

**TOURISM CONTRIBUTION TOWARDS
ECONOMIC GROWTH IN ASEAN COUNTRIES**

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EXECUTIVE SUMMARY

ASEAN, or the Association of Southeast Asian Nations, was founded in 1967 “to strengthen further the existing bonds of regional solidarity and cooperation.” The ten member states of ASEAN span more than 1.7 million square miles—over half the size of the continental United States—and include a population of over 626 million people with an economy valued at about US \$2.4 trillion in 2012. The ASEAN comprises of 10 countries which are Brunei Darussalam, Indonesia, Cambodia, Laos, Malaysia, Singapore, Myanmar (Burma), Thailand, The Philippines, and Vietnam. To regard of this research project, there are two main objectives. First objective is to investigate the relationship between international tourism receipt, international tourism arrivals and capital investment with the GDP in Cambodia, Indonesia, Malaysia, Singapore and Thailand. Second objective is to identify the most dominant factor that influenced the economic growth in Cambodia, Indonesia, Malaysia, Singapore and Thailand. The researcher had analysed the result using panel data from 2000 until 2012. All the data for GDP, international tourism receipt and international tourism arrival were collected from World Development Indicator (WDI), while the data for capital investment is collected from World Travel and Tourism Council (WTTC). The researcher has conducted the data using Random Effect Model (REM) and found that there are significant and positive relationship between the international tourism receipt and international tourism arrival with the GDP in Cambodia, Indonesia, Malaysia, Singapore and Thailand. Both variables are significant at 1% of significant level. The model also indicate that international tourism receipt is the most dominant factor that influenced the economic growth in Cambodia, Indonesia, Malaysia, Singapore and Thailand where the variable indicate the highest coefficient value where 1% increase in international tourism receipt will increase 71.09% in GDP. From the findings, it is found that tourism is one of the contributors towards the economic growth in a particular country. The international tourism receipt and capital investment are proved that they have significantly affect the GDP of a country. As a conclusion, the tourism plays a role in determining of a country’s economic growth.