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Analysis of the Tourism Sector's Linkage to Economic Growth in the ASEAN Countries

Sri Endang Putri Zagoto[1], Paidi[2], Sukardi[3]

[1]Postgraduate Students Faculty of Economics and Business, Department of Economics, Universitas Sumatera Utara, Indonesia
[2,3]Postgraduate Lecturer Faculty of Economics and Business, Department of Economics, Universitas Sumatera Utara, Indonesia

Corresponding Author: Sri Endang Putri Zagoto

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ABSTRACT

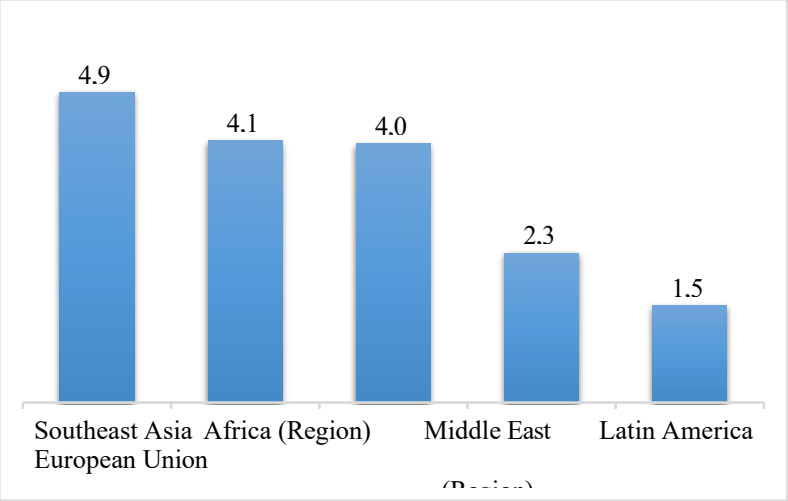
This study aims to analyze the relationship between the tourism sector and economic growth in ASEAN countries (Thailand, Singapore, Malaysia, Indonesia, Vietnam, the Philippines, and Cambodia). Specifically, the study examines the effects of tourist arrivals, the number of hotels, tourism expenditure(outbound) and tourism receipts on economic growth. The method employed is panel data regression analysis, with the Fixed Effect Model (FEM) selected as the best-fitting model based on model selection criteria. The results indicate that the variables of tourist arrival and the number of hotels do not have a significant impact on economic growth in the ASEAN region. In contrast, tourism expenditure and tourism receipts have a positive and significant influence on economic growth. These findings suggest that improvement in the quality and economic value of the tourism sector play a more substantial role in driving economic growth than merely increasing the quantity of tourists or accommodation infrastructure.

Keywords: *Tourism, Economic Growth, ASEAN, Panel Data, Fixed Effect Model*

INTRODUCTION

Economic development has an important role in a country because it has a wide impact on various aspects of people's lives and the development of the country as a whole. Development aims to realize the prosperity of society through the development of the economy in a country. Benchmarks for successful development can be seen from economic growth, economic structure and the level of inequality between the population. Economic development is calculated by taking into account the increase in population and is accompanied by fundamental changes in the economic structure of a country and the equalization of income for the population, Robert (Zulkarnain, 2015). Economic development promotes economic growth and vice versa economic growth facilitates the process of economic development.

Based on IMF data, the percentage of Southeast Asian economic growth over the past 20 years is quite rapid. From 1980-2023 the ASEAN region recorded an average growth of 5.16%, surpassing the regions of Africa, the Middle East, Latin America and the European Union. In 2022. The combined total GDP of all ASEAN countries was worth US$ 3.2 trillion in 2019, which places ASEAN as the fifth largest economy in the world after the United States, China, Japan and Germany.



Source: International Monetary Fund (IMF), 2024
Figure 1 GDP growth Per region 2002-2022

The tourism sector is a key component of the economy in the service sector that is able to trigger the economic growth of countries in the world. Some experts say tourism is a complex and fragmented sector, the existence of which is difficult to measure and define as tourism trends continue to change every time. The tourism sector has contributed to the development of the world economy and moves 700 million people around the world. Tourism is expected to be a sector that continues to grow as orange-people today are becoming increasingly mobile and prosperous (Kusni, et al., 2013).

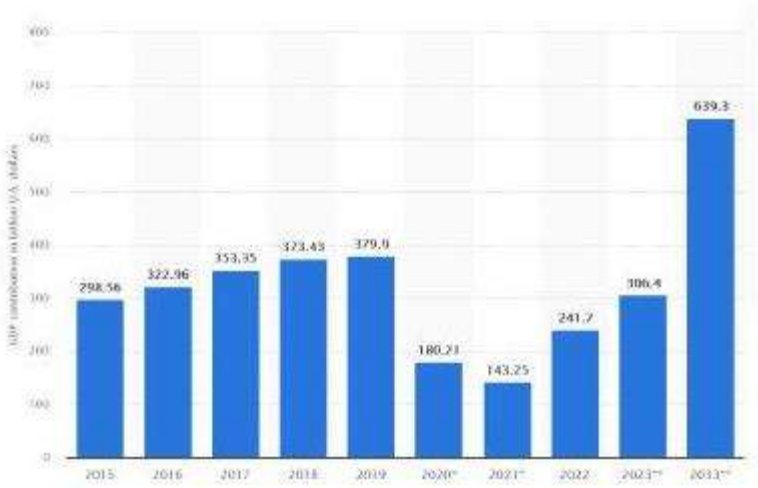
Tourism is a rapidly growing sector worldwide, offering great potential to increase GDP and create jobs (Yong, 2022). The development of Tourism also encourages and accelerates economic growth. Tourism creates demand, both consumption and investment, both of which will lead to the production of goods and services. Tourism creates a multiplier effect on sectors related to tourism activities. During the tour, tourists will make purchases, thus directly causing market demand for goods and services (tourism final demand). Furthermore, tourism final demand indirectly raises the demand for capital goods and raw materials (Investment delivered demand), to operate to meet tourist demand for these goods and services. In an effort to meet the demand for tourism, investment is needed in the fields of transportation and communications, hospitality and other accommodation, handicraft industry, Consumer Products industry, clothing industry, restaurants, and so on. According to the World Travel and Tourism Council (WTTC) report, in 2023 the tourism sector will contribute about 7.6% to global Gross Domestic Product (GDP) and create 300 million jobs, which will minimize the economic impact of tourism activities globally.

ASEAN is a region with a variety of markets, economies, and cultures, making it one of the most competitive regions in the world today. The association consists of 11 countries, namely: Singapore, Thailand, Malaysia, Indonesia, Vietnam, Philippines, Cambodia, Laos, Myanmar, Brunei Darussalam, and Timor Leste. The ASEAN community is strongly influenced by the region's rich history, diverse customs and traditions, religious beliefs, economic progress, innovation, technological sophistication. The region's culture has been shaped into a gigantic blend of Indian, Chinese, Portuguese, Spanish, American, and indigenous Malay influences, making it one of the most exciting places to visit.

