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Boosting Indonesia's Economy Through Hajj and Umrah: Opportunities and Diplomatic Avenues

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Abstrak

Jumlah jamaah haji berkembang pesat dalam 50 tahun terakhir dari 200.000 orang menjadi tiga juta orang saat ini. Penyelenggaraan haji dan umrah memberikan dampak secara ekonomi dan juga menjadi alat diplomasi baik bagi Arab Saudi sebagai negara penyelenggara dan juga negara-negara asal jamaah seperti Indonesia. Sementara penelusuran terkait dampak haji bagi perekonomian Arab Saudi sebagai negara tujuan telah banyak dikaji, dampaknya bagi negara-negara asal jamaah yang dalam hal ini adalah Indonesia masih terbatas. Maka dari itu, artikel ini berupaya menelusuri bagaimana pelaksanaan haji dan umrah dalam konteks wisata religi dapat membawa keuntungan ekonomi bagi Indonesia di Arab Saudi. Selanjutnya, artikel ini menggunakan metode kualitatif penelusuran pustaka serta observasi untuk mengeksplorasi dan mengelaborasi pelaksanaan haji dan umrah dapat menjadi peluang ekonomi bagi Indonesia di Arab Saudi. Artikel ini memandang bahwa penyelenggaraan haji dan umrah ini juga memberikan keuntungan bagi Indonesia sebagai negara asal jamaah melalui beberapa hal: jasa persiapan dan pemberangkatan, transportasi, peluang ekspor produk Usaha Mikro, Kecil dan Menengah (UMKM), dan juga sebagai alat diplomasi ekonomi terhadap Arab Saudi dan juga negara-negara asal jamaah lainnya. Potensi ekonomi ini perlu untuk dikembangkan lebih jauh agar diplomasi ekonomi Indonesia dapat memberikan dampak langsung kepada rakyat Indonesia.
Kata kunci: hajj, umrah, Arab Saudi, Indonesia, peluang ekonomi

Abstract

In the last 50 years, the number of Hajj pilgrims has surged from 200,000 to 3 million. The organization of Hajj and Umrah not only impacts the economy but also serves as a diplomatic tool for both the host country, Saudi Arabia, and the countries of origin of the pilgrims, such as Indonesia. While the economic impact on Saudi Arabia as the destination country has been extensively studied, the effects on the pilgrims' countries of origin, particularly Indonesia, are less well-documented. Therefore, this paper seeks to explore how Hajj and Umrah, as forms of religious tourism, can generate economic benefits for Indonesia within the Saudi Arabian context. Utilizing a qualitative method, including literature review and observation, this paper explores and elaborates on how Hajj and Umrah can present economic opportunities for Indonesia. The findings suggest that these religious events could benefit Indonesia through various channels: services related to preparation and departure, transportation, export opportunities for Micro, Small, and Medium Enterprises (MSMEs), and as a means of economic diplomacy with Saudi Arabia and other pilgrim-originating countries. There is significant potential to develop these economic opportunities further to enhance Indonesia's economic diplomacy and directly benefit its people.
Keywords: hajj, umrah, Saudi Arabia, Indonesia, economic opportunities

INTRODUCTION

Since the seventh century, Muslims worldwide have performed a sacred ritual of traveling to Makkah and Madinah, known as the Hajj. Hajj can be interpreted as a pilgrimage in Arabic. Hajj is an obligatory pilgrimage to Saudi Arabia for every financially and physically capable Muslim. It is one of the Five Pillars of Islam and must be performed at least once a lifetime. Hajj is one of the world's oldest and largest religious pilgrimages, with an estimated 3 million Muslims visiting Makkah and the three Holy Places—Mina, Muzdalifa, and Arafat—during specific days in the month of Zulhijjah, as well as

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Madinah (Al-Kodmany, 2009). In these pilgrimage or religious tourism trips, everyone is considered equal without race or social status discrimination (Hassan et al., 2022).

Religious tourism in Hajj and Umrah is considered the most essential tourism sector in Saudi Arabia. Religious tourism significantly contributes to economic conditions such as employment opportunities, infrastructure development, and balance payments. Turner (1973) and Cohen (1979) argued that Hajj has an essential impact on Saudi Arabia's economy. Nowadays, with the growing Muslim population globally, the advancement of transportation technology and the rising general economic conditions among Muslims generate stronger demands for Hajj and Umrah. Hajj and Umrah also contribute to Saudi Arabia's non-oil and gas income by providing 7% of its total GDP, including oil and gas (Idris, 2020; Omar, 2020).

