DETERMINANTS OF INTERNATIONAL TOURISM FLOWS INTO KENYA:

CASE STUDY OF THE UNITED KINGDOM (UK)

MAROA NANCY WANSATO

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ABSTRACT

This study basically entails an assessment of the determinants of international tourism demand in Kenya.

First, the study covers the background of the study, statement of the problem, the main objectives, as well as significance.

In the next section, our study analyzes past studies regarding the determinants of international tourism demand in Kenya. The study mainly captures tourists’ inflows from the UK. We built our analysis on past empirical studies.

Our study also contains the research methodology employed for analyzing the data. This entails the model specification and description of the variables, data and data sources.

The fourth chapter is based on data analysis and interpretation of the empirical results. This section elicits the influence of each variable on the number of UK tourist flows in Kenya. The final chapter presents the conclusions and emerging policy implications.
Abstract

The main objective of this study was to analyze the impact of external debt on economic growth. The study employed Ordinary Least Squares (OLS) methodology in order to analyze the impact of external debt on economic growth because it's the most straightforward model used in regression analysis and the results are easier to interpret. From the findings of the study exports was found to have a high degree of multicollinearity with the dependent variable and was therefore excluded from the model. The OLS regression model shows that there's a positive relationship between real GDP and the other macroeconomic variables: government expenditure, external debt stock and investment. However FDI was found to be statistically not significant and therefore will not affect real GDP for the case of Kenya. The level of investment is most critical and therefore policy makers need to create a conducive environment for investment. Similarly government expenditure should increase to promote investment in line with Keynesian theory. Finally domestic financing may not be supplemented by external borrowing. Hence policy makers should view external borrowing as a possible source of economic growth but should be wary of unsustainable debt levels.