In the ASEAN region itself, tourism is one of the leading sectors that continues to be developed as a driving force for the regional

economy. Since the inception of ASEAN, Tourism has been one of the main areas of cooperation. This condition is driven by the geographical location of the ten diverse member countries and invites interest from tourists to travel to ASEAN. ASEAN member countries such as Thailand, Indonesia, Malaysia, and Vietnam have long made tourism an alternative and significant economic diversification strategy and source of income.

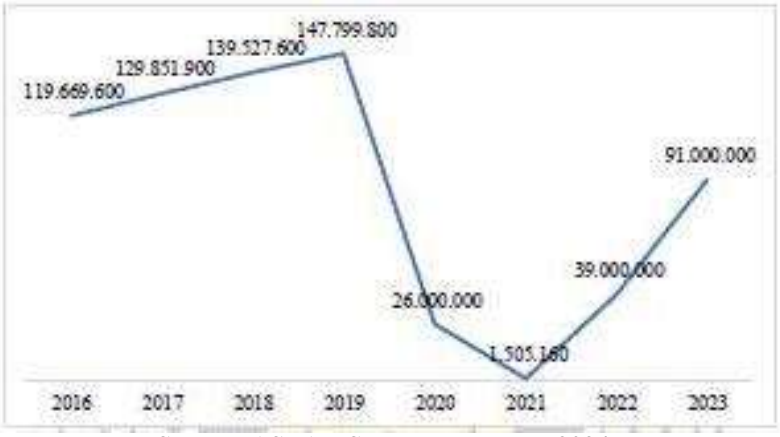
The contribution of the tourism sector to ASEAN GDP since 2015-2019 continued to increase, before finally declining in 2020-2021 due to the Covid-19 pandemic. However, in 2022 the total contribution of the tourism sector sector experienced a fairly rapid increase of 241.7 USD (6.8%) to ASEAN gross domestic product. It is expected to increase by 7.6% annually to USD639.3 billion from 2023 to 2033 (11.1% of GDP). In Figure 1.2, the following data presents the contribution of the tourism sector to ASEAN GDP and its forecasts.



Source: WTTC (World Travel and Tourism Council)

Figure 2 the total contribution of tourism to GDP in ASEAN, with forecasts for 2023 and 2033 (in Billion US dollars)

The United Nations World Tourism Organization (UNWTO) reports that the ASEAN region is the region with the fastest growing international tourist arrivals in the world and Southeast Asia ranks third among thirteen regions in the world in terms of tourism industry. Southeast Asia is also recognized as the most tourism-friendly region by the World Economy Forum. Based on data from Wold Bank and the ASEAN Stats Data Portal, the number of tourist visits in ASEAN countries continued to increase until 2019, before finally dropping dramatically in 2020 due to the Covid-19 pandemic and continuing to decline until 2021 due to restrictions imposed by the government to suppress the spread/transmission of the corona virus. However, the ASEAN tourism industry has risen again after the pandemic, this can be seen in 2022 the number of tourist visits has increased again. Although it has not reached the same number before the pandemic, this recovery shows optimism and great potential for the future.



Source: ASEAN Stats Data Portal, 2024

Figure 3 the level of foreign tourist visits to ASEAN before and after the Covid-19 pandemic

ASEAN has various advantages that have the potential to attract tourists and investors. ASEAN has an amazing wealth of topography, land formations, and waters in many countries. The region's rich culture is reflected in its many ancient sites, vibrant cultural festivals, and world-class cuisine, making it a major tourist attraction and asset for investors. In addition, there is also medical tourism which continues to be a niche area in ASEAN for tourists who visit this region for treatment and undergo medical procedures.

One of the main indicators that reflect the tourism sector on the economy is tourism expenditure. As long as tourists enjoy tourist activities, they will carry out consumption activities of goods and services to meet their needs. These expenses cover various aspects such as accommodation, transportation, food and beverages, entertainment, and shopping. Tourism expenditure not only provides direct revenue for the tourism sector, but also provides a multiplier effect that impacts other sectors of the economy. For example, increased demand and local services can drive domestic product, create jobs and increase tax revenue.

The tourism sector has become an important pillar in the economic dynamics of ASEAN countries, both in terms of foreign exchange earnings and its contribution to employment and economic growth. However, in addition to receiving foreign tourists (inbound), ASEAN countries also recorded a relatively high trend of outbound tourist spending. Data from various international tourism reports show that countries such as Singapore, Malaysia, and Thailand have significant levels of outbound tourism expenditure per capita, exceedingly even some developed countries. For example, according to the UNWTO report (2023), Singapore's average outbound tourism expenditure reaches more than 10 billion US dollars per year, reflecting the high purchasing power of the people as well as the increasing preference for overseas travel.

This phenomenon indicates that most ASEAN communities not only play a role as tourism hosts, but also as active players in the global tourism market. This high outbound expenditure is driven by several factors, including the growth of the middle class, air transportation accessibility, and increasing public awareness of global lifestyles. However, high outbound tourism expenditure can also have economic implications, such as foreign exchange leakage and reduced domestic consumption potential, so it is necessary to study more deeply how this phenomenon interacts with regional economic growth.

Based on data from Wold Bank, in 2019 the total outbound tourism expenditure in ASEAN was USD 89.246 billion. Singapore became the country with the largest tourism expenditure in ASEAN at USD 25.24

billion in 2019. Thailand came in second with $ 16.85 billion. Indonesia with a total tourism expenditure of USD 14.46 billion and Malaysia of USD 13.68 billion.

Table 1 tourism expenditure in 7 ASEAN countries

Data Source	2019	2020	2021	2022
Indonesia	14.449.000.000	5.259.000.000	8.140.000.000	11.284.000.000
Cambodia	1.162.000.000	213.000.000	31.950.000	2.300.000.000
Vietnam	6.460.000.000	4.360.000.000	3.562.000.000	4.974.000.000
Malaysia	13.694.000.000	3.775.000.000	6.092.000.000	8.003.000.000
Philippines	12.926.000.000	1.682.000.000	2.681.000.000	3.902.000.000
Singapore	25.245.000.000	8.149.000.000	13.621.000.000	21.374.000.000
Thailand	14.969.000.000	3.681.000.000	4.463.000.000	8.862.000.000

Source: World Bank, 2024.

The commitment of ASEAN countries to tourism development is reflected in the ASEAN Tourism Strategic Plan (ATSP) 2016-2025 document, which aims to make the ASEAN region a competitive, sustainable and inclusive tourism destination. This strategy includes joint promotion, improving the quality of services and destinations, strengthening connectivity, and harmonizing policies between member states (ASEAN Secretariat, 2016). These efforts are expected to strengthen the contribution of the tourism sector to the region's economic growth.

However, the ASEAN tourism sector faces a variety of issues, one of the main challenges being political instability and security. For example, political tensions in Myanmar due to a military coup in February 2021 have reduced the interest of international tourists to visit. In the Philippines, security issues in Mindanao, as well as incidents of terrorism, also negatively affect the perception of tourist safety.

