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## Impact of the Covid-19 Pandemic on Bali's and Indonesia's Economic Growth

Made Antara<sup>✉</sup> and Made Sri Sumarniasih  
Faculty of Agriculture, University of Udayana, Denpasar, Bali, Indonesia  
<sup>✉</sup>Correspondence email: [antara\\_unud@yahoo.com](mailto:antara_unud@yahoo.com)

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### Abstract

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The Covid-19 pandemic that broke out in 2020, caused foreign tourist visits to Bali and Indonesia to decrease drastically. Sectors related to tourist arrivals such as various service sectors, agriculture and small and medium-sized industries experienced a decline in demand, followed by a decrease in added value for sectors related to tourism. The purpose of the study is to analyze the impact of the Covid-19 pandemic on the economy of Bali and Indonesia. The research locations are in the Provinces of Bali and Indonesia, using secondary data source from BPS Bali and BPS RI. The data analysis method used descriptive statistics, comparison methods before and after the Covid-19 pandemic, and qualitative descriptive. The results of the research was found that impact of the COVID-19 pandemic in 2020 causing the Balinese economy to contract as deep as -9.31% compared to Bali economic growth 2019. The impact of the Covid-19 pandemic on the Indonesian economy, decreased Indonesia's economic growth in 2020 only contracted -2.07% compared to 2019. The novelty of this research is that the Covid-19 pandemic has an impact on reducing Bali and Indonesia economic growth, but the decline of Bali economic growth is more severe than Indonesia economic growth.

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## INTRODUCTION

In a global economic system characterized by interdependence between one country and another, trade in goods and services between countries (export-import) is a must. Each country will produce according to its comparative advantage, there will be exchange or trade between countries, so that people in a country can consume goods that are not produced in their country, and finally the welfare of the world community will be more evenly distributed. These principles are fundamental to a free trade system (Chacholiades, 1973, 1973; Krugman, 1998; Sen, 2010). However, the Covid-19 pandemic that started in December 2019 continued until October 2021, maybe even early 2022, which was followed up by the implementation of health protocols and the lock down of several countries in the world as recommended by the World Health Organization (WHO), which had an impact on the global economy, concerning the production of various types of goods and services, distribution and marketing, and the demand for goods and services.

The Covid 19 pandemic, also known as Corona virus pandemic, is an ongoing global pandemic of coronavirus disease 2019, caused by severe acute respiratory syndrome coronavirus 2 (SARS CoV 2). The outbreak was first identified in December 2019 in Wuhan, China. The World Health Organization (WHO) declared the outbreak an International Public Health Emergency on 30 January 2020 and a Pandemic on 11 March 2020. As of 28 August 2020, more than 24.4 million cases of Covid-19 had been reported in more than 188 countries and territories, resulted in more than 831,000 deaths; more than 16 million people have recovered (Wikipedia, 2020). The rapid spread of the Covid-19 outbreak from one country (epidemic) to many countries in the world (pandemic) has caused government panic in tackling the outbreak of the Covid-19 outbreak. The world's population is worried about contracting the Covid-19 outbreak, because this flu-like disease is deadly and people in the world are very afraid of death, so in various ways they try to avoid and avoid Covid-19 attacks.

In the midst of the Corona virus pandemic, several countries around the world have locked down to "flatten the curve" of infection. This lockdown means confining millions of citizens to their homes, closing businesses and shutting down almost all economic activity. According to the International Monetary Fund (IMF), the global economy is expected to shrink by more than three percent in 2020, the sharpest slowdown since the Great Depression of the 1930s. The Covid-19 pandemic has pushed the global economy into recession, meaning the economy has started to shrink and growth has stalled. In the US, Covid-19-related disruptions have caused millions of people to apply for unemployment benefits. In April alone, the figure stood at 20.5 million, and is expected to increase as the Pandemic's impact on the US labor market worsens. As Reuter's reports, since March 21, more than 36 million have applied for unemployment benefits, accounting for almost a quarter of the working age population ((TopNews, 2020).

To prevent the spread and development of Covid-19, entrepreneurs in the world have stopped their production activities by giving their employees a day off, so that the world's production of goods and services has decreased and even stopped, many types of goods in the market have become scarce, because there is no supply from producing countries. Although there are still several companies in the world carrying out production activities (raw materials, semi-finished and finished goods), countries affected by Covid-19 have reduced imports and exports of goods, especially when a

country locks or isolates its country (lockdown), so distribution goods to and from one country to another in the world will be hampered, even stopped. This will clearly affect global economic activity, regarding production and consumption. For example, Indonesia stopped importing many types of goods from China and China also stopped importing raw materials from Indonesia – because it was busy dealing with Covid-19, which affected the economic activities of Indonesia and China. For China as a country with large economic activity, it may have little effect on its economy. But for Indonesia, it will have a big impact, because many types of goods are imported from China, ranging from garlic, fruits, and knick-knacks for women and children, to steel. The case of stagnant trade relations between the two countries, Indonesia and China, also applies to many cases of trade relations between countries in the world. The aggregation of many cases of stagnant trade relations between the two countries will eventually lead to a global economic crisis, which cannot be predicted when the Covid-19 outbreak will end.

The Covid-19 pandemic has caused global social and economic disruption, including the largest global recession since the Great Depression of 1930. Up to 100 million people have fallen into extreme poverty and global hunger affects 265 million people. This has led to the postponement or cancellation of sporting, religious, political and cultural events, widespread supply shortages exacerbated by panic buying, and reduced emissions of pollutants and greenhouse gases. Schools, universities and colleges have closed both nationally and locally in 161 countries, affecting about 98.6 percent of the world's population. Misinformation about the virus has been circulating through social media and mass media. There are incidents of xenophobia and discrimination against Chinese people and against those who are considered to be Chinese or come from areas with high infection rates (Wikipedia, 2020).

The Covid-19 pandemic has devastated the world economy and Indonesia. Many companies have to lay off their employees, so that the production and distribution of goods and services between countries and regions decreases. The imposition of restrictions on the mobility of people and community activities in many countries has reduced foreign tourist visits to Bali and Indonesia. Bali, which relies on tourism as the driving force of the economy, has been severely affected by the Covid-19 pandemic, the subsequent impact is a decline in demand for goods and services from the service sector related to tourism, the agricultural sector and the small and medium-sized industrial sector, causing the value added contribution of these sectors to decline to Bali's GRDP, which in turn caused the economies of Bali and Indonesia to contract. Therefore, it is necessary to conduct a study "Impact of the Covid-19 Pandemic on Bali's and Indonesia's Economic Growth" using two economic indicators, namely changes in economic structure and economic growth. The objectives of this research are: (1) to analyze the impact of the Covid-19 Pandemic on the structure and economic growth of Bali; (2) Analyzing the impact of Covid-19 on the Indonesian economy.

## **RESEARCH METHODS**

### **Location of the Research**

The research locations in the provinces of Bali and Indonesia. Bali selection on purposively, were based on several considerations, including: (1) Bali is one of the

favorite tourist destinations in the world, before the Covid-19 pandemic was visited by many foreign tourists, in 2019 it was visited by around 6.3 million foreign tourists; (2) The Covid-19 pandemic that hit the world in 2020, followed by the implementation of health protocol (*prokes*) and lock down regions or countries in the world, has reduced the mobility of people to travel around the world, so that tourist visits to Bali have also decreased drastically and bankrupted Bali tourism; (3) Bali accounts for around 30% for Indonesia's foreign exchange. When the economy normal before Covid-19, Bali's economic growth was always higher than Indonesia's national economic growth. Therefore, it is considered relevant to compare the economic performance of Bali and Indonesia.

### **Type of Data**

The types of data collected are quantitative data and qualitative data. The types of quantitative data or in the form of numbers are as follows: (1) Bali's economic growth before and during the Covid-19 Pandemic; and (2) Indonesia's economic growth before and during the Covid-19 pandemic. The types of qualitative data collected include the following: (1) Policies and programs for handling downturn and economic recovery by the Government of Bali Province; (2) Policies and programs for handling economic downturn and economic recovery by the Indonesian government.

