The economic impact of a tourist tax in Andalusia examined through a price effect model

Topic: Social accounting matrix and its applications (Chair: Keisuke Nansai, National Institute for Environmental Studies, Japan)
Author: Paula Villegas Martos
Co-Authors: Manuel A. CARDENETE, MarÃa C. Delgado

ABSTRACT

The tourism industry is a key sector in the Andalusian economy; it accounts for 13% of the regional GDP and 14% of the employment. In 2019, 32.5 million tourists visited Andalusia, and the tourism sector generated 22.6 billion euros. In 2020, the year in which COVID-19 paralyzed the world, 13.4 million tourists visited Andalusia, which translated into 8,500 million euros of income. After this decrease in tourism in 2020, the total number of tourists for the year 2021 was 20 million, and the forecast for the year 22 is 28 million tourists. The tourism in this region offers employment, wealth and opportunities to many people who want to start a business in Andalusia. In this context, we wonder if the imposition of a tourist tax would be a benefit or a detriment to the region.

This article analyzes how to use a social accounting matrix (SAM) to empirically study the effects of such a price burden on the regional economy of Andalusia. The methodology that we use consists of a specific model of price effects, which analyzes the impact of introducing a tourist tax in Andalusia. The database used in the analysis is the Andalusian SAM, which was built using data from 2016. This study will enable us to better understand and reflect on the existing structural interdependence between the productive sectors and to evaluate the implicit weights and price elasticities of different tourist items.

Keywords: Inputâ€"Output Analysis, Applied General Equilibrium, Social Accounting Matrix, Price Effects Model, Tourism, Andalusia.

JEL Classification: C67, C68, D57, D58, E37, R13