Distribution of Tourism Economic Impact : An Application in Penghu Islands , Taiwan.

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## Abstract

This study assesses the economic impact of tourism on the Penghu Islands using an input-output analysis. The objectives of this study are to determine multiplier effects of tourist spending on the local economy, characterize distributive issues regarding the economic impact of tourism, and to identify the impact on per capita personal income by sectors. According to the results, it is suggested that certain sectors on the Penghu Islands are more positively influenced than others because of their relationship to tourism. Only those tourism-related sectors (retail trade, food and beverage services, transportation, hotel services, and recreation services) receive direct economic impact. Few nontourism-related sectors in the economy are positively affected by tourism in both output and per capita personal income. Therefore, the tourism industry needs to be integrated into the local economy in order to benefit the whole community.

Keyword: tourism economic impact, multiplier, input-output model