### **Sources of Data**

Data of the research can be sourced from primary and/or secondary sources (Veil, 2018; Neuman, 2015). In this research the sources of data are secondary and primary sources. (1) Secondary sources that produce secondary data, namely data in the form of documents/publications/other reports sourced from a second party or government agency related to this research, namely: *BPS* Bali Province and *BPS* National-Indonesia. (2) Primary data sources that produce primary data, namely data and information sourced from the first party or obtained directly from tourism, agriculture and micro-small-medium industries spread across production centers in Bali.

### **Method of Data Collecting**

Data collection used some methods, namely: (1) Documentation, namely studying documents or archives or publications or reports available in secondary sources, namely the Website of the Central Statistics Agency for the Province of Bali and the Website of the Central Statistics Agency for Indonesia-Indonesia; (2) Interviews, namely questions and answers with tourism actors such as hotel owners, Micro-Small and Medium Enterprise (MSME) actors, suppliers of agricultural products to hotels and farmers in vegetable and fruit producer centers, especially regarding production and sales; (3) Observation, namely conducting field visits, especially to several tourist destinations that were usually visited by tourists before the Pandemic such as Kuta, Ubud, Nusa Dua, etc., to MSME centers in several regencies in Bali, and to vegetables production centers in Bali, such as Bedugul and Kintamani as suppliers of vegetables for the needs of hotels in tourism centers around Badung and Denpasar City.

### Method of Data Analysis

The data analysis method used in this research is descriptive statistics, before and after comparison methods, and qualitative descriptive. Each of these analytical methods cannot be separated based on the research objectives, but these three analytical methods are used simultaneously and simultaneously for each research purpose. Each of these analytical methods can be described as follows:

Measuring the impact of the pandemic on the economy of Bali and Indonesia using indicators of economic growth based on GRDP for Bali and GDP for Indonesia, compared to conditions in 2019 (before pandemic) with conditions in 2020 (after or ongoing pandemic), as following formula:

$$G_t = \frac{GRDP_t (GDP_t) - GRDP_{t-1} (GDP_{t-1})}{GRDP_{t-1} (GDP_{t-1})} \times 100\%$$

- $G_t$  = Growth rate of the  $GRDP_t$  for Bali ( $GDP_t$  for Indonesia) in year  $t^{th}$  (2020) during the Covid-19 pandemic.
- $GRDP_t$  ( $GDP_t$ ) = Gross Regional Domestic Product for Bali (Gross Domestic Product for Indonesia) year  $t^{th}$  (2020) is during the Covid-19 pandemic.
- $GRDP_{t-1}$  ( $GDP_{t-1}$ ) = Gross Regional Domestic Product for Bali (Gross Domestic Product for Indonesia) year  $t-1^{th}$  (2019) is before the Covid-19 Pandemic.

## RESULTS AND DISCUSSION

### Impact of the Covid-19 Pandemic on Bali's Economic Growth

Economic growth is used as one of the macro indicators to measure real economic performance in an area within a certain period of time. Economic growth measures the development of added value creation from economic activity by eliminating the influence of inflation, so that the increase in the number of goods and services produced by all categories of economic activity can be seen more clearly in a given area. The growth of economic sectors or enterprise fields for the last six years (2016-2020) of of Bali Province is presented in Table 1.

**Table 1. Growth Rate of Enterprise Field/Sector/Industry in the Gross Regional Domestic Product of Bali Province on the basis of 2010 Constant Prices, 2016-2020 (Percent)**

Category	Enterprise Field/Sector/Industry	2016	2017	2018	2019*	2020**
A	Agriculture, Forestry and Fisheries	3,53	2,73	4,73	3,40	-1,06
B	Mining and excavation	4,28	-1,44	-2,65	-1,23	-4,28
C	Processing industry	3,36	0,80	5,69	6,85	-6,78
D	Electricity and Gas Supply	0,31	5,48	1,94	4,52	-16,49
E	Water Supply, Waste Management, Waste and Recycling	6,34	2,72	2,03	5,91	-0,58
F	Construction	7,26	7,87	9,76	7,08	-2,49