In response to the growing demand for Hajj and Umrah, Saudi Arabia, in Saudi Vision 2030 (Government of Saudi Arabia, 2016), intends to reform its vision from oil and gas into services and industries, putting the expansion of Hajj and Umrah facilities into priority. Its target is to achieve 30 million Hajj pilgrims to generate income of USD 13.32 billion solely from Hajj and more than USD 52 billion with Umrah pilgrims in 2030 (Idris, 2020). Its ambition reflects Hajj and Umrah economic opportunities. Furthermore, Hajj and Umrah also become diplomatic tools for fostering better relationships with other Muslim countries, attracting talent and more investors (Government of Saudi Arabia, 2016).

Similarly, Indonesia, as the largest Muslim country by population, also has an economic opportunity from Hajj and Umrah regarding its position as a sending country. Indonesia legalized Law No. 13 of 2008 to re-invest the funds from potential pilgrims' deposits through Sharia financial derivatives (Muheramtohadi, 2020). Furthermore, the Hajj and Umrah also contribute to Indonesia's income of more than USD 1 billion annually (Saripudin et al., 2023). Indonesia also seeks opportunities to gain more income from Hajj and Umrah by providing its pilgrims in Saudi Arabia with its local products to boost the income of small and micro enterprises (SMEs). In further projection, the combination of local products of Indonesia and its pilgrims is expected to become a powerful tool of economic diplomacy toward Saudi Arabia.

However, the discussion of religious tourism in the economic value of tourism is still limited due to its relatively low valuation in contrast to the total valuation of the tourism industry (López, 2023; Statista Market Insight, 2023). In more particular aspects of the sending countries' economic opportunities, the literature on both tourism in general and religious tourism specifically is more limited. Therefore, this study explores this issue further, not only to provide academic insight but also to identify the potential problems regarding the topic.

To generate the projection of Saudi Arabia and Indonesia into reality, a strategic approach toward dynamics-related conditions should be made. Particularly, Indonesia's vision of using Hajj and Umrah as economic opportunities should be manifested in practical actions. However, the observation in Jeddah unveiled the limited efforts. Therefore, further investigation of how Indonesia would transform the opportunities into actions in this case is essential, not only by acknowledging the conditions and expectations of Indonesia but also Saudi Arabia.

LITERATURE REVIEW

The pilgrimages of Hajj and Umrah occupy a central position in the religious lives of Muslims worldwide. Their significance is enshrined within the Quran, specifically in the Surahs of Al-Baqarah, Ali Imran, and Al-Maidah, establishing them as a religious obligation for capable individuals and one of the Five Pillars of Islam (Haq & Jackson, 2009; Niu & Metwally, 2016; Wolfe, 1993). The spiritual magnetism of these pilgrimages attracts millions of Muslims to the holy cities of Makkah and Madinah each year, rendering extensive advertising unnecessary. Moreover, in numerous societies, the accomplishment of Hajj holds considerable social cachet (Fitri, 2023; Islam, 2018; Nouri Kouchi et al., 2018; Preko et al., 2022). However, providing optimal services and spiritual fulfillment for pilgrims from a multitude of nations presents significant managerial challenges (Hassan et al., 2022).

Beyond their inherent religious sanctity, Hajj and Umrah serve as critical tools of public diplomacy for Saudi Arabia in cultivating relationships with other nations, particularly those with predominantly Muslim populations (Niu & Metwally, 2016). It aligns with Trager's (2016) definition of diplomacy—actions and communications through which nation-states seek to influence the international system or actions of foreign entities. The application of diplomacy continuously evolved from focusing solely on political and military power to economic and soft power recently, from centered on government representatives to non-state actors nowadays through public diplomacy (Nye, 2008; Trager, 2016). The consistent influx of pilgrims offers a valuable public diplomacy platform, both for Saudi Arabia and the pilgrims' countries of origin (Niu & Metwally, 2016; Saripudin et al., 2023).

