

## MZUNI OCCASIONAL PAPERS IN TOURISM ECONOMICS PART ONE: THE NKHATA-BAY TOURISM RESEARCH USING TOURISM MULTIPLIERS: STATE OF THE ART

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### ABSTRACT

This papers critically looked into concept of tourism multipliers to determine the effects of tourist spending on income, land values and employment in Nkhata-bay areas such as Chikali Beach Nkhata-bay Central, Chinthече, Bandawe and Kande. In a traditional set-up theory, a multiplier measures the relationship between an autonomous injection of expenditure into an economy and the resultant changes in incomes which may occur. In very simple terms, if the amount of the injection is  $\Delta E$ , the amount of income created within the economy of the area under study (Nkhata-bay) can be expressed as  $K\Delta E$ , where  $K$  is a coefficient representing the multiplier effect.

Further, autonomous injection of expenditure can take many forms which may include, for example, increases in export trading, additional foreign investment within the economy under review, and increases in Government Investment. Each of these forms of expenditure creates a stimulus to economic activity within the affected areas for example Nkhata-bay areas, which, provided that sufficient resources are available, in this case, generated additional business turnover, households incomes and employment as will be seen in the study. Therefore, increases in tourism expenditure are merely one form of autonomous injection although they are the only type considered in the present publication. Therefore, the main and real intention of beginning to write a series of Mzuzu University (Mzuni) occasional papers in Economics, particularly this one, is to provide a vehicle or medium for the publication of the results of the current research and for a series of researches on the social-economic impacts of tourism on the economy of Malawi, that will follow in this and impact related fields of future tourism studies. Further, the other aim is to provide Government with quantified information for making informed decision in distributing the scarce resources; while academics and students may also be reminded of the real role of tourism in the economic development particularly as tourism continues to fuel other economic sector of the country paving their way to growth areas. It is researchers hope that Mzuni will continue supporting future similar researches with the hope that more areas in the country be covered and researched. The series may also include adaptation of these and aid writing of dissertations by students in the Faculty of Tourism and Hospitality Management and for further contribution by academic colleagues of Mzuzu University and other Universities.

**KEYWORDS:** Tourism, Economics, Multiplier Effects, Nkhata-Bay, Mzuni and Malawi