



Versatility in Hospitality Industry around the Globe - To Study and understand Economic impact of Tourism on Fiji's Economy

Vedant Pednekar¹ and Ashish J Nevgi²

Student, Thakur Institute of Hotel Management, Thakur Shyamnarayan Degree College, Mumbai, India¹
Coordinator, Thakur Institute of Hotel Management, Thakur Shyamnarayan Degree College, Mumbai, India²

Abstract: *Holiday business is Fiji's principal industry, earning over F\$500 million in overseas exchange and hiring around 40,000 people. The tourism industry over the last decade has grown at an annual rate of 10-12%. The expansion of tourism, which generates more expenditure in the economy, is likely to have implications for other industries. In this paper, the aim is to delineate the long-run impact of a 10% increase in tourist expenditure on Fiji's economy. To achieve this, the author uses a computable general equilibrium model. Among the key findings are that a 10% increase in tourist expenditure in Fiji will increase GDP by 0.5% and subsidize a development in the sense of balance of payments, real consumption will increase by 0.72% and real national welfare will increase by 0.67%. It is also found that an development of tourism will lead to an appreciation of the interchange rate, together with an increase in domestic prices and wage rates, and so traditional export sectors will experience a decline in their export attractiveness. In Fiji's case there is evidence that the increases in tourism and non-traditional exports outweigh the fall in non-traditional exports caused by an expansion of tourism.*



Keywords: Fiji tourism, computable general equilibrium model.

REFERENCES

- [1]. Brady, Helen (2013-07-10). "The Best Delicacies Found In Fiji". Culture Trip. Retrieved 2022-10-07.
- [2]. Wilkins R. (1963) Dietary Survey in a Fijian village, Naduri. South Pacific Health Service: Nadroga
- [3]. Saito S. (1995) 1993 National Nutrition Survey. Main Report. National Food and Nutrition Committee: Suva, Fiji
- [4]. Thaman, R.R. Rural Fiji. Institute of Pacific Studies, University of the South Pacific 1988, p. 41.
- [5]. https://en.wikipedia.org/wiki/Fijian_cuisine
- [6]. <https://en.wikipedia.org/w/index.php?go=Go&search=fiji+food&title=Special:Search&ns0=1&searchToken=5uztvfvzpyb0g0v4n69uzqibv>
- [7]. https://en.wikipedia.org/wiki/Culture_of_Fiji
- [8]. https://en.wikipedia.org/wiki/National_dish