G	Wholesale and Retail Trade; Car and Motorcycle Repair	6,64	7,84	7,52	7,52	-6,95
H	Transportation and Warehousing	0,03	5,00	6,13	4,69 -	31,79
I	Provision of Accommodation and Food and Drink	6,62	9,03	6,70	4,82	-27,52
J	Information and Communication	8,5	8,1	7,7	7,0	6,1
K	Financial Services and Insurance	8,06	2,43	1,93	8,78	-4,48
L	Real Estate	4,85	4,34	4,07	5,87	0,48
MN	Company Services	6,85	6,91	7,79	4,61	-4,08
O	Government Administration, Defense and Social Security	5,44	-1,60	4,19	4,50	-0,60
P	Education Services	8,91	7,00	7,38	4,98	-0,59
Q	Health Services and Social Activities	2,65	8,44	8,59	5,97	2,84
RSTU	Other services	8,82	7,85	8,37	7,61	-6,45
	Gross Regional Domestic Product	6,33	5,56	6,31	5,60	<b>-9,31</b>

Source: BPS Bali (2020): Produk Domestik Regional Bruto Provinsi Bali Menurut Lapangan Usaha, 2016-2020. Badan Pustaka Statistik Provinsi Bali.

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Notes: \* = Temporary Number

\*\* = Very Temporary Number

During the last five years (2016-2020), Bali's highest economic growth was achieved in 2016 of 6.33%. In 2017 Bali's economic growth declined to 5.56%. Bali's economy grew again in 2018 and then again experienced a slowdown in 2019 with a growth of 5.60%. The impact of the COVID-19 pandemic in 2020 which limited the mobility of people traveling to Bali or in other words, the declining tourist visits to Bali in 2020 had reduced the activity of the service sectors related to tourism services, finally in 2020 causing the Balinese economy to contract as deep as -9.31%.

Bali's economic contraction of -9.31% in 2020 stemmed from negative growth recorded in 14 other sectors. The two sectors with the deepest contractions in 2020 are the Transportation and Warehousing sector and the Accommodation and Food and Beverage Provision sector). The Transport and Warehousing Sector in 2020 contracted by -31.79%. The positive economic impact was also reflected in the Health Services and Social Activities sector, which during the Covid-19 pandemic was able to grow 2.84%. One of the reasons for the increase in health service activities is the massive health services related to the detection of COVID-19 (swabs, rapid tests, and others). In addition, the main driver of improvement in this sector is the increase in incentives for health workers. The additional incentive payments are intended for all

health workers who are tasked with handling COVID-19, so of course the added value in this category, especially the labor compensation component, has increased in 2020 compared to 2019 (BPS Bali, 2020).

Bali's economic contraction in 2020 of -9.31% is undeniably affected by the Covid-19 pandemic, because during 2020 there were various restrictions on the order and activities of people's lives in Bali, thereby reducing community mobility and also reducing the use of transportation facilities, especially public transportation facilities, and tourism. Bali's economy, which relies on tourism, is highly dependent on tourist visits. When the implementation of restrictions on local Balinese community activities (*PPKM*) in 2020, the arrival of foreign, domestic and domestic tourists decreased and even there were no visits, so that public transportation and tourism facilities were unemployed, as a result the contribution of the Transportation and Warehousing sector to Bali's GDP also decreased. So the collapse of Bali tourism during the Covid-19 Pandemic in 2020 which became the main support for Bali's economy, subsequently affected most of the economic activities in various sectors in Bali, which in turn had an impact on reducing Bali's economic growth.

Based on the Official Statistical News 5 November 2021 and the Bali Post Daily News Monday *Kliwon* 15 November 2021, Bali's economic growth until the third quarter of 2021 is still the worst compared to other provinces in Indonesia. Bali's economy grew -4.08% (qtq) and -2.91% (yoy). In terms of production, the deepest contraction was recorded in the Transportation and Warehousing Business Field, which was -16.03%. Meanwhile, on the expenditure side, the deepest contraction was recorded in the Import of Goods and Services Component, which was -52.02%. This condition is predicted to continue for a long time. As long as tourism is not normal, it is also possible for Bali's economy to experience seriousness (BPS Bali, 2021; BaliPost, 2021).

