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## Financial feasibility of marine tourism hospitality sector post-pandemic outbreak of Covid-19: case study from small islands regions

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### Abstract

*The challenge faced by small and micro enterprises in remote islands is the ability to maintain the consistency of the production and revenue. The marine tourism sector in Kei Islands, like many sectors dealt and is still facing the same roadblock to visitor growth and consistency after the COVID-19 pandemic hit and is still recovering. Thus, it is important for the local hospitality sector to measure the projection of their business. The purpose of the study was to identify the financial feasibility of the hospitality sector in the Kei Islands region. By doing so, two beach resorts and two restaurants were selected as the study cases located in the famous and famous marine tourism spot in the region, which is Ngurbloat Beach. The field survey was conducted in August 2022 by in-depth interviews and questionnaires to collect the field data from owners of resorts and restaurants. The indicators of financing feasibility that were used in this study were B/C, profit, R/C, NPV, IRR, and yearly profitability projection. The result showed that for each beach resort and restaurant, all the criteria showed that those were still feasible for the next five years. Although the results also indicated that for the current stance, the profitability projection for the next five years had a downward trend compared to the present year. Therefore, promotion and the effectiveness of government handling post-pandemic are important insignificantly increasing the profitability of the hospitality sector in the region.*

*Keywords— Hospitality; Financial Feasibility; Marine Tourism; Profitability*

### Abstrak

Tantangan yang dihadapi oleh usaha kecil dan mikro di pulau-pulau terpencil adalah kemampuan untuk menjaga konsistensi produksi dan pendapatan. Kekhawatiran yang sama juga dialami oleh hampir semua sektor ekonomi di wilayah pulau-pulau kecil di Indonesia secara khusus di bagian timur. Sektor wisata bahari di Kepulauan Kei, seperti banyak wilayah lain di Indonesia, masih menghadapi hambatan yang sama untuk pertumbuhan dan konsistensi pengunjung setelah pandemi COVID-19 melanda dan masih dalam pemulihan. Oleh karena itu, penting bagi sektor perhotelan lokal untuk mengukur proyeksi bisnis mereka. Tujuan dari penelitian ini adalah untuk mengidentifikasi kelayakan finansial sektor perhotelan di wilayah Kepulauan Kei. Dengan demikian, dipilih dua resor pantai dan dua restoran sebagai studi kasus yang terletak di tempat wisata bahari yang terkenal dan terkenal di wilayah tersebut, yaitu Pantai Ngurbloat. Survei lapangan dilakukan pada Agustus 2022 dengan menggunakan metode wawancara dan kuesioner untuk mengumpulkan data lapangan dari pemilik resor dan restoran. Indikator kelayakan pembiayaan yang digunakan dalam penelitian ini adalah B/C, profit, R/C, NPV, IRR, dan proyeksi profitabilitas tahunan. Hasil penelitian menunjukkan bahwa untuk masing-masing beach resort dan restaurant, semua kriteria menunjukkan masih layak untuk lima tahun ke depan. Meskipun hasilnya juga menunjukkan bahwa untuk *stance* saat ini, proyeksi profitabilitas untuk lima tahun ke depan memiliki tren yang menurun dibandingkan tahun ini. Oleh karena itu, promosi dan efektifitas penanganan pemerintah pascapandemi menjadi penting dalam meningkatkan profitabilitas sektor perhotelan di daerah secara signifikan.

**Kata kunci—** Perhotelan; Kelayakan Finansial; Wisata Bahari; Profitabilitas

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## I. INTRODUCTION

Data showed by Kemenparekraf (2020), that the contribution of the tourist sector has expanded dramatically in recent years. The proportion of the tourist industry to overall exports of goods and services grew rapidly from 10 percent in 2005 to 17 percent in 2012. In 2019, the tourist sector contributed 4,8 percent directly to GDP of Indonesia, up 0.30 percentage points from 2018's 4.5 percent. Although since early 2020, the rapid growth tourism sector hamper by covid-19 pandemic outbreak. According to the WHO, COVID-19, also known as coronavirus, is a large family of viruses that can cause disease in animals and humans. According to Nicola et al. (2020), in humans, coronaviruses cause respiratory tract infections ranging from the common cold to more severe diseases such as Middle East Respiratory Syndrome (MERS) and Severe Acute Respiratory Syndrome (SARS).

