limited local production linkages, indicating that tourism demand may still be largely satisfied through external supply chains rather than local economic networks.

In growth pole theory, threshold effects refer to the minimum scale of investment, economic activity, and inter-sectoral linkages required for a growth center to generate cumulative and self-reinforcing development effects (Perroux, 1955). The absence of significant changes in provincial Growth–Share classifications suggests that, despite substantial infrastructure investments, most SPDs have not yet reached this critical threshold. Tourism development has stimulated selected sectors, particularly transportation and real estate, but has not yet generated sufficiently strong spillover effects to transform the broader regional economic structure.

The Transportation and Storage sector emerges as one of the most consistently basic tourism-supporting sectors. All five destinations record LQ values greater than 1, with particularly high specialization in North Sulawesi (Likupang) and DI Yogyakarta (Borobudur). This reflects the critical role of accessibility, logistics, and mobility in supporting tourism activities, especially in geographically dispersed or island-based destinations. In contrast, Accommodation and Food Service Activities, which are core tourism services, display uneven performance. Only DI Yogyakarta (Borobudur) shows this sector as a basic sector, while the remaining destinations record LQ values below 1. This indicates that despite being designated as priority tourism destinations, accommodation and food services in several areas have not yet developed sufficient scale or competitiveness to dominate the local economic structure.

The dominance of transportation and storage as the only consistently basic sector across all SPDs highlights that tourism development policies have been more successful in improving

spatial connectivity than in strengthening local productive capacity. From a regional planning perspective, this pattern reflects the prioritization of accessibility infrastructure, including airports, ports, and road networks, which are essential prerequisites for tourism growth but do not automatically generate local economic diversification. This finding raises an important question regarding the extent to which SPDs are integrated with secondary growth centers and surrounding hinterland economies. Without stronger functional linkages between tourism nodes and neighboring districts, improvements in connectivity may primarily facilitate visitor mobility rather than stimulate wider regional development.

The Real Estate Activities sector plays a basic role in most destinations, including Lake Toba, Borobudur, Mandalika, and Likupang, except in Labuan Bajo, where it remains non-basic. This pattern reflects tourism-driven property development such as hotels, resorts, and supporting facilities, although spatial and regulatory constraints may limit its role in certain destinations. The Business Activities sector, which includes professional, rental, and corporate support services, is generally non-basic, except in DI Yogyakarta (Borobudur). This suggests that advanced tourism-support services such as consulting, event management, and travel-related professional services are more concentrated in destinations with stronger urban and institutional characteristics.

Finally, Other Services Activities consistently function as a basic sector across all destinations, with particularly high LQ values in North Sumatra (Lake Toba). This sector captures various tourism-related services such as recreation, arts, culture, and personal services, highlighting its strong linkage with tourism demand and visitor activities. Overall, the LQ analysis indicates that while transportation, real estate, and other services have become key economic bases supporting tourism development, core tourism sectors such as accommodation, food services, and manufacturing-related creative industries remain uneven and, in several destinations, underdeveloped. This finding underscores the need for targeted policies to strengthen tourism value chains and enhance local economic integration in priority tourism destinations.

3.4. Tourism Performance and Its Linkage to Regional Economic Outcomes

Tourism performance constitutes a critical mechanism through which Super Priority Destination (SPD) policies are expected to influence regional economic outcomes. In this study, tourism performance is assessed through changes in tourism-related economic indicators and their association with regional Gross Regional Domestic Product (GRDP) dynamics during the 2020–2024 period(Almazán-Gómez et al., 2025; Sato et al., 2025). The analysis indicates that improvements in tourism performance are generally accompanied by positive trends in regional economic output, although the magnitude and consistency of this relationship vary across provinces. Provinces that demonstrate stronger specialization in tourism-related sectors, particularly transportation and storage, real estate activities, and other services, tend to exhibit more stable GRDP growth during the post-pandemic recovery phase. This suggests that tourism functions as an important supporting sector for regional economic resilience, especially in destinations where accessibility and supporting services have been significantly improved throug . However, the relationship between tourism performance and overall economic growth is not uniform. In several SPD provinces, increases in tourism-related activities do not translate proportionally into higher GRDP growth, indicating the presence of economic leakages and

limited local value capture.

