Course Description

Tourism is one of the fastest growing industries in the world. It is Hawaii’s largest industry. This course examines tourism from an economic perspective. Topics include the determinants of consumer demand for leisure travel; structure of competition among suppliers of tourism services; benefits and costs of tourism development to the host community; government’s role in the taxation, subsidy, regulation and protection of the tourism industry; tourism’s impact on the environment; and sustainable tourism development. The course uses extensive examples from Hawaii and the Asia-Pacific region.

Prerequisite: Econ 120 or Econ 130 or consent of the instructor

Instructor: James Mak, Professor of Economics

Class: T and Th. 9:00 -10:15 a.m. in KUY 209
Office: Saunders Rm 532
Phone: 956-8280
Email: jmak@hawaii.edu

Office Hours: T and Th 10:30-11:30 a.m. and by appointment. I also encourage you to communicate with me via email. Last day of instruction is December 6.


There will be other assigned readings.

See attached outline of topics and weekly reading assignments.

Useful information websites:

The most up-to-date day-to-day news about travel and tourism: Travel Weekly Daily Bulletin, accessible at http://www.twcrossroads.com/
State of Hawaii, Department of Business, Economic Development and Tourism (DBEDT): http://www.hawaii.gov/dbedt/tourism.html Click on Statistics and Economic Information.

The UN World Tourism Organization (UNWTO) at http://www.unwto.org


The World Travel and Tourism Council (WTTC) at http://www.wttc.org

Course requirements: In addition to your weekly reading assignments, there will be frequent homework assignments requiring your analysis of economic issues related to the tourism industry. Each student is also expected to submit one short research paper (about 6 pages long plus endnotes and references.) We probably will all work on the same topic although each student is expected to submit his/her own paper. A mid-term (essay variety) and a final exam (essay variety) comprise the other requirements of the course. I do not accept late homework assignments or research papers. All assignments are due at the beginning of class.

Grading: Homework assignments (20%), research paper (20%), mid-term exam (30%) and final exam (30%) will make up your semester grade. Grades will be adjusted based on attendance, which will be taken daily. You can withdraw online without a “W” grade on your transcript until January 16; last day to withdraw from the course is.

Final Exam Date: Tuesday, December 11 at 9:45 a.m.
Make sure that your travel arrangements enable to take the final exam at this scheduled time as NO EXCEPTIONS will be granted; hence please check your travel arrangements before you settle into the course. I don’t want you to come to me 2 weeks before the final and say that you have a sweet deal for an airline ticket and can you take the exam early; it won’t happen.
Introduction

* What is tourism?
* What is “tourism economics”?
* The nature of the tourism product.

Readings: (1) James Mak, *Tourism and the Economy*, Chs 1-2


II. Demand for Pleasure Travel

Readings: (1) Mak, Chapter 3.


III. Demand for Intermediate Services

(A) Why some travelers choose to travel on package tours

Readings: (1) Mak, Chapter 4

(B) Why some travelers use travel agents?

Readings: (1) Mak, Chapter 5

IV Once There: Determinants of Trip Duration and Tourist Spending

-An integrated theory of tourist behavior: a sketch.

Readings: (1) Mak, Chapter 6.

(2) James Mak and Edward Nishimura, “The Economics of a Hotel Room Tax,” Journal of Travel Research, (Spring, 1979), just pages 2 and 3.

THE SUPPLIERS

V Competition in the Tourism Industries

Readings: (1) Mak, Chapter 7


VI Getting You There

Readings: (1) Mak, Chapter 8


VII Barriers to International Tourist Travel
Readings: (1) Mak, Chapter 9.


THE HOST COMMUNITY

VIII Tourism’s Place in the Host Economy

Readings: (1) Mak, Chapter 10.


IX Benefits and Costs of Tourism to the Host Community

Readings: (1) Mak, Chapter 11.

X Taxing Tourism

Readings: (1) Mak, Chapter 12

(2) James Mak, Taxing Cruise Tourism, Alaska’s Head Tax on Cruise Ship Passengers (April, 2007).


XI Tourism and the Environment:

Readings: (1) Mak, Chapter 13


XII  Sustainable Tourism Development

Check out these following websites:

http://nationalgeographic.com/travel/sustainable/

http://www.uneptrie.org/pc/tourism/sust-tourism/home.htm

Readings:  (1) Mak, Chapter 14


XIII  Tourism in the Post 9-11 World

Readings:  (1) Mak, Chapter 15


XIV  Tourism in Hawaii

Readings: