Total Impact of Tourism on the Economy of Rwanda (2014).
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Abstract
The primary objective of this study was to evaluate the economic impact of tourism and assess the strength of tourism inter-industry linkages in Rwanda’s economy for the year 2014. The input-output/SAM models were used to estimate the impacts and linkages of tourism in terms of output production, employment generation, labour income earnings and total value creation. The economic models identified and quantified the linkages between different sectors of the economy and linkages with other countries. Relationships between expenditure and output, income and employment (direct, indirect or induced) were described by multipliers. Data was sourced from EORA multi-region input-output table (MRIO) database and the Rwanda Tourism Satellite Account for the year 2014. All impacts have a starting point in the economy, defined as the direct effect. The direct effect sets off iterations of indirect (inter-industry production) and induced (labour) spending. The common multipliers computed were associated with output, income, value addition and employment in the economy for the year 2014. Multipliers were classified into their various multiplier effects: initial effects, production and consumption-induced effects.

About $286 million worth of internal tourism demand in the economy created 72,000 jobs (13% of economy-wide employment) $195 million in labour income (6.4% of national labour income), $381 million in total value addition (6.8% of national total value) and $803 million in output (7.3% of national output). In this report, internal tourism expenditure (a portion of internal tourism consumption) was used as a basis for calculating relevant multipliers and associated effects. Further studies are recommended to re-estimate the multipliers by considering internal tourism consumption in its entirety. A more robust methodology such as Computable General Equilibrium (CGE) model could be considered for further analysis.

Keywords: Tourism Satellite Account, Input-Output Table, Social Accounting Matrix, Economic Contribution, Structural Linkages, Rwanda