The effects that the tourist industry will have on other industries will likewise lead other industries to be affected. Sugihamertha (2020) stated that the impact of Covid-19 has been significant on virtually all aspects of life, including the tourism industry. As a result, travel restrictions have become more stringent, major events have been postponed, and people are less likely to travel internationally or within their own country. To prevent the pandemic caused by the Covid-19 virus from further spreading and to mitigate the negative socioeconomic effects it will have not just on giant corporations but also on small and medium businesses (SMEs). Meanwhile, the CEIC (2020) reports that economic sectors connected to tourism are likely to be impacted by the Covid-19 outbreak, namely manufacturing, transportation, the supply of lodging, food, and drink, as well as wholesale and retail commerce are all included in this category of economic activities. The pandemic caused by the Covid-19 virus has not only had an effect on the tourist industry in Indonesia, but it has also had an effect on a worldwide scale, where in many regions of the globe there has been a severe fall in the business of aircraft, hotel, land, and sea transportation services (CEIC, 2020). The income generated by the travel sector throughout the world, including those in Europe, North America, Latin America, the Middle East, Africa, and Asia Pacific, all seen major drops in recent years (Becker, 2020).

The government would inevitably be forced to deal with the knock-on effects of the COVID-19 pandemic, to be felt throughout all sectors of the economy (Anderson et al., 2020). The government, as one of the relevant parties in the context of addressing outbreaks of the COVID-19 pandemic and the country's economic recovery, needs to take efforts to limit the negative impact that COVID-19 is having on the economy. Taking these steps may help the economy recover more quickly. The government was able to put in place economic policy packages such as fiscal, monetary, and financial policies in order to mitigate the detrimental effects of these factors (Gourinchas, 2020).

The Indonesian government has begun to implement restrictions as a response to the COVID-19 pandemic. As a result of these restrictions, the value chain of the business world has been disrupted, and many businesses across a diverse range of industries and business scales have ceased operations, either temporarily or permanently (Budastra, 2020). According to Indonesia's Minister of Finance Sri Mulyani Indrawati, the pandemic caused by COVID-19 has at least three significant effects on the country's economy. To begin, it has the effect of sharply decreasing people's household consumption as well as their purchasing power. While consumption is responsible for up to sixty percent of the economy's continued existence. The second effect of the unpredictability is a reduction in investment. Third, the decline in exports led to a reduction in the pricing of many commodities, including oil, coal, and CPO (Situmorang, 2020).

In Indonesia, the real impact that can be seen is that workers in the tourism sector experience a decrease in income. This is especially true for those workers who are associated with the provision of lodging and food and beverage services, as well as large-scale and retail trade, the repair of automobiles and motorcycles, and storage and transportation (Statistic Indonesia, 2020). Sambodo (2020) stated that the Covid-19 pandemic in the tourism industry had at least an impact on economic risk in relation to temporary closure of hotels, restaurants, and other tourism industries among many related factors.

The tourism industry on the small islands off the coast of Indonesia's eastern part is also experiencing the consequences of the pandemic. The number of visitors that came to the Kei Islands had seen a considerable drop between the years 2020 and 2022. This condition has an effect on the hotel occupancy rate, which within a year reached the level of 0%. Additionally, the number of local tourist visits was reduced because local tourist sites were temporarily closed by the regional government in an effort to prevent the transmission of the Covid-19 virus. Even though most of the limitations that were previously in place in Indonesia and on the Kei Islands in particular have been relaxed as of right now, the number of tourists coming in from both inside and outside the nation remains extremely low. As a result, the objective of this study is to measure the finance feasibility and determine predicted earnings from the hospitality sector, which includes establishments such as hotels and restaurants, in marine tourism destinations within the Kei Islands. This is crucial in order to present an overview of the projections of company performance supporting the tourist industry in this region so that after the COVID-19 pandemic, they may be resilient, swiftly recover, and return to their previous levels of excitement.