The pilgrimages assume growing importance within the context of Saudi Arabia's Vision 2030, an ambitious roadmap to diversify the nation's economy and reduce its dependence on oil and gas exports (Government of Saudi Arabia, 2016). Hajj and Umrah fall under the classification of religious tourism, described by the United Nations World Tourism Organization (UNWTO) as a cultural and economic phenomenon involving travel motivated by religious interest (Collins-Kreiner, 2020; UNWTO, 2008; Zarb, 2020). Religious tourism can encompass rituals, spiritual journeys, and a search for meaning (Brown & Osman, 2017; Cohen,1992; Turner, 1973). While the global religious tourism market was valued at USD 15 billion in 2023, it pales in comparison to the USD 895 billion valuation of the overall tourism industry (López, 2023; Shinde & Olsen, 2022; Statista Market Insight, 2023).

The economic significance of Hajj and Umrah can be analyzed through the lens of economic diplomacy, which leverages economic tools to further a nation's interests (Van Bergeijk & Moons, 2009). Both Saudi Arabia and pilgrim-sending nations like Indonesia strategically promote their cultures and products within the Hajj and Umrah environment (Saripudin et al., 2023). Similarly, China has utilized Hajj to strengthen diplomatic and economic ties within the Muslim world (Niu & Metwally, 2016). Meanwhile, Saudi Arabia Vision 2030 also puts Hajj and Umrah not only as sources of non-oil and gas income but also as annual events to promote its new image as a prospective economic partner (Government of Saudi Arabia, 2016).

Therefore, Hajj and Umrah, as forms of religious tourism that attract millions of people annually, can be perceived as significant events of public diplomacy for Saudi Arabia as the host country and the pilgrims' countries, including Indonesia. Nevertheless, the economic interest of that country becomes paramount in Hajj and Umrah as it has significant economic values but also an opportunity to form closer relations between people across different countries, which is pivotal in economic diplomacy (Van Bergeijk & Moons, 2009). In the specific scope of Indonesia-Saudi Arabia relations, Hajj and Umrah, as well as religious tourism, can also be perceived as events that influence the perception of both public and government perspectives, especially in economic terms.

RESEARCH METHOD

This paper employed a qualitative case study approach to thoroughly investigate and expound upon the intricate implementation of Hajj and Umrah as an economic opportunity for Indonesia. This method allows the authors to explore and capture the uniqueness of Hajj and Umrah in terms of economic opportunity for Indonesia to generate a comprehensive explanation based on the phenomenon's details (Creswell & Creswell, 2023). Through this method, this study can provide input to stakeholders to take advantage of economic opportunities from implementing Hajj and Umrah.

The primary data sources come from the authors' observations and experiences in the Consulate General of the Republic of Indonesia in Jeddah, Saudi Arabia. Furthermore, it employed secondary data sources such as statistical reports from the Saudi Arabian and Indonesian governments regarding Hajj and Umrah pilgrims, as well as the costs, revenues, and other relevant information to the study. In order to support the data from observation and statistical data from the authority, the study also utilized diverse forms of secondary data from the news

media, government releases, and relevant academic literature.

Vast data resources were gathered using direct observation in the Consulate General of the Republic of Indonesia in Jeddah, keyword inquiry in the search engine, official statistics agencies' websites, and academic social networking websites. The gathered data were coded and grouped accordingly before being triangulated to ensure their validity and to construct the findings and argument presented in the paper.

RESULT AND ANALYSIS

THE IMPORTANCE OF HAJJ AND UMRAH IN SAUDI ARABIA'S ECONOMY

Since the establishment of the Kingdom of Saudi Arabia in 1926, the holy cities of Makkah and Madinah have been under the control of the royal family, clergy, and government following the end of the caliphate in Turkey. Saudi Arabia then crowned itself the leader of Islam due to its status as the administrator of the Hajj, established the Ministry of Hajj, and spent a vast amount of money on improving the Grand Mosque, Kaaba, and other sites in Makkah. Since 1999, Saudi Arabia has only allowed its citizens to perform the Hajj once every five years and allocates a larger quota for Muslims in other countries, while there is no quota restriction for Muslims in non-Muslim countries. Before the discovery of oil, Saudi Arabia was a barren land, and ownership of the two Islamic holy cities was the primary source of its revenue. Revenue from the Hajj has helped the government maintain Saudi Arabia's status of national independence while boosting its diplomatic influence as the leader of the Islamic World. Religious tourism, particularly during the Hajj and Umrah seasons, generates significant revenue for Saudi Arabia (Niu & Metwally, 2016).

