

ABSTRACT

The tourism sector is one of the key sectors supporting Indonesia's economy through its contribution to foreign exchange earnings. However, the patterns of international tourist visits to Indonesia from 2015 to 2024 reveal a phenomenon that cannot be fully explained by basic gravity theory, as income and distance alone do not account for the variations in visitor numbers across countries of origin. This study aims to analyze the influence of per capita income in the country of origin, Indonesia's per capita income, geographic distance, population size, exchange rates, institutional quality, direct flights, and the impact of the COVID-19 pandemic on the number of international tourist visits to Indonesia. This study employs an augmented gravity model approach using panel data from 10 major source countries (Malaysia, Singapore, China, Japan, South Korea, India, Australia, the United Kingdom, France, and the United States) for the period 2015–2024. The model was estimated using Poisson Pseudo-Maximum Likelihood (PPML). The estimation results show that geographic distance, the COVID-19 pandemic, and institutional quality have a significant negative effect on the number of international tourist visits to Indonesia. Meanwhile, exchange rates and direct flights have a significant positive effect. Per capita income in the country of origin, Indonesia's per capita income, and population size are found to be statistically insignificant.

Keywords: *Augmented Gravity Model, PPML, International Tourists, COVID-19, Indonesia*