In addition, the impact of COVID-19 is still felt with a drastic decrease in the number of international tourists causing a decrease in tourism revenue. According to the World Travel & Tourism Council (WTTC) report, the ASEAN tourism sector has decreased its contribution to GDP from 12.1% in 2019 to only 8.4% in 2020. This decrease in the number of tourists has a direct impact on tourism spending. Data from the ASEAN Secretariat shows that international tourism spending in the region fell by more than 80% in 2020 compared to the previous year. Thailand, as one of the top destinations in ASEAN, recorded an 82% decline in tourism revenue in 2020, according to the Bank of Thailand. In Indonesia, the tourism sector, which previously accounted for about 5.5% of GDP, contracted sharply with a 75% drop in tourists, according to data from the Indonesian Central Statistics Agency. Vietnam, which recorded tourism growth before the pandemic, saw a sharp decline in international tourism spending that fell by 79% in 2020, according to Vietnam's Ministry of Culture, Sports and Tourism.

In 2019, there were more than 42 million people employed in the tourism sector. Based on the ASEAN report as of March 2024, the sector includes a wide range of jobs in hospitality, transportation, dining services and tourism attractions, contributing greatly to the local economies in many ASEAN member states such as Thailand, Indonesia and the Philippines. However, in 2020 the number of workers in the ASEAN tourism sector decreased dramatically due to border closures, travel restrictions and a decrease in the number of tourists. The ERIA in its Covid-19 Tourism Recovery in the ASEAN and East Asia Region report, estimates that around 10-15 million jobs in the ASEAN tourism sector were lost during the 2020 pariode, with many workers having to switch to other sectors. Although the sector began to recover in 2022, the number of workers in

the industry has not yet returned to pre-pandemic levels.

Although tourism is recognized as a driver in economic growth in many ASEAN countries, its impact is uneven across the region. Some countries with more developed tourist destinations and a more skilled workforce enjoy significant increases in GDP through increased tourism spending and the number of visits. However, other countries that may have inadequate tourism infrastructure or a poorly trained workforce have difficulty maximizing this potential, which creates a gap in the contribution of the tourism sector to economic growth. This gap underscores the need for more in-depth analysis to understand the factors that influence this gap, as well as how appropriate policies are to strengthen the positive impact of the tourism sector on economic growth in ASEAN countries.

The relationship between the tourism sector and economic growth is not always linear. Some studies show that an increase in the number of tourists or accommodation does not necessarily have a positive impact on GDP, depending on the economic structure, infrastructure readiness, and distribution of economic benefits (Ridderstaat et al., 2014). Therefore, it is important to examine more deeply the extent to which tourism indicators affect economic growth empirically. This study aims to analyze the contribution of the tourism sector to economic growth in ASEAN countries.

LITERATURE REVIEW

Economic Growth

Economic growth is an increase in the economy of a society that causes an increase in national income. In simple terms, economic growth is the state of the economy in a country at the level of a certain period either yearly, semester or quarter. According to Lincolin (Pambudi & Miyasto, 2013), economic growth is defined as an increase in GDP/GNP regardless of whether the increase is greater or less than the population growth rate, and whether there is a change in economic structure or not. According to Sukirno (Windayani & Budhi, 2017) economic growth is defined as the development of activities in the economy that cause goods and services produced in the community to increase and the prosperity of the community to increase.

Tourism

Tourism is generally described as a travel activity carried out by a person to a place outside the environment where he lives for the purpose of recreation, business, or other purposes, with a duration of stay of not more than one year (UNWTO, 2022). According to Yoeti (Munanda & Amar, 2018), tourism is a human activity carried out consciously that receives services alternately among people in a country itself or abroad, including the stay of people from other regions for a while looking for satisfaction that is diverse and different from what he experienced, where he obtained a permanent job.

Tourism Expenditure

Tourism expenditure is the total consumption expenditure made by tourists during their trip and stay in a certain region/country for tourism. According to the United Nations World Tourism Organization (UNWTO), Tourism expenditure is defined as visitor expenditure including payment for transportation, goods and services. Wenagama (2015) in mentioning that, tourism expenditure is the amount of money spent by tourists in tourist destinations.

Tourist Visits

A tourist visit is a trip made by an individual or group to a location outside their everyday environment with a specific purpose, such as recreation, business, or visiting a tourist attraction. This visit covers a variety of activities, such as visiting tourist attractions, participating in business events, or understanding local traditions. According to the World Tourism Organization (UNWTO), a tourist visit is defined as the movement of people who travel outside

their residence for more than one night for recreational, business or other reasons.

Hotel

Accommodation services are closely related to tourism and hospitality services. The calculation industry is one of the backbones that supports the development of the tourism sector. Where a tourist destination visited by tourists will need a place to stay. Economically Java tourism and hospitality are also mutually mendulkung, either financially the company/business accommodation itself or the government of a region. Hotels are one of the important components of the tourism infrastructure. According to Goeldner and Ritchie (2012), the hotel acts as the main accommodation facility that supports the needs of tourists while in the destination destination. The availability of hotels can reflect the readiness of an area to receive tourist visits, both domestic and international. According to Chan & Chio-Wei (2009), the development of accommodation, including hotels, can drive economic growth through job creation, increased tourist consumption, and domestic and foreign investment. Studies by Tang and Tan (2015) in Asian countries show that an increase in the number of hotels is positively correlated with the growth of the tourism sector, but does not necessarily have a direct impact on economic growth.

Tourism Reception

Tourism revenue is the income obtained by a country from the expenses of foreign tourists during their visits in the country. According to the UNWTO (United Nations World Travel Organization) tourism revenue is defined as all the revenue obtained by a country from foreign tourists spending while they travel in the country. This includes shopping for accommodation, food, local transport, entertainment, and other shopping. Tourism revenue is a source of deviation and is considered a direct contributor to the Gross Domestic Product (GDP) of tourist destination countries. The amount of tourism revenue is influenced by the number of foreign tourist visits, length of stay, the level of expenditure per tourist, as well as the quality and attractiveness of the tourist destination itself.

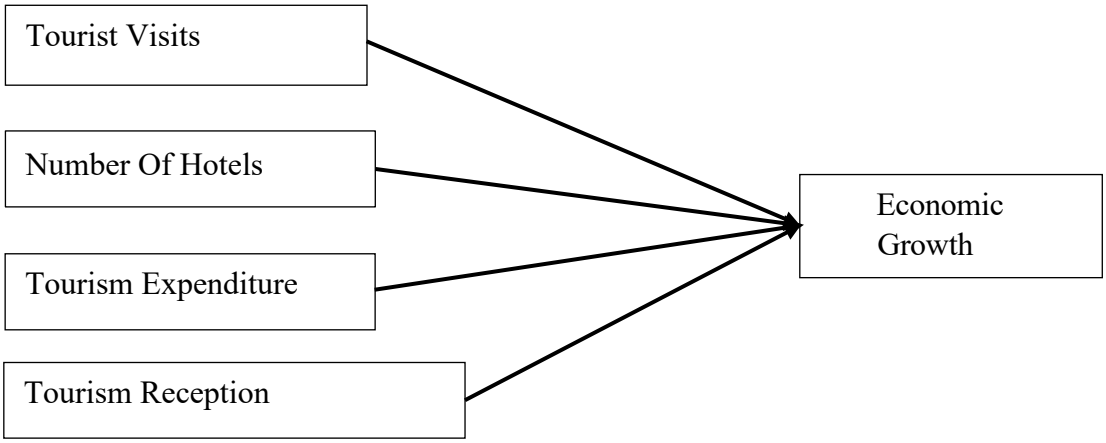


Figure 4 Conceptual Framework

Hypothesis

Based on the background of research and the relationship between variables, the research hypothesis:

There is a positive influence of tourism expenditure on economic growth in ASEAN countries

There is a positive influence of the number of tourist arrivals on economic growth in ASEAN countries

There is a positive influence between the number of hotels on economic growth in ASEAN countries

There is a positive influence between the amount of tourism revenue to economic growth in ASEAN countries

MATERIAL AND METHODS

This study used quantitative methods. Where by using secondary data in the form of panel data (time series and cross section), namely data on economic growth and tourism expenditure in 7 ASEAN countries starting from 2002-2022. Where the problems and objectives in this study, then the scope of this study examines the influence of tourism spending on economic growth of ASEAN countries (Association of Southeast Asian Nations) in 7 countries namely: Thailand, Singapore, Malaysia, Indonesia, Vietnam, the Philippines and Cambodia.

Types and Data used in this study are secondary data. Secondary Data were obtained from the World Bank (World Bank), UNWTO (United Nations World Tourism Organization) and IMF (International Monetary Fund). The Data used in this study is data with a combination of time series data and cross section data called in the form of panel data. The cross-section Data in question is data from certain years used in this study from 2002 to 2022. While the cross data used is from the data of 7 ASEAN member countries.

This research Model consists of two types of variables, the independent variable and the dependent variable, where the number of tourist arrivals, the number of hotels, tourism spending, and tourism receipts into independent variables and economic growth into the dependent variable. Here is an explanation of the operational devinisi and measurement of each variable. Dependent variable; in this study, economic growth as a dependent variable measured in the value of Gross Domestic Product (GDP). GDP is the value of the total production of goods and services that a country produces in a period of one year measured in percentage units. The independent variable is. 1. Tourist visits; the number of tourist visits includes the total number of foreign tourists visiting ASEAN in the time period 2002 to 2022.2. Number of hotels; the number of rooms, facilities and infrastructure of hotels in ASEAN countries in the period from 2002 to 2022. 3.Tourism expenditure; International tourism expenses are the expenses of international visitors traveling abroad in other countries, including payments to foreign airlines for international transportation. These expenses may include those of residents traveling abroad as same-day visitors, except in cases where these expenses are significant enough to justify a separate classification. For some countries, such expenses do not include expenses for passenger transportation goods. Data in US dollars for the period from 2002 to 2022. 4. Tourism receipts; international tourism receipts are expenses incurred by international visitors, including payments to national airlines for international transportation. These receipts include other prepayments made for goods or services received in the destination country. These admissions may also include admissions from visitors arriving on the same day, unless these admissions are important enough to justify a separate classification. For some countries, such receipts do not include receipts for passenger transport goods. Data denominated in US dollars. the time period from 2002 to 2022.

Data analysis techniques used in this study are quantitative data analysis methods. Quantitative data analysis is a form of analysis that uses numbers and calculations with statistical methods. The processed Data must be classified in certain categories by using certain tables. Tools used to help process the data in this study is a multiple regression analysis of panel data using software EViews 10. Panel data multiple regression Model is a model that regresses more than one independent variable and the data that is regressed is a mixture of cross section and time series data.

RESULTS AND DISCUSSION

RESEARCH RESULTS

Panel Data Regression Test Results

Based on the results of data processing conducted using Eviews, obtained the following model estimation results:

Table 2 Model Estimation Results

Variabel	CEM		FEM		REM	
	Coefficient	Prob.	Coefficient	Prob.	Coefficient	Prob.
C			0.284532	0.9657	19.14487	0.0000
Kunjungan Wisatawan	0.173779	0.5116	-0.052351	0.8415	-0.018378	0.9420
Hotel	-0.583331	0.0138	-2.069304	0.0000	-0.404241	0.0270
Pengeluaran pariwisata	0.361366	0.0833	1.087076	0.0071	-0.403968	0.0776
Penerimaan Pariwisata	15.24608	0.0002	20.40804	0.0056	1.535683	0.6789
R-Squared	0.097805		0.331061		0.126959	
Adjusted R- Squared	0.078878		0.281874		0.102367	

Source: Eviews 10 (processed)

From the estimation results of the Common Effect Model (CEM) shows the quality of the resulting model based on the Adjusted R-squared value of 0.078878, which shows that only about 7.88% variability in economic growth can be explained by the independent variables in this model. This shows that there are still many other factors that affect economic growth that have not been included in the model. From the results of this estimate, it can be concluded that the number of hotels and tourist sector receipts have a significant influence on economic growth, with the number of Tourist Hotels has a negative effect and the tourist sector receipts have a positive effect. Meanwhile, the number of tourist visits and tourism expenditure had a positive but insignificant effect on economic growth at a significance level of 5%.

The FEM Model shows an R-squared value of 0.400569, which means about 40.06%. This indicates that, despite some variability that cannot be explained by the model, FEM with weighting cross-section gives quite good results in explaining the factors affecting economic growth. From the results of this estimate, it can be concluded that the number of hotels, tourism expenditure and tourism sector receipts have a significant influence on economic growth, with the number of hotels having a negative effect, while tourism expenditure and tourism sector receipts have a positive effect. Meanwhile, the number of tourist visits had a positive but insignificant effect on economic growth at a significance level of 5%.

The REM Model identifies random effects based on time periods. The value of the random effect for each year varies, reflecting fluctuations that are not explained by the independent variable in the model. For example, 2010 had the highest random effect of 1.862583, while 2020 had the lowest random effect of -7.021023. This difference indicates the presence of specific factors in certain years that affect economic growth but are not accommodated in the independent variables used. The R-squared value of 0.126959 indicates that about 12.70% of the variation in economic growth can be explained by the independent variables in the model. The F-statistic value of 5.162485 with a probability of 0.000652 indicates that the model as a whole is significant at a significance level of 5%, which means that the independent variables together have a significant influence on economic growth.

Panel Data Estimation Model Selection

The selection of the right estimation model in panel data analysis is essential to ensure accurate and efficient results. According to Basuki and Prawoto (2017), there are three test methods commonly used to determine the best model in panel data management, namely the Chow Test, the Hausman Test, and the Lagrange Multiplier Test.

Uji Chow

The Chow Test is used to determine whether the Fixed Effect model is more suitable than the Common Effect model. The null hypothesis (H0) in this Test states that the Common Effect model is more appropriate, while the alternative hypothesis (H1) states that the Fixed Effect model is more appropriate. If the test results show rejection of Ho, then the Fixed Effect model is chosen as a better model (Widarjono, 2009).