Furthermore, the organization of this article is as follows: following the introduction section, which was followed by the section on the materials and methods, which described the study location, analysis method used, and data collection method, then followed by the section on the results, which displayed the results of the study, followed by the section on the discussion and conclusion.

## II. LITERATURE REVIEW

### A. *Hospitality Sector during Covid-19 Outbreak*

The hospitality service industry is a crucial part of the tourism industry. This sector includes businesses that offer lodging, food, and beverages to tourists and businesspeople who are on the road for a variety of reasons (Gary & Liguori, 2003). According to information obtained from the Exit Passenger Survey conducted by the Ministry of Tourism, the most significant portion of the money spent by travelers, both domestic and international, on vacations was allocated to the purchase of goods and services related to hospitality, specifically lodging, which accounted for between 40 and 20 percent of the total amount spent when traveling (LPEM FEB UI, 2018). The hospitality service business is highlighted as one of the industries that will be negatively impacted the most by the COVID-19 epidemic on both the international and the national levels (Gursoy & Chi, 2020). Where the shutdown of the business, whether it be temporary or permanent, will undoubtedly have a domino effect, both economically and socially, on the owners of the business, their employees, and third parties, particularly business partners in the hospitality industry, such as suppliers and distributors.

The new Safe Travels methodology includes the following four pillars that will guide operational management during the pandemic namely Operational and Staff Preparedness, Ensuring a Safe Experience, Rebuilding Trust & Confidence and Implementing Enabling Policies (WTTC, 2020). In response to the pandemic, a number of nations, including Singapore, Thailand, and Australia, have released tourism recovery programs. This is in addition to the basic protocol that was published by the WTTC above. With instance, in February 2020, the government of Singapore issued the SG Clean Certification for the purpose of improving public hygiene standards in the midst of an outbreak of coronavirus for all actors operating in the tourism, hotel, retail, and food service sectors. It has been demonstrated that the outcomes of the SG Clean Certification program are capable of steadily increasing the level of trust that customers and tourists have in the quality of cleaning services that are offered to them while they are in Singapore (Ramadhian, 2020).

The Ministry of Tourism and Creative Economy has compiled a CHSE (cleanliness, health, safety, and environment) program as an order for adapting new habits in various tourist destinations by involving actors in the tourism industry and the creative economy, which is expected to be productive and safe from COVID-19 onward. These handbooks include guidelines for hotels, restaurants and restaurants, tourist attractions, homestays, spas, travel businesses, special interest tourism activities, MICE and events, and creative economy. PHRI which acts as association for business actors in the hospitality service industry, has produced three different versions of the New Normal General Guidelines for Hotels and Restaurants in the Prevention of COVID-19. The guidelines that have been provided by the PHRI are consistent with the global guidelines that have been provided by the WTTC (PHRI, 2020a). These guidelines provide comprehensive and detailed instructions beginning with the operational divisions at the front and rear guards, as well as direction for employees working in management. This is a response to the concerning factor that as of April 5, 2020, 1,180 hotels in Indonesia have ceased operations, either temporarily or permanently (PHRI, 2020b).

### B. *Feasibility financial and resilience of hospitality sector in marine tourism*

As per Yoeti (2008), one of the prerequisites for successful tourism growth in an area is good planning. Therefore, in order to maximize the contribution that may be made by tourist potential, what needs to be done is to establish tourism goals with the intention of achieving these objectives. It is impossible to deny that the development of Indonesia's natural and cultural potential as a tourist destination has, in many different areas, resulted in benefits and advantages for those involved. The most noticeable advantage of increased tourism is the boost it brings to Indonesia's economy, which in turn makes more jobs available to the country's population (Pratama and Kinseng, 2013; Sharpley, 2009; Tosun, 2000). Because of these advantages, the goal of improving the welfare of the community can be accomplished, which, in the end, results in a flourishing society from an economic point of view.

As stated in Articles 3 and 4 of Law Number 10 of 2009 of the Republic of Indonesia concerning Tourism, it is explained that the purpose of tourism is to fulfill the physical, spiritual, and intellectual needs of every tourist with recreation and travel, as well as to increase state income to realize the welfare of the people, while the objectives of tourism themselves are to increase economic growth, improve people's welfare, eradicate poverty, overcome unemployment, preserve nature, the environment, and cultural heritage; the law also states that tourism functions to fulfill the physical, spiritual, and (Khoiriyah, 2018).

