



2018 JAKARTA-PALEMBANG ASIAN GAMES ECONOMIC IMPACT SURVEY

A. The Hosting of the 2018 Asian Games

The Asian Games is a multi-branch sports event involving all nations in the Asian Continent and an official four-year agenda of the Olympic Council of Asia (OCA). Indonesia had the golden opportunity to host the 2018 Asian Games, officially known as the 18th Asian Games Jakarta-Palembang 2018. The mega event took place from August 18 to September 2 in three provinces - DKI Jakarta and Sumatera Selatan (Palembang) as the host and Jawa Barat as a supporting region.

The 2018 Asian Games was the biggest in the history, with 10,391 participating athletes from 45 Asian countries including Indonesia, competing in 40 sports and 465 events, surpassing the number of athletes in previous Asian Games of 2014 (Incheon, South Korea), 2010 (Guangzhou, China) or 2006 (Doha, Qatar), and even comparable to the 2016 Rio de Janeiro Olympics (Brazil) which featured

11,238 athletes. Further, 5,460 country officials also took part, adding to the hundreds of OCA officials and representatives of various international sports federations.

To ensure that the grand event ran successfully, more than 13 thousand local committees were involved, comprised of the Indonesia Asian Games Organizing Committee (INASGOC) and its volunteers, apart from task forces from various government institutions and community organizations that helped smooth the event.

The 2018 Asian Games successfully attracted international attention beyond the Asian Continent. The event was covered by more than 7 thousand international journalists from printed, online and broadcast-based media from across the globe. The event also attracted nearly 79 thousand foreign tourists whose main intention are to attend the Asian Games' matches.



B. Economic Impact Survey of the 2018 Asian Games

Given the massive scale of the event, the Ministry of National Development Planning/National Development Planning Agency (Bappenas) carried out the Economic Impact Study of Asian Games 2018. As part of that study, the Institute for Economic and Social Research, Faculty of Economics and Business, Universitas Indonesia (LPEM FEB UI) carried out a survey to capture the increasing economic activity that arose from the Asian Games, during and beyond the event completion.

Hence, the survey aims to: (a) estimate the short-term economic stimuli generated from the spending of athletes, country officials, committees, journalists and spectators; (b) identify the long-term potential impacts on the tourism sector due to positive changes in perceptions towards Indonesia, the propensity to repeat visitation to Indonesia for travelling purposes, the willingness to recommend Indonesia as a tourism destination, and to recommend Indonesia as the host of future international sports events; (c) capture the impact from the businesses part, especially affected micro, small and medium enterprises (MSMEs).



The survey took place on August 19 - September 4 in Jakarta, Palembang and several other cities in Jawa Barat. The survey managed to collect data from a total of 2,618 sample respondents, including 1,914 international respondents and 704 Indonesian respondents.

They encompassed 12 respondent categories including international athletes, na-

tional athletes, foreign country officials (trainers, medical personnel and contingent support staff), Indonesian officials, international journalists, national journalists, international spectators, national spectators, OCA and International Sport Federations (IF) officials, INASGOC officials and volunteers, MSMEs around the venues and INASGOC official partners.



C. Short-term Economic Stimuli

Despite the 2018 Asian Games lasted for 16 days, the respondents' length of stay varied. Among the international respondents, the group with the shortest stay was the international athletes (average of 11.23 days) while the longest was international journalists (average of 17.81 days). Length of stay may be affected by match schedules, other international competition schedules and budget. International journalists generally had to arrive in Indonesia before the opening ceremony and departed after the closing ceremony.

The spending of international respondents also varied across respondent groups. International athletes only spent US\$457.7 on average, less than foreign country officials (US\$952.09). Larger amount of expenditure was made by groups of respondents who did not compete directly, such as international spectators (US\$1,495.55), followed by international journalists (US\$2,455.23) and OCA & IF officials (US\$2,661.44).

As for national respondents, national athletes had the highest average spending (Rp8.88 million), while national spectators, officials, journalists and committees only spent an average of Rp2.08 million, Rp1,80 million, Rp1,486 million and Rp1.03 million, respectively.

The average spending also varied across gender, age groups and country of origins. Among international respondents, the average spending of women is higher than that of men for athletes, officials, journalists and OCA & IF official groups, while for international spectators the opposite is true. Male spectators may bear some families or groups expenses that

were difficult to separate from their personal spending.

When considering age group, the spending amount correlates positively with age in all groups of international respondents. Age may be related to experience or ranks, which in turn affects the amount of allowances.

