

## Conference Paper

# Krayan Heart of Borneo: Indonesian Potential Tourism Destination Enjoyed by Malaysia

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## Abstract

District Krayan is part of Nunukan regency in North Borneo. Krayan has the potential of a tourist destination to feature natural areas of Nunukan. However, due to the ease of access to and from Malaysia, as a result the area is more dependent on Malaysia than Indonesia. To identify the potential of tourism (attractions, accessibility, and amenity) and tourist development in the District Krayan, Nunukan, North Kalimantan, Indonesia. Primary data is taken from interviews and field observations. While secondary data taken from various documents. The analysis of data using qualitative descriptive exploratory Ansoff Model or Product-Market Growth Matrix. The Research location is Krayan districts of Nunukan Regency, North Kalimantan Province. Krayan, pressured by Malaysia, is ignored by Indonesia. Using Ansoff Model, other than through tourism product development and market development, the importance is implementing the diversification strategy against a variety of interesting potential tourism development that can be used to increase the attractiveness, for example, the location of salt mine on the mountain, Krayan Border, Adan Rice, and other natural potential. The development of tourism is not maximized due to the lack of adequate infrastructure, including the availability of amenities such as hotels and restaurants. As for human resources, with unique characteristics they have huge potential to be developed. Evidenced by the emergence of local traditional council concerning tourism. Unfortunately, Krayan is promoted as Malaysia's tourist destination, however it is not impossible for Indonesia to take more care of the potential tourist attraction in the borders.

**Keywords:** Ansoff model, Diversification, Krayan, Tourism potential

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Received: 2 April 2018

Accepted: 17 April 2018

Published: 23 May 2018

Publishing services provided by  
**Knowledge E**

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Selection and Peer-review under the responsibility of the 1st ICSEAS 2016 Conference Committee.

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## 1. Introduction

North Borneo, is one of the new provinces with Border Area which have a huge potential. This area is directly adjacent to the neighboring countries that have long stretches 1 020 km from east to west across the three districts of Nunukan district, sub-district located on the western Krayan Nunukan area directly adjacent to the region of Sarawak, Malaysia and northern borders Sabah, Malaysia. Krayan subdistrict administration is made up of 65 villages centered governance in Long Bawan with a population of 8 438 inhabitants largely indigenous population, namely the interior of Borneo Dayak Lundayah. [1].

The border region is located along the mountain range that divides the center of the island of Borneo to the lowlands, into the heart of Borneo (HoB), that crosses three countries, namely Indonesia, Malaysia and Brunei Darussalam. Subdistrict Krayan located in a hilly area at an altitude of about 1 000 m to 1 600 m above sea level so the area is difficult to reach by four-wheeled vehicles especially road or river. While connecting road between the districts or other areas yet to be built and connected, the area districts Krayan can only be reached through the air by using the air erratic flight hours of Tarakan.

Zartmant figures out that borderlands are sub-national areas whose economic and social life is directly and significantly affected by proximity to an international boundary, in which people recognize both sides and have special relationship with other people and institution in their respective nations and states. Borderlands are spaces where normative system meets [2]. In Indonesia, the region can be distinguished on the border areas of land and sea. According Helmi Pudaaslikar, The Head of Krayan Districts, in the interview conducted in 2017, the border region is an area for bordering neighboring countries, so that the handling of construction requires specificity between land borders and maritime borders. In the area of tourism, the infrastructure development for maritime borders are a lot harder than the land borders, that's why it is important to build the infrastructure in land borders as soon as possible.

Furthermore, there are two definitions of border area in the context of Indonesia National Development [3]. First, the border area surrounding areas directly bordered by the territorial of other countries; second, any administrative area bordered directly to another nearby administrative areas within the framework of the unitary state of the republic of Indonesia (NKRI), while according to the law of Republic Indonesia number 43 of 2008 regarding the state territory article 1 paragraph 6 said that the meaning of border area is the part of the state being located on the inner side along the

boundaries of Indonesia to other countries, in terms of the boundaries of the state on land, the border area are in district [4]. Furthermore, the new perspectives on border analysis, state boundary functions are no longer perceived as barriers but a bridge between the communities situated on both sides, establishing a linkage of cultural and economic interest [5]. The border areas in Indonesia is generally rural areas, where this area has slower development growth than elsewhere because appropriate isolated. The Indonesian government want to make the borderland as the porch future of the country, that is as the most important main gateway for the country. Border areas often got unbalanced treatment by the government such as economic development, infrastructure, and the facilities of health and education.