Recognizing that it cannot depend economically on its oil supply, Saudi Arabia issued the 2030 Vision. This vision aims to diversify the economy beyond oil-based economic activities. In other words, the Saudi Arabian government seeks to raise state revenues from alternative potential sources of income and reduce dependence on its limited natural resources. In Saudi Arabia, Hajj and Umrah serve as potential sources of income from the service sector (Reyouf Alshammari & Rozina Shaheen, 2021).

In the past 50 years, the growth of the Muslim economy and the availability of affordable transportation to Saudi Arabia have led to a significant increase in the number of pilgrims. This number has risen from just 200,000 in the early 1950s to millions in recent years despite a significant downturn during the COVID-19 pandemic. However, the trend is also shadowed by safety concerns manifested in several fatal incidents, such as the stampede incidents that caused hundreds of casualties in 2004 and 2006. Recognizing the conditions, the Saudi government improved the organization of the Hajj by renovating and expanding the Grand Mosque. Ensuring the safety and ease of Hajj has religious, political, and economic dimensions for Saudi Arabia. Hosting Muslims from all around the world provides the government with a certain legitimacy. Consequently, the government has recently made substantial investments in conducting research and devising strategic plans to tackle the Hajj predicament (Al-Kodmany, 2009).

The way that the Hajj and Umrah are organized in Saudi Arabia needs to be understood in the context of economic liberalization and governmental policy. Due to economic liberalization, the Hajj has become a service sector with a large number of service providers (travel, lodging, catering, and other services) that are nevertheless subject to government regulation. The revenue from this sector, which is a crucial component of Saudi Arabia's GDP and is a part of the country's service industry, has a negative impact on the nation's economic growth (Nouri Kouchi et al., 2018). Therefore, the Saudi government has been allocating a large budget to support the Hajj season, such as providing free health services for all pilgrims, adequate transportation and accommodation services, good sanitation supervision, and other supporting facilities. With these services, pilgrims are expected to have an excellent spiritual experience when performing the Hajj. In addition, the government of Saudi Arabia has launched several e-government applications, providing faster and cost-effective services for pilgrims during the COVID-19 pandemic (Hassan et al., 2022).

With the increasing number of incoming pilgrims, both Makkah and Madinah cities continue to focus on developing investments. Advancements in real estate, hospitality, residential accommodations, and infrastructure projects will support the growing number of pilgrims visiting Makkah for Hajj and Umrah. The government has prioritized advancing the religious tourism sector to mitigate revenue fluctuations from other economic pursuits. The goal is to boost income by developing the necessary infrastructure for Saudi Arabian economic growth. Pilgrimage tourism has significantly bolstered the expansion and progress of Saudi Arabia's economy. During this time, pilgrims come from various countries, meaning they must pay for food and accommodation while performing Hajj and Umrah. In other words, pilgrims bring in revenue that helps raise Saudi Arabia's foreign exchange reserves. Hajj and Umrah seasons also create short-term employment opportunities for the citizens of Saudi Arabia. Makkah and Madinah have witnessed a significant surge of pilgrims during Hajj and Umrah, which is a critical aspect of Saudi Arabia's Vision 2030 (Reyouf Alshammari & Rozina Shaheen, 2021).

As the number of pilgrims increased, the Saudi Arabian government started the expansion of the Masjid al-Haram complex in 1957 (Peters, 1996). The development began at a time when Saudi Arabia was benefiting from oil exploration. When world oil prices rose fivefold between 1973 and 1974, the Hajj infrastructure was expanded again, such as a significant bridge to ease access to the jumrah's stoning in Mina. Therefore, Saudi royalty could showcase its generosity to the pilgrims as guests of God. Despite these efforts, several disasters occurred during the Hajj pilgrimage, resulting in the loss of life of pilgrims, especially among older people (Gatrad & Sheikh, 2005).

The Saudi General Authority of Statistics reported that from 2009 to 2019, the average number of Hajj pilgrims was around 2.4 million. The most significant recorded number of pilgrims was 3.2 million in 2012, and in the following years, the number decreased due to expansion works of the Hajj infrastructure in Makkah. The number of pilgrims rose again in 2017 as some of the expansion works at Masjid al-Haram were completed. In 2019, around 2.5 to 2.6 million pilgrims performed Hajj. However, in 2020, only 1,000 pilgrims were allowed to perform Hajj due to the COVID-19 pandemic (Omar, 2020).

