

JAMAICA TOURISM INDUSTRY: NEW ! NEW! NEW!

TOURISM INCOME MULTIPLIER

CONSUMPTION FUNCTION: PERIOD 1985-2005

$C = 18003.5 + 0.73Y_D$, WHERE C= CONSUMPTION & Y_D = DISPOSABLE INCOME; 0.73 = MARGINAL PROPENSITY TO CONSUME; MARGINAL PROPENSITY TO SAVE (MPS) = $1 - 0.73 = 0.27$:

IMPORT FUNCTION: PERIOD 1985-2005

$M = 11279.8 + 0.576GDP$: WHERE M = IMPORTS ; GDP= GROSS DOMESTIC PRODUCT & 0.576 = MARGINAL PROPENSITY TO IMPORT(MPM);

TOURISM INCOME MULTIPLIER: $K = 1/MPS + MPM$

$$K = 1/0.27 + 0.576 = 1/0.846 = 1.18$$

LEAKAGE RATE : TOURIST INDUSTRY(JAMAICA)

RETAINED EARNINGS = INDUSTRY VALUE ADDED ÷ GROSS TOURIAM RECEIPTS

LEAKAGE RATE = 1 - RETAINED EARNINGS

YEARS TOURISM VALUE ADDED GROSS TOURISM RECEIPTS

	<i>J\$M</i>	<i>J\$M</i>
2004	26,202.6	87,934.3
2005	28,644.3	96,481.9
2006	33,353.5	124,134.6
2007	36,178.6	131,273.0
2008	40,419.0	144,054.8
2009	45,048.4	153,959.2

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Year	Retained Earning	Leakage Rate
2004	0.30	0.70
2005	0.30	0.70
2006	0.27	0.73
2007	0.28	0.72
2008	0.28	0.72
2009	0.29	0.71

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DATA SOURCE: STATISTICAL DIGEST, BANK OF JAMAICA

TRAVEL STATISTICS, JAMAICA TOURIST BOARD

NATIONA INCOME & PRODUCT, STATISTICAL INSTITUTE OF JAMAICA

