



**UNIVERSITI PUTRA MALAYSIA**

***ROLE OF THE TOURISM SECTOR IN THE IRAQI ECONOMY***

**YOUNIS ALI AHMED**

**FEP 2014 18**



## **ROLE OF THE TOURISM SECTOR IN THE IRAQI ECONOMY**

**By**

**YUNIS ALI AHMED**

**Thesis Submitted to School of Graduate Studies, Universiti Putra Malaysia, in  
Fulfillment of the Requirements of for the Degree of Doctor of Philosophy**

**November 2014**

All material contained within the thesis, including without limitation text, logos, icons, photographs and all other artwork, is copyright material of Universiti Putra Malaysia unless otherwise stated. Use may be made of any material contained within the thesis for non-commercial purposes from the copyright holder. Commercial use of material may only be made with the express, prior, written permission of Universiti Putra Malaysia.

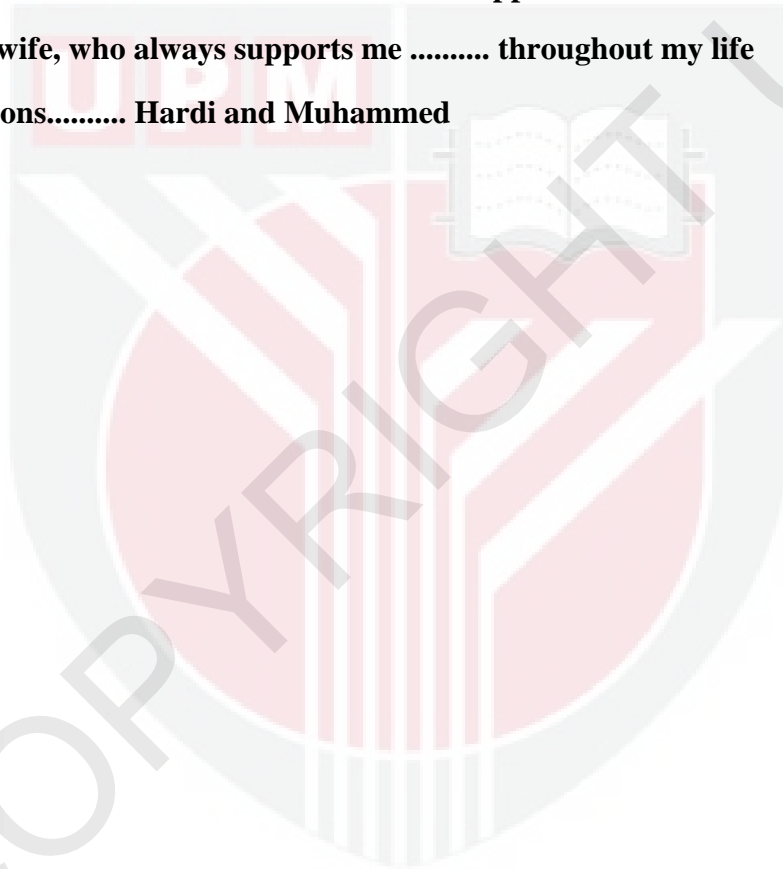
Copyright © Universiti Putra Malaysia



## DEDICATION

**To:...**

- \* Our Prophet..... Taught us how to learn**
- \* The spirit of my father..... his wish and prayers**
- \* My dear mother ..... symbol of sacrifice and altruism**
- \* My brothers and sisters ..... love and appreciation**
- \* My wife, who always supports me ..... throughout my life**
- \* My sons..... Hardi and Muhammed**



Abstract of thesis presented to the Senate of Universiti Putra Malaysia in fulfilment  
of the requirement for the Degree of Doctor of Philosophy

## **ROLE OF THE TOURISM SECTOR IN THE IRAQI ECONOMY**

By

**YOUNIS ALI AHMED**

**November 2014**

**Chairperson: Prof. Khalid B Abdul Rahim, PhD**  
**Faculty: Economics and Management**

Tourism has been a significant industry to the economy since the beginning of human civilization, and is becoming more vital in the future. Many countries all over the world continue to attract tourists to destinations in their respective countries since the late 20<sup>th</sup> century. Ample attention has been given to the role of tourism in the national economy and to the promotion of tourist activities in different areas.

Due to the positive potential of tourism industry, Iraq supposed to take the opportunity and seriously involve itself in the industry. Iraq can be regarded as one of the greatest tourist sites in the world. Iraq can become an attractive destination for domestic and inbound tourism when investments are provided and ample attention is given to the development of the tourism industry. However, until today the attention that been given by Iraq to the tourism industry is still less as compared to the oil and gases industry. The importance of the oil and gas industry is undeniable however, provide an opportunity to expand the economic base is also important. Moreover, the development of tourism industry has been seen as a good potential to Iraq economy.

Research on tourism demand and tourism growth in Iraq is also scarce. Most researchers and scholars have conducted research on strategic components of tourism in general or for a short period, and to the best knowledge of the researcher there is no current literature on tourism in Iraq that analyzes long-run and short-run relationships between tourism demand and its determinants. Therefore, this study provides a good analysis and its findings serve to fill the gaps in the literature on the role of tourism sector in the Iraqi economy. Due to the importance of tourism as an engine of economic growth and the lack of research in this field, research in the field of tourism has been carried out. Specifically, this study attempts to provide analysis that can fill the gap in the literature on the role of the tourism sector in the economy of Iraq.

This study tries to analyze the role of the tourism sector in the Iraqi economy by providing an explanation of determinant variables in domestic tourism demand, inbound tourism demand, and economic growth. To achieve this goal, ARDL method, with three major models, namely, domestic tourism demand, inbound tourism demand and economic growth model have been applied. The main advantage of ARDL modeling is that it can estimate the long-run and short-run relationships in the

tourism demand and economic growth models. Moreover, the error correction term (ECT) of the ARDL procedure is then can show on the speed of adjustment when there is any shock in the determinant variables.

The main findings from this study is the income, tourism price, real exchange rate, travelling costs and population are the main determinants for domestic and inbound tourism demand. It is interesting to note that tourist income is positively and tourism price is negatively related to domestic and inbound tourism demand in the long-run and short-run. Also, empirical results show for most developed and developing countries income and price are elastic (greater than one), therefore the tourism product is luxuries. These finding clearly supports the first and second parts of the hypothesis of present study. Moreover, from the finding, the domestic and inbound tourism expenditure did not have a positive effect on gross domestic product (GDP), but the capital investment and total export in the long-run had a bigger positive effect as compare to the tourism expenditure. So, this study highlights the reason for lower contribution of tourism expenditure to economic growth in Iraq in the long-run and short-run. This finding clearly supports the third part of the hypothesis of present study.

Also, this study has found Iran is the largest source market of Iraq, because more than 90% of total arrival comes from Iran (especially after convention between Iraq and Iran in 1997 allowing coming Iranian tourist to Iraq) with shorter stay and lower spending. However, the Australia smaller source market of Iraq, because only 0.003% of total arrival from Australia visit to Iraq with longer stay and higher spending.

Overall, the estimated models in this study are performed, since there are fulfill the diagnostic test. Thus, policy maker can use these results and finding for Implication and forecasting purpose.

**Keywords:** Domestic Tourism Demand, Inbound Tourism Demand, Economic Growth, ARDL approach, Iraq.

Abstrak tesis dikemukakan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk Ijazah Doktor Falsafah.

## **PERANAN SEKTOR PELANCONGAN DALAM EKONOMI IRAQ**

Oleh

**YOUNIS ALI AHMED**

**November 2014**

**Pengerusi: Prof. Khalid B Abdul Rahim, PhD**  
**Fakulti: Ekonomi dan Pengurusan**

Pelancongan menjadi industri yang signifikan kepada ekonomi sejak permulaan tamadun manusia, dan menjadi semakin penting pada masa hadapan. Banyak negara di seluruh dunia terus berusaha menarik pelancong ke destinasi di negara masing-masing sejak abad ke-20. Perhatian telah diberikan kepada peranan pelancongan dalam meningkatkan ekonomi negara dengan menggalakkan aktiviti pelancongan di kawasan-kawasan yang berbeza.

Dengan potensi yang positif dalam industri pelancongan, Iraq seharusnya berperanan dan mengambil peluang secara serius melibatkan sendiri dalam industri ini. Iraq boleh dianggap sebagai salah satu tempat pelancongan yang berpotensi di dunia. Iraq boleh menjadi destinasi menarik untuk pelancongan domestik dan antarabangsa apabila pelaburan disediakan dan perhatian yang mencukupi diberikan kepada pembangunan industri pelancongan. Walau bagaimanapun, sehingga hari ini perhatian yang diberikan oleh Iraq untuk industri pelancongan masih kurang berbanding dengan industri minyak dan gas. Kepentingan industri minyak dan gas tidak dapat dinafikan bagaimanapun, memberi peluang untuk memperluaskan asas ekonomi juga penting. Tambahan pula, perkembangan industri pelancongan telah dilihat sebagai potensi yang baik untuk ekonomi Iraq.

Penyelidikan keatas permintaan pelancongan dan pertumbuhan pelancongan di Iraq juga adalah terhad. Kebanyakan penyelidik hanya menjalankan kajian ke atas komponen strategik pelancongan secara umum atau untuk tempoh yang singkat, dan sehingga kepada pengetahuan penyelidik, tidak terdapat kajian semasa mengenai pelancongan di Iraq yang menganalisis permintaan jangka panjang dan hubungan jangka pendek antara penentu-penentu permintaan pelancongan. Oleh kerana pentingnya pelancongan sebagai penjana pertumbuhan ekonomi dan kurangnya kajian dalam bidang ini, kajian dalam bidang pelancongan menjadi pilihan penyelidikan. Secara spesifik kajian ini cuba menyediakan analisis yang dapat mengisi jurang dalam kesusasteraan mengenai peranan sektor pelancongan dalam ekonomi Iraq.

Kajian ini cuba menganalisa tentang peranan sektor pelancongan dalam ekonomi Iraq dengan memberikan penjelasan mengenai hubungan penentu dalam permintaan pelancongan domestik, permintaan pelancongan dari luar negara dan pertumbuhan ekonomi. Untuk mencapai matlamat ini, kaedah ARDL dengan tiga model utama iaitu, permintaan pelancongan dalam negeri, permintaan pelancongan luar negara dan

model pertumbuhan ekonomi telah dilakukan. Kelebihan utama penggunaan model ARDL ia boleh menganggarkan hubungan jangka panjang dan jangka pendek dalam model permintaan pelancongan dan pertumbuhan ekonomi. Tambahan pula, ralat pembetulan (ECT) dalam ARDL dapat menunjukkan kecepatan pelarasan apabila terdapatnya sebarang gangguan dalam pemboleh ubah penganggaran.

Penemuan utama kajian mendapati pendapatan, harga pelancongan, kadar pertukaran sebenar, kos perjalanan dan penduduk adalah penentu utama bagi permintaan pelancongan domestik dan dari luar negara ini. Ia adalah menarik untuk ambil perhatian bahawa pendapatan pelancongan adalah berhubung secara positif dan harga pelancongan berhubung secara negatif dengan permintaan pelancongan domestik dan dari luar negara dalam jangka panjang dan jangka pendek. Juga, keputusan empirikal menunjukkan pendapatan di negara maju dan membangun serta harga adalah elastik (lebih daripada satu). Oleh itu, pelancongan di Iraq dikategorikan sebagai barangan mewah. Dapatan ini menyokong hipotesis pertama dan kedua kajian ini. Selain itu, perbelanjaan pelancongan domestik dan perbelanjaan pelancong asing (inbound) tidak mempunyai kesan positif ke atas Keluaran Dalam Negara Kasar (KDNK), tetapi pelaburan modal dan jumlah eksport dalam jangka panjang itu mempunyai kesan positif yang lebih kecil berbanding dengan perbelanjaan pelancongan. Dengan itu, dirumuskan bahawa sumbangan yang lebih rendah diperolehi daripada perbelanjaan pelancongan kepada pertumbuhan ekonomi di Iraq dalam jangka panjang dan jangka pendek. Dapatan ini jelas menyokong bahagian ketiga hipotesis kajian ini.

