

# DETERMINANTS OF THE INTERNATIONAL TOURISM DEMAND IN THAILAND: A PANEL DATA ANALYSIS

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## ABSTRACT

This study aims to investigate the important determinants of international tourism demand in Thailand. Since the tourism industry, particularly international tourism is substantially important to the overall economy by contributing to economic growth, employment, and national income, it will be beneficial for policymakers to understand its determinants. The data from 20 key tourist economies visiting Thailand during 2010-2019 is employed. The main reason employed the data up to 2019 is that the Covid-19 outbreak that occurred at the end of 2019 caused tourism to decline tremendously. Thus, utilizing the data in this period may not be appropriate to examine the tourism demand. To estimate the results, an augmented gravity model popularly applied to study international economic activities is utilized to estimate the outcomes by a panel data approach. The study outcomes indicate that the real income per capita of a tourist country, real exchange rate, bilateral trade between tourist economies and Thailand, and free trade agreements (FTAs) support inbound travel, while the geographic distance and internal and external shocks negatively affect international tourism. Hence, if the positive tourism factors are enhanced and the impacts of negative factors are minimized, it will be beneficial to the tourism industry, related sectors, and the overall economy.

**Keywords:** Tourism Demand, Factors, Determinants, Gravity Model, Panel Data, Thailand

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