Journal of Business and Economic Options

Unlocking Ghana's Tourism Potential: Insights from Macroeconomic Analysis

Anthony Ahiawodzi[a]

Abstract

This research investigates the key macroeconomic factors influencing tourism revenue in Ghana from 1970 to 2015. A comprehensive review of both theoretical and empirical studies related to the subject was conducted. The research aimed to identify how these macroeconomic variables affect tourism income, utilizing an econometric model where tourism revenue is the dependent variable, influenced by several independent variables such as income levels, trade openness, nominal interest rates, the consumer price index, and the exchange rate. To analyze the data, time series methodologies were applied, including the Augmented Dickey-Fuller test to detect unit roots and the Johansen and Juselius test for cointegration. The analysis demonstrated a long-term cointegration relationship between tourism revenue and the selected macroeconomic indicators. Specifically, trade openness, the consumer price index's rate of change, and the exchange rate were identified as significantly affecting tourism earnings. Based on the findings, the study recommends that to enhance tourism revenue, the Ghanaian government should implement sound macroeconomic strategies, focusing on increasing trade openness, maintaining a low inflation rate, and ensuring a realistic exchange rate.

Keywords: Macroeconomic Factors, Tourism Revenue, Ghana
JEL Codes: L83, O11, O55

1. INTRODUCTION

In response to the challenges associated with its dependency on traditional exports, Ghana is strategically broadening its economic base. The necessity for diversification stems from the volatile nature of global commodity markets, which can significantly impact the country's revenue from exports such as cocoa, timber, and minerals. These commodities, while vital to Ghana's economy, present a risk due to their price instability and the potential for economic disruption. Recognizing the limitations of over-reliance on these traditional export sectors, the Ghanaian government and policymakers have identified tourism as a pivotal area for expansion. The tourism sub-sector presents a promising avenue for sustainable economic development. It not only offers a more stable source of foreign exchange earnings but also has the potential to create jobs, stimulate local economies, and promote the preservation of cultural heritage and natural resources. To capitalize on the tourism sector's potential, Ghana is investing in infrastructure improvements, marketing strategies targeting international visitors, and the development of tourist attractions that highlight the country's rich cultural history and natural beauty. These efforts are part of a broader strategy to make Ghana a key destination for tourists in Africa, diversifying its economy and reducing its vulnerability to external shocks in the global market. The emphasis on tourism aligns with global trends where developing countries leverage their unique cultural and natural assets to attract foreign visitors, thus generating revenue that supports broader economic objectives. For Ghana, this shift towards tourism is seen as an essential component of its economic development strategy, aiming to achieve a more balanced and resilient economy. Today, tourism stands as a vital avenue for generating foreign exchange in Ghana, showcasing its significance as a major employer within the service sector and a significant contributor to national economic growth. Remarkably, the tourism industry has cemented its position as the third-largest source of foreign exchange for the country, following closely behind gold and cocoa. As of 2013, tourism earnings reached an impressive US$1,876.9 million, as reported by the Institute of Statistical, Social, and Economic Research (ISSER, 2013).

Tourism stands out as a contemporary catalyst for socio-economic advancement, offering developing nations a pathway to bolster their gross domestic product (GDP). It is widely acknowledged as the fastest-growing industry globally, contributing significantly to the world's national product, accounting for approximately 11.4% of global GDP. Ghana, endowed with a rich tapestry of tourism offerings, is poised to capitalize on this burgeoning industry. The country boasts a diverse array of tourism products, ranging from its vibrant cultural heritage to its natural wonders. Ghana's cultural tapestry is particularly captivating, featuring a myriad of festivals that showcase the nation's traditions and customs. Additionally, the craftsmanship of local artisans in fields such as woodcarving, pottery, painting, and goldsmithing adds to the allure of Ghana's tourism sector. Moreover, Ghana's historical landscape is adorned with iconic forts and castles erected by various

[a] Department of Banking and Finance, University of Professional Studies, Legon –ACCRA, Ghana

European powers during periods of colonization. These architectural marvels serve as poignant reminders of the nation's complex history and offer visitors insight into its past. In essence, Ghana's tourism industry holds immense potential for driving economic growth and fostering socio-cultural exchange. By leveraging its diverse tourism offerings, the country can attract visitors from around the globe, thereby stimulating economic activity, creating employment opportunities, and showcasing its rich cultural heritage to the world. Indeed, there has been a notable upward trend in both tourist arrivals and earnings from Ghana's tourism industry over the past three years. According to data from the Ghana Tourist Board (2008), the contribution of tourism to the country's GDP has steadily increased, rising from 4.9% in 2005 to 5.8% in 2006, and further to 6.3% in 2007. Given the concerted efforts, support initiatives, and incentive packages aimed at bolstering the tourism sector, one might reasonably anticipate even greater success and a more substantial contribution to economic growth. However, the realization falls short of these expectations, prompting the need for further investigation and analysis, as evidenced by this research. By delving deeper into the factors influencing the performance of Ghana's tourism industry despite supportive measures, this research seeks to uncover underlying challenges and opportunities. Through rigorous examination, it aims to identify strategies to optimize the sector's potential contribution to economic growth and national development. This proactive approach underscores the importance of evidence-based policymaking and targeted interventions to propel Ghana's tourism industry towards sustainable and inclusive growth.

2. LITERATURE REVIEW

Indeed, the concept of tourism, as articulated by Hunziker and Krapf in 1942, offers a comprehensive perspective on the multifaceted nature of visitor experiences and their impact on destinations. It underscores the dynamic interplay between travelers and the places they visit, highlighting the transient nature of their presence, which distinguishes tourism from permanent settlement or routine economic activities. This definition encapsulates the essence of tourism as a phenomenon driven by movement and exploration, where individuals traverse geographical boundaries to immerse themselves in new cultures, landscapes, and experiences. It emphasizes the role of tourism in fostering cultural exchange, promoting mutual understanding, and enriching the lives of both visitors and host communities. Furthermore, the reference to "remunerated activities" within the definition delineates tourism from forms of migration or labor mobility driven primarily by economic motives. Instead, tourism is characterized by leisure, recreation, and the pursuit of enjoyment, reflecting a departure from the exigencies of daily life and work obligations. Hunziker and Krapf's definition serves as a foundational framework for understanding the essence of tourism and its transformative potential. It underscores the significance of visitor experiences, the transient nature of travel, and the intrinsic value of encounters between people and places. Additionally, it acknowledges the diverse impacts that tourism can have on destination communities, ranging from economic prosperity to social and environmental considerations. Mathieson and Wall's (1982) perspective on tourism provides a nuanced understanding of the phenomenon, delineating it as a temporary journey to destinations distinct from one's usual home and workplace. Their definition encapsulates the essence of tourism by highlighting the transient nature of travel and the activities undertaken during the sojourn, as well as the infrastructure developed to cater to the needs of travelers. Central to Mathieson and Wall's definition are two pivotal elements: the act of journeying to a destination and the temporary nature of the stay. This underscores the distinction between tourism and permanent relocation, emphasizing the leisure and recreational aspects inherent in travel experiences. Moreover, the definition distinguishes between international and domestic tourism, recognizing the varying scales and contexts of travel. International tourism entails crossing international boundaries, encompassing journeys to different countries, while domestic tourism involves travel within one's own country. This differentiation underscores the diversity of tourism experiences and the interconnectedness of global and local travel patterns. By elucidating the key components of tourism – mobility, temporary stay, and destination activities – Mathieson and Wall's definition offers a comprehensive framework for understanding the dynamics of tourism and its role in shaping individuals' experiences, destination economies, and cultural interactions. It underscores the significance of travel as a transformative and enriching endeavor, facilitating exploration, discovery, and cross-cultural exchange.

Morgan et al. (2002) highlight a striking disparity in global tourism patterns, revealing that a significant majority, approximately 70%, of all tourists flock to just ten world-renowned destinations. This leaves the remainder of the world to contend for the remaining 30% of tourists, emphasizing the fierce competition faced by lesser-known destinations. The concentration of tourist traffic in a select few destinations underscores the challenges confronting emerging and niche markets striving to attract visitors. With such intense competition for tourist attention and expenditure, it becomes imperative for destinations to adopt innovative strategies to differentiate themselves and enhance their competitiveness in the global tourism landscape. In light of this competitive reality, Ritchie and Crouch (1993) advocate for a paradigm shift in the development and management of the tourism industry. They argue that to thrive in both the short and long term, the industry must embrace a new competitiveness paradigm. This paradigm entails a proactive approach to destination planning, marketing, and management, focusing on creating unique value propositions, enhancing visitor experiences, and fostering sustainable growth. By aligning their efforts with this new competitiveness paradigm, destinations can position themselves more effectively in the global tourism marketplace, attract a greater share of travelers, and ultimately achieve greater economic benefits. Embracing innovation, sustainability, and collaboration are key tenets of this paradigm, offering destinations a roadmap for navigating the complexities of the contemporary tourism industry and unlocking their full potential for success.

Kazak and Rimmington (1999) argue that competitiveness has become the paramount factor influencing the long-term success of organizations, industries, regions, and countries. This perspective marks a significant departure from past beliefs, which held that merely attracting tourists and offering favorable exchange rates were sufficient for competitiveness and success in the international tourism industry. Today, however, the evolving tourism landscape demands a more comprehensive approach. Competitiveness in the tourism sector now encompasses a diverse range of factors, including destination appeal, infrastructure and services, marketing and promotion, sustainability practices, and innovation. Destinations must differentiate themselves by offering unique attractions and experiences, while also providing high-quality infrastructure and services to enhance visitor satisfaction. Effective marketing strategies and responsible tourism practices are essential for raising awareness and minimizing negative impacts. Additionally, embracing innovation and adapting to changing market trends are crucial for maintaining competitiveness in the dynamic global tourism market. By prioritizing these factors, destinations can enhance their competitiveness, attract more visitors, and achieve sustainable success over the long term. Porter (1985) defines competitive strategy as the pursuit of a favorable competitive position within an industry, with the objective of establishing a profitable and sustainable stance against the forces shaping industry competition. This concept forms the foundation for understanding how organizations seek to differentiate themselves and thrive in competitive market environments. However, despite its significance, the exploration of the forces and factors that determine competitiveness within the tourism industry remains an area that has not been fully examined (Dwyer et al., 2003). Within the context of tourism, the concept of competitiveness has been approached from various perspectives. Scholars and practitioners have linked competitiveness to economic, marketing, and strategic frameworks, as well as factors such as price, quality, and customer satisfaction. Understanding and enhancing competitiveness in tourism involves assessing a destination's ability to attract and retain visitors, compete effectively in the marketplace, and achieve sustainable growth. This requires a holistic approach that considers both internal and external factors influencing competitiveness, ranging from destination attributes and infrastructure to market dynamics and consumer preferences. By comprehensively analyzing these factors, tourism stakeholders can develop strategies to strengthen their competitive position, drive industry growth, and maximize economic benefits.

According to Mayo and Jarvis (1980), attractiveness in the context of tourism is defined as the perceived ability of a destination to provide individual benefits to visitors. This ability is bolstered by the attributes of the destination itself. The significance of these attributes lies in their role in enabling people to assess the attractiveness of a destination and make informed choices regarding their travel plans. An attractive tourist destination possesses qualities that entice people to visit and spend time there. The primary value of destination attractiveness lies in its ability to exert a pulling effect on tourists, drawing them to the destination. Without attractiveness, the tourism industry would cease to exist, as there would be little or no demand for tourist facilities and services. It is only when individuals are attracted to a destination that the need for infrastructure, amenities, and hospitality services arises. As Ferrario (1979) aptly points out, the presence of attractiveness serves as the catalyst for the development of tourism-related infrastructure and services, driving economic activity and supporting local livelihoods. Therefore, understanding and enhancing destination attractiveness are central to the success and sustainability of the tourism industry, as it directly influences visitor demand, expenditure, and overall destination competitiveness. The development of any form inevitably triggers a range of impacts on the social, economic, and physical environment within which it occurs. Within the realm of tourism, two distinct schools of thought exist regarding the effects of tourism on host communities. The first school of thought contends that tourism can have predominantly negative consequences for the communities in which it operates.

In 1990, Francillon articulated this perspective by suggesting that the promotion of tourism can result in what he termed as 'cultural pollution'. This concept underscores the idea that the direct interaction between tourists and local populations can lead to changes in behavior and values within the community. Such changes may manifest in various ways, including the commodification of culture, the erosion of traditional customs and practices, and the distortion of local identities. Moreover, the influx of tourists may exert pressures on local resources and infrastructure, leading to environmental degradation and social disruption. From this viewpoint, tourism is seen as a disruptive force that threatens the authenticity and integrity of host communities, undermining their social fabric and cultural heritage. Critics argue that unchecked tourism development can exacerbate inequality, exploit local labor, and marginalize indigenous populations, ultimately diminishing the quality of life for residents. In essence, proponents of this school of thought emphasize the need for responsible and sustainable tourism practices that prioritize the well-being of host communities and safeguard their cultural and environmental assets. They advocate for measures to mitigate the negative impacts of tourism while maximizing its benefits for local residents, thereby ensuring the long-term viability and resilience of tourism destinations. The second school of thought, represented by scholars such as Mckean (1973) and McTaggart (1980), offers a contrasting perspective on the socio-cultural impacts of tourism. According to these authors, tourism has the potential to counteract its negative effects by stimulating interest in and preserving aspects of cultural heritage. In this view, tourism serves as a catalyst for cultural conservation and heritage preservation. By attracting visitors to destinations rich in historical significance and cultural treasures, tourism generates awareness and appreciation for ancient monuments, historic buildings, traditional arts, and crafts. The influx of tourists can create economic incentives for local communities to invest in the restoration and maintenance of cultural sites, ensuring their longevity for future generations. Furthermore, tourism can foster cultural exchange and dialogue between visitors and host communities, enriching the cultural fabric of both parties. Through interactions with tourists, local residents may gain a renewed sense of pride in their heritage, leading to the revitalization of traditional practices and the transmission of cultural knowledge to younger generations.

The Empirical Tourism Literature, particularly the Export-Led Growth Hypothesis, posits several arguments for tourism's role as a primary determinant of long-term economic growth. One of the traditional arguments suggests that tourism facilitates economic growth through the generation of foreign exchange. This foreign exchange influx can then be utilized to import capital goods, which are essential for the production of goods and services, thereby stimulating economic expansion (McKinnon, 1964). In this context, tourism serves as a mechanism for earning foreign exchange reserves, which are vital for financing imports of machinery, technology, and other inputs necessary for economic development. By attracting international visitors and generating revenue from tourism-related activities, countries can accumulate foreign currency reserves, which can subsequently be channeled into investments to enhance domestic productivity and output. Moreover, the importation of capital goods facilitated by tourism-generated foreign exchange can lead to improvements in infrastructure, technology adoption, and industrial capacity, all of which contribute to long-term economic growth. This process reflects the broader principle of export-led growth, where an economy's expansion is driven by its ability to export goods and services to international markets, facilitated in the case of tourism by the inflow of foreign currency. Moreover, according to the export-led growth hypothesis, international tourism contributes to income growth by fostering increased efficiency. Competition between local firms and those in other international tourist destinations promotes efficiency gains. Scholars such as Bhagwati and Srinivasan (1979) and Krueger (1980) argue that this competition incentivizes local businesses to improve their operations, enhance product quality, and innovate in order to remain competitive in the global marketplace. Additionally, international tourism facilitates the exploitation of scale economies at the local level. Helpman and Krugman (1985) highlight how the influx of tourists can create economies of scale for local businesses, leading to cost reductions and improved productivity. As tourist arrivals increase, businesses may benefit from higher demand for goods and services, allowing them to achieve greater efficiencies in production processes and distribution networks.

Despite the significant role that the tourism industry plays in the global economy today, empirical examinations of its potential contributions to national economies have received limited attention from economists, as highlighted by Papatheodorou (1999). While tourism has emerged as a major employer and a significant sector for exporting services in many countries, there remains a gap in the empirical analysis of its economic impact. In examining the relationship between tourism and overall welfare, Hazari and Ng (1993) found that in a monopolistic market structure, tourism may actually reduce welfare. This suggests that under certain market conditions, tourism activities may not necessarily lead to overall improvements in societal well-being. However, Hazari and Kaur (1995) presented a contrasting view, arguing that tourism is invariably welfare-improving. They based their argument on a model proposed by Komiya (1967), which suggests that tourism, when analyzed within the framework of a first-best model, consistently leads to welfare enhancement. These differing perspectives underscore the complexity of assessing the economic impact of tourism and the need for nuanced analysis that considers various market structures, policy contexts, and welfare criteria. While tourism holds the potential to generate significant economic benefits, such as employment opportunities and foreign exchange earnings, its effects on overall welfare are influenced by a multitude of factors, including market competition, government regulations, and social considerations. As such, further empirical research is needed to comprehensively understand the role of tourism in shaping national economies and promoting societal well-being.

More recently, Hazari and Sgro (1995) introduced a dynamic model that explores the potential positive effects of a thriving global demand for tourism on the long-term growth trajectory of a small open economy. In this model, the favorable impact stems from the behavior of tourism acting as a time-saving mechanism, enabling the domestic population to consume more in the present than they otherwise would in the future. This dynamic arises because engaging in tourism activities reduces the need for individuals to save for future consumption, thereby allowing them to allocate more resources towards immediate consumption. By serving as a time-saving device, tourism effectively accelerates the pace of economic activity and consumption within the economy. This increased consumption in the present contributes to higher levels of aggregate demand, which, in turn, can stimulate economic growth over the long term. Additionally, the influx of tourism-related revenue into the economy can further bolster growth by providing additional resources for investment in infrastructure, human capital, and other productive assets. In Turkey, several studies have provided empirical evidence supporting the Tourism-Led Growth Hypothesis. Scholars such as Tosun (1999), Guduz and Hatemi (2005), and Zortuk (2009) have conducted research indicating that the tourism sector plays a significant role in driving long-term economic growth in the country.

Similarly, in Spain, Balaguer and Cantavella-Jorda (2002) examined the relationship between tourism and long-run economic development. Their study, which utilized quarterly data spanning from 1975 to 1997 and employed Granger Causality tests, concluded that economic growth in Spain was indeed sensitive to the sustained expansion of international tourism. This finding underscores the importance of the tourism sector as a driver of economic growth and development in the Spanish context. Additionally, Driksakis (2004) demonstrated the long-term economic growth effects of tourism in

Greece. Through empirical analysis, Driksakis highlighted the significant contribution of the tourism industry to Greece's economic expansion over time. These studies provide compelling empirical support for the notion that tourism-led growth is a viable pathway for economic development in countries such as Turkey, Spain, and Greece. By harnessing the potential of the tourism sector to stimulate economic activity, create employment opportunities, and attract foreign investment, these nations have been able to leverage their natural and cultural assets to drive sustained growth and prosperity. In their study, Eugenio-Martin et al. (2004) delve into the relationship between tourism and economic growth in Latin American countries spanning the years 1985 to 1998. Through empirical analysis, they sought to elucidate the impact of tourism development on income levels and economic growth across different types of economies. Their findings revealed that tourism development has the potential to contribute significantly to increased income and economic growth, particularly in medium or low-income countries within the Latin American region. This suggests that tourism can serve as a valuable driver of economic expansion in nations where other sectors may be less developed or where there is ample potential for tourism-related activities to flourish. Interestingly, the study also highlights that the role of tourism in fostering economic growth appears less clear-cut in developed countries. This may be attributed to factors such as the relative maturity of the tourism industry, higher levels of economic diversification, and differing patterns of consumption and expenditure compared to less developed economies.