Selain itu, kajian ini telah mendapati Iran merupakan pasaran sumber terbesar Iraq, kerana lebih 90% daripada jumlah ketibaan berasal dari Iran (terutama selepas konvensyen antara Iraq dan Iran pada tahun 1997 yang membolehkan kedatangan pelancong Iran ke Iraq), Bagaimanapun, mereka merupakan penginap jangka pendek dan memiliki perbelanjaan yang rendah semasa berada di Iraq. Walau bagaimanapun, pasaran terkecil Iraq adalah Australia, hanya 0.003% daripada jumlah ketibaan dari Australia lawatan ke Iraq, bagaimana mereka penginap jangka panjang dan merupakan penyumbang perbelanjaan yang lebih tinggi.

Keseluruhan, model penganggaran dalam kajian ini adalah model yang baik, kerana memenuhi semua ujian diagnostik. Oleh itu, pembuat dasar boleh menggunakan keputusan dan dapatan untuk Implikasi dan tujuan peramalan.

**Keywords:** Permintaan Pelancongan Dalam Negeri, Permintaan Pelancongan Luar Negara, Pertumbuhan Ekonomi, pendekatan ARDL, Iraq.



## ACKNOWLEDGEMENT

My deepest gratitude goes to the Most Merciful Allah S.W.T. Who granted me the opportunity to pursue my second degree study in Malaysia. I would like to express my gratitude and appreciation to Professor Dr. Khalid B Abdul Rahim for his wise supervision, advice, guidance, valuable suggestions, and support during the research period. My thanks also go to my Co-supervisors, Associate Professor Dr. Norlida Hanim Mohd Salleh and Dr. Suhaila Bt Hj Abdul Jalil for their opinions and insightful suggestions. My sincere gratitude is due to them. Finally, I would like to thank my family and all the friends I made at various stages of my study for their friendship, support, advice and encouragement.



I certify that a Thesis Examination Committee has met on 17 November 2014 to conduct the final examination of Younis Ali Ahmed on his thesis entitled "Role of the Tourism Sector in the Iraqi Economy" in accordance with the Universities and University Colleges Act 1971 and the Constitution of the Universiti Putra Malaysia [P.U.(A) 106] 15 March 1998. The Committee recommends that the student be awarded the Doctor of Philosophy.

Members of the Thesis Examination Committee were as follows:

**Zaleha binti Mohd Noor, PhD**

Associate Professor  
Faculty of Economics and Management  
Universiti Putra Malaysia  
(Chairman)

**Yuhanis binti Ab Aziz, PhD**

Associate Professor  
Faculty of Economics and Management  
Universiti Putra Malaysia  
(Internal Examiner)

**Law Siong Hook, PhD**

Associate Professor  
Faculty of Economics and Management  
Universiti Putra Malaysia  
(Internal Examiner)

**Nada Kulendran, PhD**

Associate Professor  
Victoria University  
Australia  
(External Examiner)



---

**ZULKARNAIN ZAINAL, PhD**

Professor and Deputy Dean  
School of Graduate Studies  
Universiti Putra Malaysia

Date: 9 December 2014

This thesis was submitted to the Senate of Universiti Putra Malaysia and has been accepted as fulfilment of the requirement for the degree of Doctor of Philosophy. The members of the Supervisory Committee were as follows:

**Khalid Abdul Rahim, PhD**

Professor  
Faculty of Economics and Management  
Universiti Putra Malaysia  
(Chairperson)

**Norlida Hanim Mohd Salleh, PhD**

Associate Professor  
Faculty of Economics and Management  
Universiti Kebangsaan Malaysia  
(Member)

**Suhaila Bt Hj Abdul Jalil, PhD**

Senior Lecturer  
Faculty of Economics and Management  
Universiti Putra Malaysia  
(Member)

---

**BUJANG BIN KIM HUAT, PhD**

Professor and Dean  
School of Graduate Studies  
Universiti Putra Malaysia

Date:

## Declaration by the student

I hereby confirm that:

- this thesis is my original work
- quotations, illustrations and citations have been duly referenced
- the thesis has not been submitted previously or concurrently for any other degree at any institutions
- intellectual property from the thesis and copyright of thesis are fully-owned by Universiti Putra Malaysia, as according to the Universiti Putra Malaysia (Research) Rules 2012;
- written permission must be owned from supervisor and deputy vice –chancellor (Research and innovation) before thesis is published (in the form of written, printed or in electronic form) including books, journals, modules, proceedings, popular writings, seminar papers, manuscripts, posters, reports, lecture notes, learning modules or any other materials as stated in the Universiti Putra Malaysia (Research) Rules 2012;
- there is no plagiarism or data falsification/fabrication in the thesis, and scholarly integrity is upheld as according to the Universiti Putra Malaysia (Graduate Studies) Rules 2003 (Revision 2012-2013) and the Universiti Putra Malaysia (Research) Rules 2012. The thesis has undergone plagiarism detection software

Signature:..... Date: \_\_\_\_\_

Name and Matric No: Younis Ali Ahmed GS3408

## Declaration by Members of Supervisory Committee

This is to confirm that:

- The research conducted and the writing of this thesis was under our supervision;
- Supervision responsibilities as stated in the Universiti Putra Malaysia (Graduate Studies) Rules 2003 (Revision 2012-2013) are adhered to.

Signature: \_\_\_\_\_  
Name of  
Chairman of  
Supervisory  
Committee: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name of  
Member of  
Supervisory  
Committee: \_\_\_\_\_

Signature: \_\_\_\_\_  
Name of  
Member of  
Supervisory  
Committee: \_\_\_\_\_

## TABLE OF CONTENTS

	<b>Page</b>
<b>ABSTRACT</b>	i
<b>ABSTRAK</b>	iii
<b>ACKNOWLEDGEMENTS</b>	v
<b>APPROVAL</b>	vi
<b>DECLARATION</b>	viii
<b>LIST OF TABLES</b>	xiii
<b>LIST OF FIGURES</b>	xvi
<b>CHAPTER</b>	
<b>1 INTRODUCTION</b>	<b>1</b>
1.1 General Background	1
1.2 Background of the Case Study	2
1.3 Problem statement	3
1.4 Research Question	5
1.5 Objectives of the study	5
1.6 Research Hypotheses	5
1.7 Significance and Motivation of the study	6
1.8 Scope of the study	6
1.9 Contribution of the study	7
1.10 Organization of the study	8
1.11 Summary	8
<b>2 TOURISM INDUSTRY IN IRAQ</b>	<b>9</b>
2.1 Introduction	9
2.2 Economic system in Iraq	9
2.3 Security and political stability in Iraq	9
2.4 Tourism development in Iraq	10
2.5 Elements and Tourism components in Iraq	10
2.5.1 Elements of tourism supply	10
2.5.2 Elements of tourism demand	18
2.6 The role of tourism growth on the Iraqi economy	23
2.6.1 Contribution of tourism revenue to exports	23
2.6.2 Contribution of tourism sector to employment	24
2.6.3 Contribution of tourism revenue to GDP	24
2.7 Summary	26
<b>3 THEORETICAL FRAMEWORK AND LITERATURE REVIEW</b>	<b>27</b>
3.1 Introduction	27
3.2 Theoretical Framework	27
3.2.1 Concept of Tourism - Demand Theory	28
3.2.2 Concept of Tourism - Growth Theory	32
3.3 Literature Review	37
3.3.1 Review of the variables for the tourism demand analysis	38

3.3.2	Review of the variables for the tourism growth analysis	42
3.3.3	Review of dummy variables for tourism demand and tourism growth models	45
3.3.4	Models implemented in the previous studies	47
3.3.4.1	OLS Technique	47
3.3.4.2	ARDL Approach	48
3.4	Summary	48
<b>4</b>	<b>METHODOLOGY AND DATA COLLECTION</b>	<b>49</b>
4.1	Introduction	49
4.2	Basic ARDL approach	49
4.3	Specific tourism demand model for Iraq	51
4.3.1	Specific domestic tourism demand model for Iraq	51
4.3.2	Specific inbound tourism demand model for Iraq	52
4.4	Specific economic growth model for Iraq	52
4.5	Variables, data description, and data sources	53
4.5.1	Variables and Data Description	54
4.5.2	Variables and Data Sources	58
4.6	Estimation procedures of the ARDL approach for the tourism demand and economic growth models	59
4.6.1	Stationary test with ARDL approach	60
4.6.2	ARDL approach to co-integration analysis for tourism demand and tourism growth	62
4.6.3	Model specification and estimation techniques for the tourism demand and economic growth models	64
4.6.4	Diagnostic Checking	73
4.7	Summary	75
<b>5</b>	<b>EMPRICAL RESULTS AND DISCUSSION</b>	<b>76</b>
5.1	Introduction	76
5.2	Economic Analysis of domestic tourism demand for Iraq	76
5.2.1	Stationary Test for variables in domestic tourism demand Model	76
5.2.2	Co-integration Test for domestic tourism demand model	77
5.2.3	Long-run and short-run estimation of the domestic tourism demand model	78
5.2.4	Effect of dummies on domestic tourism demand	81
5.2.5	Diagnostic Checking for domestic tourism demand model	82
5.2.6	Index for accurate domestic tourism demand estimation	83
5.3	Economic Analysis of inbound tourism demand for Iraq	84
5.3.1	Stationary Test for variables in inbound tourism demand model	84
5.3.2	Co-integration Test for inbound tourism demand model	87
5.3.3	Long-run and short-run estimation of the inbound tourism demand model	88
5.3.4	Effect of dummies on inbound tourism demand	94
5.3.5	Diagnostic Checking for inbound tourism demand model	97
5.3.6	Index for accurate inbound tourism demand estimation	102
5.4	Economic Analysis of economic growth for Iraq	102
5.4.1	Stationary Test for variables economic growth model	103

5.4.2 Co-integration Test for economic growth model	103
5.4.3 Long-run and short-run estimation of economic growth	104
5.4.4 Effect of dummies on economic growth	107
5.4.5 Diagnostic Checking for economic growth model	107
5.4.6 Index for accurate economic growth estimation	108
5.5 Summary	108
<b>6 SUMMARY AND CONCLUSION</b>	<b>109</b>
6.1 Introduction	109
6.2 Summary of results	110
6.2.1 Co-integration test	110
6.2.2 Elasticity of Long-run and short-run estimations	111
6.2.3 Estimation of the dummy variable effect on the tourism sector	113
6.2.4 Diagnostic tests and accurate estimation of ARDL models	114
6.3 Major findings and economic implications	115
6.4 Study Limitations and suggestions for Future Research	118
6.5 Conclusion	119
<b>REFERENCES</b>	<b>120</b>
<b>APPENDICES</b>	<b>139</b>
<b>BIODATA OF STUDENT</b>	<b>176</b>
<b>LIST OF PUBLICATIONS</b>	<b>177</b>



