

Panel Application for Determining Impact of Real Exchange Rate and Security on Tourism Revenues: Countries with Middle and High Level Tourism Income

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Abstract : The purpose of the study is to examine impacts on tourism revenues of the exchange rate and country overall security level. There are numerous studies that examine the bidirectional relation between macroeconomic factors and tourism revenues and tourism demand. Most of the studies support the existence of impact of tourism revenues on growth rate but not vice versa. Few studies examine the impact of factors like real exchange rate or purchasing power parity on the tourism revenues. In this context, firstly impact of real exchange rate on tourism revenues examination is aimed. Because exchange rate is one of the main determinants of international tourism services price in guests currency unit. Another determinant of tourism demand for a country is country's overall security level. This issue can be handled in the context of the relationship between tourism revenues and overall security including turmoil, terrorism, border problem, political violence. In this study, factors are handled for several countries which have tourism revenues on a certain level. With this structure, it is a panel data, and it is evaluated with panel data analysis techniques. Panel data have at least two dimensions, and one of them is time dimensions. The panel data analysis techniques are applied to data gathered from Worldbank data web page. In this study, it is expected to find impacts of real exchange rate and security factors on tourism revenues for the countries that have noteworthy tourism revenues.

Keywords : exchange rate, panel data analysis, security, tourism revenues

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