Skerritt and Huybers (2005) conducted a study to investigate the impact of international tourism on the Gross Domestic Product (GDP) per capita of 37 developing countries. Their findings revealed a positive association between tourism and economic development in these nations. This suggests that international tourism plays a beneficial role in enhancing economic growth and prosperity in developing countries. Similarly, Khalil et al. (2007) focused on examining the role of tourism in the economic growth of Pakistan. Utilizing annual data spanning from 1960 to 2005, they aimed to empirically identify the causal relationship between tourism and economic growth in the country. Employing cointegration and Granger Causality tests, their study explored both short-term dynamic relationships and long-run equilibrium conditions between tourism and economic growth. The results of Khalil et al.'s study indicated the presence of cointegration between tourism and economic growth in Pakistan. This suggests a long-term relationship between tourism development and economic expansion, wherein changes in one variable are associated with corresponding changes in the other over time. Additionally, their analysis shed light on the directionality of causality, providing insights into whether tourism drives economic growth, vice versa, or if the relationship is bidirectional. Overall, the findings of these studies contribute to our understanding of the pivotal role that tourism plays in driving economic development, both globally and within specific countries such as Pakistan. By uncovering the causal links between tourism and economic growth, researchers can inform policymakers and stakeholders on how to leverage the potential of the tourism sector to foster sustainable and inclusive economic development.

Fayissa, Nsiah, and Tadasse (2007) conducted a study to assess the impact of tourism on economic growth and development in Africa. Utilizing panel data encompassing 42 African countries over the period 1995 to 2004, the researchers aimed to explore the potential contribution of the tourism sector within the conventional neoclassical framework. Their findings revealed that receipts from the tourism industry significantly contribute to both the current level of gross domestic product (GDP) and the economic growth of Sub-Saharan African countries, alongside investments in physical and human capital. This suggests that tourism plays a crucial role in driving economic activity and fostering development within the region. The study's conclusion emphasized the potential for African economies to enhance their short-term economic growth by strategically strengthening their tourism industries. By capitalizing on the economic opportunities presented by tourism, African countries can leverage their natural and cultural assets to stimulate economic activity, create employment opportunities, and attract foreign investment. Gautam (2011) conducted a study to investigate the effect of tourism development on economic growth in Nepal. Utilizing data on Nepalese foreign exchange earnings from tourism and gross domestic product (GDP) spanning the period from 1974/75 to 2009/10, the researcher specified a statistical model to examine the relationship between these variables. To ascertain the long-run relationship between tourism development and economic growth, Gautam conducted a cointegration test. Additionally, the study employed the error correction method to analyze short-run dynamics. Furthermore, Granger Causality tests were applied to determine causality between tourism receipts and GDP. The empirical results of Gautam's study confirmed the conventional wisdom that tourism development, indicated by increased tourism receipts, indeed causes economic growth in both the short and long run in Nepal. This suggests that the tourism sector plays a significant role in driving economic activity and fostering growth within the country.

Hoff et al. (1974) proposed that facilitating ease of travel to and from Ghana for tourists should be a priority, with efforts aimed at minimizing bureaucratic obstacles. They recommended the implementation of streamlined visa procedures, advocating for the issuance of visas by Ghanaian representatives abroad in a straightforward and efficient manner. By simplifying the visa application process and providing on-the-spot visa issuance through overseas consultants, Ghana can enhance its attractiveness as a tourist destination. Such measures would reduce administrative burdens for travelers, making it more convenient for them to visit the country and contributing to a more positive tourism experience. Hoff et al.'s recommendation aligns with the broader objective of promoting tourism as a driver of economic growth and development. By removing barriers to travel and facilitating seamless entry for tourists, Ghana can capitalize on its natural and cultural assets to attract visitors, stimulate economic activity, and foster sustainable tourism growth.

Teye (1998) discusses the challenges confronting the tourism industry in Ghana, highlighting two key areas of concern. Firstly, he underscores the issue of insufficient human resources capacity necessary for the successful implementation of an ambitious national tourism development plan. This suggests a shortage of skilled personnel with the requisite expertise and training to effectively manage and execute the various initiatives outlined in the plan. Addressing this challenge would require investments in education and training programs aimed at building a robust workforce equipped to support the growth and sustainability of the tourism sector. Secondly, Teye emphasizes the financial constraints associated with funding the national tourism development plan, particularly in relation to the development of general infrastructure and tourism facilities. Insufficient financing may hinder the implementation of critical projects aimed at improving transportation networks, enhancing accommodation options, and upgrading attractions and amenities to meet the needs and expectations of visitors. Overcoming this challenge would necessitate innovative financing mechanisms, public-private partnerships, and strategic allocation of resources to prioritize key tourism infrastructure projects. Nkrumah (1999) conducted research on the role of tourism in rural development in Ghana, providing recommendations aimed at promoting tourism in rural areas. One key recommendation is the utilization of promotional strategies to raise awareness and attract visitors to these regions. Specifically, Nkrumah suggests employing regular advertisements through mass media channels to showcase the unique attractions and experiences available in rural areas. In addition to regular advertising, Nkrumah proposes the organization of periodic tourism fairs. These events would serve as platforms for local communities to showcase their cultural heritage, natural attractions, and hospitality offerings to potential tourists. Tourism fairs can also facilitate networking opportunities between tourism stakeholders, fostering collaboration and partnership for the sustainable development of rural tourism. Furthermore, Nkrumah suggests the installation of billboards at strategic locations to highlight key attraction centers in rural areas. These billboards would serve as visual cues for travelers passing through, enticing them to explore the nearby tourist destinations. By prominently displaying information about local attractions, amenities, and services, billboards can effectively capture the attention of potential visitors and encourage them to venture off the beaten path to discover the hidden treasures of rural Ghana.

The Bank of Ghana (2007) conducted a comprehensive study on the tourism industry and its impact on the Ghanaian economy. As part of the study, a field survey was conducted at selected tourist sites, and consultations were held with both operators within the tourism sector and tourists themselves. The primary aim was to gather insights and perspectives on specific policy areas relevant to the growth and development of the tourism industry in Ghana. One of the key findings of the study was the recognition of Ghana's vast tourism potential, encompassing both natural features and rich cultural heritage. This acknowledgment underscores the significant opportunities for tourism to emerge as a thriving sector within the country's economy. Ghana's diverse landscapes, including pristine beaches, wildlife reserves, and historic landmarks, coupled with its vibrant cultural traditions and heritage sites, position it as an attractive destination for domestic and international travelers alike. Moreover, the study highlighted the importance of leveraging these tourism assets to stimulate economic growth and development. By capitalizing on its natural and cultural resources, Ghana has the potential to drive job creation, foster entrepreneurship, and generate foreign exchange earnings through tourism-related activities. The formal development of tourism in Ghana began with a crucial evaluation of the country's tourism resources in 1970, as highlighted by the findings of the Obuarn Committee in 1972. The primary objective of this evaluation was to categorize Ghana's tourism resources and assess the potential for formulating a comprehensive five-year development plan spanning from 1972 to 1976. Subsequently, the government issued a white paper on tourism, outlining concessions and incentives aimed at attracting investment into the sector. Despite these initial efforts, the subsequent formulation of a more comprehensive national tourism development plan aimed at guiding long-term sustainable development faced significant challenges. Unfortunately, the plan never materialized due to the political economy prevailing at the time, characterized by instability and uncertainty. The subsequent decade was marked by political turmoil and upheaval, further hindering the implementation of coherent and sustainable tourism development strategies.

As highlighted by Teye (1988), the inability to formulate and implement a comprehensive national tourism development plan during this period can be attributed to the volatile political landscape and the accompanying economic uncertainties. The lack of political stability undermined the conducive environment necessary for effective planning and execution of long-term development initiatives in the tourism sector. Ghana's position within Africa's tourism landscape has demonstrated significant growth over the years. According to the World Tourism Organization (WTO) in 1999, Ghana rose from the seventeenth position in 1985 to the eighth position in 1998 among the top 20 leading tourism revenue-earners on the continent. This upward trajectory underscores the increasing prominence of Ghana as a tourism destination within the African region. Moreover, international tourism arrivals in Ghana have shown steady growth, climbing from 113,784 in 1988 to 347,952 in 1998, and further to 931,224 in 2010. This remarkable increase reflects an annual average growth rate of approximately 20%, positioning tourism as the third-highest revenue generator for Ghana, following mineral and cocoa exports. Responsible for overseeing the development of the tourism sub-sector is the Ministry of Tourism, with its implementing agency, the Ghana Tourist Board (GTB), serving as the national authority or body on tourism. Additionally, the Ghana Tourist Federation (GHATOF) plays a crucial role in fostering collaboration among various private associations and groups within the tourism industry, thereby facilitating public-private partnerships. Recognizing the immense potential of the tourism sector, the Ministry sought assistance from international organizations such as the World Tourism

Organization (WTO) and the United Nations Tourism Development Programme (UNDP) to formulate the National Tourism Development Plan (1996-2010). The overarching goal of this plan is to enhance Ghana's standing as a globally competitive tourist destination, positioning the country to capitalize on its diverse attractions and cultural heritage to attract tourists from around the world.

Ghana boasts a rich cultural and historical heritage, evident in its collection of over 26 castles and forts constructed between the 14th and 18th centuries by European powers like the Portuguese, Danes, Dutch, and Germans. This heritage grants Ghana the distinction of being one of the select few countries in the world with UNESCO World Heritage sites. Among these sites, the Cape Coast and Elmina Castles hold particular significance as they served as major holding centers and departure points for Africans forcibly transported to the Americas during the Trans-Atlantic slave trade. Beyond its historical landmarks, Ghana is blessed with stunning natural attractions, including beautiful beaches stretching across the Greater Accra, Central, and Western Regions. Notable beach destinations include Gomoa Fetteh, Elmina, and Busua beaches, each offering unique coastal experiences and recreational opportunities. Additionally, Ghana's landscape is adorned with picturesque water features, such as the Lake Volta estuary, renowned for its scenic beauty, open beaches, and tranquil picnic spots shaded by swaying palm trees. The country is also home to captivating waterfalls nestled within lush rural and forested areas, including the Wli, Boti, and Kintampo waterfalls. These majestic cascades provide visitors with opportunities for hiking, sightseeing, and immersing themselves in the natural splendor of Ghana's countryside. Ghana's tourism offerings extend beyond its historical landmarks and natural wonders to include unique experiences that showcase the country's biodiversity and cultural heritage. Among these attractions is the renowned Kakum National Park, home to one of the few canopy rope walks in the world. Visitors to Kakum National Park can traverse the treetops via a canopy walkway, allowing for panoramic views of the tropical rainforest below. The park is also teeming with diverse wildlife, including elephants, monkeys, and various tropical species, providing nature enthusiasts with unforgettable encounters in a pristine environment. In addition to Kakum National Park, Ghana is home to the Wenchi Hippo Sanctuary, recognized by the Earthwatch Institute as the third-best conservation site globally. This sanctuary serves as a haven for hippos and other wildlife, offering visitors the opportunity to observe these magnificent creatures in their natural habitat. The sanctuary has attracted both local residents and international tourists, contributing to its significance as a conservation destination. Moreover, Ghana boasts a wealth of other natural heritage sites, including exotic wetlands, crocodile ponds, wildlife parks, and scenic mountains, each offering unique opportunities for exploration and adventure amidst breathtaking landscapes. Beyond its natural attractions, Ghana hosts a variety of cultural events and exhibitions that draw tourists from far and wide. Events such as the Pan African Historical Theatre Festival (PANAFEST) and Emancipation Day celebration commemorate the rich heritage of Africa and attract a significant number of visitors seeking to engage with Ghana's cultural traditions. Additionally, trade fairs and exhibitions like the ECOWAS Trade Fair, Ghana Industry and Technology Exhibition (INDUTECH), and Ghana Industry and Furniture Exhibition (GIFEX) serve as platforms for showcasing Ghana's industrial and technological advancements, further enriching the tourism experience for visitors to the country.

Ghana's tourism landscape is currently enriched by a diverse array of cultural events, eco-tourism sites, and recreational activities, creating a compelling destination for travelers seeking immersive experiences. Recent initiatives have placed renewed emphasis on Ghana's tourism sector, positioning the country as the gateway to West Africa. One notable focus has been on commemorating and exploring Ghana's historical significance, particularly regarding the transatlantic slave trade. Projects such as the Transatlantic Slave Trade Project and the Joseph Project aim to highlight Ghana's role in this dark chapter of history, providing opportunities for visitors to learn about and reflect upon the legacy of slavery. These initiatives contribute to Ghana's growing reputation as a hub for heritage tourism, attracting visitors interested in understanding the historical context of the region. Additionally, Ghana's eco-tourism sites offer opportunities for travelers to immerse themselves in the country's natural beauty and biodiversity. From pristine rainforests to serene beaches and wildlife sanctuaries, Ghana's eco-tourism destinations provide unique experiences for nature enthusiasts and adventure seekers alike. Moreover, Ghana's tourism sector has seen an expansion of recreational and leisure activities, catering to diverse interests and preferences. Whether exploring cultural landmarks, participating in traditional festivals, or engaging in outdoor adventures such as hiking, safari tours, and water sports, visitors to Ghana have ample opportunities for enjoyment and relaxation.