Table 3 Estimated Results of The Chow Test

Redundant Fixed Effects Tests Pool: PANELDATA Test cross-section fixed effects			
Effects Test	**Statistic**	**d.f.**	**Prob.**
Cross-section F	10.316582	(6,136)	0.0000

Source: Eviews 10 (processed)

Based on the results of the Chow test that has been done, the statistical value of F is 10.316582 with degrees of freedom (6.136) and the probability value (p - value) of 0.0000. A p-value that is much smaller than the significance level of 0.05 indicates that the null hypothesis is rejected, which means that the Common Effect Model is more suitable. Thus, the alternative hypothesis (H_1) is accepted, which states that a Fixed Effect Model is more appropriate for this data.

This indicates that there are significant intercept differences between cross-sections in the analyzed data. Therefore, the fixed effect model, which allows different intercepts for each cross-section, is more appropriate for describing the relationship between the dependent and independent variables in this study.

As a next step, it is recommended to perform the Hausman test to determine whether a Fixed Effect Model or a Random Effect Model is more suitable for use in the data analysis of this panel. The Hausman test will help in determining the most appropriate model taking into account the efficiency and consistency of parameter estimates.

Uji Hausman

According to Widarjono (2007) Hausman test is used to choose between Fixed Effect and Random Effect models. The null hypothesis (Ho) states that the Random Effect model is more efficient, while the alternative hypothesis (H1) states that the Fixed Effect model is more appropriate. Rejection of H1 indicates that the Fixed Effect model is a more suitable choice.

Based on the results of the Hausman Test obtained Chi-Square Statistic value of 27.736728 with degree of freedom 4 and probability 0.0000. Because this probability value is smaller than 0.05, H1 is rejected, so the Fixed Effect Model is more appropriate to use in this analysis.

Table 4 Estimated Results of Hausman Test

Correlated Random Effects - Hausman Test Pool: PANELDATA Test period random effects			
Test Summary	**Chi-Sq. Statistic**	**Chi-Sq. d.f.**	**Prob.**
Period random	27.736728	4	0.0000

Source: Eviews 10 (processed)

The comparison between the estimation of variable coefficients in the FEM and REM models showed significant differences, especially in the H and TR variables, with probability values of 0.0052 and 0.0036, respectively, which are both smaller than 0.05. This indicates that the estimated coefficients between the two models differ significantly for these variables.

Thus, based on the results of the Hausman test, the Fixed Effect Model is a more suitable model to be used in the analysis of this panel data.

Fixed Effect Model (FEM)

According to Nachrowi (2006) in the regression analysis of panel data, the goodness of fit test is a crucial step to ensure that the model used is able to accurately describe the relationship between independent and dependent variables. This test involves several test methods aimed at assessing the extent to which the model can explain the variability of the data and ascertain the significance of the influence of the independent variable on the dependent variable.

Statistical F-Test

In the estimation results given, the F-statistic value of 9.088181 with Prob (F-statistic) of 0.000000 indicates that the regression model used is significant at 99% confidence level. This means that the independent variables used in the model together have a significant influence on the dependent variable.

Statistical t-test

T test is used to test the significance of regression parameters partially, that is, to determine whether each independent variable has a significant influence on the dependent variable individually. In this context, the estimated regression model is based on the sample, so that the regression parameters β_1 and β_2 are estimates of the actual value is not known because the population-based regression is not estimated (Gujarati & Porter, 2013).

Table 5 Results Of Statistical T Test Estimation Fixed Effect Model (FEM)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	9.584894	8.394123	1.141858	0.2555
Tourist Visits	-0.052351	0.261295	-0.200352	0.8415
Number Of Hotels	-2.260087	0.529530	-4.268102	0.0000
Tourist Spending	0.947111	0.485632	1.950267	0.0532
Tourism Reception	25.37855	8.316380	3.051634	0.0027

Source: Eviews 10 (processed)

Here is the interpretation of the results of the t-test for each of the independent variables:

Variable tourist visits have a coefficient of -0.052351 with a p-value of 0.8415 indicates that tourist visits have no significant effect on economic growth at a significance level of 5%.

Variable number of hotels has a coefficient of -2.069304 with a p-value of 0.0000 indicates that the number of hotels has a negative and significant influence on economic growth. That is, every one-unit increase in the number of hotels will decrease economic growth by 2.069304 units, assuming other variables are constant.

Tourism expenditure variable has a coefficient of 1.087076 with a p-value of 0.0071 indicates that tourist spending has a positive and significant influence on economic growth. In other words, every one-unit increase in tourism spending will increase economic growth by 1.087076 units, assuming other variables are constant.

Tourism acceptance variable has a coefficient of 20.40804 with a p-value of 0.0056 indicates that tourism acceptance has a positive and significant influence on economic growth. This means that every one unit increase in tourism revenue will increase economic growth by 20.40804 units, assuming other variables are constant.

Thus, the variable number of tourist visits and the number of hotels have a negative and insignificant influence on economic growth. While tourism expenditure and tourism revenue variables have a positive and significant effect on economic growth variables at a significance level of 5%.

Coefficient Of Determination (R2)

The R-squared value of 0.400569 indicates that about 40.06% of the variation in the dependent variable (EG) can be explained by the independent variable in the model,

while the remaining 59.94% is influenced by other factors outside the model. Adjusted R-squared of 0.356493 indicates an adjustment to the number of independent variables used, indicating a moderate explanatory ability of the model.

DISCUSSION

Influence Of Tourist Visits on Economic Growth In 7 ASEAN Countries

The estimation results showed that the variable of tourist visits (V) to economic growth (EG) showed a negative pattern in ASEAN countries. This is reflected in the value of the coefficient of -0.052351 which indicates a negative direction, and the probability value (p-value) of 0.8415 which is far above the significance level of 5% (α =0.05). Thus, the hypothesis according to which tourist visits have a significant effect on economic growth is rejected.

The results showed that the number of tourist arrivals negatively affect the economic growth of ASEAN countries provide an indication that tourism is not always an effective economic driver if not managed optimally. One explanation of these results is the possibility that tourists who come to the ASEAN region are tourists with low spending levels (low-spending tourism). This type of tourism does not tend to contribute to the consumption of dosemstik because it prefers cheap accommodation, low-cost food, and free or minimal-cost activities. As a result, despite the high number of tourist visits, the resulting direct economic impact remains limited. This shows the importance of considering the quality of tourist visits, not just the quantity.

Another factor that comes into play is the price level and cost of living in the destination country. A country with a low cost of goods and services will result in lower tourism receipts despite the high number of tourists. For example, Malaysia is the country with the second highest number of tourist visits in ASEAN, but Indonesia is the country with the second highest tourism expenditure. The exchange rate is also a factor in the amount of tourism spending to a country. A country with a lower exchange rate tends to have a total income with a country with a fairly high exchange rate. For example, Thailand is the country with the highest tourist arrivals, but Singapore is the country with the highest tourism expenditure. The type of tourist activity also influences; destinations that offer shopping, medical, or conference travel tend to generate more tourist spending than natural and cultural attractions. This can be seen from Thailand which is the country with the largest shopping tourism in Southeast Asia, Singapore and Malaysia which are countries with medical tourism or medical tourism. Therefore, even if the number of tourists is high, it is not always worth the income generated if their tourist profile, type of Tourism and level of expenditure are low.