Around 2.5 million pilgrims come to Saudi Arabia for Hajj every year. It contributes approximately 7% to the country's total GDP and one-fifth of the non-oil GDP. In 2019, it was equivalent to USD 12 billion or approximately IDR 177.139 trillion (calculated at an exchange rate of IDR 14,700) (Idris, 2020; Omar, 2020). Of this figure, the most significant amount of Saudi Arabia's income came from Indonesian pilgrims (Saleh, 2022). For example, in 2017, Saudi Arabia's revenue from Indonesian pilgrims reached USD 940 million. The second largest income was from India's pilgrims, who contributed USD 733 million (Idris, 2020; Omar, 2020; Saleh, 2022).

In 2019, a total of 19 million pilgrims entered Saudi Arabia for Hajj and Umrah. Crown Prince Mohammed bin Salman aims to improve the capacity of Hajj to accommodate 30 million pilgrims annually by 2030. This move is aimed at generating a revenue of SAR 50 billion (USD 13.32 billion) by the same year. Meanwhile, if combined with Umrah, the potential revenue coming into Saudi Arabia will reach SAR 200 billion by 2030 (Idris, 2020).

The focus is on developing investments in different cities, with a particular emphasis on Makkah and Madinah. The goal is to enhance the tourism industry by investing in real estate ventures, expanding the hotel industry, and improving the infrastructure to support tourism. The project aims to provide top-quality amenities and services for Hajj and Umrah pilgrims, thereby boosting religious tourism (Henderson, 2011; Reyouf Alshammari & Rozina Shaheen, 2021).

In addition to generating more than USD 12 billion in revenue, the Hajj creates more than 300,000 jobs related to the Hajj. Hence, the development of this sector can create jobs for Saudi youth.

Umrah is one of Saudi Arabia's main revenues, in addition to the Hajj season. Many businesses operate to support the implementation of Umrah, such as hotels, transportation, and catering (Sherbini et al., 2016). Other enterprises are SMEs operating near the Umrah

Table 1. Number of pilgrims coming from outside Saudi Arabia

Country Group	2017	2018	2019
GCC member countries	32,600	34,140	31,884
Other Arab countries outside GCC members	383,044	395,410	414,750
Asian countries outside the Arab world	1,042,335	1,049,496	1,126,633
African countries outside the Arab world	186,873	166,083	187,814
European countries	84,894	88.601	67,054
North and South America and Australia	22,268	24.992	26,892
Total	1,752,014	1.758.722	1,855.027

Source: (Saudi's General Authority for Statistics, 2022a)

Table 2. Number of workers serving pilgrims

Sector	2017	2018	2019
Communication services	3,743	7,411	7,098
Health services	30,870	32,579	30,908
Public services	86,987	192,254	257,763
Supervision and follow-up services	NA	7,310	6,336
Transportation services	35,938	47,765	38,750
Volunteers	NA	NA	9,975
Total	157,538	287,319	350,830

Source: (Saudi's General Authority for Statistics, 2022b)

activities, encompassing stores that vend souvenirs, apparel, and other merchandise. Before the COVID-19 pandemic, Arab News reported that the revenue earned by Saudi Arabia from Umrah and Hajj exceeded USD 48 billion (Fatima & Elbanna, 2020). It suggests that Umrah is a sustainable source of income for Saudi Arabia throughout the year, in contrast to oil (Al-Zahrani & Md Salleh, 2023; Bokhari, 2017).