3. METHODOLOGY

Based on the literature, a statistical model has been formulated with real tourism earnings (RTE) as the dependent variable. From the Ghanaian perspective, the main macroeconomic factors considered in this model are real income (RY), trade openness (TO), interest rate (IR), the general price level represented by the consumer price index (CPI), and the exchange rate (EX). These macroeconomic variables are essential determinants that can influence the level of tourism earnings in Ghana. Real income reflects the purchasing power of individuals, affecting their ability to spend on tourism-related activities. Trade openness measures the extent to which Ghana engages in international trade, which can impact tourism through factors such as foreign exchange rates and trade policies. Thus in a general form the model is:

$$\mathrm{LRTE}_t = \alpha_0 + a_1 LRY_t + \alpha_2 LTO_t + \alpha_3 LIR_t + \alpha_4 LCPI_t + \alpha_3 LEXt + e_t \qquad (1)$$

Where;

LRTE = Log of real tourism earnings
LRY = Log of real income
LTO = Log of trade openness
LIR = Log of nominal interest rate
LCPI = Log of consumer price index
ER = Log of nominal exchange rate
e = Error term
t = time variable

4. EMPIRICAL OUTCOMES

The provided table 1 presents the results of a unit root test for several variables at their levels, which is crucial for understanding the stationarity properties of time series data. Stationarity is a fundamental concept in time series analysis, indicating that the statistical properties of a series, such as its mean and variance, remain constant over time. Non-stationarity, on the other hand, suggests that these properties change over time, making it challenging to model and forecast accurately. Examining the results, it is evident that all variables tested—LRTE, LRY, LTO, LIR, LCPI, and LEX—are non-stationary at their levels. This is indicated by their respective test statistics being less negative than the 95% critical values provided by the Augmented Dickey-Fuller (ADF) test. Non-stationarity implies the presence of a unit root in the series, signifying a need for transformation to achieve stationarity. Further analysis reveals that the order of integration for the variables varies. LRTE, LRY, and LTO exhibit an order of integration of "1(1)," indicating that they become stationary after first differencing. Similarly, LIR, LCPI, and LEX also require first differencing to achieve stationarity, as denoted by the order of integration "I(1)." These results suggest that a single difference is necessary to stabilize the statistical properties of the variables and render them suitable for time series modeling and analysis. The unit root test results highlight the non-stationarity of the variables at their levels but indicate that they become stationary after applying first differencing. This transformation is essential for ensuring the reliability and accuracy of subsequent analyses and forecasts involving these variables, as it stabilizes their statistical properties and facilitates the application of various time series models and techniques.

Table 1: Unit root test at the levels

Variables	Lag Length	Test statistic	ADF 95% Critical Value	Order of Integration	Status
LRTE	2	-1.8705	-3.6027	1(1)	Non-stationary
LRY	2	-1.8441	-3.6027	1(1)	Non-stationary
LTO	2	-1.4451	-3.6027	1(1)	Non-stationary
LIR	1	-2.2508	-3.5943	I(1)	Non-stationary
LCPI	2	-0.38541	-3.6027	I(1)	Non-stationary
LEX	1	-2.7156	-3.5943	I(1)	Non-stationary

The table 2 provides the outcomes of a unit root test conducted on several variables after applying first differences. This transformation is a common technique used in time series analysis to achieve stationarity, a critical assumption for accurate modeling and forecasting. Stationarity implies that the statistical properties of a series, such as its mean and variance, remain constant over time. Upon examination of the results, it becomes evident that all variables—ΔLRTE, ΔLRY, ΔLTO, ΔLIR, ΔLCPI, and ΔLEX—exhibit stationarity at their first differences. This conclusion is supported by the test statistics being more negative than the 95% critical values provided by the Augmented Dickey-Fuller (ADF) test. Additionally, the order of integration for all variables is "I(0)," indicating that they become stationary after applying a single difference. These findings suggest that the first differences of the variables are stationary, implying that the original series contain unit roots, which are removed through differencing. This transformation stabilizes the statistical properties of the series, making them suitable for further analysis and modeling. The unit root test results indicate that the first differences of the variables are stationary. This transformation is crucial for ensuring the reliability and accuracy of subsequent time series analyses and forecasts. With the variables now in a stationary form, analysts can proceed confidently, utilizing various time series models and techniques to derive meaningful insights and make informed decisions.

Table 2: Unit root test at first differences

Variables	Lag Length	Test statistic	ADF 95% Critical Value	Order of Integration	Status
ΔLRTE	1	-5.2388	-3.6027	1(0)	Stationary
ΔLRY	1	-3.8506	-3.6027	1(0)	Stationary
ΔLTO	1	-4.5252	-3.6027	I(0)	Stationary
ΔLIR	1	-5.9265	-3.5943	I(0)	Stationary
ΔLCPI	1	-3.7416	-3.5943	I(0)	Stationary
ΔLEX	1	-6.9016	-3.5943	I(0)	Stationary

The table 3 provides insights from a cointegration regression analysis examining the determinants of tourism earnings in Ghana. Cointegration analysis is pivotal in understanding the long-term relationships between multiple time series variables, shedding light on the factors influencing tourism earnings in this context. In the analysis, various regressors are examined, including the constant term (CONS), lagged values of real GDP growth (LRY), tourism arrivals (LTO), interest rates (LIR), consumer price index (LCPI), and exchange rates (LEX). Each regressor's coefficient indicates the estimated impact of a one-unit change in the corresponding variable on tourism earnings. Among the regressors, tourism arrivals (LTO), consumer price index (LCPI), and exchange rates (LEX) show statistically significant coefficients at the 99% confidence level. This suggests that these variables play a substantial role in influencing tourism earnings in Ghana. Specifically, the coefficient of tourism arrivals (LTO) suggests that an increase in tourism arrivals positively impacts tourism earnings, with a coefficient of 1.4802, indicating the magnitude of this effect. Similarly, exchange rates (LEX) exhibit a positive relationship with tourism earnings, implying that an increase in exchange rates leads to higher tourism earnings, as indicated by the coefficient of 0.6616. Conversely, the consumer price index (LCPI) shows a negative relationship with tourism earnings, with a coefficient of -0.77777. This suggests that an increase in consumer prices corresponds to a decrease in tourism earnings, highlighting the importance of price stability in fostering tourism revenue. However, real GDP growth (LRY) and interest rates (LIR) do not exhibit statistically significant coefficients in this analysis. This indicates that, within the model's framework, these variables do not significantly impact tourism earnings in Ghana. These findings offer valuable insights for policymakers and stakeholders in the tourism sector, providing guidance on the factors driving tourism earnings and informing strategies for promoting sustainable tourism development and economic growth in Ghana.

