Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics and Management

Master's Thesis

Analysis of Thailand tourism in the frame of economic development

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Appendix

Introduction

Between 2010 and 2017, Thailand experienced a consistent increase in foreign tourist arrivals, reaching 37.61 million in 2017. The annual growth rate between 2013 and 2017 averaged 11.46%. In 2017, domestic tourism consumption totaled 2.85 trillion baht, reflecting a 10.76% increase from 2016. The tourism sector contributed significantly to Thailand's economy, with direct GDP at 1.08 trillion baht and indirect GDP at 1.65 trillion baht, making up 17.65% of total GDP. The overall tourism-induced GDP impact reached 3.48 trillion baht.

Tourism also played a crucial role in employment, with 4.39 million people employed in the industry in 2018, comprising 11.6% of total employment. Capital investment in tourism reached 109.41 billion baht, marking a slight 0.3% rise from 2017. Government spending on tourism management in 2018 was 15.35 billion baht, an increase of 5.8%.

The COVID-19 pandemic, which emerged in late 2019, severely affected Thailand's tourism sector. As the World Health Organization declared it a global pandemic in March 2020, the region faced major economic challenges due to travel restrictions and decreased international arrival.

Methods Used

The research employs multiple statistical approaches to assess the economic impact of tourism:

      1.   Regression Analysis: This method evaluates the relationship between GDP and various tourism indicators such as demand, employment, and investment. The model suggests that GDP has a direct influence on employment levels, investment trends, and tourism-related revenue generation

      2.   Tourism Satellite Account (TSA) Model: TSA is used to estimate the overall contribution of tourism to GDP. Prior to its adoption, tourism evaluation relied on fragmented data sources. It is used as the secondary data in this diploma thesis.

Finding of the diploma thesis.

The study highlights the significant impact of the COVID-19 pandemic on Thailand's tourism sector, particularly on demand, employment, and investment. Before the pandemic (2017-2019), the analysis found that the demand perspective (DP) had a strong positive correlation with GDP, with each unit increase in DP leading to a rise of approximately 43.85 units in GDP. The model

demonstrated high explanatory power, though ambiguity remained regarding the significance of the constant term.

During the pandemic (2019-2021), both DP and the constant term were statistically significant predictors of GDP. The model indicated that improvements in DP remained crucial, with each unit increase in DP leading to a 1.16551-unit increase in GDP. The significant constant term suggested the presence of other underlying economic factors influencing GDP during this period.

Regarding employment, the study found that before the pandemic, employment had a substantial impact on GDP, with each additional unit of employment contributing to a 218.256-unit rise in GDP. The model was highly reliable, with a strong R-squared value indicating its robustness. However, during the pandemic, the effect of employment on GDP decreased significantly, with each unit of employment contributing only 6.92840 units to GDP. This decline reflected the pandemic's adverse effects on tourism-related jobs.

Overall, the findings reinforce that both demand and employment are key drivers of Thailand's GDP. The pandemic disrupted these relationships, but the models confirm their long-term significance for economic growth

Main selected references

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