Econ 320/TIM 320: Introduction to Tourism Economics

Course Description

Tourism is one of the fastest growing industries in the world and is Hawaii’s largest industry. From an economics perspective this course examines tourism and explains how people make decisions on their leisure and how the tourism industry works. 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: Nicole Lai

Class: Tuesday and Thursday at 1:30pm – 2:45pm
Office: Saunders Room 509
Phone: 956-
Email: munl@hawaii.edu
Office Hours: Tuesday and Thursday at 3:00 – 4:00 pm, and by appointment.


Assigned readings.

Useful information websites:

The most up-to-date day-to-day news about travel and tourism:
http://www.twcrossroads.com/

Instructional methods: This course is conducted through interactive lectures, case study discussions, and group presentations.

Course requirements: Students are expected to complete homework and weekly reading assignments. Each student is also expected to submit one short research paper (about 6 pages long plus endnotes and references.) Also, a student must take a mid-term and a final exam. Students are encouraged to participate fully in the class.

Grading:

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<th>Percentage</th>
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<tr>
<td>Research paper</td>
<td>25%</td>
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<tr>
<td>Homework assignments, attendance and class participation</td>
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<td>Group presentations and discussions</td>
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<td>Mid-term exam</td>
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<td>Final exam</td>
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Final Exam: No exceptions will be granted on the date of the final exam.
Tentative Schedules and Reading Lists

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.

Guest Lecture: Christopher Edmonds (EWC), China’s Approved Destination Status and the impact of its liberalization on potential Chinese overseas travel.
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, Tourism Promotion, Honolulu Convention Center and the Hawaii Tourism Authority (book manuscript in preparation).


XI Tourism and the Environment:

Readings: (1) Mak, Chapter 13


(3) Clem Tisdell, Valuation of Tourism’s Natural Resources (2004)
XII Sustainable Tourism Development

Readings: (1) Mak, Chapter 14


XIII Tourism in the Post 9-11 World

Readings: (1) Mak, Chapter 15


XIV Tourism in Hawaii

Readings:

(1) State of Hawaii Department of Business, Economic Development (DBEDT), Sustainable Tourism Project: Economic and Environmental Modelling report.

(2) ---, Summary Report for the Social/Cultural Study.