Table 3: Cointegration regression results

Regressor	Coefficient	Standard Error	T-ratio	Probability Value
CONS	-3.2426	7.4420	-0.43527	(0.667)
LRY	1.0624	0.88084	1.2061	(0.241)
LTO	1.4802	0.58640	2.5243	(0.014)*
LIR	-0.28689	0.63683	-0.45050	(0.657)
LCPI	-0.77777	0.28700	-2.7100	(0.013)*
LEX	0.6616	0.27085	3.1979	(0.004)*

The table 4 presents summary statistics related to a cointegration analysis conducted on the variables under examination. These statistics provide crucial insights into the strength and significance of the relationships between the variables, as well as the overall goodness-of-fit of the cointegration model. The first statistic listed is the R-Bar-Squared, which represents the coefficient of determination or the proportion of variance explained by the cointegration model. In this case, the R-Bar-Squared value is 0.88217, indicating that approximately 88.22% of the variance in the dependent variable (presumably tourism earnings) is explained by the independent variables included in the model. A high R-Bar-Squared value suggests a strong relationship between the variables and a good fit of the model to the data. The next statistic provided is the F-statistic, which assesses the overall significance of the cointegration model. The F-statistic value is 41.4289, with a corresponding probability value of 0.0000 (presumably indicating statistical significance). This suggests that the overall model is statistically significant, implying that at least one of the independent variables has a significant effect on the dependent variable (tourism earnings). Lastly, the table presents the Cointegration Statistic, which is computed using the Augmented Dickey-Fuller (ADF) test. The value reported here is ADF (1) = -6.1846(-3.5313), indicating the test statistic along with its critical value at a certain level of significance. The negative test statistic suggests evidence against the null hypothesis of non-cointegration, indicating the presence of cointegration among the variables at a certain significance level.

Table 4: Summary Statistics

Test	Statistic
R-Bar-Squared	0.88217
F-statistic	41.4289 (.0000)
Cointegration Statistic	ADF (1) = -6.1846(-3.5313)

Table 5 presents the results of a regression analysis aiming to understand the short-run relationship between tourism earnings and various determinants. This analysis is crucial for discerning the immediate impacts of changes in the explanatory variables on tourism earnings, providing valuable insights into short-term dynamics within the tourism sector. In the analysis, several regressors are considered, including the constant term (CONS) and the first differences of lagged values of real GDP growth (ΔLRY), tourism arrivals (ΔLTO), interest rates (ΔLIR), consumer price index (ΔLCPI), and exchange rates (ΔLEX). Each coefficient in the regression output represents the estimated effect of a one-unit change in the corresponding variable on tourism earnings in the short run. The results highlight the significance of certain determinants in explaining short-term fluctuations in tourism earnings. Notably, tourism arrivals (ΔLTO), exchange rates (ΔLEX), and the error correction term (ECM(-1)) exhibit statistically significant coefficients at the 99% confidence level. This suggests that these variables play significant roles in influencing tourism earnings in the short run within the framework of the model. Specifically, the coefficient of tourism arrivals (ΔLTO) indicates that a one-unit increase in tourism arrivals leads to a 1.2874 unit increase in tourism earnings in the short run. Similarly, the positive coefficient of exchange rates (ΔLEX) suggests that a one-unit increase in exchange rates leads to a 0.93488 unit increase in tourism earnings. Moreover, the significant coefficient of the error correction term (ECM(-1)) (-1.4373) indicates the speed at which deviations from the long-run equilibrium are corrected in the short run, emphasizing the importance of equilibrium adjustments in explaining short-term dynamics in tourism earnings. However, other determinants such as real GDP growth (ΔLRY), interest rates (ΔLIR), and consumer price index (ΔLCPI) do not exhibit statistically significant coefficients, suggesting that changes in these variables do not significantly impact tourism earnings in the short run within the confines of the model. Overall, these findings offer valuable insights for policymakers and stakeholders in the tourism industry, informing short-term management strategies and forecasting efforts for tourism revenues.

Table 5: The short-run results

Regressor	Coefficients	Standard Error	T-ratio	Probability Value
CONS	0.0044082	0.24276	-0.018158	0.986
ΔLRY	0.20674	1.2213	0.16928	0.867
ΔLTO	1.2874	0.52767	2.4398	0.025*
ΔLIR	-0.95640	0.74207	-1.2888	0.214
ΔLCPI	-0.37537	0.95864	-0.39157	0.700
ΔLEX	0.93488	0.24705	3.7843	0.001*
ECM(-1)	-1.4373	0.21272	-6.75671	0.000*

5. CONCLUSIONS

This study aimed to investigate the primary macroeconomic determinants influencing real tourism earnings in Ghana spanning the period from 1970 to 2015. Drawing upon existing literature, a theoretical model of real tourism earnings was constructed in a log-linear form. The model specified the logarithm of real tourism earnings as the dependent variable, with several independent variables included to capture key macroeconomic factors. Specifically, the independent variables in the specified model comprised the logarithm of real income, the logarithm of trade openness, the logarithm of nominal interest rate, the logarithm of consumer price index, and the logarithm of nominal exchange rate. Each of these variables was selected based on their theoretical relevance and empirical significance in shaping the dynamics of tourism earnings within the Ghanaian context. By adopting a log-linear form for the model, the study aimed to facilitate the interpretation of coefficients and the estimation of elasticities, allowing for a more nuanced understanding of the relationships between the independent variables and real tourism earnings. This analytical approach enables researchers to assess the magnitude and direction of the effects of changes in macroeconomic variables on tourism earnings over the study period. The Augmented Dickey-Fuller (ADF) test conducted in this study revealed that all variables exhibited trending behavior (non-stationarity) with a unit root of order I(1). To analyze the long-run and short-run relationships, both versions of the regression model were estimated using the Ordinary Least Squares (OLS) technique, employing a two-step Engel and Granger error-correction approach. The findings from both the long-run and short-run analyses indicated that macroeconomic factors collectively influence real tourism earnings in Ghana. Furthermore, all variables displayed the expected signs, aligning with theoretical expectations. Among the variables examined, trade openness (LTO), exchange rate (LEX), and consumer price index (LCPI) emerged as statistically significant determinants of real tourism earnings. These significant variables underscore their importance in shaping the dynamics of tourism earnings in Ghana. Trade openness reflects the degree of economic engagement with the global market, suggesting that increased openness may positively impact tourism revenue. Similarly, fluctuations in the exchange rate can influence the competitiveness of Ghana's tourism sector, affecting tourist arrivals and spending behavior. Moreover, changes in the consumer price index, as a proxy for inflation, may impact tourists' purchasing power and travel decisions.

