

## **Evaluating the Impact of Tourism in Salta, Argentina: a Regional Input output and CGE analysis**

Topic: (10.7) Regional input-output modeling (2)

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Tourism is an important source of income for the Argentinian economy, representing more than 5% of its GDP. In the province of Salta, a recipient of not only national but also international tourists, this industry gains special relevance, standing for 30 % of its regional GDP. The aim of this paper is to quantify the impact of an increase in Salta's tourism while capturing both direct and indirect effects on the regional as well as the national economy.

We consider that a hybrid regional SAM (RSAM) is the appropriate tool for accomplishing analysis of this kind. For the construction of the RSAM different sources of information were used: i) Survey data from households, ii) Production surveys of tourism industry firms (such as hotels and restaurants), iii) non-survey estimations of an IRIO including additional data in order to improve its results.

The regional SAM includes 16 sectors of which 6 are related to tourism (this are: commerce, hotels, restaurants, tourism related transport and tourism related services).

The RSAM allows us to simulate the impact of an increase in regional tourism with different models: On one hand a set of input output models and on the other hand a multiregional CGE model.

The results show that: a) Under an extended IRIO the "tourism multiplier" lays between 0.89 and 0.95 for each additional dollar spent in tourism, b) When considering the CGE model, an increase of 2% in total demand causes a 0.25 % growth of the regional GDP while improving fiscal results of the local government, c) Effects to the Argentinian economy as a whole are positive but of an irrelevant magnitude, d) The results are sensitive to capital property and mobility (in regional terms).