## LIST OF TABLES

Table		Page
2.1	Number of hotels in Iraq and Kurdistan's Share from 1980 to 2013	13
2.2	Number of restaurants and cafes in Iraq and Kurdistan's Share from 2007 to 2012	14
2.3	Total Investments and tourism Investments in Iraq from 1980 to 2013	17
2.4	Number of domestic tourists in Iraq and Kurdistan's share from 1980 to 2013	19
2.5	Number of inbound tourists of Iraq and Kurdistan's Share from 1980 to 2013	20
2.6	Distribution ratios to the tourist arrivals from selected countries in Iraq from 1980 to 2013	22
2.7	The ratio of tourism export to total and non-oil exports of Iraq from 1980 to 2013	23
2.8	Number of workers employed in tourism sector in Iraq from 1980 to 2013	24
2.9	Tourism revenue and GDP of Iraq from 1980 to 2013	25
4.1	Expected sign of relationship between dependent, independent and dummy variables	57
5.1	Result of Unit root test on dependent and explanatory variables for domestic tourism demand model for Iraq	77
5.2	Co-integration Test: An ARDL approach for domestic tourism demand	77
5.3	Long-run ARDL approach elasticity estimates for domestic tourism demand	78
5.4	Short-run Error correction elasticity estimates for domestic tourism demand	80
5.5	Result of estimation effect of dummy variables on domestic tourism demand	82
5.6	Diagnostic tests for domestic tourism demand model	83
5.7	Indicators for accurate domestic tourism demand estimation	84

5.8	Result of Unit root test on dependent and explanatory variables for inbound tourism demand model for U.S	84
5.9	Result of Unit root test on dependent and explanatory variables for inbound tourism demand model for U.K	85
5.10	Result of Unit root test on dependent and explanatory variables for inbound tourism demand model for Canada	85
5.11	Result of Unit root test on dependent and explanatory variables for inbound tourism demand model for Australia	85
5.12	Result of Unit root test on dependent and explanatory variables for inbound tourism demand model for France	85
5.13	Result of Unit root test on dependent and explanatory variables for inbound tourism demand model for Italy	86
5.14	Result of Unit root test on dependent and explanatory variables for inbound tourism demand model for Turkey	86
5.15	Result of Unit root test on dependent and explanatory variables for inbound tourism demand model for Iran	86
5.16	Result of Unit root test on dependent and explanatory variables for inbound tourism demand model for Saudi Arabia	86
5.17	Result of Unit root test on dependent and explanatory variables for inbound tourism demand model for Pakistan	87
5.18	Result of Unit root test on dependent and explanatory variables for inbound tourism demand model for India	87
5.19	Result of Unit root test on dependent and explanatory variables for inbound tourism demand model for Kenya	87
5.20	Co-integration Test: An ARDL approach for inbound tourism demand for Developed and Developing countries	88
5.21	Long-run ARDL elasticity estimates for developed countries	89
5.22	Short-run Error correction elasticity estimates developed countries	90
5.23	Long-run ARDL elasticity estimates developing countries	92
5.24	Short-run Error correction elasticity estimates developing countries	93
5.25	Result of estimation effect of dummy variables on inbound tourism demand for developed and developing countries	95
5.26	Diagnostic tests for inbound tourism demand model	97

5.27	Index for accurate inbound tourism demand estimation	102
5.28	Result of Unit root test on dependent and explanatory variables for economic growth model for Iraq	103
5.29	Co-integration Test: An ARDL approach for economic growth	104
5.30	Long-run ARDL approach to elasticity estimates for economic growth	104
5.31	Short-run Error correction elasticity estimates for economic growth	106
5.32	Result of estimation effect of dummy variables on economic growth	107
5.33	Diagnostic tests for economic growth model	107
5.34	Indicators for accurate estimation of ARDL model	108
6.1	Testing for co-integration: an ARDL approach	110
6.2	Long-run and Short-run estimation of domestic tourism demand	111
6.3	Long-run estimation of inbound tourism demand for Developed and Developing Countries	111
6.4	Short-run estimation of inbound tourism demand for Developed and Developing Countries	112
6.5	Long-run and short-run estimation of economic growth model of Iraq	113
6.6	Estimation of effect of dummy variables on domestic, inbound and economic growth of Iraq	114
6.7	Indicators for diagnostic tests and accurate estimation of ARDL models	114

## LIST OF FIGURES

Figure		Page
3.1	Theoretical Framework for Tourism Demand Model.	32
3.2	Theoretical Framework for Tourism growth and Economic growth models.	37
5.1	Result of Cumulative Sum of Recursive Residual test of Long-run relationship, Domestic tourism demand for Iraq.	83
5.2	Result of Cumulative Sum of Squares of Recursive Residual test of Long-run relationship, Domestic tourism demand for Iraq.	83
5.3	Result of Cumulative Sum of Recursive Residual test of Long-run relationship, inbound tourism demand for U.S.	98
5.4	Result of Cumulative Sum of Squares of Recursive Residual test of Long-run relationship, inbound tourism demand for U.S.	98
5.5	Result of Cumulative Sum of Recursive Residual test of Long-run relationship, inbound tourism demand for U.K	98
5.6	Result of Cumulative Sum of Squares of Recursive Residual test of Long-run relationship, inbound tourism demand for U.K	98
5.7	Result of Cumulative Sum of Recursive Residual test of Long-run relationship, inbound tourism demand for Canada.	98
5.8	Result of Cumulative Sum of Squares of Recursive Residual test of Long-run relationship, inbound tourism demand for Canada.	98
5.9	Result of Cumulative Sum of Recursive Residual test of Long-run relationship, inbound tourism demand for Australia.	99
5.10	Result of Cumulative Sum of Squares of Recursive Residual test of Long-run relationship, inbound tourism demand for Australia.	99
5.11	Result of Cumulative Sum of Recursive Residual test of Long-run relationship, inbound tourism demand for France.	99
5.12	Result of Cumulative Sum of Squares of Recursive Residual test of Long-run relationship, inbound tourism demand for France.	99
5.13	Result of Cumulative Sum of Recursive Residual test of Long-run relationship, inbound tourism demand for Italy.	99
5.14	Result of Cumulative Sum of Squares of Recursive Residual test of Long-run relationship, inbound tourism demand for Italy.	99

5.15	Result of Cumulative Sum of Recursive Residual test of Long-run relationship, inbound tourism demand for Turkey.	100
5.16	Result of Cumulative Sum of Squares of Recursive Residual test of Long-run relationship, inbound tourism demand for Turkey.	100
5.17	Result of Cumulative Sum of Recursive Residual test of Long-run relationship, inbound tourism demand for Iran.	100
5.18	Result of Cumulative Sum of Squares of Recursive Residual test of Long-run relationship, inbound tourism demand for Iran.	100
5.19	Result of Cumulative Sum of Recursive Residual test of Long-run relationship, inbound tourism demand for Saudi Arabia.	100
5.20	Result of Cumulative Sum of Squares of Recursive Residual test of Long-run relationship, inbound tourism demand for Saudi Arabia.	100
5.21	Result of Cumulative Sum of Recursive Residual test of Long-run relationship, inbound tourism demand for Pakistan.	101
5.22	Result of Cumulative Sum of Squares of Recursive Residual test of Long-run relationship, inbound tourism demand for Pakistan.	101
5.23	Result of Cumulative Sum of Recursive Residual test of Long-run relationship, inbound tourism demand for India.	101
5.24	Result of Cumulative Sum of Squares of Recursive Residual test of Long-run relationship, inbound tourism demand for India.	101
5.25	Result of Cumulative Sum of Recursive Residual test of Long-run relationship, inbound tourism demand for Kenya.	101
5.26	Result of Cumulative Sum of Squares of Recursive Residual test of Long-run relationship, inbound tourism demand for Kenya.	101
5.27	Result of Cumulative Sum of Recursive Residual test of Long-run relationship, economic growth for Iraq.	108
5.28	Result of Cumulative Sum of Squares of Recursive Residual test of Long-run relationship, Economic growth for Iraq.	108

# CHAPTER 1

## INTRODUCTION

### Overview of the chapter

This chapter provides an explanation of the tourism aspects along with the tourism background of Iraq. Major sections include the Problem Statement, Research Objectives, and Hypotheses, Significance of the Study and Contributions of the Study.

### 1.1 General Background

Tourism has been significant since the beginning of human civilization, and is becoming more vital each passing day. Many countries all over the world have continued to attract tourists to destinations in their respective countries since the late 20<sup>th</sup> century. Ample attention has been given to the role of tourism in the national economy and to the promotion of tourist activities in different areas. The 21<sup>st</sup> century is a century of travel and tourism. Estimates for 2004 indicate that more than 11% of GDP and 8% of world export earnings will originate from tourism activity (Daher, 2007). In 2005, the world's total tourist arrivals topped the 800 million mark and generated foreign income of nearly USD 680 billion. Tourism is the most widespread industry in the world and the principal source of revenue and job creation in many countries (Chen, 2009). Hence, tourism is no longer considered an industry entirely for entertainment or leisure, but as one of the first industries to highlight the necessity of preserving the natural environment and historical heritage. Therefore, the tourism sector is regarded as an "industry without smoke" (Page ^ Connell, 2006). Today, tourism is a global phenomenon in terms of social, cultural, environmental, political and economic dimensions.

Tourism has an active and vital function in the economic and political openness of a country to the outside world (Tisdell, 1996). Tourism has different effects on the host country. In each case, the intensity of these effects depends on government policies, religion, and culture that prevail in the host country. According to World Tourism Organization studies (WTO, 2011), the tourism industry is the key to development in many countries and is influential in economic diversification. This activity supports government revenues, job creation, trade balance, cultural diversity, and infrastructure development, as well as increase in GDP growth.

International tourism is of extreme significance to the national economy and the provision of foreign exchange. Many countries, such as Spain, Greece, Mexico, and Morocco depend heavily on the tourism industry (Culpan, 1987).

Travel and tourism has become the largest industry not only in the developed countries, but also in China, which is the largest tourist destination in Asia. The WTO estimates that China is among the top ten countries in the tourism market because 210 million to 300 million tourists are expected to visit China in 2020. The tourism sector in China will contribute 11% of the GDP in 2020.

Oil revenues in the Middle East are expected to decrease in the next 20 to 30 years. Thus, numerous countries in this region consider tourism as an opportunity to offset

this decrease in revenue and to highlight their natural assets, historic cultures, and Islamic traditions. For example, Saudi Arabia has raised the economic contribution of tourism to 6% despite the dominance of the oil sector on the state economy. Tunisia has been successful in managing its tourism industry which accounts for more than 14% of the GDP of the country (AL-Aoaady, 2011; WTTC 2013). The fastest growing destinations, such as Dubai and Qatar are trying to accommodate more international tourists to the Middle East. By developing infrastructure and superstructure by 2020, the projected number of tourist arrivals is 81.4 million (United States Agency for International Development [USAID, 2007]).

Iraq is one of the most important oil-exporting countries. However, Iraq has experienced an increase in the contribution of the tourism revenue to 5 % of the GDP in 2011. Giving Iraq opportunity to develop tourism industry more extensive and to diversify Iraqi economy.

The number of tourist arrivals and tourism revenue are two of the indicators of tourism development. The number of tourists in the world reached 25 million in 1950, 681 million in 2000, and 1 billion in 2011 (Mishra et al., 2011 ; WTTC, 2012 ; WTO, 2013). According to WTO (2011) estimates, the number of tourists in the world will increase from 1 billion to 1.5 billion in 2020, and the tourism revenue will reach approximately US\$ 2000 billion in 2020. The WTO estimated that with the development of domestic and foreign tourism, Europe will lose its market share in terms of number of international tourists. Consequently, outbound tourism is expected to develop rapidly in Asian countries and Arab states. Tourism among the Arab states will increase one-and-a-half times more than that of all international tourism (United States Agency for International Development [USAID, 2007]).

