Abstract

This study uses gretl to develop OLS relationship for tourism growth and its determinants. The study uses time series data for the years 1992 -2011 to develop the relationship. The values obtained from the test statistic were then used to test hypotheses on the relationship. It is a generally held assumption that marketing, increased bed capacity, CPI ratio and education are related to tourism growth. The results of this research paper confirm this assumption.

Ambitious and strategic marketing increases the number of tourists flocking into the country because they realize the great opportunities available. Bed nights available serve also to increase the number of visitors into the country because tourists mind their comfort so much. Consumer price index ratio indicates the cost of living in the country. Therefore high cost of living tends to scare away tourists. As more graduates from the Kenya Utalii College, they add value to the tourism sector in terms of new skill and competence, thereby packaging tourism sector the better and this will make the sector grow.