

## CHAPTER V

### CONCLUSION AND SUGGESTION

This study empirically investigates the impact of tourism development to the Local Own-Source Revenue. The model has been estimated by using ECM method with data sets from 1988 to 2018. Based on the results of the research and data analysis that has been carried out, the conclusions and suggestions are as follows:

#### 5.1 Conclusion

In the short run, only the Number of Tourist Attraction (NTA) has significantly affected the Local Own-Source Revenue. Besides its significance, the number of tourist attraction in the short run, have positive correlations with the dependent variable. However, the other two variables are not significant in the short run.

In the long run, all independent variables are significant, which means those three variables really affected Local Own-Source Revenue. All of the independent variables also have positive impact to the Local Own-Source Revenue. Based on this interpretation, we can accept all of this resource's hypothesis since the relationship between dependent variable and independent variables is positive and significant.

By looking into this result, the government should take action by considering both of those situations, which are long run and short run. In the short run, if the government trying to invest in the building or tourist attraction, they cannot expect the revenue will increase shortly. They must see from the long run point of view. Because

based on the result, GRDP or tourism spending will be significantly worked in the long run.

## 5.2 Suggestion

These are the suggestions that author can give.

1. Make some sort of survey to extract any information about potential tourist attraction in the district or the regency. Furthermore, doing some field research in order to look that there is no tourist attraction that is left-behind. Hence that it can give maximal contribution to the regional income in the regency itself.
2. Reviewing the policies that already been given in the past and also the policy that will give in the future. These policies will attract a lot tourist to go travelling to the certain places in the regency of West Sumatra.
3. In order to increase the number of tourists itself, the promotion of tourist attraction should be done immediately. The promotion could be in any form of media, such as poster, banner, social media promotion, internet promotion, or event calendar announcement.