Based on country of origins, the spending of international respondents from non-ASEAN countries were, on average, higher than that of their ASEAN counterparts, except for country officials. Respondents from non-ASEAN countries may be more interested in souvenirs, foods or shopping because they might find Indonesia differ to their countries.

Apart from the variation in total amount, the respondents' spending also differ in its composition. In general, the largest spending portion of international respondents was for accommodation, followed by souvenirs and food & beverages. Different spending composition was observed in international athletes, where the main spending was for 'other' category, namely a spending which amount had been allocated but the purposes had not yet been determined. Most international athletes stayed at the athlete's village and opted to wait until the last day in Indonesia before deciding how to spend their money.

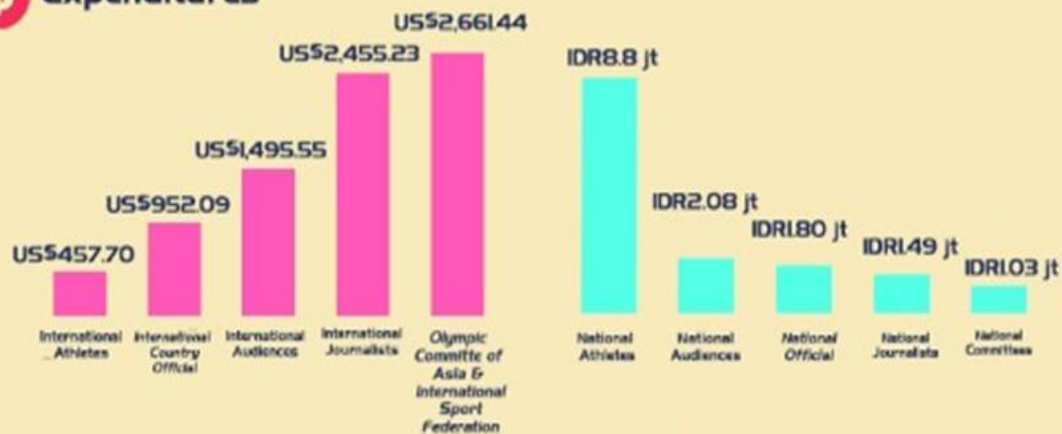
For the national respondents' category, a considerable spending was observed on food and drinks, and souvenirs, while spending on hotels was less dominant because of higher possibility of being given accommodation by family or friends near the match locations.

SHORT-TERM ECONOMIC STIMULI

Length of Stay



Expenditures



International Respondents
Highest Amounts of Expenditures are on:
Hotel
Souvenirs
Foods & Beverages

National Respondents
Highest Amounts of Expenditures are on:
Foods & Beverages
Souvenirs

Generally, female international respondents had higher expenditures as compared to male respondents



In the international group of respondents, the amount of expenditures is proportionally related to age



Generally, non-ASEAN international respondents had higher expenditures as compared to their ASEAN counterparts.

D. Long-term Potential Economic Impact on Tourism Sector

Although the 2018 Asian Games has ended, there remains a potential long-term positive impact on the Indonesian economy. First, 80% of international respondents stated that the Asian Games has positively changed their perceptions towards Indonesia. In addition, more than

95% of international respondents expressed their fondness for Indonesian culture (people, hospitality and food), and more than 70% liked the scenery, services and transportation arrangements in the city where the matches took place.



Second, international respondents had favorable views towards the organization of the 2018 Asian Games. At least 70% of athletes, country officials, OCA & IF officials, journalists and spectators rated 'Good' or 'Very Good' in each criterion measured in the survey including: 1) sports facilities and venues; 2) accommodation and food; 3) transportation arrangements; 4) telecommunications and internet networks; 5) access to information; 6) security, and; 7) match schedules. Interestingly, there were no significant differences in rating given by those experienced and first-timers of international sporting events

Third, international respondents had a high propensity to repeat visitation to Indonesia. About 69-80% of respondents made sure to return and around 18-25%

E. Impact on Business

In addition to capturing the impact of the 2018 Asian Games from international and national participants and visitors' side, the survey also portrayed the impact on the business' side. Two types of business groups were targeted: MSMEs that ran the stall nearby the venues and the suppliers of INASGOC (lodging services, venue management and the official partners that produced official merchandises).

Most MSMEs at the venues in Jakarta and Jawa Barat sold food and beverages, while in Palembang mostly sold cloth and apparels. Other products commonly sold by MSMEs included handicrafts, souvenirs and leather products. Most MSMEs did not go through a complicated process to obtain the rights to open the stalls around the venues.

