

THE ECONOMIC IMPACTS OF TOURISM SECTOR ON MALAYSIAN ECONOMY

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ABSTRACT

By using Input-Output (I-O) and multipliers analysis, this paper intends to measure the impact of tourist's expenditures on Malaysian economy. The importance of impact is described by multipliers which are refers to the multiplier of output, income, and employment. By knowing the multipliers, the total economic impact generated by the tourist's expenditures can be computed. The results indicate manufacturing and finance, insurance, real estate and business services sectors are the main contributors to the Malaysian economy output, particularly in boosting the tourism sector's output. In conclusion, since this industry showing its capability in contributing towards generating the Malaysian economy growth, the policy makers should provide the appropriate policy recommendations for future economic development strategy in tourism industry by identifying the key sectors that interrelated with tourism.

Key words: Input-Output; Tourism; Malaysian Economy; Multipliers;

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