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 and Chair of the Department

Class: T and Th. at 1:30 p.m.-2:45 p.m. Saunders 541

Office: Saunders Rm 542
Phone: 956-8730
Email: jmak@hawaii.edu

Office Hours: TTh 10:30 – 11:20, and by appointment. I also encourage you to communicate with me via email. Last day of instruction is May 2, 2007.


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:
http://www.twcrossroads.com/
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.) 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, research paper, mid-term exam and final exam will each comprise 25% of 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 March 9.

Final Exam Date: Thursday, May 10, 2007 at 12 noon (in your regular classroom). Make sure that your travel arrangements enable to take the final exam at this scheduled time as NO EXCEPTIONS will be granted.
Econ 320/TIM 320: Introduction to Tourism Economics (Spring, 2007)
Readings

I 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


THE TOURIST

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


XI  Tourism and the Environment:

Readings: (1) Mak, Chapter 13


XII  Sustainable Tourism Development

Readings: (1) Mak, Chapter 14

(2) Walter Jamieson, Harold Goodwin, and Christopher Edmonds, Contribution of Tourism to Poverty Alleviation (November,
XIII  Tourism in the Post 9-11 World

Readings: (1) Mak, Chapter 15


XIV  Tourism in Hawaii

Readings:

(1) James Mak, Developing a Dream Destination... Chapters 2 and 3.