Hence, the tourism industry needs to be organized and encouraged in all fields (Culpan, 1987). The three essential requirements for tourism development are tourist attractions, services, and country infrastructure. Developed countries, such as France and Italy have been highly successful in providing these requirements, but the prominent role of the government in the development and planning of the tourism sector in developing countries is required (Yang et al., 2008).

Multiple determinants are available for tourist activities. Identifying the internal and external factors that affect tourist demand is necessary to create competitive advantages for the tourism industry. To determine the amount of investment required for infrastructure and other resources to meet the tourist demand and to know how the contribution of tourism expansion to economic growth are also vital (Wang, 2009).

## **1.2 Background of the Case Study**

The Mesopotamian civilization, as well as the oldest civilizations in the world, dating back to 6000 BC, namely, Sumerian, Akkadian, Babylonian, Assyrian, Balabasien, and Ottoman Empire, have formed an essential network for tourism in Iraq. The past civilizations of Iraq participate in the positive image of the country as a land of ancient civilizations, thereby resulting in the creation and development of high tourist traffic flow. High financial returns contribute to the development of this archaeological heritage and help increase the national income (Abdullah, 2009).

Iraq has three geographic regions with different environmental conditions. The mountainous region has moderate climate in the summer and cold climate in the winter. The large amount of snow in the high mountains establishes a suitable condition for tourism and winter sports (Kettani, 1990). The Kurdistan Region, located north of Iraq, is gradually being recognized as a tourist destination region. The mountains of the Kurdistan Region have considerable ecotourism and adventure travel potential all year round (USAID, 2007). In 2011, *National Geographic* selected the Kurdistan Region as among the best tourist attractions in the world. The magazine included the region in the list of top 20 tourist areas in the world for 2011 because of historical cities, snow-capped mountains, peace and stability, and bustling markets of the region. The *New York Times* in 2011 also ranked the Kurdistan Region among the best tourist attractions in the world, ranking it 34<sup>th</sup> among 41<sup>st</sup> worldwide destinations.

Moreover, the government of Iraq should identify areas such as the Kurdistan Region that can compensate for the entire tourism sector of the country. This plan can be achieved by developing the Kurdistan Region, thereby increasing the number of tourists and tourism revenue. This plan also should be accomplished particularly after the inauguration of the Kurdistan region as a major tourist destination in the Arab States in 2014.

### **1.3 Problem Statement**

Iraq tourism has great potential to attract a large number of tourists because of its abundant historical places that date back to thousands of years, which may not be available in other countries. However, despite the country's noticeable potential tourist-attractions, the tourism industry has received a modest attention because of the lack of management, modest quality of facilities and services, low level of qualification of tourism employees, and lack of institutes to promote tourism awareness and training.

Moreover, Iraq is one of the most important oil-exporting countries. Therefore, oil revenues dominate the overall economic activity of the country, thereby contributing directly and indirectly to the decreased importance given to other sectors and to the less attention given by the government to the development of the oil sector as the backbone of Iraq economy, thereby contributing less to the development of the tourism sector. This situation turned Iraq into a mono-cultural economy which depending on only the oil sector as the source of foreign exchange. The over dependence of the Iraqi economy on the oil sector tends to have a negative effect on the development of its economy. This is because the price of oil is beyond the control of the Iraq economy and is subject a high level vulnerability as a result of political instability, global economic and financial crises.

To better understand the problem statement, this study attempts to present briefly the reduction of domestic and inbound tourists in Iraq. Also, this study presents the contributions of tourism revenue to the GDP growth of Iraq from 1980 to 2013.

The percentage of domestic tourists from the total population in Iraq in 1980 was 18%, however, the numbers decreased after 2000: in 2012 there was a 10% decrease compared to 1980 because of the wars and political instability, and the modest quality of facilities and services at tourism destinations in Iraq. To increase domestic



tourism demand it is necessary to determine the factor or factors that drive such a demand. These factors are selected based on their direct and indirect influence on domestic tourism demand and because they are dynamic nature.

In the same period mentioned above, the number of inbound tourists to Iraq also decreased. The number of inbound tourists as a percentage of the total population of Iraq in 2012 declined to six percent compared to eight percent in 1980 because of the First Gulf War, the economic blockade imposed on Iraq, and the political instability and security concerns. To increase inbound tourism demand, similar to domestic tourism demand, the factors that directly impact inbound tourism demand must be identified. To examine and determine these factors, a total of 12 countries are chosen, whose nationals constitute 82% of the total number of tourist arrivals in Iraq. These countries are more related to Iraqi tourism, and are divided into developed and developing countries to expand the research findings.

The contribution of tourism revenue to the GDP of Iraq from 1980 to 2013 reflects the state of continuous oscillation in both tourism revenue and GDP. The tourism industry generated the highest revenues in 1980 (4.43%), the year that preceded the Iraqi-Iranian war. The ratio of tourism revenue to GDP has declined to very low levels since then. The largest reduction occurred after 1991 and reached 0.003% in 1999 because of the economic blockade, and the political and security instability. However, since 2000 Iraq has experienced an increase in the contribution of the tourism revenue to 2.5 % of the GDP in 2012. (Ministry of Iraq Tourism, 2013).

Despite the increasing contribution of the tourism revenue to the GDP of Iraq, the Iraqi government has failed to consider tourism diversification as a necessary strategy to develop Iraq's economy. To increase gross domestic product (GDP) should know factors that affects the gross domestic product in Iraq. To examine these factors, this study evaluates the contribution of tourist expenditure or tourism revenue to the economic growth of Iraq, beginning with an analysis that assumes Iraq plans to diversify its economy and one of the ways is to increase its tourism revenue by focusing on the factors that can contribute positively the country's economic growth.

Besides knowing the factors that influence domestic and inbound tourism demand and how they affect economic growth of Iraq, it would them be possible for the Iraqi government to plan its diversification program, with the tourism sector as one of the important sectors in the country's economic diversification strategy that would help to increase Iraq's Gross Domestic Product.

Thus, tourism industry should be given priority as well as oil industry. Tourism development in Iraq can have a multiple effect on the Iraqi economy. First, the Iraqi government can promote the tourism sector to increase tourism revenue and its GDP thereby increasing the number of tourists (domestic and inbound) to the Iraq destination. Second, tourism diversification provides more income sources to the surrounding environment, which increases investment to all other sectors as it relates to the activities of the other sectors of the economy. Third, perhaps, diversification into tourism sector tends to be one of the strategies that the government needs to consider so as to overcome the adverse effects of fluctuation in world oil prices on the Iraqi economy. In case of fluctuation in oil prices, diversification may help the economy by creating opportunities of earning revenue and diversification of exports to escape the adverse effects of a mono-cultural economy.

This study investigates the role of tourism sector on Iraqi economy and also examines the factors that affect domestic and inbound tourism demand. Therefore, developing tourism activity, determining the problems confronting the industry it is necessary to have appropriate operational planning.

#### **1.4 Research Question**

To explain the role and influence of the tourism sector in the Iraqi economy, this study formulated a set of questions relevant to the study. Specifically, the study addresses three original questions pertinent to the determination of the factors that affect tourism demand and accelerate tourism expansion in Iraq.

1. What are the factors that influence domestic tourism demand in Iraq?
2. What are the major factors that affect inbound tourism demand in Iraq?
3. What are the major factors that influence the economic growth of Iraq?

These questions could be explained by presenting the objective of this study. The possible answers to these questions can be obtained by presenting and analyzing the results of the study.

#### **1.5 Objectives of the Study**

The general objective of this study is to investigate the factors that affect domestic and inbound tourism demand of Iraq. The study also determines the contribution of tourism expenditure to the economic growth of Iraq. Moreover, this study examines the problems of the tourism sector in Iraq and provides guidance to concerned officials to adopt strategies that address these problems.

This study aims to achieve the following specific objectives:

1. To determine the factors that influences the domestic tourism demand in Iraq.
2. To examine the determinants of Iraq inbound tourism demand for the top 12 major tourist arrival countries.
3. To evaluate the contribution of domestic tourism expenditure and inbound tourism expenditure to the economic growth of Iraq.

#### **1.6 Research Hypotheses**

The following hypotheses have been empirically tested to answer the proposed questions:

***Ha:*** Domestic tourism demand in Iraq is significantly related to changes in tourist income, tourism price, real exchange rate, population, and specific events.

***Ha:*** Inbound tourism demand in Iraq for each of the 12 countries of origin is significantly related to changes in tourist income, tourism price, real effective exchange rate, traveling cost, and specific events.

**Ha:** The domestic and inbound tourism expenditure has been able to contribute to the economic growth of Iraq from 1980 to 2013.

### **1.7 Significance and Motivation of the Study**

The following points highlight the importance and significance of the study:

1. Given its tourism potential, Iraq can be regarded as one of the greatest tourist sites in the world.
2. Research on tourism demand and tourism growth in Iraq is scarce.
3. Research on tourism in Iraq reveals strategies and solutions to overcome the obstacles confronting the tourism sector.
4. This study investigates the reality of the tourism industry in Iraq in various aspects, including domestic tourism demand, inbound tourism demand, tourism investment, and tourist services.

### **1.8 Scope of the Study**

The scope of the study is as follows:

1. This study focuses on the tourism sector in Iraq. It does not attempt to compare Iraq to other countries because Iraq has been involved in three devastating wars between 1980 and 2013, which is also the same period used in this study. Comparing Iraq with other countries is not feasible and nor of particular research interest. Nevertheless, this study chose to focus on how tourism in the Kurdistan Region has flourished in recent years, particularly in terms of number of visitors to the region because of security and stability.
2. Most researchers and scholars have conducted research on strategic components of tourism in general or for a short period. Compared with previous studies, this study attempts to identify a set of strategies to highlight the true reality of the tourism sector and its future prospects in Iraq by using data from official reports and documents from 1980 to 2013.
3. This study adopts secondary data for the period (1980 to 2013). Collection of data from more sources (World Bank, WTTC, WTO, CBI, IMF, EIU, OPEC, Ministry of tourism of Iraq and Ministry of planning of Iraq) is to gain access to more details and logical results.
4. According to scientific sources and WTO indicators, studies in some areas have used alternative variables because of missing data on some variables, such as tourist demand and number of tourists or tourist expenditure, traveling cost, and price of crude oil.
5. To achieve the main objectives of the study, several economic variables, such as the number of tourists (domestic and inbound), tourism expenditure (domestic and inbound), capital investment, exports, GDP, as well as non-economic variables, such as population, political stability, and security, are utilized.

## **1.9 Contribution of the Study**

This study offers many contributions but only the most important will be discussed:

### **Contribution at the local level**

1. This study applies long- and short-run relations between tourism demand (domestic and inbound) and determinants for Iraq using ARDL approach. To the best knowledge of this researcher, no current literature on tourism in Iraq had analyzed long- and short-run relations. Also, no current literature on Iraqi tourism used new approach, such as ARDL. However, most tourism studies on Iraq only used OLS approach with simple statistic tools (see appendix A for literature review on top 12 studies on Iraqi tourism).
2. This study examines and analyzes the tourism market source of Iraq for the top 12 countries as formulated by the inbound tourism demand model for Iraq (as shown in appendix A , no current literature on inbound tourism demand was found among the top 12 studies included in the literature review on Iraqi tourism).
3. This study uses a co-integration between tourism expansion and economic growth for Iraq by applying (domestic tourism expenditure, inbound tourism expenditure, capital investment, total export and real GDP) for the period 1980 to 2013. To the best knowledge of the researcher, no literature presently focuses on the contribution of tourism expenditure to the economic growth of Iraq.
4. This study attempts to deal with new variables for tourism demand and economic growth models, such as real GDP, tourism expenditure, and traveling cost. This study also attempts to deal with new dummy variables that significantly affect domestic and inbound tourism demand although previous tourism studies have not focused on these factors, such as the Iraq-Iran war from 1980-1988, economic blockade imposed on Iraq (1992-1996), and the Iraq-Iran convention 1997).
5. This study also attempts to present a clear picture of the tourism industry of Iraq, the tourism supply and tourism demand, export, employment, and GDP. The study also identifies the problems that facing the Iraqi tourism sector and selects the necessary policy to solve the problems (See Chapter Two and Chapter Six). This analysis enables the development of new policies and strategies on the behavior of domestic and inbound tourism market and how to attract new tourists to Iraq how to protect them.