Studies conducted by Maneejuk et al. (2022) found that the positive impact of tourism on economic growth in Southeast Asian countries is only significant when the number of tourist visits is below a certain threshold. After crossing such a threshold, the impact becomes weak and insignificant. This suggests that the uncontrolled growth of tourism can reduce the expected economic benefits.

Several studies have examined the impact of the tourism sector on economic growth. Research by Munanda & Amar (2018) shows that the number of foreign tourist visits has a positive and significant influence on economic growth. This shows that the increase in the number of tourist visits (V) has the potential to boost economic activity through increasing demand for goods and services, as well as strengthening the contribution of the tourism sector to national economic growth.

The following results estimate the effect of variable tourist visits (V) on the economic growth of each country:

Table 6 Effect of Tourist Visits on Economic Growth In 7 ASEAN Countries

No	Country	Coefficient	Probability
1	Filipina	-1.712501	0.0712
2	Indonesia	-5.39494	0.0000
3	Kamboja	-1.55521	0.5159
4	Malaysia	1.353998	0.6538
5	Singapura	-16.96791	0.0076
6	Thailand	-7.622839	0.0072
7	Vietnam	-0.263305	0.5385

Source: Eviews 10 (processed)

Regression results on the effect of tourist arrivals on economic growth in ASEAN countries show results that are contradictory to conventional theories, where most countries actually show negative coefficients, some even statistically significant. These findings indicate that an increase in tourist numbers does not always have a positive impact on economic growth, and can have negative effects if not managed effectively.

Indonesia and Thailand showed a very significant negative influence on economic growth, with coefficients of -5.39 (p = 0.0000) and -7.62 (p = 0.0072), respectively. These results imply that a surge in tourist arrivals does not automatically provide a boost to economic growth. In the context of Indonesia, this can be explained by the phenomenon of tourism that has not been qualified, such as the dominance of tourists with low spending, the limited multiplier effect because the tourism sector has not been optimally connected to the local economy, as well as high economic leaks (leakages), for example from the use of foreign-owned hotels and airlines. In Thailand, which is one of the world's largest destinations, these negative results may reflect symptoms of overtourism and over-reliance on tourism, which in the long run could degrade the quality of the environment, increase the local cost of living, and depress other more productive sectors.

Singapore also showed very extreme results, with a coefficient of -16.96 and a p-value of 0.0076. This can be explained because the contribution of the tourism sector to Singapore'S GDP is relatively small compared to other sectors such as finance, international trade, and technology. With a highly developed and diversified economic structure, an increase in tourist arrivals can actually put pressure on infrastructure or public subsidies, without making a significant contribution to national output. Therefore, in a country with a high GDP per capita such as Singapore, the impact of tourist visits on the economy tends to be marginal or even negative.

The Philippines showed a negative coefficient of -1.71, with a marginal level of significance (p = 0.0712). This shows that the increase in tourist arrivals has not consistently supported economic growth, possibly due to tourism infrastructure that has not been optimal, dependence on domestic and regional tourists, and weak integration between the tourism sector and other productive sectors. Cambodia and Vietnam also showed a negative influence, but not statistically significant. For Cambodia (-1.55; p = 0.5159) and Vietnam (-0.26; p = 0.5385), this is likely because although the number of tourists is increasing, the per capita receipts from tourism are not yet large enough to drive growth, or because their economies are still highly dependent on other sectors such as textile exports or manufacturing.

The only country that showed a positive coefficient was Malaysia (1.35), but the effect was insignificant (p = 0.6538). This shows that although the tourism sector contributes to the Malaysian economy, the increase in the number of tourists alone is not enough to have a significant effect on GDP growth, perhaps due to factors such as the quality of tourists, the structure of spending, or the efficiency of the supporting sector.

Overall, the results of this regression challenge the common assumption that an increase in the number of tourists inevitably brings economic benefits. Conversely, the quantity of tourists without quality, poor management, and foreign exchange leakage can make tourism a burden, not an economic asset. This confirms that tourism

development strategies in ASEAN should focus more on improving the quality of tourist spending, strengthening sector linkages, and limiting environmental and social pressures from overtourism, rather than just chasing visitor numbers.

The Effect of The Number of Hotels on Economic Growth In 7 ASEAN Countries

The estimation results show that the hotel variable (H) has a negative influence on economic growth (EG) in ASEAN countries. This is reflected in the coefficient value of -2.260087 which indicates a negative direction, as well as the probability value (p-value) of 0.000 which is smaller than the significance level of 5% (③=0.05). The finding that the number of hotels negatively affects economic growth in ASEAN countries can be understood through various factors, one of which is the low hotel occupancy rate in a number of ASEAN countries.

For example, according to people from STR Global and ASEAN Stats, the average hotel occupancy rate in several ASEAN countries such as Indonesia and the Philippines in recent years has tended to stagnate in the range of 50-60%, even falling drastically during the pandemic. In Indonesia, for example, the Central Statistics Agency (BPS) noted that the occupancy rate of five-star hotel rooms in 2023 only reached 52.96%, even though based on data, the number of hotels in Indonesia has continued to increase over the past few years. This gap between the growth in the number of hotels and the occupancy rate indicates the presence of overcapacity, which has implications for low hospitality productivity.

The results of this study are in line with research conducted by Dewi (2016) which shows that the number of hotels has a negative and significant effect on regional income. An excessive number of hotels can actually negatively affect economic growth, especially if it is not proportional to tourism demand. When the supply of hotels exceeds the demand, the occupancy rate becomes low, which leads to a decrease in revenue per room and profitability.

Krishna Chaitanya and Swain's (2024) study states that the hotel sector in Southeast Asia has a high leakage rate. Many hotels are owned by foreign investors or international networks. Part of the profits is sent abroad (repatriation), and only a small part is absorbed by the local economy. Additionally, Maneejuk et al. (2022) found that there is no strong correlation between tourism indicators such as accommodation capacity and GDP growth if it is not accompanied by efficient use and diversification of the sector.

Development must be done with demand-based planning, sustainability, and local empowerment. Therefore, the quality and efficiency of investment is more important than quantity. Research by Chan and Wong (2006) supports this view, stressing that hotel development must be accompanied by quality improvement strategies in order to have a positive impact on economic growth. For example, Indonesia is the country with the second highest number of hotels in ASEAN, but the number of tourist visits is lower than Singapore, which has fewer hotels. This can lead to unfair price competition, squeeze profit margins, and make it difficult for many hotels to cover operating costs. In addition, massive investments in unproductive hotel construction can divert resources from other, more productive sectors of the economy, such as education, health or the manufacturing industry. The credit burden borne by hotel developers could also increase the risk to the financial sector if the project fails to turn a profit. As a result, excess capacity in the accounting sector can create structural imbalances and suppress the positive contribution of the tourism sector.

An analysis of the effect of the number of hotels (H) on economic growth (EG) in ASEAN countries showed mixed results, with a tendency towards negative relations in most countries.