When compared to the impact of the Covid-19 Pandemic on the economic growth of several islands in Indonesia in 2020 as reported by BPS RI (2021), Bali's economic growth contracted the worst -9.02%, Nusa Tenggara contracted -5.01%, Java contracted - 2.51%, Kalimantan contracted -2.27%, and Sumatera contracted -1.19%. While the two islands the opposite happened, namely Papua grew 1.44% and Maluku grew 0.23%. This shows that the income per capita and purchasing power of the Balinese people have decreased the most compared to people on other islands in Indonesia, or in other words, the Balinese people have suffered the most from the Covid-19 pandemic. This is because the economic activity of the Balinese people is very dominantly dependent on tourism, and tourism has collapsed due to the Covid-19 pandemic. According Antara & Sumarniasih (2018) various economic activities in Bali are directly and indirectly related to tourism which can be grouped into tourism Micro-Small and Medium Enterprise (MSMEs).

### **Impact of Covid-19 on Indonesia's Economic Growth**

Based on GDP at constant prices, most sectors (12 out of 17 sectors) in Indonesia experienced a growth contraction in 2020. Only five sectors still showed positive growth, namely the Health Services and Social Activities sector; Information and Communication sector; Agriculture, Forestry and Fisheries sector; Water Supply, Waste Management, Waste and Recycling sectors; Financial Services and Insurance sector; and the Real Estate sector. Covid-19 dealt a very severe blow to

the condition of the national economy. Throughout the history of the Indonesian economy since the 1998/1999 economic crisis, it was in 2020 that the Indonesian economy experienced a deep economic contraction of -2.07% (Table 2).

**Table 2. Gross Domestic Product of Indonesia on the Basis of 2010 Constant Price and Growth (Percent) by Enterprise Field, 2017-2020**

Category	Enterprise Field/Sector/ Industry	2017	2018	2019*	2020**
A	Agriculture, Forestry and Fisheries	1,258,375.7 (3.92)	1,307,253.0 (3.88)	1,354,399.1 (3.61)	1,378,131.3 (1.75)
B	Mining and Excavation	779,678.4 (0.66)	796,505.0 (2,16)	806,206.2 (1,22)	790,475.2 (-1.95)
C	Processing Industry	2,103,466.1 (4.29)	2,193,368.4 (4.27)	2,276.667.8 (3.80)	2,209,920.3 (-2.93)
D	Electricity and Gas Supply	101,551.3 (1.54)	107,108.6 (5.47)	111,436.7 (4.04)	108,826.4 (-2.34)
E	Water Supply, Waste Management, Waste and Recycling	7,985.3 (4.59)	8,429.4 (5.56)	9,004.9 (6.83)	9,449.3 (4.94)
F	Construction	987,924.9 (6.80)	1,048,082.8 (6.09)	1,108,425.0 (5.76)	1,072,334.8 (-3.26)
G	Wholesale and Retail Trade; Car and Motorcycle Repair	1,311,746.5 (4.46)	1,376,878.7 (4.97)	1,440,263.0 (4.60)	1,386,695.4 (-3.72)
H	Transportation and Warehousing	406,679.4 (8.49)	435,336.5 (7.05)	463,157.5 (6.39)	393,481.9 (-15.04)
I	Provision of Accommodation and Food and Drink	298,129.7 (5.41)	315,068.6 (5.68)	333,306.8 (5.79)	299,248.0 (-10.22)
J	Information and Communication	503,420.7 (5.41)	538,762.7 (7.02)	589,536.1 (9.42)	651,930.9 (10.58)
K	Financial Services and Insurance	398,971.4 (5.47)	415,620.6 (4.17)	443,093.1 (6.61)	457,482.0 (3.25)
L	Real Estate	289,568.5 (3.60)	299,648.2 (3.48)	316,901.1 (5.76)	324,259.4 (2.32)
MN	Company Services	172,763.8 (8.44)	187,691.1 (8.64)	206,936.2 (10.25)	195,671.1 (-5.44)
O	Government Administration	326,514.3 (2.05)	349,277.6 (6.97)	365,533.8 (4.65)	365,440.9 (-0.03)