### **Contributions at the international level**

1. This study not only focuses on inbound tourism as appears to be represented by the literature, but also on domestic tourism demand. In our review on tourism demand, only five out of 147 (3.4%) studies analyzed domestic tourism demand. Some studies were limited to international tourism not because domestic tourism was less important, but data and information on domestic tourism were limited (Ivanov & Webster, 2006). Recently, tourism organizations have encouraged researchers to focus on domestic tourism to make a balance if awareness between domestic and international tourism to so that domestic tourism is not unduly ignored and disadvantaged.

2. Most of the literature has only focused on one aspect of tourism, such as analyzing tourism demand or tourism growth. This study attempt to relate how tourism demand increases economic growth.

3. Most literature on tourism, if not all, focus on analyzing the effects of the Iraq-Iran war from 1980 to 1988, Gulf war in 1991, and the Iraq war in 2003 on tourism demand and growth in Asia or of other tourism countries. No current study has analyzed the effects of these wars on Iraqi tourism.

4. Most studies used tourist arrival statistics to measure tourism demand because data are difficult to obtain. However, the number of tourists does not provide an accurate proxy for tourism demand. This study will fill this gap by using domestic tourist expenditure to measure domestic tourism demand and inbound tourist expenditure to measure inbound tourism demand.

5. Finally, this study contributes to the body of knowledge because this study on Iraqi tourism sectors serves a pioneering function and no current international academic journals have published papers on the same subject.

### **1.10 Organization of the study**

This study analyzes and measures the role of tourism sector in Iraqi economy. To achieve this goal, theoretical and selected economic model applications are used in this study. The study has six chapters. Chapter I provide the introduction. Chapter II provides the tourism industry in Iraq. Chapter III has two main sections. The first discusses the theoretical framework of the study, while the second section contains the literature review. Chapter IV presents the methodology of the study including data collection, model of the study, procedures, and data analyses. Chapter V provides empirical results and discussion. Finally, Chapter VI summary and conclusion.

### **1.11 Summary**

In many developed and developing countries, ample attention has been given to the role of tourism in the national economy and the promotion of tourist activities in different areas. In this study consider three important aspects, beginning with the role of tourism in developing the world and choosing the Iraq tourism sector as background of the study. Second, discuss the problem statement using supporting official data on tourism to prove the existence of the problem. Third, explain the objective and the contribution of this study.

## REFERENCES

- Abdullah, H., Ali, J., & Matahir, H. (2010). Re-Examining the Demand for Money in Asean-5 Countries. *Asian Social Science*, 6(7): 146.
- Abdullah, I.S.(2006). Factors affecting the development of tourism in Erbil governorate and analysis Field study for the period( 2004-2005), master's thesis, the Ministry of Higher Education and Scientific Research, College of Economics and Management, , Salahaddin University, Arbil.
- Abed Aun, M.A.(2007). Some Of The Effecting Variables On The Elderly Tourism In Iraq (A Field Study For Baghdad City),Master's thesis of Tourism and Hotel Management, Ministry of Higher Education and Scientific Research, Faculty of Economy and Management , Al- Mustansiriya University.
- Abuamoud, I. N. (2011). Tourism and economic development opportunities for Jordan's Northern Badia cultural heritage sites. New Mexico State University.
- Achsani, N. A. (2010). Stability of Money Demand in an Emerging Market Economy: An Error Correction and ARDL Model for Indonesia. *Research Journal of International Studies*, (13): 54-62.
- Ahlert, G. (2008). Estimating the economic impact of an increase in inbound tourism on the German economy using TSA results. *Journal of travel research*, 47(2): 225-234.
- Ahmed, Z. M. (2009). The reality of supply and demand guides in the province of Sulaymaniyah (standard analytical study), master's thesis, the Ministry of Higher Education and Scientific Research, College of Economics and Management, University of Sulaymaniyah.
- Akal, M. (2009). Economic implications of international tourism on Turkish economy. 131-152.
- AL-Aoaady, M. H. N. (2011). Measurement and Analysis of the economic effects of tourism development and its role in supporting the Iraqi economy for the period 2002-2009) , Master's thesis of Tourism and Hotel Management, Ministry of Higher Education and Scientific Research, Faculty of Economy and Management , Al- Mustansiriya University.
- AL-Azawi, R. W. A. (2011). Factors affecting the development of demand and supply of tourist accommodation services in Iraq , Master's thesis of Tourism and Hotel Management, Ministry of Higher Education and Scientific Research, Faculty of Economy and Management , Al- Mustansiriya University.
- AL-Dabbagh, I. M.A. (2005). Some specific economic factors of demand for domestic tourism could be used to shape the demand for tourism in Iraq in the future, the

first scientific conference of the Ministry of State for Tourism and Antiquities, Iraq, Al-bgdad.

- AL- E'enizi, Y. M. H. (2005). Determinants of domestic tourists in Iraq and the possibility of development for the period 1975-2001), Master's thesis of Tourism and Hotel Management, Ministry of Higher Education and Scientific Research, Faculty of Economy and Management , Al- Mustansiriya University.
- AL-Fatlawi, F. S. A. (2006). Sustainable Tourism Development in Iraq(Problems & Possibilities) Master's thesis of Tourism and Hotel Management, Ministry of Higher Education and Scientific Research, Faculty of Economy and Management , Al- Mustansiriya University.
- AL-Hamarneh, A. & Steiner, C. (2004). Islamic tourism: rethinking the strategies of tourism development in the Arab world after September 11, 2001. *Comparative Studies of South Asia, Africa and the Middle East*, 24(1): 173-182.
- AL-Khalidy, A. T. F. (2006). Planning and Development Services and the Tourism Activities in Archaeological Locations and it's Roll in Tourism Demand - Location Studying - (Aqarquf) Archaeological, Master's thesis of Tourism and Hotel Management, Ministry of Higher Education and Scientific Research, Faculty of Economy and Management , Al- Mustansiriya University.
- AL-Quraishi, A. Z. A. (2006). Variables affecting in development the Islamic Religious tourism in Iraq(Field study for Kadhimaih Scene), Master's thesis of Tourism and Hotel Management, Ministry of Higher Education and Scientific Research, Faculty of Economy and Management, Al- Mustansiriya University.
- AL- Samaraee, M. J. (2010). Proposed scientific basis for calculating income tourism and its impact on Iraq's national income for the period( 1975-2007), Master's thesis of Tourism and Hotel Management, Ministry of Higher Education and Scientific Research, Faculty of Economy and Management , Al- Mustansiriya University.
- AL-Slmawi, H. M. A. (2012). An analytical study for the reality of the relation between tourism teaching institutes and the tourism working market in Iraq , Master's thesis of Tourism and Hotel Management, Ministry of Higher Education and Scientific Research, Faculty of Economy Management and Management , Al- Mustansiriya University.
- Aly, H. Y. & Mark. C. Strazicich (2000). Terrorism and Tourism: Is the impact permanent or transitory? Time series evidence from some MENA countries. Ohio State University.
- Anastasopoulos, P.G. (1984). Interdependencies in International Travel: The Role of Relative Prices - A Case Study of the Mediterranean Region. Ph. D. thesis, New

School for Social Research. Dissertation Abstracts International, A (Humanities and Social Sciences) 45(5).

- Apostolakis, A. & Clark, D. (2011). Tourism activity and economic conditions in Britain. *Tourismos: An International Multidisciplinary Journal of Tourism*, 6(2): 83-102.
- Arslanturk, Y., Balcilar, M., & Ozdemir, Z. A. (2011). Time-varying linkages between tourism receipts and economic growth in a small open economy. *Economic Modelling*, 28(1): 664-671.
- Asheghian, P. (2004). Determinants of economic growth in United States: The role of foreign direct investment. *The international trade journal*, 18(1): 63-83
- Aslan, A., Kaplan, M., & Kula, F. (2008). International tourism demand for Turkey: a dynamic panel data approach.
- Assaker, G., Vinzi, V. E., & O'Connor, P. (2011). Modeling a causality network for tourism development: an empirical analysis. *Journal of Modelling in Management*, 6(3): 258-278.
- Assaker, G. (2011). Insights into tourism demand and tourism behavior: four papers using multiple perspectives and structural equation modeling. *European Journal of Tourism Research*, 4(2): 237-241.
- Baaijens, S. R., Nijkamp, P., & Van Montfort, K. (1998). Explanatory meta-analysis for the comparison and transfer of regional tourist income multipliers. *Regional Studies*, 32(9): 839-849.
- Banerjee, A., Ray, N., & Ghosh, S. (2011). Issues and challenges of tourism development in West Bengal, India. International Conference on Management (ICM 2011) Proceeding.[cited 03 February 2012]. Available from: <http://www.internationalconference.com.my/proceeding.htm>.
- Bahmani-Oskooee, M., & Ng, R. W. (2002). Long-run demand for money in Hong Kong: an application of the ARDL model. *International journal of business and economics*, 1(2): 147-155.
- Balaguer, J., & Cantavella-Jorda, M. (2002). Tourism as a long-run economic growth factor: the Spanish case. *Applied economics*, 34(7): 877-884.
- Bashagi, A., & Muchapondwa, E. (2009). What actions could boost international tourism demand for Tanzania? *Journal for Studies in Economics and Econometrics*, 33(2): 59-75.
- Becken, S. (2011). Oil, the global economy and tourism. *Tourism Review*, 66(3): 65-72.



- Bigano, A., Hamilton, J. M., & Tol, R. S. (2007). The impact of climate change on domestic and international tourism: a simulation study. *Integrated Assessment*, 7(1).
- Blake, A., Sinclair, M. T., & Sugiyarto, G. (2003). Quantifying the impact of foot and mouth disease on tourism and the UK economy. *Tourism Economics*, 9(4): 449-465.
- Blake, A., Arbache, J. S., Sinclair, M. T., & Teles, V. (2008). Tourism and poverty relief. *Annals of Tourism Research*, 35(1): 107-126.
- Blake, A. (2001). Modelling tourism and travel using tourism satellite accounts and tourism policy and forecasting models, Christel DeHaan Tourism and Travel Research Institute.
- Bonham, C., Gangnes, B., & Zhou, T. (2009). Modeling tourism: A fully identified VECM approach. *International Journal of Forecasting*, 25(3): 531-549.
- Brown, R. L., Durbin, J., & Evans, J. M. (1975). Techniques for testing the constancy of regression relationships over time. *Journal of the Royal Statistical Society. Series B (Methodological)*, 149-192.
- Bornschiefer, V. (1980). Multinational corporations and economic growth: A cross-national test of the decapitalization thesis. *Journal of Development Economics*, 7(2): 191-210.
- Brau, R., Lanza, A., & Pigliaru, F. (2007). How fast are small tourism countries growing? Evidence from the data for 1980–2003. *Tourism Economics*, 13(4), 603-614.
- Briassoulis, H. (1991). Methodological issues: tourism input-output analysis. *Annals of Tourism Research*, 18(3): 485-495.
- Brida, J. G., & Zapata, S. (2010). Economic impacts of cruise tourism: The case of Costa Rica. *Anatolia*, 21(2): 322-338.
- Burkart, A. J., & Medlik, S. (1981). Tourism: past, present and future. *Tourism: past, present and future*. (Ed. 2).
- Burke, O. (2010). More notes for Least Squares. Department of Statistics, 1 South Parks Road, Oxford University.
- Bull, A. (1995). *The Economics of Travel and Tourism*, 2nd edn, Longman Cheshire Pty Ltd.
- Carey, K. (1989). Tourism development in LDCs: Hotel capacity expansion with reference to Barbados. *World Development*, 17(1): 59-67.

