



UNIVERSITAS ANDALAS

**INVESTIGATING THE RELATIONSHIP BETWEEN TOURISM
DEVELOPMENT AND LOCAL OWN-SOURCE REVENUE IN WEST
SUMATRA**

THESIS

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PADANG

2021

Investigating the Relationship Between Tourism Development and Local Own-Source Revenue in West Sumatra

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Submitted to the Department of Economics
on July 12, 2021, in partial fulfilment of the requirements for the degree of
Bachelor of Economics

Abstract

This study attempts to examine the influence of tourism sector to Local Own-source Revenue in all of regencies and cities in West Sumatra over a period of 20 years 1988 to 2018, and estimating long-run and short-run estimation. The independent variables are Number of Tourist, Number of Tourist Attraction, and GRDP. Annual time series data has been taken from the BPS of West Sumatra, and Department Tourism of West Sumatra. The study employed Error Correction Model (ECM).

Based on the result, in the short run, only number of tourist attraction has significant result to Local Own-source Revenue. However, in the long run, all of the independent variables are in the significant value. This implies that the government should look more into the both of estimations, which one should be used to support the policies that government want to make.

Keywords: Local Own-source Revenue, Number of Tourist, Number of Tourist Attraction, GRDP, tourism.

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