

# The Nexus between Macroeconomic Factors and Tourism Receipts for Oic Countries: Panel Quantile Regression Approach

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## ABSTRACT

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The current paper investigates the relationship between macroeconomic factors and tourism receipts for OIC countries. Based on the panel quantile regression analysis conducted, it is demonstrated that the impact of macroeconomic factors on tourism receipts is heterogeneous depending on the levels of tourism spending towards the OIC host countries. The exchange rate and income exhibit a positive relationship with tourism receipts. Meanwhile, inflation presents a negative relationship towards tourism receipt at the lower level of tourism receipt yet positively related at the higher level of spending. On the other hand, trade openness is negatively related to tourism receipts in general and the strength of the relationship decreases at a higher level of spending. The current research believes that to develop the tourism sector, proper plans should be made including improving the infrastructure, tourism facility, travel safety, and ease of entry considering the positive impact of economic development and trade openness. Relevant strategies should also be made to attract tourists from countries with higher purchasing power and strong currency value since it implies to be important in explaining the movement of tourism receipt.

**Keywords:** Tourism Demand, Macroeconomic Factors, OIC countrie