- Cascante, D. M. (2008). Consequences of Tourism-based Growth on Rural Communities' Quality of Life: A Comparative Study of Liberia and La Fortuna, Costa Rica, ProQuest.
- Cave, P. (1999). The impact of the Asian economic crisis on tourism in Singapore. *Tourism Review*, 54(3): 50-54.
- Cem, I. Ş. I. K. (2012). The USA'S International travel demand and economic growth in Turkey: A causality analysis :( 1990-2008). *Tourismos: An International Multidisciplinary Journal of Tourism*, 7(1): 235-252.
- Central Organization for Statistics and Information Technology, Iraq CBI. [www.cbi.iq](http://www.cbi.iq).
- Chadwick, R. A., Ritchie, J. R. B., & Goeldner, C. R. (1987). Concepts, definitions and measures used in travel and tourism research. *Travel, tourism, and hospitality research. A handbook for managers and researchers*, 47-61.
- Chao, C. C., Hazari, B., & Sgro, P. (2005). Tourism and economic development in a cash-in-advance economy. *Research in international business and finance*, 19(3): 365-373.
- Cheng, K. M. (2009). Three Essays in Tourism, Trade, and Economic Growth.
- Chen, C. F., & Chiou-Wei, S. Z. (2009). Tourism expansion, tourism uncertainty and economic growth: New evidence from Taiwan and Korea. *Tourism Management*, 30(6), 812-818.
- Cheng, K. M., Kim, H., & Thompson, H. (2012). The real exchange rate and the balance of trade in US tourism. *International Review of Economics & Finance*, (25): 122-128.
- Chu, F. L. (1998). Forecasting tourism demand in Asian-Pacific countries. *Annals of Tourism Research*, 25(3): 597-615.
- Chu, F. L. (2009). Forecasting tourism demand with ARMA-based methods. *Tourism Management*, 30(5): 740-751.
- Connell, J., Page, S. J., & Bentley, T. (2009). Towards sustainable tourism planning in New Zealand: Monitoring local government planning under the Resource Management Act. *Tourism Management*, 30(6), 867-877.
- Cortés-Jiménez, I., Pulina, M., i Prunera, C. R., & Ortuño, M. A. (2009). Tourism and exports as a means of growth. *Documents de Treball (IREA)*(10), 1.
- Creel, R. S. (2007). An econometric model for international tourism flows: A case study of Guam, 1997-2004. UMI , Dctora Dissertation. 1-55.

- Crouch, G. I., Schultz, L., & Valerio, P. (1992). Marketing international tourism to Australia: a regression analysis. *Tourism Management*, 13(1): 196-208.
- Croes, R. R. (2003). Growth, development and tourism in a small economy: Evidence from Aruba. *International Journal of Tourism Research*, 5(5): 315-330.
- Crouch, G. I. (1992). Effect of income and price on international tourism. *Annals of Tourism Research* 19(4): 643-664.
- Culpan, R. (1987). International tourism model for developing economies. *Annals of Tourism Research*, 4(4): 541-552.
- Currie, D. M., Skare, M., & Loncar, J. (2004). The impact of War on Tourism: the case of Croatia. Conference on Tourism Economics, Palma de Mallorca.
- Daher, R. F. (2007). Tourism in the Middle East, continuity, change and transformation.
- Dieke, P. U. (2000). Developing tourism in Africa: issues for policy consideration. *Development Policy Management in Sub-Saharan Africa*, 7(1): 19-26.
- Divisekera, S. (2003). A model of demand for international tourism. *Annals of Tourism Research*, 30(1): 31-49.
- Doornik, J. A., Hendry, D. F., & Nielsen, B. (1998). Inference in cointegrating models: UK M1 revisited. *Journal of economic surveys*, 12(5): 533-572.
- Dritsakis, N., & Gialelaki, K. (2004). Cointegration analysis of tourism revenues by the member countries of European Union to Greece. *Tourism Analysis*, 9(3): 179-186.
- Dritsakis, N. (2004). Cointegration analysis of German and British tourism demand for Greece. *Tourism Management*, 25(1): 111-119.
- Dritsakis, N. (2004). Tourism as a long-run economic growth factor: an empirical investigation for Greece using causality analysis. *Tourism Economics*, 10(3): 305-316.
- Dwyer, L., & Kim, C. (2003). Destination competitiveness: Determinants and indicators. *Current Issues in Tourism*, 6(5): 369-414.
- Economist Intelligence Unit (EIU), 2013. [www.eiu.com](http://www.eiu.com).
- Engle, R. F., & Granger, C. W. (1987). Co-integration and error correction: representation, estimation, and testing. *Econometrica: journal of the Econometric Society*, 55(2): 251-276.
- Eugenio-Martin, J. L., Morales, N. M., & Scarpa, R. (2004). Tourism and economic growth in Latin American countries: a panel data approach, Fondazione ENI Enrico Mattei.

- Faulkner, B. (2001). Towards a framework for tourism disaster management. *Tourism Management*, 22(2): 135-147.
- Fayissa, B., Nsiah, C., & Tadasse, B. (2008). Impact of tourism on economic growth and development in Africa. *Tourism Economics*, 14(4): 807-818.
- Ferro Luzzi, G., & Flückiger, Y. (2003). An econometric estimation of the demand for tourism: the case of Switzerland. *Pacific Economic Review*, 8(3), 289-303.
- Figini, P., & Vici, L. (2010). Tourism and growth in a cross-section of countries. *Tourism Economics*.
- Frechtling, D. C., & Horvath, E. (1999). Estimating the multiplier effects of tourism expenditures on a local economy through a regional input-output model. *Journal of travel research*, 37(4): 324-332.
- Gard McGehee, N., Meng, F., & Tepanon, Y. (2006). Understanding legislators and their perceptions of the tourism industry: The case of North Carolina, USA, 1990 and 2003. *Tourism Management*, 27(4): 684-694.
- Garín-Munoz, T. (2006). Inbound international tourism to Canary Islands: a dynamic panel data model. *Tourism Management*, 27(2): 281-291.
- Garín Muñoz, T. (2007). German demand for tourism in Spain. *Tourism Management*, 28(1): 12-22.
- Gartner, W. C., & Shen, J. (1992). The Impact of Tiananmen Square on China's Tourism Image. *Journal of Travel Research*, 30(4):47-52.
- Gartner, W. C., & Gartner, W. (1996). *Tourism development: Principles, processes, and policies* (pp. 110-112). New York: Van Nostrand Reinhold.
- Gartner, C. (2008). *Tourism, Development, and Poverty Reduction: A Case Study from Nkhata Bay, Malawi*.
- Georgantopoulos, A. G. (2012). Forecasting Tourism Expenditure and Growth: A VAR/VECM Analysis for Greece at Both Aggregated and Disaggregated Levels. *International Research Journal of Finance and Economics*, (96): 155-167.
- Ghimire, K. B. (2001). Regional tourism and South,South economic cooperation. *The Geographical Journal*, 167(2): 99-110.
- Gibbons, J. D., & Fish, M. (1988). Thailand's international tourism: successes and current challenges. *International Journal of Hospitality Management*, 7(2): 161-166.

- Gilmore, A. (2008). Small-Scale Tourism Development in Communist Cuba. Master thesis. University of Waterloo, Canada.1-173.
- Gómez, V. B. (1996). Research in Spain on tourism and economic development. *Tourism Review*, 51(1): 5-11.
- Gonzalez, P., & Moral, P. (1995). An analysis of the international tourism demand in Spain. *International Journal of Forecasting*, 11(2): 233-251.
- Goodwin, H. (2007). Measuring and reporting the impact of tourism on poverty. *Cutting Edge Research in Tourism-New Directions, Challenges and Applications*, 6(9): 63-75.
- Gounopoulos, D., Petmezas, D., & Santamaria, D. (2012). Forecasting Tourist Arrivals in Greece and the Impact of Macroeconomic Shocks from the Countries of Tourists' Origin. *Annals of Tourism Research*, 39(2): 641-666.
- Greenidge, K. (2001). Forecasting tourism demand: An STM approach. *Annals of Tourism Research*, 28(1): 98-112.
- Greenidge, K., & Jackman, M. (2009). Modelling and forecasting tourist Flows in Barbados using Structural Time Series Models. *Tourism and Hospitality Research*, 10.
- Habibi, F., & Rahim, K. A. (2009). A bound test approach to cointegration of tourism demand. *American Journal of Applied Sciences*, 6(11): 1924.
- Halicioglu, F. (2004). *An ARDL model of international tourist flows to Turkey*. *Global Business and Economics Review*, 614-624.
- Halicioglu, F. (2010). An econometric analysis of the aggregate outbound tourism demand of Turkey. *Tourism Economics*, 16(1): 83-97.
- Hall, C. M. (1994). *Tourism and politics: policy, power and place*. John Wiley & Sons.
- Hall, C. M., & O'Sullivan, V. (1996). *Tourism, Political Stability and Violence*. In *Tourism, Crime and International Security Issues*, New York:Wiley: 105-121.
- Hall, C. M. (2010). Crisis events in tourism: subjects of crisis in tourism. *Current Issues in Tourism*, 13(5): 401-417.
- Hashim. J. (2005). Study in the economic role of economic activity, the first scientific conference of the Ministry of State for Tourism and Antiquities, Iraq, Al-bgdad.
- Hazari, B. R., & Kaur, C. (1995). Tourism and welfare in the presence of pure monopoly in the non-traded goods sector. *International Review of Economics & Finance*, 4(2): 171-177.

- Hutcheson, G. D. (2011). Ordinary Least-Squares Regression. In L. Moutinho and G. D. Hutcheson, *The SAGE Dictionary of Quantitative Management Research*: 224-228.
- Icoz, O., Var, T., & Kozak, M. (1998). Tourism demand in Turkey. *Annals of Tourism Research*, 25(1): 236-240.
- Imler, A. N. (2011). Evaluating nature of expenditures and economic impact of tourism spending on nature-based activities in South Carolina coastal economies.
- International Monetary Fund (2012). [www.imf.org](http://www.imf.org).
- Ishii, S. (2012). Key Determinants of international tourist flows: How to promote inbound tourism?. Georgetown University.
- Ishikawa, N., & Fukushige, M. (2007). Impacts of tourism and fiscal expenditure to remote islands: the case of the Amami islands in Japan. *Applied Economics Letters*, 14(9): 661-666.
- Isik, C. (2012). The USA'S International travel demand and economic growth in Turkey: A causality analysis (1990-2008). *Tourismos, An international multidisciplinary journal of tourism* 7(1): 235-25.
- Ivanov, S., & Webster, C. (2007). Measuring the impact of tourism on economic growth. *Tourism Economics*, 13(3): 379-388.
- Jackman, M., & Greenidge, K. (2010). Modelling and forecasting tourist Flows in Barbados using Structural Time Series Models. *Tourism and Hospitality Research*, 10(1):1-13.
- Jawda, L. H. (2005). The tourism industry and its role in the development of the economies of the host countries with the possibility of making use of them in Iraq , the first scientific conference of the Ministry of State for Tourism and Antiquities, Iraq, Al-bgdad.
- Johansen, S. (1988). Statistical analysis of cointegration vectors. *Journal of economic dynamics and control*, 12(2): 231-254.
- Johansen, S. (1995). *Likelihood-Based Inference in Cointegrated Vector Autoregressive Models*. Oxford University, New York: Clarendon Press. OUP Catalogue.
- Joseph, B. A. (2007). Tourism and economic development in the Caribbean: Comparative advantage deferred. Masters Abstracts. University of Wyoming.
- Kadm, A. A. (2011) . Role of tourism Industry in the Developing of economies at some selected Developing Countries with a special focus to Iraq for (1990-2009), Master's thesis of Economic Sciences, Ministry of Higher Education and

Scientific Research, Faculty of Economy and Management , Baghdad University.

