

The tourist industry has been an important contributor to Thailand's economy as a whole over recent years. In this study, variations in the long- and short-run demand for visiting Thailand were tested, for those tourists from the ten major European and Asian countries. The demand for tourism can be explained by macro-economic variables, including income in the origin countries, the exchange rate between the US dollar and the Thai Baht, and the costs of tourism in Thailand. Annual data from between 1979 and 2008 was collected for this study. The Augmented Dickey-Fuller and Johansen's Maximum Likelihood tests were utilized in order to evaluate unit root and co-integration data. Thereafter, error correction models (ECM) were estimated in order to explain the levels of European and Asian tourism in Thailand. The results show that the long- and short-run equilibrium was found to be significant across the variables and that both the European and Asian tourists appeared to be highly sensitive to the income variable.