

ABSTRACT

This study aims to Analysis Of Determinant Of Tourist Arrival In Indonesia : The Case Of Southeast Asian And European Originating Countries. The tourism industry is a platform that must be utilized to promote economic expansion. Tourism is recognized as a prosperous industry because it is capable of creating millions of jobs and utilizing the labor force of all other industries, including manufacturing, agriculture, and service industries. This study employs a dynamic panel dataset to estimate the impact of Indonesia GDP, GDP country of origin, Destination Country Real exchange rate, Real exchange rate country of origin, Geographical distance, and political stability on Indonesia's international tourism demand, capturing demand and supply side effects. The results indicate that the Gross Domestic Product of the country of origin and political stability of destination country have a positive impact on tourist arrivals in indonesia, whereas the country of origin real exchange rate and geographical distance have a negative effect. moreover, destination country real GDP per capita and destination country real exchange rate are negative and insignificant in relation to tourist arrivals. due to the true gap between sample size and gap result, covid-19 dummy variables are negative and significant because it refers to a pandemic-caused volatility that severely damaged the entire global economy. The originating countries dummy variable is positive and statistically significant, highlighting the importance of proximity in attracting the appropriate target market for Indonesia's tourism industry.

Keywords: tourism demand; foreign tourist; panel data model; Indonesia