

ABSTRACT

This study aims to analyze the determinants of international tourist arrivals to Indonesia during the period 2013–2024. The independent variables used in this research include relative prices, hospitality, trade openness, and the GDP per capita of the tourists' countries of origin. Panel data consisting of ten major source countries of foreign tourists were analyzed using the Random Effect Model (REM), selected based on the Chow test, Hausman test, and Lagrange Multiplier test. The empirical findings show that relative prices have a negative and significant effect on international tourist arrivals, indicating that higher travel costs reduce Indonesia's attractiveness as a destination. Hospitality and trade openness exhibit positive and significant effects, suggesting that social factors and cross-country economic integration play an important role in supporting tourism demand. In contrast, GDP per capita has a negative and insignificant effect, implying that income levels in origin countries do not directly influence travel decisions to Indonesia. Simultaneously, the four variables explain approximately 67% of the variation in international tourist arrivals. These results highlight the importance of both economic and non-economic determinants in shaping tourism demand and provide essential insights for policymakers in strengthening Indonesia's tourism competitiveness.

Keywords: *international tourism demand, relative prices, hospitality, trade openness, GDP per capita, panel data, Random Effect Model.*