Some of the problems on the border area in Indonesia is the limitations of infrastructure and limitations of access into various sector, most important in matter of development of economy, education and health [6]. These matters makes the border area be more difficult to develop. However, in fact, the border area in Indonesia have rich resources that can be be developed. According to Malik, some of best potentials resources that could be developed in border areas such as biodiversity, mining (non-oil), tourism and services [7].

In general, the national border area is part of the remote areas and low accessibility to capital, public transportation, backward and still growing steadily, critical and vulnerable in order and security. Krayan has a great potential to be developed, both natural resources and potential in the field of services, trade and travel. Krayan main attractions that have become a popular tourist destination is Krayan Adventure off-road. This tour is suitable because the geographic areas of Krayan is very hilly. A variety of tours can be found in the District this Krayan. Starting from the waterfall Paramayo until one of the highest mountain Yuvai Semaring, estimated at around 3 000 m above sea level. At first glance, the mountain does not seem high. At the summit can already be seen flag Indonesia plugged by local *pamtas* officer. Krayan area is also very suitable for agriculture where food agricultural area of 2 500 ha is planted with rice, among others Adan rice is the most famous in East Kalimantan and said to be the main food rice Sultan Hasanah Bolkihah of Brunei Darussalam.

Some of the obstacles encountered in accelerating the development of tourism in the border region include: human resources, infrastructure, spatial planning, and use of natural resources, the affirmation of the status of the border region, the limited financial resources and limited institutional and personnel assigned to the border with less amenities.

## 2. Methods

Research carried in 2013, in the District Krayan, Nunukan, Kalimantan Utara. The data used in this study using primary data obtained investigators from field observations and interviews with sources. The main sources interviewed by researcher are, Helmi Pudaaslikar as a Head of Krayan Distric and Marten Ungkap as the Head of Krayan Communities. While secondary data obtained from the study of literature collected from print and electronic media. The collected data, hereinafter described and analyzed with qualitative [8]. The analysis tool used is Ansoff matrix and product diversification for the development of tourism in Krayan [9].

## 3. The General Picture of Krayan

Krayan sub-district located in the western part of Nunukan and bordering Sarawak Malaysia. With an area of 1 837.54 km<sup>2</sup>, equivalent to 183 754 ha. Territory Krayan divided into two sub-districts: Krayan and the District of South Krayan has a height of  $\pm$  1 500 m above sea level, with an area of 1 837.54 km to districts Krayan and 1 756.46 km to districts of South Krayan with a number of villages 89 villages, a district northernmost directly adjacent to Sabah-Malaysia and have access to land that is not worth bypassed by public transportation. The total population of as much as 9 483 inhabitant with the average of 3.88 to 4.33 inhabitants per family, the dominant inhabitants are Dayak Lundayeh Tribe [1].

The main access to the region is the air transport of the town of Tarakan, Nunukan or from Malinau regular or charter, so that the price of goods made in Indonesia are more expensive, and the economy of the locals also depend on the goods / food from Malaysia. Krayan community dependency on neighboring countries is very high, because of easier access to Malaysia compared to other areas in Kalimantan.

Neighboring countries not only become the major resource of export commodities, but also where other sources of food, fuel, and others. Access to Malaysia can be reached by road, with bad and muddy roads or by Bahau River. Typical regional products are Adan rice (rice with organic local distinctive taste), and the local swamp buffalo, as well as salt mountain which produces water sources and consumed salted wells for their daily needs and it is beneficial for the health of local communities. The main commodities in Krayan is Adan rice that is rice that has been certified by local geographical indications (GI). This rice has economic value and high competitiveness and favored by the Brunei Darussalam royal families.



**Figure 1:** Krayan Gate From Malaysia.

According to Marthen Ungkap as one of the head of the communities in Krayan, the people in Krayan is very open minded and very humble toward tourist that came to Krayan. The communities understand that there are culture difference with visitors and accept it as cultural diversity. One of the reasercher went to visit Krayan in 2013 and they welcome him wholeheartedly.

