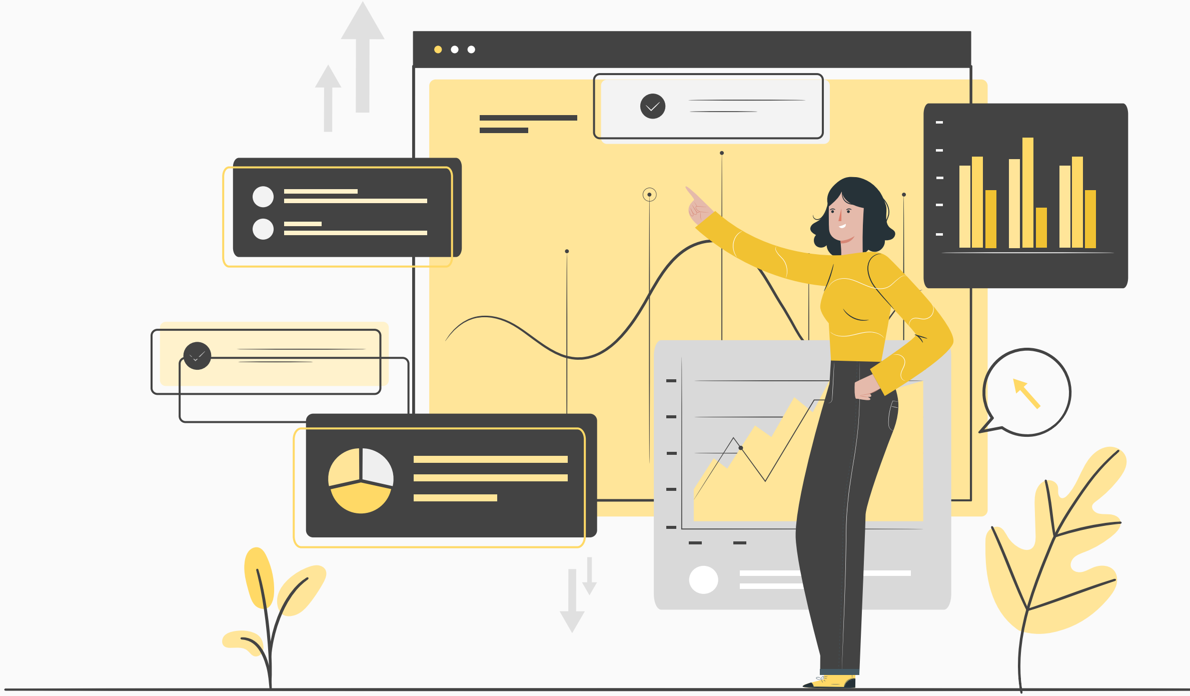
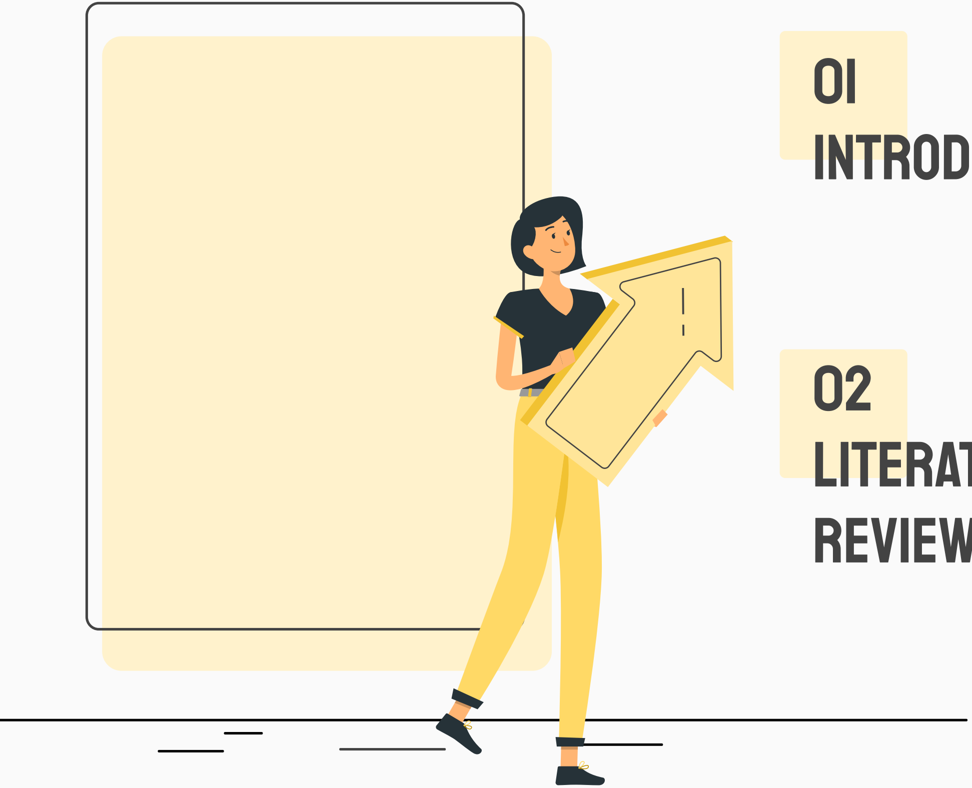
FACTORS THAT CONTRIBUTE TO TOURISM GROWTH IN THAILAND





