Interdependence between the tourist regions of Sergipe, Brazil

Topic: Regional Analysis
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Recent years have begun to show a scenario of world recovery in tourist activity, which had been severely affected by the COVID-19 pandemic. In 2019, according to the World Travel & Tourism Council's annual Economic Impact Report (EIR) data, tourism accounted for 10.3% of the world's Gross Domestic Product (GDP). In 2021 and 2022, however, this share dropped to 6.1% and 7.6%, respectively, which is still below the pre-pandemic levels. Brazil, an important tourist destination in South America, was also severely impacted by the pandemic. Ribeiro et al. (2021) estimated a 31% drop in the GDP of Brazilian tourist activities in 2020. In this present scenario of recovery in the sector, the existence of based on concrete planning instruments is fundamental. Tourism is an important development alternative for poorer countries or regions. In Brazil, tourism has already been used explicitly as a regional development policy through PRODETUR Nacional, specifically in the Northeast region - PRODETUR NE I and II. Studies by Haddad et al. (2013) and Ribeiro et al. (2017; 2022) show that tourism reduces regional inequalities in the country. The scarcity of resources in poorer states, often located in peripheral regions, contributes to the fact that tourism policy is not a priority in state public management, as is the case of Sergipe, located in the Brazilian Northeast. Sergipe is the smallest state in the country in territorial terms and accounts for 4% and 0.6% of regional and national GDP, respectively. Although the state has tourism potential in several segments (sun and beach, adventure, and historical-cultural), they are not fully exploited. Constructing tools that can aid tourism planning is fundamental for tourism development. Thus, this paper aims to build an inter-regional input-output (IO) system for Sergipe's tourist regions and identify the contribution of Tourism Characteristic Activities (TCAs) to the state economy. By employing an inter-regional input-output (IO) system, the study avoids potential overestimations of the economic contribution of tourism by disaggregating TCAs. This methodological insight not only enhances the precision of the findings for Sergipe but also provides a valuable approach for regions and countries globally facing similar challenges in accurately assessing the economic impact of tourism. The study's focus on trade flow dynamics, value-added concentration, and employment multipliers within different tourist regions of Sergipe adds depth to the understanding of the economic intricacies of the tourism industry at a regional level. Moreover, identifying key sectors provides tangible insights for policymakers and researchers promoting sustainable tourism development. While the research refrains from making explicit cross-regional or cross-national comparisons, its emphasis on precise regional data offers a rich foundation for future comparative studies. Additionally, the research highlights the need for tailored policies in Sergipe, leveraging regional production chains. This focus on practical applications adds depth to the broader international discourse on effective tourism planning and development, making it pertinent to a global audience of researchers, policymakers, and practitioners navigating the complexities of regional economic recovery and growth. Despite efforts in the national literature to assess the productive interdependence of TCAs in Brazil, no study simultaneously deals with the regional and sectoral specification of tourist activities. Our main contribution, therefore, is: i) to regionally disaggregate the weight of trade flows from tourist activities and ii) to provide a tourism planning tool for Sergipe to encourage tourism development. In other words, this paper offers an unprecedented database for Brazil and Sergipe by sectorally and regionally disaggregating tourist activities. The method for estimating tourism can be replicated in countries and regions without a Tourism Satellite Account, such as Brazil. The disaggregation of the TCAs avoids overestimating the effects of tourism on the state economy. The main results estimate that TCAs in Sergipe accounted for 1.53% of the state's gross value added (GVA) in 2015, 3.7 times lower when considering only tourism

activities. The Polo Costa dos Coqueirais stands out among the tourist regions, particularly regarding the distribution of TCAs' GVA within the state. Tourist road transportation is considered a key sector in all tourist regions.