

Is 'Malaysia Truly Asia'? Forecasting tourism demand from ASEAN using SARIMA approach

Abstract

Malaysia is well-known for her 'blue' and 'green' tourism attractions. Malaysian government launched several tourism programs to encourage and attract international tourist arrivals into Malaysia. This study therefore attempts to forecast the tourism demand for Malaysia from ASEAN countries. The literature on forecasting tourism demand is huge comprising various types of empirical analysis. Some of the researchers applied cross-sectional data, but most of the tourism demand forecasting used pure time-series analytical models. One of the important time-series modelling used in tourism forecasting is ARIMA modelling. This study employs quarterly time series data of ASEAN tourist arrivals to Malaysia for the period from 1995:Q1 to 2009:Q4 to forecast future tourism demand for Malaysia. The forecasting performance is based on seasonal ARIMA model. The findings of this study revealed that seasonality model does not offer any valuable insights or provide reliable forecasts on tourism demand for Malaysia by ASEAN countries. This scenario occurs because of the fact that 'Malaysia is Truly Asia'