Tourists who come to the area Nunukan has a special interest in Nature Tourism object that is available there. Usually the tourist are nature lovers and can accept with a smile if there is a shortage in terms of cleanliness and poor access roads and infrastructures. Tourists who like trekking and who would like boudnering cross or crossing the border between the two countries, it is possible to and from Malaysia, because of land access is only from Malaysia, as in Padali and Bario, which is located next to Sarawak. While the access from Nunukan to Tarakan there are no land access. Since their ecotourism program in Hulu Krayan since 2001 until 2013, only 200 tourists came and do adventure travel in South Krayan. From the interview with the Head of Krayan District Helmi Pudaaslikar, all the tourists who visit come from abroad, such as America, Japan, Switzerland, China, Australia and so on, while all of them came



**Figure 2:** Logistic Transportation from Malaysia.

through Malaysia rather than from Indonesia. Meanwhile, other domestic tourists from Indonesia had never come to Krayan.

#### **4. Tourism Development and Culinary Opportunities in Borderland**

Food is a fundamental part of the tourist experience. Increasingly, local food is used in tourism as an integral part of the visitor attraction to enrich tourist experiences. Local food acts as a differentiating feature for destinations and can play an important role in increasing visitor yield, stimulating growth in other economic sectors and promoting sustainable occupations. The close relationship between local food and culture enables the promotion of cultural heritage by promoting local food. Thus, linking local food and tourism has the potential to create more sustainable tourism practices and outcomes.





**Figure 3:** Krayan Rice.

#### 4.1. Tourism development

Tourism development in Krayan already been in the spotlight in recent years. One of them visible from efforts to increase potential in North Borneo (Kaltara), Governor Kaltara Dr H Irianto Lambrie, will propose the District Krayan, Nunukan to be a tourism area. Using Ansoff Model as a tool for further tourism development Krayan can be an opportunity for communities and governments to develop sustainable tourism Krayan.

In terms of tourism product/services that are available in Krayan, after the data collection and analysis each quadrant could be defined as follows:

- i. Market penetration strategies are those designed to get one's existing tourists to buy and experience the same tourism products/services provided more often, or recommend among the peers for group or individual, for example, in the company of close family members and friends. The market penetration strategies apply directly to the tourist that often visit Krayan through Malaysia. It is suggested that using a new tourism package can penetrate existing tourists to come more often. The tour package can include discount for repeat tour and if the tourist



**Figure 4:** Rice Plants.

bring their family or friends they can get a voucher for another night stay so their length of stay will be longer.

- ii. Market development strategies are those designed to get new market segments of tourists to try one's existing range of tourism products/services that are provided in Krayan. For example, tour operator can make a new tour package that include Krayan with another famous destination in Kalimantan such as Derawan Island, etc with good price and services. These strategies would apply to tourists that never visit Kalimantan at all and/or those who visit Kalimantan but never been to Krayan.
- iii. Product development strategies are those where the tourism operator designs, tailors or offers new tourism products/services/experiences to their regular customers. For example, when it is the harvest season for Adan rice, they can create a tour package where the tourist can get involve and help with the harvest season, involve in the overall process and the local can also cook traditional food for the tourist. The involvement in the process can effect in the length of stay of the tourist and a new experiences for them. These strategies would apply to



repeat and new tourist that come to Krayan, in the same time it can help sustain traditional culinary from Krayan and encourage Krayan food security.

- iv. Diversification strategies could be used to offer new tourism products/services to new market segments. For example, new development of an authentic and unique restaurant that provide Adan rice as their main attraction all year long can provide new and interesting experience to new market segments that might be enthusiast in culinary.

In parallel with the development of tourism on Krayan in particular, similar to other tourism developments in other areas, there is a group that formed by the community with high awareness of tourism, which is commonly abbreviated to Pokdarwis which are driven by the citizens themselves and run on the awareness of citizens to keep the tourist attractions to stay clean and comfortable place by tourists. Although these groups are driven by the citizens, but the position, rights and obligations of these groups are already structured and quite clear.