	, Defense and Social Security				
P	Education Services	304,810.8 (3.72)	321,133.8 (5.36)	341,355.1 (6.30)	350,329.8 (2.63)
Q	Health Services and Social Activities	109,497.5 (6.84)	117,322.2 (7.15)	127,522.1 (8.69)	142,309.7 (11.60)
RSTU	Other services	170,174.8 (8.73)	185,405.6 (8.95)	205,011.4 (10.57)	196,608.7 (-4.10)
A	Gross Value Added at Current Prices	9 531 259.1 (4.77)	10,002,892. 8 (4.95)	10,498,755. 9 (4,96)	10,332,595. 1 (-1.58)
B	Tax Less Subsidies on Products	381,669.0 (13.28)	422,959.1 (10.82)	450,281.9 (6.46)	389,847.6 (-13.42)
C	Gross domestic product	9,912,928.1 (5.07)	10,425,851. 9 (5.17)	10,949,037. 8 (5.02)	10,722,442. 7 <b>(-2.07)</b>

Source: BPS RI (2021): Laporan Perekonomian Indonesia 2021. ISSN: 1858-0963 No. Publikasi/Publication Number: 07300.2114 Katalog/Catalog: 9199007. Penerbit/Published by: Badan Pusat Statistik ©BPS RI/BPS-Statistics Indonesia.

Available: [Badan Pusat Statistik \(bps.go.id\)](https://bps.go.id)

Notes: \* = Temporary Number

\*\* = Very Temporary Number

(.....) = Growth (percent) compared to the previous year.

Apart from the sectors described above, other sectors experienced a contraction in growth, namely the Transportation and Warehousing sector which experienced the highest contraction of -15.04%. The sector with the second highest growth contraction was the Accommodation and Food and Beverage Provision sector experienced a growth contraction of -10.22%. The next sector experiencing economic contraction is the Manufacturing Industry sector. This sector experienced a growth contraction of -2.93%. The Health Services and Social Activities sector grew by 11.60% in 2020 or higher than the growth in 2019 of 8.69%. Another positive growth sector is the Information and Communications sector. This sector grew by 10.58% in 2020 or higher than its growth in 2019 of 9.42%. The Agriculture, Forestry and Fisheries sector still showed positive growth of 1.75% in 2020. This growth slowed compared to 2019's growth of 3.61% (Table 2). According to BPS RI (2021), the Agriculture, Forestry and Fisheries sector can still grow due to the increased production of secondary crops during 2020 such as cassava and green beans as well as increased horticultural production (fruits and vegetables), especially bananas, mangoes and cayenne pepper. This sector is also the second highest contributor in the formation of GDP at 13.70 percent. This contribution has increased compared to the previous few years which always showed a decline. This shows that during 2020 this sector provided a fairly good response and was able to survive in the midst of the Covid-19 pandemic, so that it could become the pillar of the national economy. Antara & Sumarniasih (2017) from their research concluded that the contribution of

Bali tourism to National Tourism is very important, because 36% of the total foreign tourists who visited Indonesia in 2015 came directly to Bali.

According to BPS RI (2021), the growth of the information and communication sector is supported by the sale of pulses and data quotas for internet use. As is well known, the use of the internet during the Covid-19 pandemic experienced a significant increase because several activities carried out by the community were carried out online. People who mostly work or study from home use the internet to communicate with each other. In addition, the increasing use of the internet is also caused by the activities carried out by the community in accessing entertainment content or social media. In addition, access to online shopping is available for some people who do not travel outside their homes to shop for their daily needs. In terms of its contribution, the information and communication sector contributed 4.51 percent to total GDP and showed an increasing contribution over the last three years. Meanwhile, the growth of the health service sector and social activities is still being driven by the disbursement of Covid-19 incentive payments for health workers and an increase in the income of hospitals, clinics, and health laboratories for Covid-19 services. Of course, this service sector is at the forefront of efforts to provide handling and assistance to people who are confirmed to have contracted Covid-19. In terms of contribution to total GDP, the health services sector and social activities contributed around 1.30 percent to total GDP. Indeed, in terms of the relatively low contribution compared to other sectors, the performance of this sector has shown a very good performance in the midst of the Covid-19 pandemic.