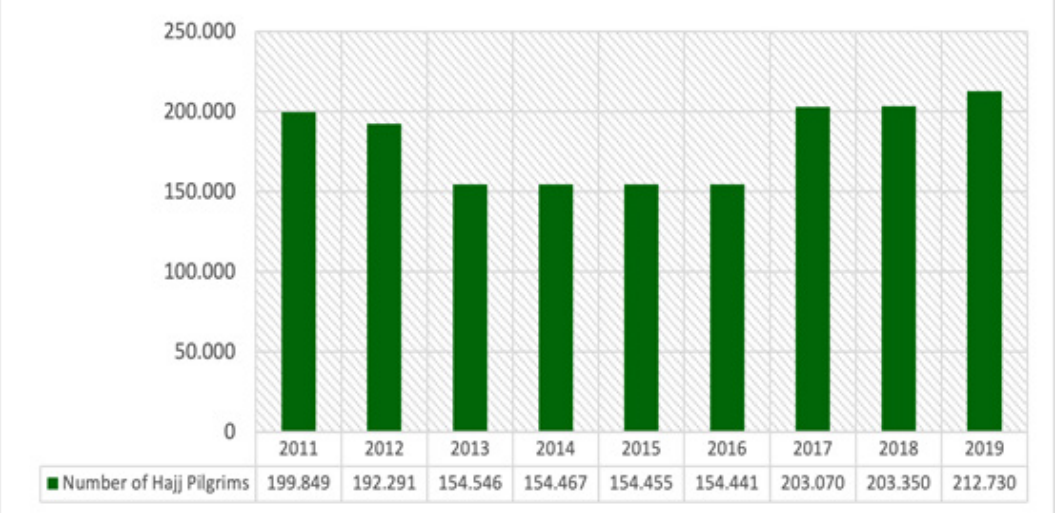
The COVID-19 pandemic has resulted in a notable decline in revenue for the Hajj and Umrah sectors in Saudi Arabia, ranging from approximately 35% to 40% (Al-Zahrani & Md Salleh, 2023; Muneeza & Mustapha, 2021). At between USD 5,000 and USD 15,000 per pilgrim, the anticipated expense of the Hajj and Umrah would cause a loss of about USD 12 billion (Fatima & Elbanna, 2020). Reducing Hajj and Umrah pilgrims over several months was detrimental to the government and business owners relying heavily on pilgrims' attendance (Al-Zahrani & Md Salleh, 2023).

For instance, in the 2020 Hajj, only 1,000 pilgrims attended instead of the usual 3.5 million (Ebrahim et al., 2021; Rahmadhanitya & Jatmika, 2021). In 2021, the Saudi Arabian government continued its policy to prevent the spread of COVID-19. As part of this policy, the Hajj pilgrimage should only be carried out with a limited quota. This quota is reserved primarily for Saudi Arabian citizens and expatriates living in Saudi Arabia (Rahmadhanitya & Jatmika, 2021; Surya, 2021).

ECONOMIC OPPORTUNITIES FOR INDONESIA FROM HAJJ AND UMRAH IMPLEMENTATION

Hajj and Umrah have profoundly influenced not only the spiritual well-being of pilgrims but also the sociological, political, and economic aspects of Islamic countries. These interdependent aspects have strengthened the excellent relationship between Saudi

Figure 1. Number of Indonesian Hajj pilgrims



Source: (Lidwina, 2021; Statistics Indonesia, 2022)

Arabia and the Islamic countries, resulting in mutual economic benefits for both parties (Nouri Kouchi et al., 2018). Over the past 20 years, the Indonesian Muslim populace has burgeoned into a prosperous middle class with formidable financial clout. The number of possible Umrah pilgrims from Indonesia has escalated due to this phenomenon, the long-standing positive relationship between those two nations, and the Hajj pilgrimage waiting period, which has also risen (Juned & Saripudin, 2017).

Along with the stability of the national economy, the number of applicants for the Hajj pilgrimage has increased yearly, causing a longer waiting list. On the other hand, Indonesia's Hajj quota is only 221,000 pilgrims each year (Muheramtohadi, 2020). The Ministry of Religious Affairs of the Republic of Indonesia, the leading organization in charge of arranging the Hajj pilgrimage in Indonesia, manages the money deposited by prospective pilgrims of a minimum of IDR 35 million per pilgrim (Irawan, 2010). Annually, the Umrah industry has generated up to IDR 7.2 trillion in state revenue through worship guides, transportation, and travel agency profits (Rahmadhanitya & Jatmika, 2021). The combined revenue from Hajj and Umrah annually has offered a state profit of IDR 1.4 trillion (Hanifan, 2016; Rahmadhanitya & Jatmika, 2021).

Unfortunately, the revenue has not been utilized to facilitate the development of Indonesian exports to Saudi Arabia or promote goods and services from Indonesia during the Hajj and Umrah seasons. According to Indonesia's Hajj Public Relations Bureau, since Law No. 13 of 2008 became operative, the congregation's Hajj savings have been invested in Sharia deposits and SBSN (Muheramtohadi, 2020). The Ministry of Religious Affairs of the Republic of Indonesia often utilizes the income generated from profit sharing of savings and investment proceeds. For instance, in 2010, the Ministry employed the profit-sharing funds received from the initial congregation deposits, which amounted to IDR 1,051 trillion, for various purposes, such as image branding, consultant fees, and legal advisor payments (Irawan, 2010).

