

TOURISM ECONOMICS AND POLICY,
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Authors of the book are Larry Dwyer, a Qantas Professor of Tourism Economics at the University of New South Wales in Australia, Peter Forsyth, a Professor of Economics at the Monash University in Australia, and Wayne Dwyer, a former senior lecturer in economics and finance at the University of Western Sydney, Australia.

The book consists of 21 chapters, which deal with various topics chosen by the authors as the most relevant for creating the basis for entering into the world of tourism economy: tourism demand, forecasting, tourism supply and pricing strategies, measurements of tourists' economic contribution, as well as economic impacts and benefits, tourism investments and taxation, tourism and aviation, tourism and environment, including climate change, destination competitiveness and future directions.

The first chapter gives an overview of the book, along with the questions which were raised and short explanations of chosen materials and tools. Tourist demand is discussed in chapter 2. It provides an excellent introduction into the complexity of the tourist demand modelling. Tourist demand definition and exhibition of four main types of elasticity (*price, income, cross-price and marketing/advertising elasticity*) are explained in this chapter. Chapter 3 refers to forecasting in tourism which is complex since tourism is highly influenced by "outside" factors such as natural disasters. Further chapters are focused on tourism supply and pricing in tourism. Tourism is referred as an 'industry' despite the lack of its direct involvement in any productive activity. It combines tangible and intangible products, goods and services, creating a unique product positioned on the market with a certain price.

Chapter 6 defines the terms concerning the "economic impacts" on tourism – positive and negative, "economic contribution" to the destination and the "benefits and costs" of the destination, since, for economists, they hold different meanings. In the next chapter, the authors introduce an internationally recognized TSA (Tourism satellite accounts) method, used in measuring of the economic contribution of tourism. This chapter provides a definition of the TSA

and its role as a statistics tool but, also, presents a framework for the countries to create their own statistical system, describes different approaches in designing of the TSA and ways of evaluating it.

In chapter 8, the application of I-O (Input-Output) model in tourism policies is described from a critical point of view, as I-O has a "limited policy relevance for tourism", which is clearly indicated. Subsequently, the next chapter discusses CGE (Computable general equilibrium) modelling. CGE model is used by the international organisations such as the IMF and the World Bank, and is increasingly being used in tourism policies instead of the I-O model. It is very useful and important to explore both models when estimating economic contribution of tourism in order to be able to understand why CGE model represents more sophisticated and accurate results, and the limitations of both models. In the next chapter, CBA (cost benefit analysis) method is introduced. This method is used for the evaluation of investments in tourist projects, programs, regulations, developments or policies. Chapter 11 explores the economic evaluation of special events as an important part of the destination offer, job creation, income increase, and social and economic developments of the destination in general.

Investments of tourist firms, difference between capital and financial investments, private and public investments and domestic and foreign tourist investments are discussed in chapter 12. Like any other investments, tourism investments are faced with risk taking and uncertainty. This chapter provides various techniques used for calculating the rate of interest, types of capital investments to select, optimal level of investments, assessments of the refund period, and describes common pitfalls which should be avoided in capital budgeting, and all the challenges of tourism investments. The next chapter discusses investments in tourism infrastructure. Chapter 14 explains the motives of foreign investments and gives a realistic review of the benefits and costs for the host destination. This chapter is especially useful for students of tourism and tourism managers in the developing countries, in order to be conscious about its positive and negative sides, as well as to be prepared and mindful for the creation of sustainable tourism.

Chapter 15 concerns taxation of travel and tourism by defining the types of tourist taxes and their effects, economic reasons and negative sides of tourism taxation. The criteria for well formulated taxation are "efficiency, equitability and administrative simplicity", and to create such a taxation policy, one must understand the economics of supporting of the tourism taxation well.

Chapter 16 is the only one dealing with transportation in tourism, aviation in particular.

Preservation of environment is one of the main topics nowadays and its destruction was often connected and defined as a negative impact of tourism. In chapter 17, both negative and positive environmental impacts of tourism are explored. This chapter provides detailed descriptions of generally accepted and mostly used practical methods in measuring non-use value of an environmental amenity with all the limitations, advantages and practical/explanatory examples of using these particular methods. The next chapter describes the economic instruments used in decreasing the negative impact of tourism on the environment, many of which concern the reduction in pollution, and the ways in which they differ depending on the site and the necessity of preservation and protection. Another relevant topic discussed in chapter 19 interrelates tourism and climate change.

In chapter 20, indexes of measuring destination competitiveness are reflected. They discuss a well-known measure called the Travel and Tourism Competitiveness Index, which was used by 133 countries in 2009, but also, they provide 3 measures developed by them: Destination Price Competitiveness Index, Tourism Trade Index and Aviation Trade Weighted Index. Chapter 21 discusses future directions of each topic discussed in the book. It could also be used as a students' research assignment, for the comparison with the present "situation".

The book is mainly intended for students of tourism management, tourism economics and destination managers. As an introduction to every chapter, learning objectives are presented, followed by a short summary of topics are to be discussed. All the chapters end with a conclusion and policy, self-reviewed questions and essay questions.

The book presents an excellent overview of tourism economics and policies, but it also indicates many other challenges with which tourism as such is confronted. Despite the fact that it emphasizes those issues mainly from the economic point of view, it is useful in creating a solid basic background, and provides an introduction to tourism in general.

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