The performance of Indonesia's domestic sector was severely hit by the decline in production activities due to weak demand. The implementation of several policies in terms of tightening and limiting activities during the Covid-19 pandemic has hampered production activities in various sectors. Most of the production activity sectors experienced a decline in performance, except for the information and communication sector as well as health and social services which were still able to thrive in the midst of the Covid-19 pandemic. Due to the Covid-19 pandemic, many businesses have gone bankrupt and eventually closed their operations. This of course causes an increase in unemployment. In terms of use, the decline in public consumption and disrupted export performance also hampered the growth of the national economy. Various efforts and policies have been carried out by the government to overcome the impact of the Covid-19 pandemic so that it does not deepen, one of which is the National Economic Recovery Program (*PEN*) (BPS RI, 2021).

Throughout the history of the Indonesian economy, the Covid-19 pandemic has dealt a severe blow to the Indonesian economy. In 2020 the Indonesian economy contracted quite deeply, namely -2.07%, so that the Indonesian economy can be said to be in recession, because it experienced economic contraction for 3 consecutive quarters from the second quarter to the end of 2020. When compared to the economic growth of several major trading partner countries Indonesia in 2020 during the Covid-19 pandemic, Indonesia's economic growth can be said to be still quite better than the United States contracted -3.5%, Singapore contracted -5.8%, Hong Kong contracted -6.1%, and the European Union contracted -6.4%. However, it was worse than South Korea, which contracted -1.0%, and even Vietnam and China had positive economic growth of +2.9% and 2.3%, respectively (BPS RI, 2021). Mohamed

(2021) said that the consequence of the COVID-19 pandemic on Somaliland's economy is one that the country will have to grapple with for years to come. The policy response will go a long way in determining how long it would last. If it is late, weak or uncoordinated, the devastating consequences would last longer. However, if the response is prompt, effective, strong and coordinated, it would be less devastating. This is late time the government to reset everything as the world has become standstill for a few months due to the outbreak of COVID-19. Somaliland National COVID-19 Task force does not plan, rethink, redesign, and restructure everything to combat the pandemic and protect its citizens and micro and macro-economic sectors.

Indonesia's economic contraction is still lower than the global economic contraction. As informed by the World Bank (2020), the June 2020 Global Economic Prospects describes both the immediate and near-term outlook for the impact of the pandemic and the long-term damage it has dealt to prospects for growth. The baseline forecast envisions a 5.2 percent contraction in global GDP in 2020, using market exchange rate weights—the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support. Over the longer horizon, the deep recessions triggered by the pandemic are expected to leave lasting scars through lower investment, an erosion of human capital through lost work and schooling, and fragmentation of global trade and supply linkages.

According expected World Bank (2020), the pandemic to plunge most countries into recession in 2020, with per capita income contracting in the largest fraction of countries globally since 1870. Advanced economies are projected to shrink 7 percent. That weakness will spill over to the outlook for emerging market and developing economies, who are forecast to contract by 2.5 percent as they cope with their own domestic outbreaks of the virus. This would represent the weakest showing by this group of economies in at least sixty years. Every region is subject to substantial growth downgrades. East Asia and the Pacific will grow by a scant 0.5%. South Asia will contract by 2.7%, Sub-Saharan Africa by 2.8%, Middle East and North Africa by 4.2%, Europe and Central Asia by 4.7%, and Latin America by 7.2%. These downturns are expected to reverse years of progress toward development goals and tip tens of millions of people back into extreme poverty According to Kornreich (2022), the pandemic heightened inflation rates and also resulted in a decrease of United State GDP growth rate of 31.4%, which Forbes claims is a decrease in GDP growth that has not been seen since the Great Depression. Furthermore, during the pandemic, unemployment hit its highest rate since the World War II era. (Patton). These changing numbers were extremely concerning during the height of the pandemic and reflect the impact of the pandemic on the economy. The changes are an indication that the economy is extremely volatile, and unpredictable situations can have long-reaching effects on the country's economy.

Verma et al. (2021) analyzed the impact of Covid-19 on world economic growth, found that the average economy is down from 1.62%–5.45%. The S&P 500 stock index and other assets are highly influenced during the COVID-19 timeline. In addition, the S&P 500 stock index already touched the mark of -28.67% downfalls. As of April 22, 2020, it is measured at -12.20–12.20 below the index value in September 2020. In short, the impact of the virus on world economies would be more

devastating in the long run if the virus was not stopped in the short term. Therefore, it is necessary that the government and international bodies cooperate to reduce the economic consequences of the effects of the virus in the future. As we have considered the top 10 economies in the world in this research paper, these countries have already suffered significant loss of life due to COVID-19 infection. Due to which their governments have already taken action in the form of lockdown (partly and fully) and social distancing, they should be commended for these efforts in preventing the virus. However, a greater contribution from other governments and international bodies is needed to eradicate this deadly virus.

