

**THE INFLUENCE OF ECONOMIC FACTORS AND INSTITUTIONAL
QUALITY ON INTERNATIONAL TOURIST ARRIVALS IN ASEAN 8
DURING 2012-2023**

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ABSTRACT

This study analyzes the effect of Trade Openness, Real Effective Exchange Rate (REER), and Rule Of Law on international tourist arrivals in ASEAN 8. Utilizing balanced panel data from 8 ASEAN member countries over the 2012–2023 period, the model is estimated using Pooled Ordinary Least Squares (OLS) with Driscoll-Kraay standard errors and Year Fixed Effects to simultaneously address classical assumption violations and control for temporal shocks, including the COVID-19 pandemic. The results indicate that Trade Openness has a positive and significant effect, confirming that trade expansion stimulates international network connectivity. Conversely, REER shows a negative and significant impact due to tourists' high sensitivity to relative destination price changes. This study finds that the Rule Of Law exhibits a negative and significant effect on tourist arrivals. This indicates that within ASEAN's tourism ecosystem, which heavily relies on the informal sector, overly rigid regulations and law enforcement potentially increase the psychological transaction costs for leisure tourists.

Keywords: *International Tourism, Trade Openness, Real Effective Exchange Rate, Rule Of Law, OLS, Driscoll-Kraay, ASEAN.*

**PENGARUH FAKTOR EKONOMI DAN KUALITAS INSTITUSI
TERHADAP KUNJUNGAN WISATAWAN MANCANEGARA DI ASEAN
8 TAHUN 2012-2023**

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ABSTRAK

Penelitian ini menganalisis pengaruh Trade Openness, *Real Effective Exchange Rate (REER)*, dan *Rule Of Law* terhadap jumlah kunjungan wisatawan mancanegara di ASEAN 8. Menggunakan data panel berimbang dari 8 negara anggota ASEAN periode 2012–2023, estimasi dilakukan dengan metode Pooled Ordinary Least Squares (OLS) dengan standar error Driscoll Kraay dan Year Fixed Effects untuk mengatasi pelanggaran asumsi klasik secara simultan sekaligus mengendalikan guncangan temporal, termasuk pandemi COVID-19. Hasil penelitian menunjukkan bahwa Trade Openness berpengaruh positif signifikan, mengonfirmasi bahwa ekspansi aktivitas perdagangan memicu konektivitas jaringan internasional. Sebaliknya, *REER* berpengaruh negatif signifikan akibat tingginya sensitivitas wisatawan terhadap perubahan harga relatif destinasi. Penelitian ini juga menemukan bahwa *Rule Of Law* berpengaruh negatif signifikan terhadap kedatangan wisatawan. Hal ini mengindikasikan bahwa pada ekosistem pariwisata ASEAN yang bertumpu pada sektor informal, regulasi dan penegakan hukum yang terlalu kaku justru berpotensi membebani biaya transaksi psikologis bagi wisatawan rekreasi.

Kata Kunci: Pariwisata Internasional, Trade Openness, *Real Effective Exchange Rate*, *Rule Of Law*, OLS, *Driscoll Kraay*, ASEAN.