A business feasibility study is an analysis of a business plan that not only determines whether or not it is possible to build the proposed business, but also examines how the proposed business should be run on a daily basis in order to generate the greatest possible profit for an undetermined amount of time (Umar, 2005; Afandi, 2009). Putting money into something with the expectation of gaining a profit from it at some point in the future is what we mean when we talk about investing (Halim, 2005). Kasmir and Jakfar (2007) distinguish between two distinct types of investment, namely real investment and financial investment. The final indicator for marine tourism resilience is to have positive finance feasibility on current stance and future projection therefore this analysis of financial feasibility is important to determine whether the changes is needed to be done to make sure multiplier effect of the hospitality sector in marine tourism.

A financial feasibility study is a systematic procedure for assessing the financial sustainability of a proposed project. The purpose of using this tool is to assess the feasibility of a project's profitability and detect any plausible financial hazards. Financial feasibility entails the identification of costs and benefits, encompassing both the initial expenses of the project, such as equipment and labour, as well as the recurring costs, such as maintenance and operating expenditures (Primasari and Setyohadi, 2017). It is imperative to identify the advantages of the project, which may include enhanced revenue, decreased expenses, or heightened efficiency. The rationale behind performing a financial feasibility analysis is to facilitate decision-making by providing decision-makers with the necessary information to determine whether to proceed with a project or not. This research endeavour has the potential to facilitate the identification of plausible financial hazards and the formulation of corresponding measures to alleviate their impact. The execution of a financial feasibility analysis can enhance the likelihood of success and prevent expensive errors for individuals in positions of authority (Oprea, 2010).

### III. RESEARCH METHODOLOGY

#### A. *Study location*

The Kei Islands are located at a position that is split between the administrative jurisdiction of the Southeast Maluku Regency and that of the city of Tual. Because very few people are aware of its potential as a tourist destination, it is commonly referred to as the Hidden Heaven. The Kei Islands are considered to be a part of the Maluku Province, which encompasses a total island area of 1,438.02 square kilometers. Within the Kei archipelago, there are dozens of groups of small islands that are wonderfully spread out. The Kei people refer to it as the Hidden Heaven due to the fact that it is less exposed to tourists than other natural tourist destinations in Indonesia (Figure 2).

The location of this study is on Ngurbloat Beach where beach resort and restaurant is located. Also known as Pasir Panjang Beach, is a stretch of sand that can be found in Ngilngof Village, which is around 17 kilometers away from Langgur City. The beach that presents not only the beauty of the beach panorama with its blue sky, friendly waves, super clear and blue sea water, and coconut trees that frame this place perfectly, but also because the beach sand is as fine as flour, which eventually led to Ngurbloat Beach becoming the owner of the world's first finest beach sand. In addition, there is a wide variety of marine life right in front of Ngurbloat Beach for those of you who are fans of scuba diving and want to take in the breathtaking underwater scenery of this beach, which is a tourism symbol in Southeast Maluku. The Kei language gave us the phrase "Ngurbloat," which literally translates to "Long Sand" (Figure 1).



Fig 1. Study Location Ngurbloat Beach  
Sources: Kompas.com



Fig 2. Study location

Sources: <https://www.sibangunikan.com/>

#### B. Data collection and sample selection

The research was carried out in one of the Kei Islands' premier destinations for marine tourism, which is also one of the most well-known. Beachfront hotels and dining establishments may be found in this popular tourist destination. Each of the two beach resorts and restaurants were chosen for the purpose of conducting research and answering the objectives of the study using factors that included the amount of capital invested, the level of sophistication of the location, and the size of the business. In order to accurately explain the current circumstances and accurately represent the responders. Therefore, there are only 1 pair of beach resorts and restaurants with adequate capital and locations, as well as 1 pair of beach resorts and restaurants on a more modest scale. In addition, for the purpose of this study's data gathering method, a questionnaire was utilized to collect specific information on cost and income items from each business location, and in-depth interviews with the owners were conducted to obtain any extra information that was necessary. The month of August 2022 was chosen for the purpose of this study.