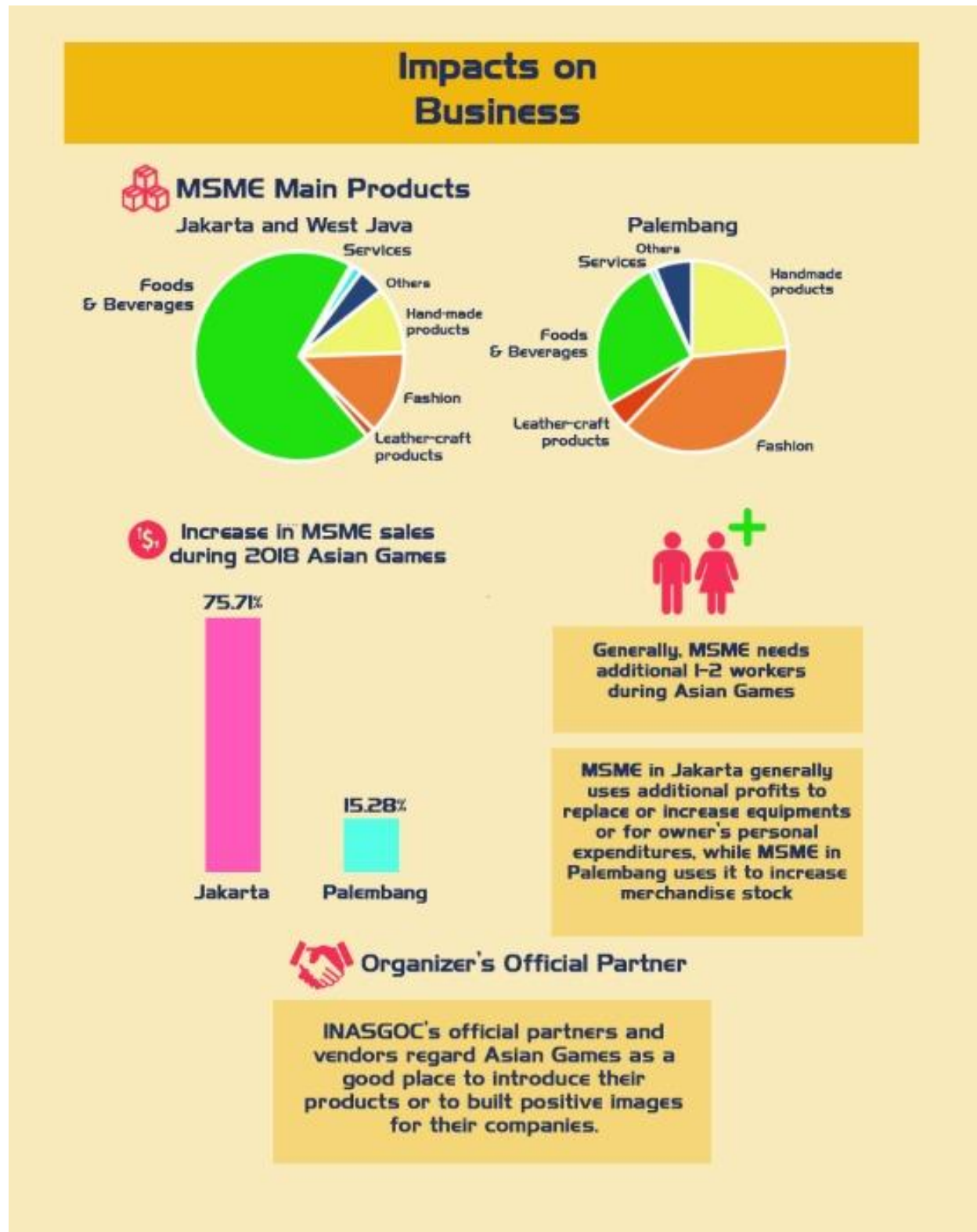
Most MSMEs did not close their main store while trading at the Asian Games.

considered for future travel. Most of them planned to revisit along with colleagues or family for approximately two weeks. This planned length of stay exceeds the Indonesia's international tourists average of 8.42 days in 2016. Further, 2/3 of them had already determined the future travel destinations in Indonesia.

Fourth, most international respondents expressed their willingness to give positive referrals to Indonesia. More than 95% of them will refer Indonesia as a travel destination for their colleagues and families. Further, 89% of country officials and 97% of OCA & IF officials will support Indonesia as host of other international sporting events in the future. Around 82% of country officials will even consider Indonesia to be a training location for their respective country's sports team.

