

Assessing the importance of international tourism for the Iran economy: A social accounting matrix approach

Topic: 809Y Tourism Industry Analysis

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International tourism has developed rapidly on the global scale since the late 1970s. According to the United Nations World Tourism Organization (UNWTO), International tourist arrivals have increased from 25 million globally in 1950, to 278 million in 1980, 527 million in 1995, and 1133 million in 2014. Likewise, international tourism receipts earned by destinations worldwide have surged from US\$ 2 billion in 1950 to US\$ 104 billion in 1980, US\$ 415 billion in 1995 and US\$ 1245 billion in 2014. International tourist arrivals worldwide are expected to increase by 3.3% a year between 2010 and 2030 to reach 1.8 billion by 2030, according to UNWTO's long term forecast Tourism towards 2030. Between 2010 and 2030, arrivals in emerging destinations (+4.4% a year) are expected to increase at twice the rate of those in advanced economies (+2.2% a year). The market share of emerging economies increased from 30% in 1980 to 45% in 2014, and is expected to reach 57% by 2030, equivalent to over 1 billion international tourist arrivals. Based on the current trend and this outlook, UNWTO projects international tourist arrivals to grow by 4% worldwide in 2016.

Iran's International tourism has grown since the mid-1990s. Over the past 18 years The number of arrivals have been grown 1.34% in 1995-2013 period, and the income receipt have increased 2.4 yearly. Tourism could be recognized the largest service industry in terms of revenue in the future. So, the tourism sector could bring a lot of social and economic changes. Iran's tourism industry looks set to grow rapidly following the lifting of economic sanctions, with more westerners looking to visit and plans being made for the development of tour companies, hotels and tourist facilities.

The main purpose of this paper is study the impact of international tourism on the Iran economy. For this purpose we need to answer to these following questions: (i) to what extent did international tourism contribute to GDP in Iran? (ii) to what extent did international tourism contribute to employment growth in Iran? (iii) through what sort of intersectoral relations did international tourism contribute to employment and GDP? To this end, two SAMs for 2006 and 2011 are applied.