#### C. Analysis method

The financial feasibility study used on this study as follows (Nurmalina et al., 2014):

##### 1. Net Present Value (NPV)

The feasibility indicator is: if the NPV is positive ( $NPV > 0$ ) then the business is feasible to run. On the other hand, if the NPV is negative. Net Present Value (NPV) is calculated by this following equation:

$$NPV = \sum_{t=1}^n \frac{B_t + C_t}{(1 + i)^t} \tag{1}$$

Where:

*NPV* = Net Present Value (Rp)

*B<sub>t</sub>* = benefit in year *t*

*C<sub>t</sub>* = cost in year *t*

*i* = Discount rate

*t* = year *t*

2. Internal Rate of Return (IRR)

IRR is utilized to determine the interest rate that can be reached by achieving an equilibrium between the present value of all cash inflows and cash outflows resulting from an investment project. Internal Rate of Return (IRR) is calculated by this following equation:

$$IRR = i_1 + \frac{NPV_1}{NPV_1 + NPV_2} (i_2 - i_1) \tag{2}$$

Where:

*i<sub>1</sub>* = Discount rate that produces a positive NPV

*i<sub>2</sub>* = Discount rate that produces negative NPV

*NPV<sub>1</sub>* = NPV which is positive

*NPV<sub>2</sub>* = NPV which is negative

3. Profitability projection

Profitability projection is measure by this following equation:

$$PP = TBy + TCy \tag{3}$$

Where

PP = yearly profitability projection

TBy = yearly total benefit

TCy = yearly total cost

## IV. RESULT AND DISCUSSION

Measuring the revenues and costs incurred is the primary component of financial analysis (Gusasi and Saade, 2006). All cash outlays made to produce output, including both variable and fixed operating costs, are included in cash outlays for operations (Nurmalina et al., 2014). The findings of the study at two restaurants and beach resorts in the marine tourism destination of Ngurbloat beach are shown in tables 1 through 4, where resort A's annual revenue is IDR 103,000,000 and resort B's annual revenue is IDR 264,000,000. Restaurants A and B generate IDR 183.600.000 and 214.200.000 in annual income, respectively. With annual estimated profits of IDR54,600,000, IDR 214,800,000, IDR 30,000,000, and IDR 47,760,000 for resort A, resort B, restaurant A, and restaurant B, respectively (Table 5).

Table 1. Beach Resort A

| No        | Description               | Volume | Price      | Total              |
|-----------|---------------------------|--------|------------|--------------------|
| <b>A.</b> | <b>Variable Cost</b>      |        |            | <b>1.700.000</b>   |
|           | Raw material              |        |            |                    |
|           | Mineral water             | 2      | 50.000     | 100.000            |
|           | coffee                    | 4      | 50.000     | 200.000            |
|           | Bananas / sacks           | 1      | 150.000    | 150.000            |
|           | Eggs/Racks                | 2      | 60.000     | 120.000            |
|           | Rice/sack                 | 1      | 200.000    | 200.000            |
|           | Fish/ Package             | 1      | 150.000    | 150.000            |
|           | Sugar                     | 1      | 20.000     | 20.000             |
|           | Enbal (traditional food)  | 3      | 20.000     | 60.000             |
|           | Transport                 | 1      | 700.000    | 700.000            |
| <b>B</b>  | <b>Fixed Cost</b>         |        |            | <b>2.200.000</b>   |
|           | Employee/Org Salary       | 2      | 750.000    | 1.500.000          |
|           | Electricity               | 1      | 700.000    | 700.000            |
| <b>C</b>  | <b>Revenue (per year)</b> |        |            | <b>103.200.000</b> |
|           | Lodging rental (1 unit)   | 20     | 350.000    | 7.000.000          |
|           | Other income              | 1      | 1.600.000  | 1.600.000          |
| <b>D</b>  | <b>One Time Cost</b>      | 1      | 50.000.000 | 50.000.000         |