Indonesia's management of Hajj deposits for investment purposes is similar to that of other Islamic countries such as Malaysia. Muheramtohadi (2020) explained that Malaysia established a similar model earlier with the implementation of Tabung Haji in 1962. Malaysians' Hajj funds are allocated to diverse sectors, including real estate, the hospitality industry, oil palm cultivation, and commerce. It also helped Malaysia when the monetary crisis hit the Southeast Asian region in 1997-1998. Thus, Malaysia's Tabung Haji became the

largest Islamic-based non-bank financial institution in the world (Muheramtohadi, 2020). Hence, Indonesia could adopt a similar approach as both countries have similarities in diverse aspects.

The Hajj savings fund can also be utilized to develop exports of Indonesian services related to Hajj. For example, the funds can be employed to encourage catering entrepreneurs and transportation service providers from Indonesia to provide services in Saudi when the Hajj season arrives or in the implementation of Umrah. In addition, along with the development of Hajj and Umrah-related infrastructure in Saudi Arabia, the Hajj savings fund can also be used to invest in the property and hotel sector in Saudi Arabia. Hence, when Indonesian Hajj and Umrah pilgrims come to Saudi, they can experience services like in Indonesia and Indonesian food in Saudi at a lower price.

Several efforts have been made to facilitate and utilize the moment of Hajj and Umrah to bring economic benefits to Indonesia. For example, PT Pos Indonesia and the Ministry of Religious Affairs of the Republic of Indonesia collaborated to improve shipping services for Indonesian pilgrims with the "Kargo Pos Haji dan Umrah" service. Kargo Pos is a convenient solution for Indonesian Hajj and Umrah pilgrims regarding excess luggage left behind in Saudi Arabia. With this service, pilgrims can focus more on performing Hajj and Umrah properly. Therefore, starting in 2014, the Ministry of Religious Affairs of the Republic of Indonesia set a policy, allowing excess luggage of pilgrims to be transported by national cargo. In addition to facilitating the pilgrims, this policy can also benefit Indonesia's national cargo service providers (The Ministry of Communications and Informatics of the Republic of Indonesia, 2014).

In 2021, the Indonesian Chamber of Commerce and Industry (Kadin), the Ministry of Trade, the Ministry of Religious Affairs of the Republic of Indonesia, the Ministry of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia, and others worked together to support the growing role of small and medium enterprises (SMEs) in meeting the needs of Indonesian pilgrims performing the Hajj and Umrah (Nasytha & Dewi, 2023). To address the needs of Indonesian pilgrims performing the Hajj and Umrah, this initiative allows SMEs' products to be exported from Indonesia to Saudi Arabia. It also provides more significant opportunities for Indonesian SMEs to contribute to increasing non-oil and gas exports. Moreover, Saudi Arabia has a significant market potential for providing food and beverage needs for Hajj and Umrah pilgrims. Since 2019, the Ministry of Religious Affairs of the Republic of Indonesia has required Indonesian products from Hajj service providers in Saudi Arabia, such as soy sauce, chili sauce, coffee, and tea. By leveraging this collaboration, Indonesia can enhance its export volume to Saudi Arabia by introducing SME products alongside a range of other export-ready products, including toiletries like towels, soap, shampoo, and toothpaste, as well as addressing land transportation requirements within Saudi Arabia (Cabinet Secretariat of the Republic of Indonesia, 2021). Entering the Saudi Arabia market in regards to Hajj and Umrah is also essential to boost the overall SMEs' 15% contribution to Indonesia's total exports, especially in its export to Saudi Arabia, which by 2022 valued at USD 2.02 billion (OEC, 2022; Tim Bisnis, 2024).

During the Hajj, the Indonesian Consulate in Jeddah partners with the Indonesia Trade Promotion Center and the Indonesian Hajj Pilgrim Management Committee to promote Indonesia's export products to Indonesian pilgrims. They utilize the buses rented by the Hajj organizing committee for this purpose. The Indonesian Consulate General has conducted a campaign for Indonesia's superior export products by placing stickers on the bodies of the buses that transport the Hajj pilgrims. The buses are also plastered with stickers of pictures of the beauty of Indonesia, according to the provisions of Islam (Sharia), with a large inscription, *"Visit Indonesia."* The buses continuously move from the hotels where Indonesian pilgrims stay to the Grand Mosque by taking various routes in Makkah. The buses serve as a means of promoting and continuing to travel; hence, they can be seen and witnessed by pilgrims from different countries and the people of the city of Makkah. Traveling promotional activities have