Hence, the average MSME required 1-2 additional workers during the event. The MSMEs at Jakarta earned daily sales of about Rp1.9 million on average during the event, while in Palembang it reached Rp2.4 million, or equivalent to an increase of 76% and 15%, respectively, when compared to their daily sales outside the Asian Games event. The difference in the sales increase between MSMEs in Jakarta and Palembang was influenced by the type of merchandise sold, the number of days trading, the number of sports competed at the nearby venues and the number of spectators.

In general, MSMEs in Palembang used the additional profits from Asian Games trading to increase inventories while MSMEs in Jakarta used it to replace or purchase new equipment, or for the owner's personal needs.



F. Conclusions and Recommendations

Most of international and national respondents considered the 2018 Asian Games as a well-organized event, as measured in various aspects including sport venues, accommodation and food, transportation arrangements, telecommunications and internet access, information availability, security and match schedules.

The 2018 Asian Games had economic impact on Indonesian economy in the short term, stimulated by the spending of athletes, country officials, journalists, spectators and committees, both domestic and foreign alike during the event.

In the long-term, the 2018 Asian Games has the potential positive economic impact on Indonesia's tourism sector. The event enhances Indonesia's positive image globally. Further, most of international respondents expressed their desire to return to Indonesia for travelling purposes, bringing families or colleagues with them on a long-stay plan. Most of them were also willing to give positive referrals to Indonesia as a tourist destination for their respective colleagues and families.

In the long-term, the 2018 Asian Games also has the potential to generate positive impact on sport-tourism activities in Indonesia. It increases the opportunity for Indonesia to become a host of future international sports events, both on single or multiple-event scales. There also remains the possibility of making Indonesia a training location for sports team from various countries and sports.

The economic stimuli generated by the Asian Games was also captured in the survey to MSMEs and INASGOC's official partners. MSMEs who ran the stalls near the match venues enjoyed additional

sales during the event, of which the profits were used to increase inventories in the short-term or to invest in equipment.

Hence, it can be concluded that Indonesia is ready and should bid to host other international scale sports event in the future, including multiple-event and single-event. Nevertheless, to maximize the economic stimuli of hosting a national or international sports event, there are several lessons learned from 2018 Asian Games.

First, it is necessary to arrange match schedules that are more accommodating for participants to carry out activities outside the matches. Second, there should be more information on nearby shopping centers and short tour package deals near the match venues provided to participants and visitors.

Third, should Indonesia host future sports events, better efforts are needed to provide more reliable telecommunications and internet access, better traffic management and transportation facilities, availability and quality of information related to the competition and the attractions or the region where the match take place.

Fourth, there is a need for better arrangement in the involvement of the MSMEs. Broader public notification is needed to give equal opportunities for every MSMEs located in the hosting cities to participate. MSMEs need to occupy more strategic location for their stalls. MSMEs need better deals regarding the charged fees or more profitable profit-sharing schemes. MSMEs also need easier access to venues for their employees and supplies during the event.

Fifth, there needs to be a better information system regarding ticketing and match scheduling. Besides the sports matches, the organizing committee can also hold other events that escalate public's excitement of the event, such as the

Asian Festival held at Gelora Bung Karno area which ran parallel to the Asian Games. The enthusiasm and spending of the locals can magnify the economic stimuli of a sports event.

Conclusion

- Indonesia successfully hosted the 2018 Asian Games
- Indonesia is ready to host future international sport events
- Positive economic impacts were generated through expenditures of athletes, officials, journalists, committees, and spectators, both international and national alike
- There are potential long-term positive impacts on tourism and sport tourism sector in Indonesia

Recommendations for Improvements

General	MSME & Official Partners
Events promotion	Notification of business opportunities
Ticket sales	Arrangement of stall locations
Merchandise sales	Management of access for goods and workers
Match schedules	More profitable profit-sharing scheme
Venue readiness	
Traffic management	
Internet & telecommunications	

Sixth, it is necessary to improve the production planning and distribution of the event's official merchandise. The demand for the 2018 Asian Games' official merchandises was very high as the merchandise served as a memorabilia of such one-time events, while the production and distribution was less prepared to fully maximize the opportunity.

Finally, similar studies need to be conducted on various sports events in the future, with which the economic impact of sports event can be analysed and maximized. In the future, larger-scale studies will be able to better capture spending variations of respondents across sports, country of origin, various types of OCA vendors, as well as referee and match officials.

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