Table 2. Resort Beach B

| No       | Description               | Volume | Price     | Total              |
|----------|---------------------------|--------|-----------|--------------------|
| <b>A</b> | <b>Variable Cost</b>      |        |           | <b>1200000</b>     |
|          | Raw material              |        |           |                    |
|          | Aqua water                | 2      | 50.000    | 100000             |
|          | Coffee                    | 3      | 50.000    | 150000             |
|          | Sugar                     | 2      | 20.000    | 40000              |
|          | The dip                   | 2      | 5000      | 10000              |
|          | Shopping Breakfast/month  | 1      | 450.000   | 450000             |
|          | Rice                      | 1      | 200.000   | 200000             |
|          | nutrition                 | 2      | 25000     | 50000              |
|          | Transportation            | 4      | 50.000    | 200000             |
| <b>B</b> | <b>Fixed Cost</b>         |        |           | <b>2900000</b>     |
|          | Cook's Salary             | 1      | 1.500.000 | 1500000            |
|          | Employee salary           | 1      | 750.000   | 750000             |
|          | Equipment Cost            | 1      | 150.000   | 150000             |
|          | Electricity/month         | 1      | 500.000   | 500000             |
| <b>C</b> | <b>Revenue (per year)</b> |        |           | <b>264.000.000</b> |
|          | Lodging rental (2 units)  | 50     | 400.000   | 20000000           |
|          | Other Income              | 1      | 2.000.000 | 2000000            |

|          |                      |   |             |             |
|----------|----------------------|---|-------------|-------------|
| <b>D</b> | <b>One Time Cost</b> | 1 | 250.000.000 | 250.000.000 |
|----------|----------------------|---|-------------|-------------|

Table 3. Restaurant A

| No       | Description               | Volume | Price      | Total              |
|----------|---------------------------|--------|------------|--------------------|
| <b>A</b> | <b>Fixed Cost</b>         |        |            | <b>2.700.000</b>   |
|          | Electricity               | 1      | 700.000    | 700.000            |
|          | Employee salary           | 2      | 1.000.000  | 2.000.000          |
| <b>B</b> | <b>Variable Cost</b>      |        |            | <b>3.400.000</b>   |
|          | <b>Raw Material Cost</b>  |        |            |                    |
|          | Kerosene/ltr              | 20     | 5.000      | 100.000            |
|          | Bananas/sack              | 3      | 50.000     | 150.000            |
|          | Sweet potato/stack        | 13     | 25.000     | 325.000            |
|          | Onion, Chili, Tomato      | 3      | 25.000     | 75.000             |
|          | Rice/sack                 | 1      | 200.000    | 200.000            |
|          | Ginger                    | 1      | 50.000     | 50.000             |
|          | Mie                       | 2      | 100.000    | 200.000            |
|          | Soy sauce, tomato sauce   | 5      | 15.000     | 75.000             |
|          | The . Leaf                | 4      | 5.000      | 20.000             |
|          | Coffee                    | 5      | 50.000     | 250.000            |
|          | Flour                     | 5      | 15.000     | 75.000             |
|          | Egg                       | 2      | 60.000     | 120.000            |
|          | Sugar                     | 4      | 20.000     | 80.000             |
|          | Traditional beverage      | 4      | 20.000     | 80.000             |
|          | Fish/stack                | 4      | 50.000     | 200.000            |
|          | Transport                 | 4      | 100.000    | 400.000            |
|          | Labor Wages Direct/hr     | 20     | 50.000     | 1.000.000          |
| <b>C</b> | <b>Revenue (per year)</b> |        |            | <b>183.600.000</b> |
|          | <b>Income</b>             |        |            | <b>15.300.000</b>  |
|          | Fried food                | 360    | 25.000     | 9.000.000          |
|          | Traditional beverage      | 60     | 25.000     | 1.500.000          |
|          | Fried rice                | 90     | 30.000     | 2.700.000          |
|          | Fish                      | 60     | 35.000     | 2.100.000          |
| <b>D</b> | <b>One Time Cost</b>      | 1      | 60.000.000 | 60.000.000         |