become one of the most effective means for public branding awareness campaigns for export products and various tourist destinations in Indonesia. Numerous parties in Indonesia have been involved in the trade promotion initiative, as is the Indonesian Consulate General's operational region in Jeddah, Saudi Arabia. The Indonesian Chamber of Commerce and Industry (Kadin), the State-Owned Enterprise of the Republic of Indonesia (BUMN), the Ministry of Foreign Affairs of the Republic of Indonesia, the Ministry of Trade of the Republic of Indonesia, the Ministry of Religious Affairs of the Republic Indonesia, and Saudi businesspeople importing or distributing goods from Indonesia are some of these stakeholders.

In addition to trade promotion, the Consulate General in Jeddah, in the 2016-2019 period, also conducted a series of tourism promotion activities in collaboration with the Ministry of Tourism and Creative Economy of the Republic of Indonesia, organized promotional mission activities independently, and participated in special exhibitions regarding the tourism market in Jeddah. The Consulate General of Indonesia in Jeddah has actively utilized not only its various social media platforms to promote Indonesian tourism but also often employed conventional Saudi media, such as newspapers and television stations, including when commemorating the Independence Day of the Republic of Indonesia, by making articles or loading news related to Indonesian tourism.

Tourism promotion activities in Saudi Arabia are handled by the Consulate General in Jeddah and Visit Indonesia Tourism Officers (VITO), operating under the Ministry of Tourism and Creative Economy of the Republic of Indonesia. VITO serves as a representative of the Indonesian government and is tasked with understanding the international market's situation, conditions, and preferences. Various independent and joint activities and programs aim to promote Indonesian tourism. These include sales missions with the Ministry of Tourism of the Republic of Indonesia, which often adopts a private organizing committee (event organizer), and the services of VITO in Jeddah contracted explicitly by the Ministry of Tourism of the Republic of Indonesia. Unfortunately, despite these efforts, the number of tourists from Saudi Arabia to Indonesia remains low. This situation should be the primary concern of decision-makers and stakeholders in Indonesia.

These efforts are in line with the main priority of diplomacy of Indonesian representatives in Saudi Arabia, mainly in carrying out the promotion of economic diplomacy. Economic diplomacy can be understood as a variety of diplomatic activities intended to boost economic cooperation between Indonesia and Saudi Arabia, covering the fields of trade and tourism as well as facilitating Indonesian pilgrims in performing Hajj and Umrah (Saripudin et al., 2023). However, the implementation of economic diplomacy should also consider the existing conditions, as well as the condition of Saudi Arabia, which has the intention to gain as much income as possible from Hajj and Umrah.

This study argues that one of the key issues in Indonesia's economic diplomacy with Saudi Arabia in terms of Hajj and Umrah is unaligned between the private sectors and the governments. Regardless of the efforts of the government of Indonesia to open the Saudi Arabian market, economic diplomacy would fail if the private sector, as the main motor, is unprepared for such opportunities. Therefore, better cooperation based on mutual understanding regarding existing conditions between the private sector, the pilgrims, and the government should be built before being manifested in solid, comprehensive, and sustainable policies.

CONCLUSION

Hajj and Umrah are part of the service industry in Saudi Arabia, and the revenue generated from this sector is crucial for the country's economic growth, which aims to diversify its activities beyond oil-based ones. Indonesia has many Hajj and Umrah pilgrims, presenting a significant economic opportunity for the country to boost its exports during the Hajj and Umrah season. In addition, efforts to promote Indonesia's superior export products and tourist destinations in Indonesia by placing stickers on the bodies of buses transporting pilgrims are potential opportunities to raise tourist visits to Indonesia. Hajj and Umrah, regardless of their unique position for

Muslims, can be investigated using the perspective of the economic impacts of tourism. This study unveiled that Hajj and Umrah, as other tourism phenomena, could also generate economic benefits in the pilgrims' home countries. In this regard, Hajj and Umrah packages could be described as service products, while Hajj and Umrah pilgrims could be positioned as religious tourists, customers and consumers. This study also revealed that Hajj and Umrah have significant economic benefits for Saudi Arabia and could be an economic opportunity, especially for exports of various goods and services from Indonesia. The availability of Indonesian products and services the government provides is ultimately expected to raise the satisfaction and solemnity of Indonesian Hajj and Umrah pilgrims and bring economic benefits.

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