Thailand's GDP

504.99 BILLION USD

Tourism

66.25 BILLION USD

Manufacture

23.71 BILLION THB

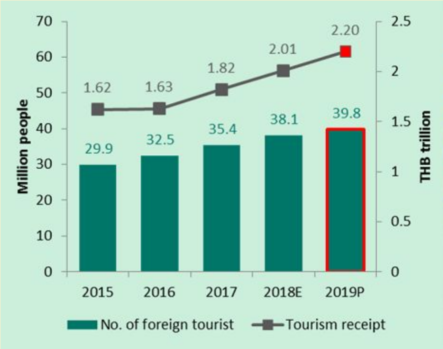
Transport

6.04 BILLION THB

Agriculture

5.89 BILLION THB

01. INTRODUCTION



GDP = 504.99 Billion USD

Tourism = 66.25 Billion USD
(13.119%)
(9.45% Revenue growth)

Source: tradingeconomics, Kasikorn Bank

STUDY OBJECTIVES

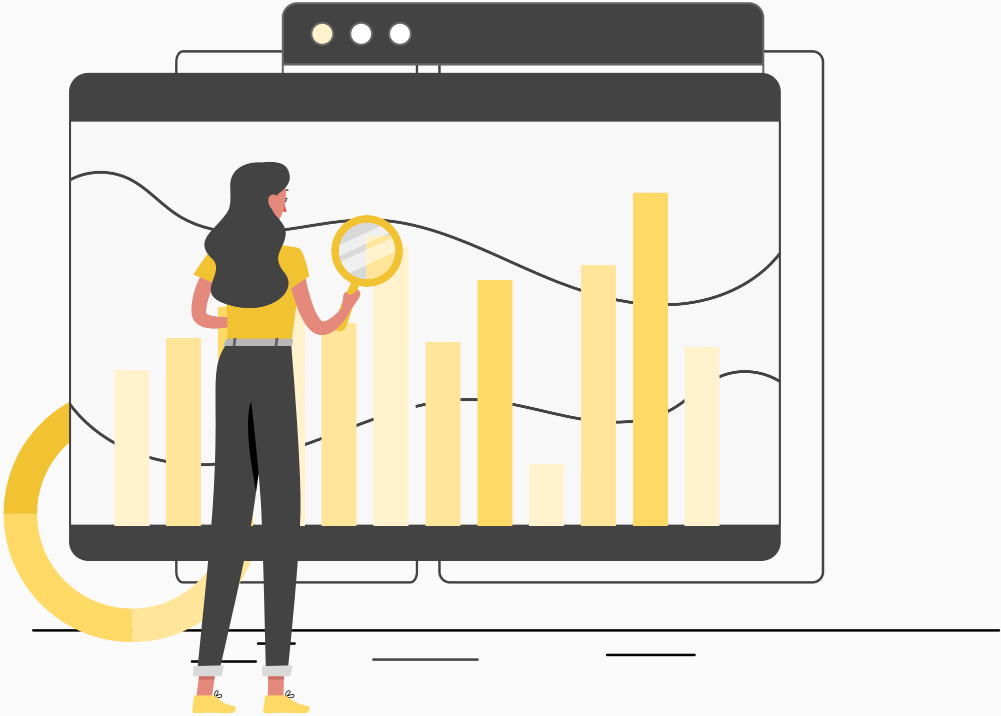
RELATIONSHIP

Between Tourism
and
Contributing factors

ANALYSIS

Measuring which factors contribute the most to the tourism industry

02.
LITERATURE REVIEW



LITERATURE REVIEW

HOW TOURISM GENERATE GDP GROWTH

1. **SPILLOVER EFFECT :** Transportation, Constructing, goods and services
2. **ENHANCE EFFICIENCY :** More competition
3. **CONTRIBUTION TO BOP**
   - Foreign currency inflow to the country to offset the Current Account deficit (especially, agricultural export country)
4. **FINANCE:** Inflow of foreign exchange to import capital goods to produce export products
5. **EXPLOITATION OF ECONOMIES OF SCALE**