Table 4. Restaurant B

| No       | Description          | Volume | Price     | Total            |
|----------|----------------------|--------|-----------|------------------|
| <b>A</b> | <b>Fixed cost</b>    |        |           | <b>1.900.000</b> |
|          | Electricity          | 1      | 400.000   | 400.000          |
|          | Employee salary      | 1      | 1.500.000 | 1.500.000        |
| <b>B</b> | <b>Variable Cost</b> |        |           | <b>2.720.000</b> |
|          | <b>Raw material</b>  |        |           |                  |
|          | Kerosene             | 10     | 5.000     | 50.000           |
|          | Cooking oil          | 2      | 190.000   | 380.000          |
|          | Banana               | 3      | 25.000    | 75.000           |
|          | Traditional beverage | 1      | 100.000   | 100.000          |
|          | Flour                | 1      | 200.000   | 200.000          |
|          | Mixed Onion          | 2      | 25.000    | 50.000           |

|          |                           |     |            |                    |
|----------|---------------------------|-----|------------|--------------------|
|          | Rice                      | 2   | 200.000    | 400.000            |
|          | Egg                       | 3   | 55.000     | 165.000            |
|          | Chili                     | 2   | 25.000     | 50.000             |
|          | Transport                 | 1   | 250.000    | 250.000            |
|          | Direct wages/day          | 20  | 50.000     | 1.000.000          |
| <b>C</b> | <b>Revenue (per year)</b> |     |            | <b>214.200.000</b> |
|          | Fried food                | 150 | 25.000     | 3.750.000          |
|          | Traditional beverage      | 150 | 25.000     | 3.750.000          |
|          | Fried rice                | 90  | 40.000     | 3.600.000          |
|          | juice                     | 150 | 25.000     | 3.750.000          |
|          | Drink                     | 300 | 10.000     | 3.000.000          |
| <b>D</b> | <b>One Time Cost</b>      | 1   | 73.500.000 | 250.000.000        |

Table 5. Recap Financial Feasibility Indicators

| No | Entity         | NPV (IDR)   | IRR | Profitability Projection (IDR) |
|----|----------------|---|-----|--------------------------------|
| 1  | Beach Resort A | Y1: 51.272.727,273<br>Y2: 46.611.570,248<br>Y3: 42.374.154,771<br>Y4: 38.521.958,883<br>Y5: 35.019.962,621      | 91% | 56.400.000,-                   |
| 2  | Beach Resort B | Y1: 195.272.727,273<br>Y2: 177.520.661,157<br>Y3: 161.382.419,234<br>Y4: 146.711.290,212<br>Y5: 133.373.900,193 | 65% | 214.800.000,-                  |
| 3  | Restaurant A   | Y1: 25.423.728,814<br>Y2: 21.545.532,893<br>Y3: 18.258.926,180<br>Y4: 15.473.666,255<br>Y5: 13.113.276,487      | 20% | 30.000.000,-                   |
| 4  | Restaurant B   | Y1: 40.474.576,271<br>Y2: 34.300.488,365<br>Y3: 29.068.210,479<br>Y4: 24.634.076,677<br>Y5: 20.876.336,167      | 34% | 47.760.000,-                   |

Furthermore, as showed on Table 5 for the NPV value of the four locations that became the object of research in this study, it was found that the NPV value in the next five years was all positive; consequently, it is possible to draw the conclusion that the hospitality sector, which is supporting the marine tourism sector in the marine tourism spots of Ngrubloat and Kei Islands, is generally promising and has good prospects. This was discovered after the NPV value of the four locations became the object of research in this study. For the internal rate of return (IRR), specifically for resorts, a discount factor of 10% is used because investments in places and buildings have a slow rate of depreciation. As a result, the discount factor that is used as a comparison for IRR is low. On the other hand, for restaurants, an internal rate of return discount factor of 18% is used because of considerations regarding the level of food security. This need to instantly make a profit to be used as capital in the subsequent round of sales. According to the findings of the research, the internal rate of return (IRR) for resort A is 91%, while the IRR for resort B is 65%, restaurant A is 20%, and restaurant B is 34%. Since this result is higher than the discount factor that was applied, the hospitality sector business can be considered to have a bright outlook.