While according to Gaba (2021), the COVID-19 outbreak has triggered a world economic disruption of significant magnitude with an escalating pace, resulting in steep recessions in many countries. The COVID-19 pandemic has caused an unprecedented global economic impact at an astonishing rate, leading to rapid economic downturns in many countries. Despite exceptional policy support, the baseline forecast envisages a 5.2 percent decline in global Gross domestic product (GDP) in 2020, the deepest global recession in eight decades. With the widespread social-distancing initiatives, sharp contractions of financial conditions, a slip down in foreign demand depress activity is observed. Advanced economies are expected to shrink by 7 percent. In 2020. Emerging Market and Developing Economies (EMDE) GDP was predicted to contract by 2.5 percent. News findings present a dismal picture of the number of affected supply chains. With more than 90% of EMDEs indicated to encounter per capita income contractions this year, several thousands of people are likely to slip back into poverty. The global economy is undoubtedly lead to a halt with the outbreak of coronavirus.

Congresional Research Service (2021) report that the pandemic has disrupted lives across all countries and communities and negatively affected global economic growth in 2020 beyond anything experienced in nearly a century. Estimates indicate the virus reduced global economic growth in 2020 to an annualized rate of around -3.2%, with a recovery of 5.9% projected for 2021. Global trade is estimated to have fallen by 5.3% in 2020, but is projected to grow by 8.0% in 2021. According to a consensus of forecasts, the economic downturn in 2020 was not as negative as initially estimated, due in part to the fiscal and monetary policies governments adopted in 2020. In most countries, economic growth fell sharply in the second quarter of 2020, rebounded quickly in the third quarter, and has been mostly positive since

The Covid-19 pandemic has not only had an impact on the economies of Bali and Indonesia, but also on the global economy. Iлека & Hajilee (2021) summarized from their research that the COVID-19 pandemic has affected the global economy in different ways. While some sectors such as aviation and tourism experienced a sharp decline in demand, others felt some growth. For example, the media and food retail industry are some of the sectors that have benefitted from the pandemic. They experienced a rise in demand for products and services as lockdowns and other measures to reduce the spread of the coronavirus forced people to remain at home and use online channels for entertainment and to order goods. Nevertheless, the COVID-19 pandemic has severely affected the globalization of consumption by lowering people's incomes and reducing the demand for goods and services. It indicates the need for governments to use a fiscal policy that involves changes to

taxes and higher spending to boost people's incomes and trigger growth through higher consumption. Thus, the economic challenges of the COVID-19 pandemic have caused a decline in the globalization of consumption but a fiscal policy will be useful in overcoming the problems and enabling nations to resume growth.

## CONCLUSIONS

The COVID-19 pandemic in 2020 had an impact on reducing Bali's economic growth, contracting by as much as -9.31% compared to 2019. The drastic decline in Bali's economic growth was due to limited community mobility and the decline in tourist visits to Bali in 2020, ultimately reducing related service sector activities with tourism services.

The Covid-19 pandemic had an impact on reducing Indonesia's economic growth in 2020 which contracted -2.07% compared to 2019. The Covid-19 pandemic had a more severe impact on the Bali economy which contracted as deep as -9.31% compared to the Indonesian economy which only contracted -2.07 %, triggered by a decline in tourist arrivals and hotel room occupancy rates, and ultimately on Bali's economic growth.

## RECOMMENDATION

If cases of Covid-19 infection in Bali decline, the central government needs to start opening international borders for direct international flights to Bali while still implementing strict health protocols. This is based on the argument that tourism cannot be replaced by other sectors as the mainstay of the Balinese economy, because Bali's wealth is only culture and the beauty of the natural environment that can be packaged as a tourist attraction.

It is necessary to continue research on the impact of Covid-19 on employment in the Province of Bali, because during the Covid-19 pandemic in 2020 there were many layoffs of workers in the tourism sector, and small and medium industries.

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