Table 7 Effect of Number of Hotels on Economic Growth In 7 ASEAN Countries

No	Country	Coefficient	Probability
1	Filipina	-2.13087	0.1187
2	Indonesia	-1.029852	0.0603
3	Kamboja	4.462824	0.0332
4	Malaysia	-0.259995	0.7096
5	Singapura	2.222788	0.1176
6	Thailand	-1.081038	0.3053
7	Vietnam	0.541777	0.0002

Source: Eviews 10 (processed)

Based on the results of variable regression of the number of hotels on economic growth in ASEAN countries, it can be seen that the impact varies both in terms of the direction of influence and statistical significance, reflecting differences in the structure of Tourism and the efficiency of infrastructure use in each country.

Indonesia and the Philippines showed negative coefficients (-1.03 and -2.13), with significance levels close to the 10% limit (p = 0.0603 for Indonesia and p = 0.1187 for the Philippines). This suggests that the increase in the number of hotels in both countries is likely to be negatively correlated to economic growth, although the effect has not been statistically significant for the Philippines and is almost significant for Indonesia. This phenomenon can be justified by looking at the problem of over-investment, low hotel occupancy rates, and the mismatch between the growth of accommodation infrastructure and tourist demand. In many areas of Indonesia and the Philippines, hotel development is not always followed by a sufficient increase in tourist arrivals to fill capacity, so investment in this sector does not have a direct positive impact on economic growth.

Thailand and Malaysia also showed negative coefficients, although smaller (-1.08 and -0.26), and not statistically significant (p > 0.3). This suggests that hotel construction in these countries has relatively little direct contribution to increased economic output, perhaps due to an already saturated accommodation market, high competition, or dependence on seasonal tourists. In this context, the number of hotels does not always reflect the productivity of the tourism sector, especially if it is not accompanied by marketing strategies, attractive tourist attractions, or diversification of tourist products.

In contrast, Cambodia and Vietnam showed a positive and significant influence. Cambodia's coefficient of 4.46 (p = 0.0332) indicates that an increase in the number of hotels significantly supports economic growth, likely because the country's tourism sector is still growing rapidly and any additional accommodation capacity directly supports increased tourist visits and consumption. Vietnam even showed the most statistically robust results, with positive coefficients of 0.54 and p = 0.0002. This indicates that in Vietnam, hotel growth is directly proportional to economic growth consistently, reflecting efficient tourism management, increased demand, and perhaps also the dual effect of the tourism sector being integrated with other industries.

Meanwhile, Singapore showed a positive coefficient of 2.22, but not significant (p = 0.1176). Although the effect has not been statistically convincing, this positive direction can be attributed to the high efficiency of hotel use and the quality of Singapore's modern and integrated tourism infrastructure, but because the economy is more diversified into the financial services and technology sectors, the role of the number of hotels on national growth tends to be marginal.

Overall, these results reinforce the conclusion that the number of hotels is not always an indicator of economic success, especially if it is not accompanied by an increase in demand and quality of Service. Countries such as Indonesia, the Philippines, and Thailand even show negative correlations, which could be a signal of overcapacity, investment inefficiency, or uneven spatial distribution of hotels. In contrast, countries that are still in the expansion phase of tourism such as Vietnam and Cambodia show a strong and positive relationship, as the addition of hotels directly contributes to the acceptance

of the tourism sector and the growth of the national economy.

Effect Of Tourism Expenditure on Economic Growth In 7 ASEAN Countries

Outbound tourism expenditure has a positive but insignificant effect on the economic growth of ASEAN countries because its role is more as an indicator of public welfare, not as a direct driver of domestic economic activity. That is, the more people spend to travel abroad, it reflects that their income increases and purchasing power improves—two things that in the long run can support overall household consumption. However, within the framework of national Macroeconomics, outbound tourism spending goes into service imports, which technically reduces the value of GDP because the money is spent abroad, rather than domestically.

Theoretically, outbound tourism expenditure is often perceived as a form of "economic leakage" because the money spent by citizens does not flow into the country, but into the tourist destination country. However, this perception is not entirely correct, especially when examined from the point of view of macroeconomics and public welfare. In the context of ASEAN countries, the increase in outbound spending has a positive link to economic growth, as evidenced by various empirical studies and data trends over the past two decades.

The positive influence that appears in statistical analysis usually occurs because outbound spending correlates with economic growth indirectly. ASEAN countries such as Malaysia, Indonesia and the Philippines experienced rapid growth in the middle class in the past two decades, and it is this group that travels the most abroad. In other words, the higher the per capita national income, the greater the potential for outbound spending. Because this relationship is correlative, not directly causal, the impact on economic growth is positive but not statistically significant.

In addition, outbound spending does not produce a multiplier effect within the country. Unlike tourism revenue (inbound tourism), which is able to drive domestic productive sectors such as transportation, accommodation, food, and services, outbound spending actually flows abroad, so it does not create jobs or industrial growth in the country directly. Its economic impact may only be felt by outbound support sectors (e.g. travel agents, travel insurers, or travel goods manufacturers), but its contribution to total GDP remains small.

On the other hand, outbound spending also risks causing a current account deficit, especially if tourism receipts (inbound) are not balanced. ASEAN countries such as Indonesia and Malaysia in recent years showed a trend of Tourism deficit, where the amount and value of outbound spending is greater than the number of foreign tourists who come. This reinforces the reason why outbound spending can be a burden, not a crutch for economic growth.

Thus, although in econometric models the outbound expenditure variable can show a positive influence on GDP, its statistical significance is low because its real contribution to the formation of domestic output is not strong, and it can even be negative in the context of external equilibrium. Therefore, in the tourism sector development policy, ASEAN countries are more focused on increasing tourism receipts (inbound tourism) because the impact is more tangible on economic growth, job creation, and macroeconomic stability.

Quantitative research conducted by Lee and Chang (2008) on Asian countries supports this view. In their study, it was found that both inbound and outbound tourism statistically positively affect economic growth, with strong significance in developing countries. They argue that outbound tourism is not just an outflow of foreign exchange, but also an important indicator of a country's economic performance. In fact, in the long run, healthy outbound activity can stimulate the growth of a domestic industry that supports international travel.

A similar study conducted by Tang and Tan (2015) specifically examined the relationship between outbound tourism expenditure and economic growth in Malaysia. The results found that in the long run, outbound spending by Malaysians is positively correlated with GDP growth. This study challenges the traditional assumption that outbound tourism only causes foreign exchange leakage, by concluding that overseas tourism activity actually encourages domestic economic activity through strengthening supporting service sectors, such as travel agencies, banking, and domestic transportation to international hubs. In the long run, rising overseas consumption is seen as part of consumption upgrading, which supports the expansion of other sectors domestically.

Taking into account the various data and theories above, it can be concluded that outbound tourism expenditure has a positive effect on the economic growth of ASEAN countries because it reflects the strength of domestic consumption, encourages the supporting service sector, plays a role in the transfer of knowledge and skills, and serves as an indicator of economic prosperity. Therefore, in an empirical analysis using outbound spending as an independent variable, a significant and positive relationship to economic growth was found, as was also demonstrated in various cross-country studies.