Source: Southern European Countries Case, spanish Case

FACTORS ATTRIBUTING TO TOURISM ARRIVAL

1. **GROSS DOMESTIC FIXED INVESTMENT PC** – land improvement, PPE, infrastructure
2. **GROSS DOMESTIC PRODUCT PC** – economic strength
3. **PRICE** – [ER/PPP conversion factor] how expensive the cost of living with respect to U.S..
4. **PUBLIC SPENDING ON ON EDUCATION PC**
5. **SCHOOL ENROLLMENT, SECONDARY AND TERTIARY**
6. **LIFE EXPECTANCY AT BIRTH** – indicate good hospitality and environment
7. **TRADE** – [(X+M)/GDP]

Source: Latin American Countries Case, Korean case

GDP & EXCHANGE RATE

Exchange Rate

Purchasing power of tourist

their currency
appreciate
Against us

their currency
depreciate
Against us

T&T sector in Mexico, **where 84% of international arrivals** come from countries using the **US dollar. The strength of the US dollar** against the Mexican peso has a significant impact on Mexico's T&T sector.

Political instability

Consumer confidence & business sentiment

GDP

Indicator of Country's performance

Thai **political crisis** have a lot of impact on the economic of the country and also decrease the **number of tourism** coming to visit Thailand

GDFI & PUBLIC SPENDING ON EDUCATION AND SCHOOL ENROLLMENT

Fixed Investment

↓

Infrastructure & land improvement

↓

- **Transportation** to rural tourist spot
- Reach **full potential** tourism number through increasing **airport's capacity**

Public spending on education & school enrollment

- opportunity to apply **theory to practical**
- develop **personal skills** & **abilities**

professional and practical skills required by tourism industry

Improve service sector → T&T industry (L-intensive industry)

LIFE EXPECTANCY AT BIRTH AND TRADE

Life Expectancy at Birth

family formulation
birth rates
divorce rates.

→ **Population growth**

Direction & composition of
demographic trend
(most important external factor)

↓

shape the future of tourism

massive **opportunity** in era of **ageless society** where age is undefined

Trade

↓

Visit the business partner's country
(business dealing & due diligence)

BUT

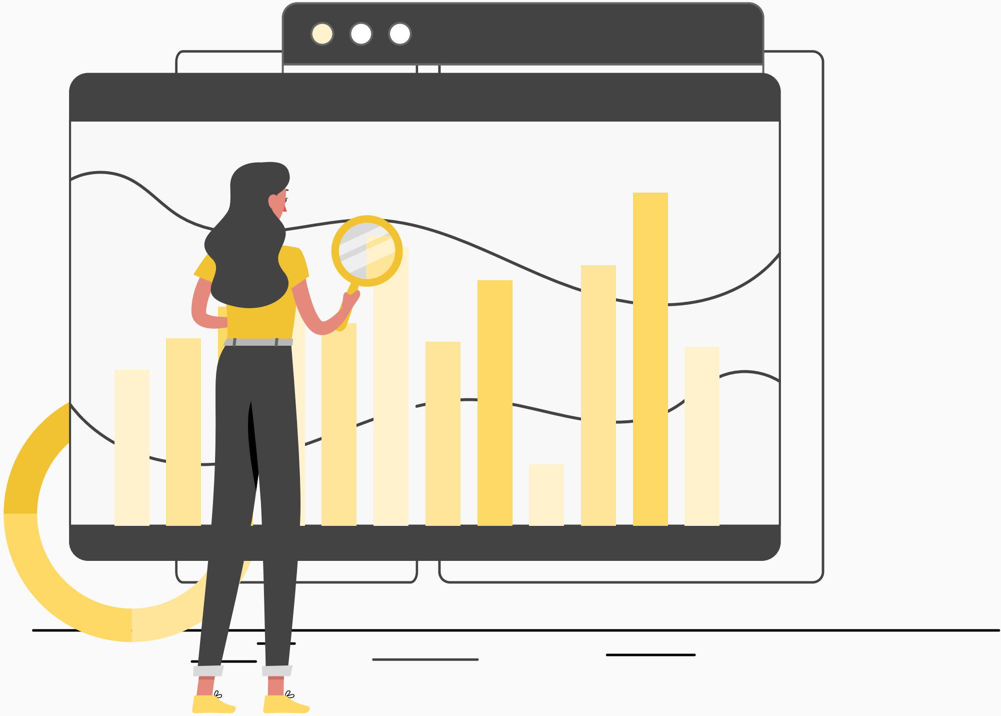
Technology (Online business dealing)