- Kaplan, M., & Çelik, T. (2008). The impact of tourism on economic performance: the case of Turkey. *The International Journal of Applied Economics and Finance*, 2(1): 13-18.
- Kasimati, E. (2011). Economic Impact of Tourism on Greece's Economy: Cointegration and Causality Analysis. *International Research Journal of Finance and Economics*, 79: 79-85.
- Khalil, S., Kakar, M. K., & Malik, A. (2007). Role of Tourism in Economic Growth: Empirical Evidence from Pakistan Economy [with Comments]. *The Pakistan Development Review*: 985-995.
- Khandazhapova, L. M., Maksanova, L. Z., & Lubsanova, N. B. (2011). Estimate of the influence exerted by the development of tourism on the economy of a region. *Studies on Russian Economic Development*, 22(5): 557-562.
- Khan, H., & Lin, C. C. (2002). International Trade and Tourism: Evidence from Cointegration and Causality Tests by Using Singapore Data. Annual Conference of Travel and Tourism Association (TTRA) (pp. 23-26).
- Kibritcioglu, A. (1997). A note on the smithian origins of new trade and growth theories. AUSBF Discussion paper series. NO.7, Ankara: Ankara university.
- Kibritcioglu, A., & Dibooglu, S. (2001). Long run economic growth: An interdisciplinary approach. University of Illinois. Knowledge, Technology & Policy, 13(4): 59-70.
- Kim, K. (2002). The effects of tourism impacts upon Quality of Life of residents in the community. PHD theses In Hospitality and Tourism Management, UMI: 1-274.
- Kliman, M. (1981). A quantitative analysis of Canadian overseas tourism. *Transportation Research Part A: General*, 15(6): 487-497.
- Kreishan, F. M. (2011). Time-series Evidence for Tourism-led Growth Hypothesis: A Case Study of Jordan. *International Management Review*, 7(1).
- Kulendran, N., & Dwyer, L. (2009). Measuring the return from Australian tourism marketing expenditure. *Journal of travel research*, 47(3): 275-284.
- Kulendran, N., & King, M. L. (1997). Forecasting international quarterly tourist flows using error-correction and time-series models. *International Journal of Forecasting*, 13(3): 319-327.

- Kuo, H. I., Chen, C. C., Tseng, W. C., Ju, L. F., & Huang, B. W. (2008). Assessing impacts of SARS and Avian Flu on international tourism demand to Asia. *Tourism Management*, 29(5): 917-928.
- Kunst, I. (2011). The role of the government in promoting tourism investment in selected Mediterranean countries-implications for the Republic of Croatia." *Tourism and Hospitality Management*, 17(1): 115-130.
- Lanza, A., Temple, P., & Urga, G. (2003). The implications of tourism specialisation in the long run: an econometric analysis for 13 OECD economies. *Tourism Management*, 24(3): 315-321.
- Lau, E., Oh, S. L., & Hu, S. S. (2008). Tourist arrivals and economic growth in Sarawak.
- Lea, J. P. (1993). Tourism development ethics in the Third World. *Annals of Tourism Research*, 20(4): 701-715.
- Lee, C. K. (1997). Valuation of nature-based tourism resources using dichotomous choice contingent valuation method. *Tourism Management*, 18(8), 587-591.
- Leidner, R. (2004). The European tourism industry: a multi-sector with dynamic markets: structures, developments and importance for Europe's economy.
- Li, H., Park, S. Y., & Seo, J. H. (2011). Quantile elasticity of international tourism demand for South Korea using the quantile autoregressive distributed lag model. *Tourism Economics*, 17(5): 997-115.
- Lim, C. (1997). Review of international tourism demand models. *Annals of Tourism Research*, 24(4): 835-849.
- Lim, C. (1997). The functional specification of international tourism demand models. *Mathematics and Computers in Simulation*, 43(3): 535-543.
- Lim, C., & McAleer, M. (2001). Forecasting tourist arrivals. *Annals of Tourism Research*, 28(4): 965-977.
- Lim, C., & McAleer, M. (2002). A cointegration analysis of annual tourism demand by Malaysia for Australia. *Mathematics and Computers in Simulation*, 59(1): 197-205.
- Lim, C. (2004). The major determinants of Korean outbound travel to Australia. *Mathematics and Computers in Simulation*, 64(3): 477-485.
- Loutif, M., Moscardini, A. O., & Lawler, K. (2000). Using system dynamics to analyse the economic impact of tourism multipliers. Proceedings of the 18th International conference of the System Dynamics Society, System Dynamics Society Albany, NY, System Dynamics Society: 132-232.



- Lumsdon, L. (1997). *Tourism marketing*. International Thomson Business Press.
- Lyssirotou, P. (2000). Dynamic analysis of British demand for tourism abroad. *Empirical Economics*, 25(3): 421-436.
- Mak, J., Moncur, J., & Yonamine, D. (1977). Determinants of visitor expenditures and visitor lengths of stay: A cross-section analysis of US visitors to Hawaii. *Journal of Travel Research*, 15(3), 5-8.
- Mathieson, A., & Wall, G. (1982). *Tourism: Economic. Physical and Social Impact*. London: Longman.
- McKercher, B. (1999). A Chaos Approach to Tourism. *Tourism Management*, 20(4): 425-434.
- McMahon, J. J. (1973). Demand for international tourism and the economic development of Puerto Rico. *Dissertations and Ph.D thesis, Xerox University*.
- Mervar, A., & Payne, J. E. (2007). An analysis of foreign tourism demand for Croatian destinations: long-run elasticity estimates. *Radni materijali Ekonomskog instituta, Zagreb*,(1): 5-21.
- Mihalic, T.(1996). Ecological Labelling in Tourism. *UK CEED BULLETIN*: 33-35.
- Mishra, P. K., Rout, H. B., & Mohapatra, S. S. (2011). Causality between tourism and economic growth: Empirical evidence from India. *European Journal of Social Sciences*, 18(4), 518-827.
- Ministry of Planning of Iraq (2013). [www.mop.gov.iq](http://www.mop.gov.iq).
- Ministry of Planning of Kurdistan (2013). [www.mop-krq.org](http://www.mop-krq.org).
- Ministry of Tourism of Iraq (2013). [www.tourism-iraq.com](http://www.tourism-iraq.com).
- Ministry of Tourism of Kurdistan (2013). [www.tourismkurdistan.com](http://www.tourismkurdistan.com).
- Morley, C. L. (1992). A microeconomic theory of international tourism demand. *Annals of Tourism Research*, 19(2): 250-267.
- Moses, N. S. (2005). elements of the tourism industry in the province of Dohuk, published thesis, the Ministry of Higher Education and Scientific Research, Faculty of Arts, Department of Geography Tourism, Salahaddin University, Arbil.
- Narayan, P. K. (2004). Reformulating critical values for the bounds F -statistics approach to co integration: An application to the tourism demand model for Fiji . No 02/04, Monash University Victoria , Australia .

- Narayan, P. K. (2005). The saving and investment nexus for China: evidence from cointegration tests. *Applied economics*, 37(17), 1979-1990.
- Narayan, P. K., & Narayan, S. (2006). Savings behaviour in Fiji: an empirical assessment using the ARDL approach to cointegration. *International Journal of Social Economics*, 33(7): 468-480.
- Narayan, P. K., & Singh, B. (2007). Modelling the relationship between defense spending and economic growth for the Fiji Islands. *Defence and Peace Economics*, 18(4): 391-401.
- Nasution, A. (2003). The Indonesian economic recovery from the crisis in 1997-1998. *Journal of Asian Economics*, 13(2): 157-180.
- Naudé, W. A., & Saayman, A. (2005). Determinants of tourist arrivals in Africa: a panel data regression analysis. *Tourism Economics*, 11(3): 365-391.
- Noh, E. (2010). The effect of North Korea on South Korean tourism demand: A novel application of destination image effect.
- O'Hagan, J. W., & Harrison, M. J. (1984). Market shares of U.S. tourist expenditures in Europe: an econometric analysis. *Applied Economics*, 16(6): 919-931.
- Ong, C. (1995). Tourism demand models: a critique. *Mathematics and Computers in Simulation*, 39(3): 367-372.
- Onder, K., & Durgun, A. (2008). Effects of Tourism Sector on the Employment in Turkey: An Econometric Application. Proceedings Book First International Conference on Management and Economics (ICME'08): Current Issues in Emerging Economies in Global Perspective, Tirana.
- Organization of the Petroleum Exporting Countries (OPEC), Annual Statistical Bulletin from 1980 to 2013. [www.opec.org](http://www.opec.org).
- Ozturk, I., & Acaravci, A. (2009). On the causality between tourism growth and economic growth: empirical evidence from Turkey. *Transylvanian Review of Administrative Sciences*, (25): 73-81.
- Page, S. (1994). *Transport for tourism*. London: Routledge. A Companion to Tourism, 146.
- Page, S., & Connell, J. (2006). *Tourism: A Modern Synthesis*: Cengage Learning, London: Thomson.
- Pahlavani, M. (2005). Trade -GDP Nexus in Iran: An application of the ARDL Model. Working paper 05-15, University of Wollongong. [pubs@uow.edu.au](mailto:pubs@uow.edu.au).

- Pao, J. W. (2004). Recent developments and prospects of Macao's tourism industry. *Monetary Authority of Macao*: 79-95.
- Papatheodorou, A., Rosselló, J., & Xiao, H. (2010). Global economic crisis and tourism: Consequences and perspectives. *Journal of travel research*, 49(1): 39-45.
- Payne, J. E., Loomis, D., & Wilson, R. (2011). Residential natural gas demand in Illinois: Evidence from the ARDL bounds testing approach. *Journal of Regional Analysis and Policy*, 41(2), 138-147.
- Peach, L.J.(1995).Tourism planning in Prince Edward Island: A framework for evaluation. B.A.(Hons.), Saint Mary's University, Canada.
- Pearce, D. G. (1981). *Tourist development*, Longman Group Limited.
- Pesaran, M. H., & Smith, R. (1995). Estimating long-run relationships from dynamic heterogeneous panels. *Journal of econometrics*, 68(1), 79-113.
- Pesaran, M. H., & Shin, Y. (1998). An autoregressive distributed-lag modelling approach to cointegration analysis. *Econometric Society Monographs*, 31: 371-413.
- Pesaran, M. H., & Smith, R. P. (1998). Structural analysis of cointegrating VARs. *Journal of economic surveys*, 12(5): 471-505.
- Pesaran, M. H. (1997). The role of economic theory in modelling the long run. *The Economic Journal*, 107(440): 178-191.
- Pesaran, M. H., Shin, Y., & Smith, R. J. (2001). Bounds testing approaches to the analysis of level relationships. *Journal of applied econometrics*, 16(3): 289-326.
- Phillips, P. C., & Hansen, B. E. (1990). Statistical inference in instrumental variables regression with I (1) processes. *The Review of Economic Studies*,57(1), 99-125.
- Po, W. C., & Huang, B. N. (2008). Tourism development and economic growth—a nonlinear approach. *Physica A: Statistical Mechanics and its Applications*, 387(22): 5535-5542.
- Proença, S., & Soukiazis, E. (2005). Tourism as an alternative source of regional growth in Portugal. Centro de Estudos da Uniao Europeia Faculdade de Economia da Universidade de Coimbra, Discussion paper,(34).
- Proença, S., & Soukiazis, E. (2008). Tourism as an economic growth factor: a case study for Southern European countries. *Tourism Economics*, 14(4): 791-806.
- Reisen, H., & Soto, M. (2001). Which types of capital inflows faster developing .country growth? *International finance*, 4 (1):1-14.