Although result also indicated that for the current stance, the profitability projection for the next five years had a downward trend compare to present year. Therefore, promotion and the effectiveness of how government handling post-pandemic is important in significantly increase the profitability of hospitality sector in the region. There are many different approaches that can be taken to foster growth in the tourism industry; one of these approaches is to foster growth in marine tourism. Marine tourism is a form of ecotourism. Ecotourism is a form of tourism activity that is carried out in natural environments. Marine Tourism is a form of alternative tourism that makes use of marine-based spot and scenery as tourism objects with the goals of recreation, enhancing one's knowledge of marine, beach, coast deep-sea, and conducting business in the field of marine and coastal region. Businesses that focus on marine tourism typically provide a variety of amenities to their customers in order to facilitate various tourist activities. Restaurant infrastructure is one of those things. The inclusion of dining establishments within a marine tourism operation is designed to serve as a supplement to the culinary tourism activities that are offered to visitors to the property.

In the aftermath of the pandemic, it is imperative for both the MSME tourism sector and the government to prioritize the development of strategies that can yield multiple positive effects on the local economy. Firstly, the implementation of a strategic approach can significantly enhance the ability to attract a greater number of visitors. A tourism strategy can effectively enhance visitor attraction to a destination by providing a comprehensive analysis of its strengths and weaknesses, as well as the needs and preferences of its target market. Furthermore, it has the potential to enhance visitor retention. A tourism strategy can effectively contribute to visitor retention and foster repeat visits by providing a diverse range of experiences and attractions. Additionally, it can also contribute to the effective management of the various impacts associated with tourism. Through strategic planning, a tourism strategy has the potential to mitigate the adverse effects of tourism while maximizing its beneficial outcomes.

One of the foremost considerations for revitalizing the tourism sector in small island regions post-pandemic is the establishment of a meticulously maintained road infrastructure that effectively links various tourist destinations. This will enhance accessibility and facilitate transportation for tourists visiting various tourist destinations. In order to ensure sufficient lodging alternatives, it is imperative to have a range of accommodation options available, including homestays, guesthouses, and hotels. Ensuring a diverse range of accommodations is crucial in preparing the tourism industry for the eventual return to normalcy, as it will offer tourists a multitude of options for lodging. Furthermore, it is imperative to emphasize a diverse range of culinary choices encompassing establishments such as restaurants, cafes, and street food vendors. This measure will guarantee that tourists are able to locate and procure food options that align with their preferences and financial means. Local government and relevant stakeholders have the potential to establish tourism information centers that offer comprehensive information regarding various tourist destinations. This resource will assist tourists in effectively organizing their itineraries and optimizing their overall travel experience. Furthermore, it is essential to implement sufficient security protocols in order to guarantee the well-being and protection of tourists. Implementing this measure will enhance the sense of safety and security among tourists, thereby contributing to the prevention of criminal activities. Therefore, through the provision of infrastructure and amenities, governments and other relevant entities can contribute to the establishment of a more appealing and hospitable atmosphere for tourists, thereby facilitating the growth and prosperity of micro, small, and medium-sized enterprises (MSMEs) in the tourism sector.

## V. CONCLUSION AND RECOMMENDATION

It is feasible to carry out this project given the financial considerations, which include an evaluation of the NPV, IRR, and profitability projections. The resulting net present value (NPV) of two resorts and two restaurants is considered to have a positive value because the NPV is greater than zero. Because the internal rate of return (IRR) that was calculated is substantially higher than the discount factor that was applied in this investigation, it can be concluded that the two businesses operating in the hospitality sector of marine tourism at the Ngurbloat beach tourist spot are profitable. This is reflected significantly in the projected value of positive annual profits for the four businesses that were investigated in this investigation. Despite this, the results showed that the profitability prediction for the following five years will have a declining tendency when compared to the current year. Marine tourism sector can and should be one of the spearheads for boosting local economy in remote small islands region, based on the result, it showed the resilience of marine tourism sector post-pandemic. Thus, the implication of the study for local government can enhance the recovery by providing support through direct approach likes financial aid as loan and credit and facilitated local MSMEs tourism sector with digitalization to help spread the marketing effort. For future study, can focus on technical and broad factor as government policy and trend to provide new insight of feasibility of the tourism sector in remote small islands region to financial aspect of this study.

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