



**FACTORS THAT INFLUENCING TOURISM IN  
SABAH**

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**JUNE 2012**

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## **Acknowledgment**

I am grateful to thanks to Allah S.W.T in giving me strength to completing this thesis on time without many barriers of health and always gives me opportunity to do this paper as well as I can.

I also heartily thankful to my supervisor, Mr.Sheikh Junaidi Sheikh Mohammad, whose encouragement, guidance and support from the initial to the final enabled me to develop an understanding of the subject and hopefully can accept my precious work with better mark, and thanks for all the help.

Not forgetful for my family that always pray and wishes for the best to me, and also supporting me in financial and advices, thanks so much. It is also a pleasure to thank those who made this thesis possible especially to all my friends that always give different opinion on finishing this thesis, and lastly to the future researcher that choose this thesis as one of their references.

Keywords: Tourist arrivals, Unit Root Test, OLS, Tourism

## Abstract

Malaysia's tourism has come of the most attractive holiday destinations in the world. With its multi racial societies and geographical factors with a long coastal area surrounding the country, Malaysia also has a lot to offer in terms of tourist's attractions especially in Sabah that is the key contributors for its GDP and is expected to expand in 2012 as the global economy improves related to the tourist arrivals. This study shows the performance of the number of tourist arrivals with the crime rates, unemployment, local currency, and CO2 emissions from transport that using annual data from 1980 to 2010 with Unit Root Test models, OLS, and Granger Causality Causes. Besides that, this research identifies on how does the independent variables affect tourism in Sabah instead of tourist arrivals. The Unit Root Test results show the significant relationship between the variables whether the OLS method shows there are relationship between all the independent variables and dependent. The Granger tests just to test even the dependent variable has been affect by independent variables or have bilateral relationship among the variables. The results show how a significant relationship between them.

**Keywords:** Tourist arrivals, Unit Root Test, OLS, Tourism