- Risso, W. A., Barquet, A., & Brida, J. G. (2010). Causality between economic growth and tourism expansion: empirical evidence from Trentino-Alto Adige. *Tourism: An International Multidisciplinary Journal of Tourism*, 5(2): 87-98.
- Ritchie, B. W. (2004). Chaos, crises and disasters: a strategic approach to crisis management in the tourism industry. *Tourism Management*, 25(6): 669-683.
- Ritchie, J. B., Molinar, C. M. A., & Frechtling, D. C. (2010). Impacts of the world recession and economic crisis on tourism: North America. *Journal of travel research*, 49(1): 5-15.
- Roe, D., Ashley, C., Page, S., & Meyer, D. (2004). Tourism and the poor analysing and interpreting tourism statistics from a poverty perspective.
- Rubies, E. B. (2001). Improving public-private sectors cooperation in tourism: A new paradigm for destinations. *Tourism Review*, 56(3/4): 38-41.
- Sadi, M. A., & Henderson, J. C. (2005). Tourism in Saudi Arabia and its future development.
- Sakr, M. F., & Massoud, N. (2003). International tourism volatility with special reference to Egypt, *Egyptian Center for Economic Studies*.
- Salleh, M., Hanim, N., Othman, R., & Ramachandran, S. (2007). Malaysia's tourism demand from selected countries: The ARDL approach to cointegration. *International journal of economics and management*, 1(3): 345-363.
- Salleh, N. H. M., Siong-Hook, L., Ramachandran, S., Shuib, A., & Noor, Z. M. (2008). Asian tourism demand for Malaysia: A bound test approach. *Contemporary Management Research*, 4(4).
- Salleh, N. H. M., & Othman, R. (2008). Factors affecting the arrival of Singaporean tourism to Malaysia and Malaysian tourism to Singapore. *Prosiding Persidangan Kebangsaan Ekonomi Malaysia Ke III*, 212-221.
- Salleh, N., & Othman, R. (2008). Modelling and forecasting Malaysia's tourism demand. School of Economics, Faculty of Economics and Business, University of Kebangsaan, Malaysia. 2nd International Colloquium on Tourism and Leisure proceedings. (pp. 5-8).
- Salleh, M., & Hanim, N. (2009). Factors Affecting Inbound Tourism Demand in Malaysia, Universiti Putra Malaysia. (Doctoral dissertation, Universiti Putra Malaysia).
- Schroeder, T.D. (1983). Use of multiple regression in recreation research: A discussion of several issues. *Journal of Leisure Research*, 15(3): 247- 250.

- Schubert, S. F., Brida, J. G., & Risso, W. A. (2011). The impacts of international tourism demand on economic growth of small economies dependent on tourism. *Tourism Management*, 32(2): 377-385.
- Scott, R. (1988). Managing Crisis in Tourism: A Case Study of Fiji. *Travel and Tourism Analyst*, (6):57-71.
- Seetaram, N. (2010). Use of dynamic panel cointegration approach to model international arrivals to Australia. *Journal of travel research*, 49(4): 414-422.
- Seetaram, N. (2012). Immigration and international inbound tourism: empirical evidence from Australia. *Tourism Management*, 33(6): 1535-1543.
- Selwyn, T. (1992). Tourism, society and development." *Community Development Journal*, 27(4): 353-360.
- Seo, J. H., Park, S. Y., & Yu, L. (2009). The analysis of the relationships of Korean outbound tourism demand: Jeju Island and three international destinations. *Tourism Management*, 30(4): 530-543.
- Sgro, P. M. (2004). Tourism and Growth in a Dynamic Model of Trade. *Contributions to Economic Analysis*, 265: 185-195.
- Sharma, S. (2006). Focusing on Regional Tourism Markets: Prospects and Challenge for Nepal. Economic Policy Network, Policy Paper 28.
- Sheldon, P. J. (1993). Forecasting tourism: Expenditures versus arrivals. *Journal of Travel Research*, 32(1): 13-20.
- Shi, H. (2012). The efficiency of government promotion of inbound tourism: The case of Australia." *Economic Modelling*, 29(6): 2711-2718.
- Shrestha, M. B., & Chowdhury, K. (2005). ARDL modelling approach to testing the financial liberalisation hypothesis. Working paper 05-15, University of Wollongong.pubs@ uow.edu.au.
- Silberberg, T. (1995). Cultural tourism and business opportunities for museums and heritage sites. *Tourism management*, 16(5), 361-365.
- Simon, F. L. (1995). Tourism development in transition economies: the Cuba case. *The Columbia Journal of World Business*, 30(1): 26-40.
- Sinclair, M. T. (1998). Tourism and economic development: A Survey. *The Journal of Development Studies*, 34(5): 1-51.
- Sinha, S. (2002). *International Tourism in Developing Nations: An Empirical Study*, University of North Texas.

- Sirakaya, E., Jamal, T. B., & Choi, H. S. (2001). Developing tourism indicators for destination sustainability. In D. B. Weaver (Ed.), *The encyclopedia of ecotourism*. New York, NY: Centre for Agricultural Bioscience International Publishing. (pp. 411-432).
- Slocum, S. L. (2006). *The Impact of Tourism on the Economy of Nevada: A Tourism Satellite Account and Computable General Equilibrium Model*, (Doctoral dissertation, University of Nevada, Reno).
- Slocum, S. (2010). *Sustainable Community Tourism Development: The Case of Tanzania*.
- Smeral, E., & Weber, A. (2000). Forecasting international tourism trends to 2010. *Annals of Tourism Research*, 27(4): 982-1006.
- Smeral, E. (2010). Impacts of the world recession and economic crisis on tourism: Forecasts and potential risks." *Journal of travel research*, 49(1): 31-38.
- Smith, S. L. (1994). The tourism product. *Annals of Tourism Research*, 21(3): 582-595.
- Song, H., & Witt, S. F. (Eds.). (2000). *Tourism demand modeling and forecasting: Modern econometric approaches*. Routledge.
- Song, H., & Witt, S. F. (2003). Tourism forecasting: the general-to-specific approach. *Journal of travel research*, 42(1): 65-74.
- Song, H., Witt, S. F., & Jensen, T. C. (2003). Tourism forecasting: accuracy of alternative econometric models. *International Journal of Forecasting*, 19(1): 123-141.
- Song, H., & Li, G. (2008). Tourism demand modelling and forecasting-A review of recent research. *Tourism Management*, 29(2): 203-220.
- Song, H., Li, G., Witt, S. F., & Athanasopoulos, G. (2011). Forecasting tourist arrivals using time-varying parameter structural time series models. *International Journal of Forecasting*, 27(3): 855-869.
- Statistical report, Board of Investment, Council of Ministers, Kurdistan region - Iraq, 2013.
- Stynes, D. J. (1999). *Approaches to estimating the economic impacts of tourism; some examples*. East Lansing, MI: Department of Park, Recreation and Tourism Resources, Michigan State University.
- Stynes, D. J., & White, E. M. (2004). *Spending Profiles of National Forest Visitors, 2002 Update*.

- Summar, R. (1987). Estimation of tourism demand by multivariable regression analysis.
- Sun, H., & Chai, J. (1998). Direct foreign investment and inter-regional economic disparity in China. *International Journal of Social Economics*, 25(2/3/4): 424-447.
- Thomas, R. (2000). Small firms in the tourism industry: some conceptual issues. *International Journal of Tourism Research*, 2(5), 345-353.
- Thompson, D., Muriel, P., Russell, D., Osborne, P., Bromley, A., Rowland, M. & Brown, C. (2002). Economic costs of the foot and mouth disease outbreak in the United Kingdom in 2001. *Revue scientifique et technique-Office international des epizooties*, 21(3): 675-685.
- Tohamy, S., & Swinscoe, A. (2000). The economic impact of tourism in Egypt.
- Tomic, R., Gajic, T., & Bugar, D. (2012). Tourism As A Basis For Development Of The Economy Of Serbia. *UTMS Journal of Economics*, 3(1): 21-31.
- Tooman, L. A. (1997). Tourism and development. *Journal of Travel Research*, 35(3): 33-40.
- Tosun, C., Timothy, D. J., & Öztürk, Y. (2003). Tourism growth, national development and regional inequality in Turkey. *Journal of Sustainable Tourism*, 11(2-3): 133-161.
- Tremblay, P. (1989). Pooling international tourism in Western Europe. *Annals of Tourism Research*, 16(4): 477-491.
- Tse, R. Y. (2001). Estimating the impact of economic factors on tourism: evidence from Hong Kong. *Tourism Economics* 7(3): 277-293.
- Ulusoy, R. & Inancli, S. (2011). The Effects of Tourism Sector on Turkish Economy, *International Research Journal of Finance and Economics*, ISSN 1450-2887 Issue 77.
- Urry, J. (1990). The Consumption of Tourism. *Sociology*, 24(1), 23-35.
- Uysal, M., & Crompton, J. L. (1984). Determinants of demand for international tourist flows to Turkey. *Tourism Management*, 5(4): 288-297.
- Var, T., Mohammad, G., & Icoz, O. (1990). A tourism demand model. *Annals of Tourism Research*, 17(4): 622-626.
- Var, T., Mohammad, G., & Icoz, O. (1990). Factors affecting international tourism demand for Turkey. *Annals of Tourism Research*, 17(4): 606-610.

- Vukovic, P., Subic, J., & Cicea, C. (2007). Marketing Performing a Function in Tourist Development of Novi Sad. Petroleum-Gas University of Ploiesti, *BULLETIN, Economic Sciences Series*, 59(1): 1-6.
- Wang, Y. S. (2009). The impact of crisis events and macroeconomic activity on Taiwan's international inbound tourism demand. *Tourism Management*, 30(1): 75-82.
- Weaver, D. B. (2006). Sustainable tourism: Theory and practice. Oxford, United Kingdom: Butterworth-Heinemann. Routledge.
- Webber, A. G. (2001). Exchange rate volatility and cointegration in tourism demand *Journal of Travel Research*, 39(4): 398-405.
- William, R. (1991). Eadington and Milton Redman, Economics and Tourism. *Annals of Tourism Research*, (18): 41-56.
- Witt, S. F., & Witt, C. A. (1995). Forecasting tourism demand: A review of empirical research. *International Journal of Forecasting*, 11(3): 447-475.
- World Bank, World Development Indicators (2013). [www.worldbank.org](http://www.worldbank.org).
- World Tourism Organization (UNWTO), 2011, 2012, 2013. [www. WorldTourism.Org/organization.com](http://www.WorldTourism.Org/organization.com).
- World Travel and Tourism Council (WTTC), 2013. [www.wttc.org](http://www.wttc.org).
- WU, C., (2010). Econometric analysis of tourist expenditure, School of Hotel and Tourism management , (Doctoral dissertation, The Hong Kong Polytechnic University):. 1-275.
- Yang, L., Wall, G., & Smith, S. L. (2008). Ethnic tourism development:: Chinese Government Perspectives. *Annals of Tourism Research*, 35(3), 751-771.
- Zhang, J. (2002). Tourism impact analysis for Danish regions. *Tourism Economics*, 8(2): 165-188.