The uneven performance of core tourism sectors, such as accommodation and food service activities, further explains this discrepancy (Wardani et al., 2025). Despite being central to tourism demand, these sectors remain non-basis in most destinations, except Borobudur. This condition implies that tourism consumption is not yet fully absorbed by local service providers, potentially due to limited capacity, reliance on external operators, or weak integration with local supply chains. As a result, the multiplier effects of tourism on the regional economy remain constrained. This condition is also consistent with Myrdal's (1957) concept of spread and backwash effects. While SPD policies have successfully attracted investment and increased tourism activity, the relatively weak performance of accommodation and food service sectors suggests that a portion of tourism-generated income may leak outside local economies through external ownership structures, national tourism operators, and imported goods and services. Such backwash effects reduce local value capture and weaken the capacity of tourism to function as an endogenous driver of regional development. The evidence is particularly relevant in destinations such as Mandalika and Labuan Bajo, where substantial infrastructure investments have been implemented but local tourism-related sectors have not yet emerged as dominant components of the regional economic structure. Moreover, provinces with more diversified economic structures, such as North Sumatra and DI Yogyakarta, demonstrate greater economic stability, suggesting that tourism contributes more effectively when embedded within a broader and diversified regional economy. In contrast, provinces with higher dependence on tourism-related infrastructure development, such as Mandalika and Labuan Bajo, show more moderate economic outcomes, reflecting a development phase that prioritizes physical investment over service consolidation. Overall, these findings indicate that tourism performance contributes to regional economic outcomes in a conditional manner, shaped by sectoral readiness, local linkages, and the capacity of regional economies to internalize tourism-generated benefits (Lopes & Estevão, 2024).

Furthermore, the predominance of transportation and infrastructure-related activities across SPDs suggests that current tourism development policies have been more successful in improving spatial accessibility than in fostering integrated regional economic systems. From a spatial planning perspective, this indicates that many SPDs continue to operate primarily as tourism nodes rather than as fully integrated tourism functional regions connected to their surrounding hinterlands. Strengthening linkages between tourism destinations and surrounding districts through local supply chains, SME participation, and coordinated regional planning may therefore be essential for transforming tourism growth into territorially inclusive and sustainable regional development.

The findings of this study are consistent with evidence from several developing countries where tourism-led development has generated positive economic growth but limited structural transformation. For example, studies in Ethiopia (Berhanu Melese et al., 2026) and rural China (Liu et al., 2025) demonstrate that tourism investments often improve local income and infrastructure but do not automatically strengthen local production systems or create broad-based economic diversification. Similarly, Song et al. (2025) found that tourism growth contributes more effectively to regional development when supported by strong regional integration and local economic linkages. The Indonesian SPD experience therefore reflects a broader challenge observed in many developing economies, where tourism functions as an

important growth stimulus but requires stronger institutional support, local value chains, and cross-sectoral integration to generate sustainable and inclusive regional development.

3.5. Implications for Sustainable Tourism Led Regional Development

The findings of this study carry important implications for sustainable tourism-led regional development in Indonesia. First, the heterogeneous economic outcomes observed across Super Priority Destinations highlight that tourism prioritization alone is insufficient to generate uniform regional growth. While infrastructure development and destination branding are necessary preconditions, they must be complemented by strategies that strengthen local economic integration and enhance sectoral depth. Second, the dominance of transportation, real estate, and other services as basic sectors indicates that tourism development remains largely infrastructure-driven. Although such investments improve accessibility and physical readiness, they do not automatically ensure inclusive economic benefits. Sustainable tourism-led development requires greater emphasis on strengthening core tourism services, particularly accommodation, food services, and tourism-related business activities, which play a crucial role in generating employment and local income (Song et al., 2025).

Third, the limited specialization of manufacturing and business activities suggests weak backward linkages between tourism and local production systems. This condition reduces the potential for tourism to function as a catalyst for broader economic transformation. Policies aimed at developing local creative industries, small and medium enterprises, and tourism supply chains are therefore essential to enhance value-added retention at the regional level. From a sustainability perspective, these findings underscore the need for a more balanced and place-based tourism development strategy. Provinces at earlier stages of tourism development require targeted capacity-building interventions, institutional strengthening, and support for local entrepreneurship. Meanwhile, more mature destinations should focus on improving service quality, innovation, and environmental management to mitigate social and ecological trade-offs. In sum, sustainable tourism-led regional development depends not only on increasing tourist numbers or infrastructure provision, but on the ability of regions to translate tourism growth into resilient, inclusive, and structurally integrated economic outcomes.