The study's findings have significant policy implications for the government of Ghana, particularly in enhancing the country's tourism earnings. Firstly, it underscores the importance of maintaining prudent macroeconomic policies to support the growth of the tourism sector. Sound economic management, including fiscal discipline and exchange rate stability, is essential for creating a conducive environment for tourism investment and growth. Secondly, efforts to boost external trade should be prioritized, as increased trade openness can lead to greater inflows of tourists into the country. Trade agreements and promotional activities aimed at expanding Ghana's export markets can help attract more visitors, thereby contributing to higher tourism earnings. Furthermore, policymakers must carefully manage inflation to mitigate its adverse effects on tourism earnings. Maintaining inflation at a realistic and manageable level is crucial to safeguarding the purchasing power of tourists and ensuring that tourism remains a viable and competitive sector within the economy. Overall, the government of Ghana should adopt a holistic approach to tourism development, integrating macroeconomic policies with targeted interventions to enhance the sector's competitiveness and sustainability. By implementing prudent economic measures, promoting trade openness, and managing inflation effectively, Ghana can realize its potential as a premier tourism destination and maximize the economic benefits derived from the sector. Finally, efforts be made to prevent constant depreciation of the Cedi against major foreign currencies like the USA Dollar and the British Pound Sterling. An appreciation of the Ghanaian Cedi would boost the country’s tourism earnings.

REFERENCES

Balaguer, L. and M. Cantavella-Jorda, (2002). Tourism as a long-run economic growth factor: The Spanish case. *Applied Economics*.

Bank of Ghana (2007). *The tourism industry and the Ghanaian economy*, Research Department.

Bank of Ghana, (2008). *Quarterly economic bulletin*: Bank of Ghana.

Charemza, W. W. and Deadman, D.F. (1992). *New directions in econometric practice*, Aldershot: Edward Elgar Publishing

Dickey, D. A. and Fuller, W. A. (1979). Distribution of estimators for autoregressive time series with a unit root. *Journal of the American Statistical Association,* 74(366), 427-431.

Dritsakis, N. (2004). Tourism as a long-run economic growth factor: an empirical investigation for Greece, *Tourism Economics.*

Dwyer, L. Forsyth, P. and Rao, P. (2000). The price competitiveness of travel and tourism: A comparison of 19 destinations. *Tourism Manage.*

Engle, R. and Granger, C. (1987). Co-integration and error correction: representation, estimation and testing, *Econometrica.*

Eugenio-Martin, J. L., N.M. Morales, and Scarpa, R. (2004). Tourism and economic growth in Latin American countries: A panel data approach, *Social Science Research Network Electronic Paper. No. 26.*

Fayissa, B. Nsiah, C. and Tadasse, B. (2007). The impact of tourism on economic growth and development in Africa, Middle Tennessee State University, Department of Economics and Finance, *Working Papers*, No. 16.

Ferrario, F. (1979a). The evaluation of Tourist resources: An Applied Methodology (Part 1). *Journal of Travel Research*, 17(3), 18-22.

Gautam, B. P. (2011). Tourism and economic growth in Nepal, *NBR Economic Review.*

Ghana Statistical Service, (1989). *Ghana living standards survey: Report of the Third Round* (GLSS3) Accra: Ghana.

Ghana Tourist Board (1998). *Tourism statistical fact sheet on Ghana*: Ghana Tourist Board, Research Department.

Granger, C.W.J.(1988). Causality, cointegration and control. *Journal of Economic Dynamics and Control.*

Gunduz, L. and Hatemi, J. (2005). Is the tourism-led growth hypothesis valid for Turkey? *Applied Economics Letters.*

Hazari, B. R. and Ng, A. (1993). An analysis of tourists’ consumption of non-traded goods and services on the welfare of the domestic consumers, *International Review of Economics and Finance, 2.*

Harris, R. (1995). *Using cointegration analysis in econometric modeling*, London: Prentice Hall Harvester Wheatsheaf

Hazari, B.R and Sgro, P.M. (1995). Tourism and growth in a dynamic model of trade, *The Journal of International Trade and Economic Development, 4.*

Helpman, E., and Krugman, P. (1985), *Market structure and foreign trade*, MIT Press, Cambridge.

Hoff and Overgaard Planning Consultants (1974). *Tourism in Ghana: development guild 1975-1990; a master feasibility study presented to the Government of Ghana,* Copenhagen: Danish International Development Agency.

Hunziker and Krapf (1942). *The nature and structure of tourism: critical concepts in social sciences.* London Institute of Statistical, Social and Economic Research - ISSER (1998). *The state of the Ghanaian Economy*: Accra, university of Ghana, Legon.

Institute of Statistical, Social and Economic Research - ISSER (2003). *The state of the Ghanaian Economy*: Accra, university of Ghana, Legon.

Institute of Statistical, Social and Economic Research - ISSER (2013). *The state of the Ghanaian Economy*: Accra, University of Ghana, Legon.

Johansen, S. (1988). Statistical analysis of o-integration vector,. *Journal of Economic Dynamics and Control*, Vol. 12.

Komiya, R. (1967). Non-traded goods and the pure theory of international trade. *International Economic Review, 8.*

Kozak, Metin and Rimmington, R. (1999), Measuring tourist destination competitiveness: conceptual considerations and empirical findings. *Hospitality Management*, 18, 273-83

Krueger, A. (1980). Trade policy as an input to development. *American Economic Review, 70.*

Mayo, E and Jarvis, L. (1981). *The psychology of leisure travel*. Boston, CBI Publishing.

McKean, P. (1973). *Culture involution: Tourists, Balinese and the process of modernization in anthropological perspective.* Brown Uuniversity.

McKinnon, R. (1964), Foreign exchange constrain in economic development and efficient aid allocation. *Economic Journal*, 74.

Mctaggart, W.D. (1980). Tourism and tradition in Bali: *World development*. Paris.

Morgan, (2002). *A conceptual model of tourism destination competitiveness and attractiveness*: Adelaid : Monash University.

Nkrumah, W. (1999). *The role of tourism in rural development in Ghana*: Institute of Statistical Social and Economic Research, University of Ghana.

Obuarn Committee (1972). *Report of the feasibility study committee on the development of Ghana's tourist attractions for the 5-year plan period* 1972- 1976, Accra, Government of Ghana.

Papatheodorou, A. (1999), The Demand for International Tourism in the Mediterranean Region, *Applied Economics*, 31.

Ritchie, B. J. R and Crouch G. I. (1993). *Competitiveness in international tourism: A Framework for understanding and analysis,* in Proceedings of the 43rd Congress of the AIEST. San Carlos de Bariloche, Argentina.

Skerritt, D. and Huybers, T. (2002). Examine the effect of international tourism on GDP per capita, Asia Pacific of Tourism Research.

Teye, V. (1998). Coup d'etat and African tourism: A study of Ghana. *Annuals of Tourism Research,* 15, 329–356.

Tosun, C. (1999). An analysis of contributions international inbound tourism to the Turkish Economy. *Tourism Economics,* 5.

WTO (1999). *Tourism marketing trends: Africa 1989- 1998,* Madid. WTO Commission for Africa.

Zortuk, M. (2009). Economic impact of tourism on Turkey's economy: evidence from cointegration tests, *International Research Journal of Finance and Economics*.