

Are Visitor Arrivals to China Stationary?

An Empirical Note Based on Panel SURADF Tests

ABSTRACT

The tourism industry is one of the earliest industries in China to be opened up to the world, with a more open market and relatively sufficient competition. In this note, we use the Panel SURADF tests advanced by Breuer et al. (2001), to investigate whether visitor arrivals to China are stationary for the 1991 to 2003 period. The empirical results from numerous conventional unit root tests indicate that tourist arrivals from sixteen countries studied are non-stationary; however, when Breuer et al.'s (2001) Panel SURADF tests are conducted, evidence of a unit root in visitor arrivals is found in only 9 countries. From these results, one particularly important policy implication for China emerges.

Keywords: Tourist Arrivals; China; Panel SURADF Tests

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