

Contents lists available at [ScienceDirect](#)

Kasetsart Journal of Social Sciences

journal homepage: <http://www.elsevier.com/locate/kjss>

Does international trade promote international tourism demand? Evidence from Thailand's trading partners

Wipaporn Chaisumpunsakul ^{a,1}, Piriya Pholphirul ^{b,*}

^a Kasikorn Bank, Thailand

^b Graduate School of Development Economics, National Institute of Development Administration, Bangkok, Thailand

ARTICLE INFO

Article history:

Received 30 November 2016
Received in revised form 13 May 2017
Accepted 29 June 2017
Available online xxxx

Keywords:

international tourism demand,
international trade,
Thailand

ABSTRACT

The purpose of this study was to analyze the relationship between international trade and international tourism demand in Thailand. Using a dataset of 207 trade partnership countries of Thailand, it was found that the degree of trade openness was positively correlated with international tourism demand. A percentage increase in trade share to GDP contributed about 0.046 percent of short-term foreign tourism demand and 0.807 percent of long-term tourism demand in Thailand. The import volume from origin countries' tourists to Thailand also increased the short-term tourism demand by 0.029 percent and the long-term tourism demand by 0.592 percent in Thailand. These results can be supportive of government strategies that aim to enhance the country's trade volume as well as stimulate Thailand's international tourism demand.

© 2017 Kasetsart University. Publishing services by Elsevier B.V. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Introduction

Tourism, as a service industry, plays an important role in the development of many countries and has been expanding significantly in recent years. This expansion subsequently yields several benefits for related businesses, such as hotels and resorts, travel agencies, restaurants, and souvenir shops. These businesses attract foreign money and generate income that is then distributed throughout the country. Thailand is one example of a major tourist destination in the region. In 2015, international tourism revenue of Thailand was THB 1,119 billion (accounting for 5.8% of GDP). In particular, tourists from China contributed the most to this revenue (THB 389 billion), followed by Malaysian tourists (THB 86 billion), Russian tourists (THB 69 billion), United Kingdom tourists (THB 66 billion), and

Australian tourists (THB 65 billion). According to data obtained from the Department of Tourism, Ministry of Tourism and Sport, there were around 30 million tourists visiting Thailand in 2015, and this figure is increasing. Revenue generated from international tourists has increased 23 percent from 2014, which is more than the increase in the number of tourists (19% per year). This fact also points to an increase in tourist spending per person (6.2%) (see [Table 1](#)).

Apart from international tourism, international trade (imports and exports) significantly contributes to the economic growth of a nation. Directly associated with the agricultural and industrial sectors, international trade is also linked to the service sector, including international tourism. Moreover, examining the relationship between international trade and the number of international tourist arrivals from each of Thailand's important trading partners ([Table 2](#)), countries having a high trade value with Thailand tend to have a high number of tourists visiting the country. Examples include Japan, China, the United States of America, and Singapore.

* Corresponding author.

E-mail addresses: wipaporn.chk@gmail.com (W. Chaisumpunsakul), pholphir@hotmail.com (P. Pholphirul).

Peer review under responsibility of Kasetsart University.

¹ Co-first authors.

<http://dx.doi.org/10.1016/j.kjss.2017.06.007>

2452-3151/© 2017 Kasetsart University. Publishing services by Elsevier B.V. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Please cite this article in press as: Chaisumpunsakul, W., & Pholphirul, P., Does international trade promote international tourism demand? Evidence from Thailand's trading partners, *Kasetsart Journal of Social Sciences* (2017), <http://dx.doi.org/10.1016/j.kjss.2017.06.007>