From a regional and spatial planning perspective, future SPD development should be more closely integrated with provincial and district spatial planning frameworks (RTRW). Rather than focusing solely on destination-based infrastructure provision, tourism planning should adopt a functional regional approach that strengthens economic linkages between tourism centers and their surrounding hinterlands. Integrating tourism corridors, local production clusters, transportation networks, and secondary growth centers into spatial planning strategies would help increase local value capture and promote more territorially inclusive development. Such an approach would enable SPDs to function not merely as isolated tourism destinations, but as regional growth poles capable of generating wider economic benefits across surrounding areas.

Table 7. Sustainability Implications of Tourism Development

Key Dimension	Empirical Findings	Implications for Sustainable Tourism-Led Development
Regional Economic Growth	GRDP growth increased in all SPD provinces, but without significant structural shifts	Tourism prioritization contributes to recovery and stability, but its growth impact remains incremental rather than transformative
Sectoral Structure	Tourism-related sectors are unevenly specialized across destinations	A one-size-fits-all tourism policy is ineffective; place-based and differentiated development strategies are required
Core Tourism Services (Accommodation & Food Services)	Basic sector only in Borobudur; non-basis in other destinations	Strengthening service capacity, quality, and local ownership is essential to improve tourism value capture
Infrastructure-Oriented Sectors (Transportation, Real Estate)	Consistently dominant across most destinations	Infrastructure investment is necessary but insufficient; must be complemented by service and enterprise development
Local Economic Linkages	Weak specialization in manufacturing and business activities	Limited backward linkages reduce tourism multipliers; local supply chains and SMEs need policy support
Economic Resilience	More diversified provinces show greater stability during shocks	Tourism should complement, not replace, economic diversification to enhance resilience
Inclusiveness	Tourism growth does not automatically increase local income	Policies must focus on community participation, MSMEs, and local employment
Sustainability Orientation	Growth is still infrastructure-driven	Long-term sustainability requires balancing economic growth with social and environmental considerations

Source: *Analysis Result, 2025*

4. CONCLUSION

This study examines the macroeconomic implications of tourism-led development in Indonesia's Super Priority Destinations (SPDs) by integrating Gross Regional Domestic Product (GRDP) analysis, Growth–Share assessment, and Location Quotient (LQ) evaluation of tourism-related sectors during the 2020–2024 period. The findings demonstrate that the designation of SPDs has contributed to regional economic recovery and stabilization following the COVID-19 shock, but has not yet generated significant structural transformation at the provincial level. The Growth–Share analysis indicates that the relative economic positions of SPD provinces within the national economic structure remain largely unchanged before and after SPD designation. This suggests that tourism prioritization has reinforced existing growth trajectories rather than accelerating convergence or improving regional competitiveness. While provincial GRDP levels show consistent increases, the absence of classification shifts highlights the incremental nature of tourism-led economic impacts.

The LQ analysis reveals uneven sectoral specialization across destinations. Tourism-supporting infrastructure sectors, particularly transportation and storage, real estate activities,

and other services, function as basic sectors in most SPD provinces. In contrast, core tourism value-creating sectors such as accommodation and food services, business activities, and tourism-related manufacturing remain underdeveloped in several destinations. This structural imbalance limits local value capture and weakens the multiplier effects of tourism on regional economies. Overall, the results suggest that tourism-led development in Indonesia's SPDs is still predominantly infrastructure-driven, with limited integration into local production systems and service value chains. As a consequence, improvements in tourism performance do not automatically translate into proportional gains in regional economic growth or inclusive welfare outcomes. These findings advance the literature on sustainable tourism by providing macroeconomic evidence that destination prioritization policies require complementary measures to strengthen sectoral linkages, enhance local capacity, and promote economic diversification.

From the perspective of growth pole theory, the findings suggest that Indonesia's Super Priority Destinations have not yet achieved the threshold conditions necessary to generate transformative regional development effects. While tourism investments have improved accessibility and stimulated selected economic sectors, the expected spread effects remain limited due to weak local production linkages and indications of economic leakage. Consequently, strengthening tourism functional regions and integrating SPD development with regional spatial planning frameworks are essential to maximize long-term development benefits.

From a policy perspective, sustainable tourism-led regional development should move beyond physical investment and visitor growth targets toward strategies that deepen local economic integration. Strengthening small and medium enterprises, improving service quality and innovation, and fostering backward and forward linkages between tourism and local industries are essential to enhance resilience and long-term sustainability. By adopting a more place-based and integrative approach, tourism can function not merely as a growth catalyst, but as a foundation for inclusive, resilient, and sustainable regional development in emerging economies.

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