↓

may reduce the coefficient

03.

FRAMEWORK



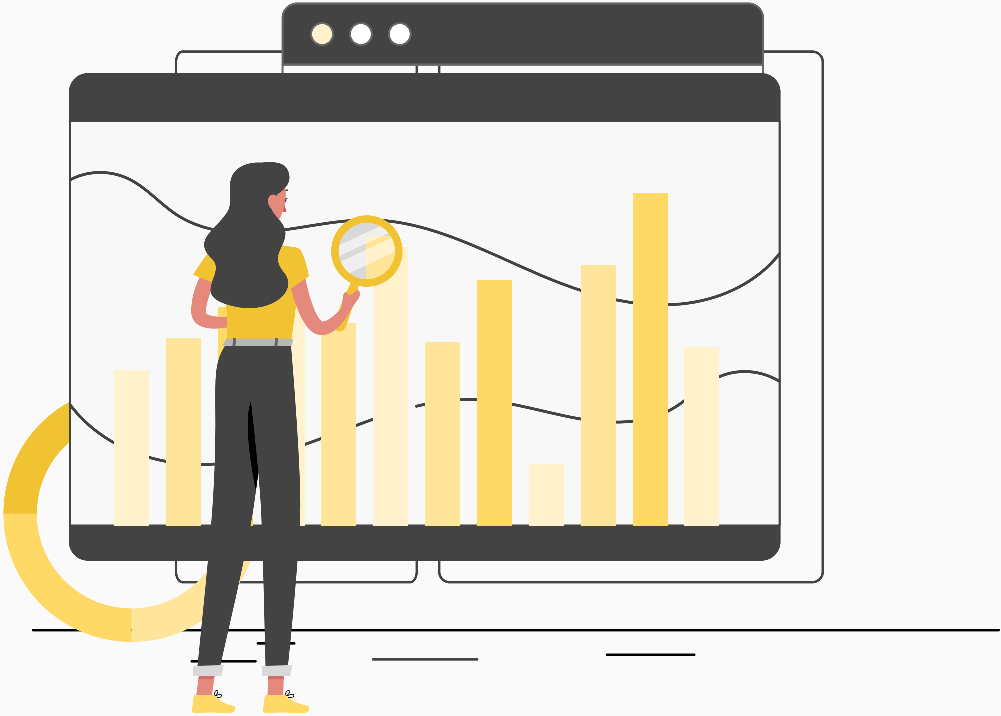
FRAMEWORK

GDFI PER CAPITA
GDP PER CAPITA
EXCHANGE RATE
PUBLIC SPENDING ON ON EDUCATION PER CAPITA
SCHOOL ENROLLMENT, SECONDARY
SCHOOL ENROLLMENT, TERTIARY
LIFE EXPECTANCY AT BIRTH
TRADE

→

TOURISM GROWTH

04.
RESEARCH METHOD



RESEARCH METHOD

STEP 01
Measurement

STEP 02
Sources of data

STEP 03
Method of Analyzing

RESEARCH METHOD

MEASUREMENT

- GROSS DOMESTIC FIXED INVESTMENT
- GROSS DOMESTIC PRODUCT
- PRICE
- PUBLIC SPENDING ON ON EDUCATION
- SCHOOL ENROLLMENT, SECONDARY
- SCHOOL ENROLLMENT, TERTIARY
- LIFE EXPECTANCY AT BIRTH
- TRADE

SOURCE OF DATA

- https://tradingeconomics.com
- http://www.nesdb.go.th

METHOD OF ANALYZING

- REGRESSION MODEL (LS)
  - GLS
  - PANEL DATA
  - STATA

THANK YOU