



# Changing Economic World

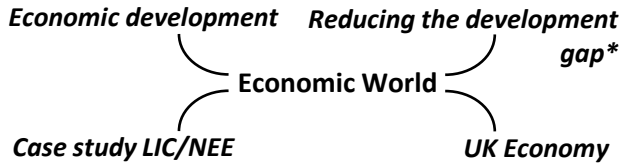
## Reducing The Development Gap

### Tourism in Jamaica

quiz



## The Big Picture



## Key Terms



**Multiplier Effect** – Investment leads to increased prosperity. Money generated by an industry is spent on goods and services, increasing demand and economic activity.



## Location and Background



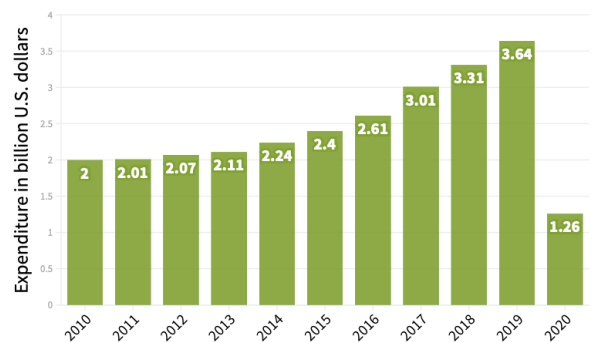
- Jamaica is a NEE.
- Jamaica is the fourth-largest island country in the Caribbean.
- It has a tropical climate with high temperatures throughout the year.
- Jamaica is famed for its beautiful sandy beaches and rich cultural heritage.
- It has excellent communications and is a popular destination for cruise ships.



## The Growth of Tourism

- There has been an almost exponential growth in the number of visitor arrivals to Jamaica between 1994 and 2016. However, although visitor arrivals continued to increase in 2009, the change was not in line with previous years due to the recession, which reduced many people's disposable income.
- Total visitor expenditure increased from US\$1.3 billion in 1975 to US\$3.6 billion in 2019.

**Expenditure by international tourists in Jamaica from 2010 to 2020 (in billion U.S. dollars)**



## The Development Gap

- Tourism is one of Jamaica's top sources of revenue. The industry contributes over 50% of the country's total foreign exchange earnings (approx. US\$2b).
- Thousands of Jamaicans work directly or indirectly in tourism. Tourism employs the second largest number of Jamaicans (approximately 200,000) directly in hotels, transport and attractions and indirectly (multiplier effect) in trading, manufacturing, agriculture and banking.
- Local farmers sell produce to hotels. For example, five farmers are the sole providers of Irish potatoes to the entire Sandals group, which comprises 11 resorts in Jamaica.
- There have been considerable investments in infrastructure to accommodate tourists. Port facilities have been expanded, as have airports and road infrastructure. The development of roads came later as cruise provision was prioritised. Some hotel owners were unhappy with this.
- Many people in key tourist areas, such as Montego Bay, have benefited from an improved quality of life due to tourism. However, pockets of poverty still exist.
- The environment has benefited from landscaping projects and the introduction of nature parks.