

ABSTRACT

This study aims to analyze the role of tourism demand factors in determining the net flow of tourists between Indonesia and 13 APEC member countries for the period 2014-2020. Using the fixed effect model (FEM) analysis method, this study focuses on the influence between tourism demand factors and policies as independent variables on the net flow of tourists as the dependent variable. Tourism demand factors are explained by income variables (GDP), relative tourism prices, and exchange rates, while policy factors are explained by the visa-free visit policy. The results showed these variables simultaneously were able to explain the changes in the number of tourist flows. Income variables, Indonesia tourism price relative to APEC countries, and visa-free visit policy have a significant positive effect on the net flow of tourists. The exchange rate described by bilateral exchange rate has no significant effect in this model. These results indicate that economic factors and policies play an important role in influencing tourist flows. This research can help policymakers maximize the potential of the tourism sector as a driver of the national economy.

Keywords : *net flow of tourists, income, relative tourism price, exchange rate, visa policy, APEC*