#### 4.2. Culinary tourism development opportunities

Local food products in Krayan, can be a gastronomy travel opportunity for foreign and local tourists. Krayan Adan Rice is one of the famous local products of Krayan. Krayan Rice is a major commodity in agriculture for the Dayak Lundayeh. Krayan Rice has three varieties, namely white rice, red rice and black rice. Krayan Rice is an organic product produced from rice fields in the highlands of East Kalimantan's cold temperature. Because the use of organic fertilizers and without chemicals, the rice is rich in minerals and vitamins such as zinc and iron are essential for health. Rice is in the region of origin familiarly known as the Adan rice is believed to be one of the rare variants. According to Head of Krayan District Helmi Pudaaslikar, Adan rice of Krayan is special and become one of the best agricultural products in Indonesia, which has a fairly high selling power. Finely granulated form of elongated, white like crystal, flavorful, fluffier, and tastes very delicious. However, in contrast to Indonesia in neighboring countries; such as Malaysia, the Philippines and Brunei Darussalam, Adan rice is very popular. Krayan rice delicacy also known as Adan rice is penetrating the border with Malaysia and Brunei, is said to be the favorite foods for the Sultan of Brunei, Sultan Hasanah Bolkiah.

In order Krayan Rice is not only enjoyed by Malaysia only, the government also should increase Krayan transport infrastructure to other regions in Indonesia. It is

intended that the selling price could be cheaper. When we buy rice Krayan in the area of origin, the price is only IDR 15 000 to IDR 20 000 per kg, but when the rice has been taken to Nunukan or Tarakan, the price can be doubled. This is because there is only air transportation there which is resulting on the higher shipping costs.

To support the development of the Adan rice, the government could also help with the registration of Halal certificate and the legal food production permit for the home industrial products (*Produk Industri Rumah Tangga* or being known as PIRT licensing). In Indonesia, the Indonesian Ulama Assembly (MUI) exercises an effective monopoly over Indonesia's halal certification. Institute of Foods, Medicines, and Cosmetics Assessment of Indonesian Ulama Assembly (LPPOM MUI) is an institution formed by MUI. LPPOM does MUI function in protecting muslim consumers in especially all the things related to the products of foods, drugs and cosmetics [10]. Therefore, for any company or producer who intend to get halal certification from LPPOM MUI such as processing industry, slaughterhouse, restaurant catering service, and distributor must fulfill the requirements for Halal Certification *HAS 23000* (that includes policies, procedures, and criteria). With the PIRT licensing and halal certificate, the demand of Adan rice will be increased.

Furthermore, the most important things to help the culinary development of Adan rice is by increasing its promotion to other areas in Indonesia. While Adan rice is very famous in Kalimantan, however in the other region in Indonesia, Adan rice are not widely known yet. Therefore, the promotion of local gastronomic culture can enhance tourism in Krayan. In addition, the promotion of locally produced foods provided tourists an authentic experience while at the same time reviving local traditional foods, supporting, and encouraging locally produced products, stimulating traditional farming practices, and creating a healthy agricultural community. This in turn contributed to creating agricultural landscapes, the images of which could be used to brand and market the destination

## 5. Conclusions

Krayan is a district that is very rich in tourism potential, which is still not maximumly developed. Support from the community, all relevant stakeholders, and especially the government holds the most important role in the advancement of tourism Krayan. In addition to supporting the development of tourism infrastructure such as roads and the addition of electric power has become the government's plans and actions in recent years, the government can also support the development of tourism in Krayan by

simplifying licensing PIRT and Halal certification for small medium industries in Krayan. Facilitate the provision of venture capital and access to raw materials and production equipment can also be supported Krayan government for development of tourism can be brought forward and sustainable. So, later, Krayan access to other Indonesian region can be more easy which can influence on increasing the strength of the economy, construction, and transportation access in Krayan, so that the dependence of logistics to Malaysia will be further reduced.

With the efforts of the government to accelerate the construction of roads and the addition of electric power is very likely for the development of tourism in Krayan to be true. Gradually replace the phrase "Tiger in the belly, Garuda in our hearts" to "Garuda in our Heart, Soul, and Belly" is not something that impossible to achieve.

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