

The Determinants of Tourist Arrivals at NUTSIII Level in Turkey

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Abstract: *Tourism is one of the key sectors in the regional economic growth and development. Especially countries, which have coastal areas, historical places and famous cultural events - like Olympics, Carnivals, Film Festivals etc.- experience high tourism turnovers and hence some other macroeconomic benefits. Particularly, the typical kinds of these macroeconomic benefits that governments can expect from tourism include; earning foreign currency and making a positive contribution to the balance of payments; developing the services sector and contributing to the gross domestic product; attracting inward investment and income multiplier effects; and employment creation. Consequently, tourism has a key importance in both national and regional economies. By taking into account these macroeconomic impacts of tourism sector, the main aims of this study are to analyze the determinants of tourist arrivals at NUTSIII level in Turkey and to make policy recommendations for regional authorities in order to enhance tourism sector in their regions.*

In this respect, in the first section of this study, the role and importance of tourism sector in regional economic growth and development are explained and some key statistics about the issue are given. In the second section, a spatial panel data analysis is conducted for the period of 2000 - 2010 and the empirical results are interpreted. Lastly, in the third section, by following the empirical results, some policy recommendations for the regional administrations are made. This study makes some contributions to the related literature because of the fact that, to the best of our knowledge, this is the first study examining the determinants of tourist arrivals at NUTSIII level in Turkey by using spatial econometric methods.

Keywords: *Tourism, regional economics, spatial econometrics, Turkey*