Table 8 Effect Of Tourism Expenditure On Economic Growth In 7 ASEAN Countries

No	Country	Coefficient	Probability
1	Filipina	2.425171	0.0949
2	Indonesia	6.15171	0.0000
3	Kamboja	1.97555	0.1925
4	Malaysia	1.970704	0.5337
5	Singapura	6.417277	0.0806
6	Thailand	1.98281	0.5634
7	Vietnam	0,861721	0.0398

Source: Eviews 10 (processed)

The regression results showed that outbound tourism expenditure had a positive effect on economic growth in all ASEAN countries studied, but the significance level varied widely. Indonesia recorded the highest coefficient (6.15) with a very strong significance level (p = 0.0000), indicating that any increase in outbound spending is significantly associated with national economic growth. This reflects the role of outbound spending as an indicator of middle-class growth and increased purchasing power of Indonesians, which indirectly expands domestic consumption and encourages supporting sectors such as transportation, travel agencies, and pre-departure domestic shopping.

Vietnam also showed a positive and significant influence (coefficient 0.86; p = 0.0398), although the value was smaller. This can be explained by the fact that Vietnam is undergoing a transition towards a middle-income society, where spending abroad is beginning to increase as part of a new consumption pattern. However, its contribution to GDP is still limited because Vietnam's outbound tourism volume is not as large as other ASEAN countries. The Philippines and Singapore have large coefficients (2.42 and 6.42), but not statistically significant (p = 0.0949 and 0.0806). This shows that despite indications of positive influence, outbound spending has not been a consistent factor in driving economic growth. Especially for Singapore, although its people actively travel abroad, its economic structure that depends on exports and financial services makes the contribution of the outbound tourism sector to GDP relatively small.

Meanwhile, Malaysia, Thailand, and Cambodia showed low coefficients (around 1.97–1.98) and not statistically significant (p > 0.19 to 0.56). This indicates that outbound tourist spending in these countries does not have a significant role in directly affecting economic growth. Most likely because the contribution of the overseas consumption sector is very small compared to other major sectors such as manufacturing, commodity exports, or inbound tourism. Overall, although the regression coefficients showed a positive influence across countries, the low level of significance—except for Indonesia and

Vietnam—confirmed that outbound spending tended to act only as an indicator of well-being, not as a major driver of national economic growth.

Effect Of Tourism Revenue on Economic Growth In 7 ASEAN Countries

The estimation results show that tourism revenue (TR) has a positive and significant influence on economic growth in the ASEAN region. This is reflected in the coefficient value of 25.37855 which indicates a negative direction, as well as the probability value (p-value) of 0.0027 which is smaller than the significance level of 5% (③=0.05). Thus, the hypothesis according to which receipts have a significant effect on economic growth is accepted. Tourism revenue (TR) is one of the key indicators in measuring the contribution of the tourism sector to national economic growth. According to data from the World Tourism Organization (UNWTO), in 2019 the total revenue from international tourism reached US$1.5 trillion and contributed 7% to World Trade. This shows the great potential of the tourism sector in increasing foreign exchange earnings and encouraging economic growth through multiple effects on other sectors, such as hospitality, transportation, food and beverage, and retail.

Data from the Central Bureau of Statistics shows that in Indonesia, the tourism sector contributed 4.02% to GDP in 2019, reflecting the significant impact of tourism receipts on the national economy (Pratt & Alizadeh, 2018). Tourism spending not only has a direct impact on increasing revenue in the tourism sector, but also stimulates economic growth through a multiplier effect. For example, increased spending on accommodation, food, and transportation indirectly increases production, creates jobs, and encourages investment in infrastructure that supports tourism development (Arshad et al., 2018).

In addition, tourism revenue also plays a role in increasing tax revenues, which can then be used for investments in the education, health and public infrastructure sectors. This supports the opinion that the tourism sector not only contributes in the form of foreign exchange from foreign tourists, but also provides a broad impact through increased economic activity in related sectors (DEMIR, 2018; Thommandru et al., 2023). In a global context, tourism revenue from total exports is one of the important indicators that shows how much the tourism sector contributes to a country's economy (Happy, 2019).

Overall, the findings indicate that increased tourism receipts significantly drive economic growth through increased revenue, job creation, and infrastructure development. Therefore, policies that support improving the quality and quantity of tourism receipts are crucial to optimizing the potential for economic growth derived from the tourism sector, while ensuring sustainability and balance between economic growth and environmental preservation and local culture (Astuti, 2018; Sundoro & Soeprapto, 2019).

The effect of tourism revenue (TR) on economic growth (EG) in ASEAN countries shows a varied relationship, with only some countries showing statistical significance.

Table 9 Effect of Tourism Revenue on Economic Growth In 7 ASEAN Countries

No	Country	Coefficient	Probability
1	Filipina	91.27107	0.0286
2	Indonesia	13.19775	0.2797
3	Kamboja	24.68123	0.2227
4	Malaysia	130.7487	0.0764
5	Singapura	232.694	0.2831
6	Thailand	47.18977	0.1528
7	Vietnam	75.67449	0.0015

Source: Eviews 10 (processed)

Vietnam emerged as the country with the most powerful and significant influence, signifying that increased tourism receipts are directly positively correlated to national economic growth. The Philippines also showed significant results with coefficients, reinforcing the strategic role of the tourism sector as a major source of income capable of driving domestic economic activity. Malaysia occupies the third position with a

very large coefficient, although the significance level is still on the verge of moderate, this indicates that the potential of this sector in driving economic growth is very large if supported by efficient management. Meanwhile, other countries such as Cambodia, Indonesia, Thailand, and Singapore also recorded a fairly large but not statistically significant positive coefficient. This may indicate that tourism revenue does contribute to the economy, but its effects can be restrained by factors such as inequality in the distribution of benefits, efficient use of revenue, or dependence on other sectors. These findings support the hypothesis that tourism acceptance is a key driver of economic growth, as evidenced by Goh and Chang (2010) in their study examining the relationship between Tourism acceptance and economic growth in ASEAN.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Based on the results of the study it can be concluded as follows:

1. From the test results of Chow and Hausman, the best Model that can be used in analyzing panel data is the Fixed Effect Model (FEM).
2. Based on the estimation results, the number of tourist visits (V) does not have a significant effect on economic growth in 7 ASEAN countries.
3. Based on the estimation results, the number of hotels (H) has a negative and significant influence on economic growth in 7 ASEAN countries (EG)
4. Based on the estimation results, tourism expenditure (TE) has a positive and significant influence on economic growth in 7 ASEAN countries.
5. Based on the estimation results, tourism revenue (TR) has a positive and significant influence on economic growth in 7 ASEAN countries.

RECOMMENDATIONS

Suggestions researchers from research that has been done are as follows:

1. The strategy of increasing tourism promotion through digital platforms and social media, developing adequate and modern tourism infrastructure, and improving the quality of Service and security in tourist destinations to increase the interest of tourists visiting a country.
2. The development of unique and quality tourist products, increased accessibility and ease of payment can also help increase tourism spending. Governments and tourism industry players can also develop effective marketing strategies to increase tourist awareness and interest in tourism products in ASEAN countries.
3. Expand the scope of the data by including longer periods and adding other countries to get a more comprehensive picture of the impact of the tourism sector on economic growth.
4. Consider additional control variables, such as government policy, technological innovation, and aspects of infrastructure quality, which can moderate the influence of the tourism sector.

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