

Chinese Tourism Policy and the Economic Impact of International Tourism on the Chinese Economy: A CGE Analysis of the Beijing 2008 Olympic Games

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ABSTRACT

Chinese tourism policy has focussed upon the foreign exchange potential of inbound tourism as the country implements economic reforms. International inbound tourism to China has grown phenomenally since 1980 and the hosting of the Olympics in 2008 is an important milestone. This paper employs computable general equilibrium (CGE) modeling to forecast the economic contribution of tourism generated by the Olympics using different scenarios of tourism spending. CGE modeling has been widely applied to different tourism issues, such as changes in tourism demand, tourism policies and special events. In China, CGE modeling has been used in different areas in China, mostly in taxation, and international trade, but tourism economic impact studies using CGE modeling have not been found in China. The paper reviews the results of applying CGE modeling with imperfect competition to the economic impact of the Olympics and draws recommendations and insights into China's tourism policy.

Key words: Tourism policy, Economic impact, International tourism, the Beijing 2008 Olympic Games, CGE modelling, imperfect competition.

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