Exploring the nexus between information and communications technology, tourism and growth in Fiji

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With annual data for the period 1980–2008, the authors explore the nexus between information and communications technology (ICT), tourism and growth in Fiji's economy. A growth equation estimation using the bounds test shows that tourism contributes about 0.23% in the long run and 0.19% in the short run, and ICT contributions are 1.07% and 0.89%, respectively. The Granger causality test reveals a unidirectional causality going from capital stock to ICT, ICT to tourism and real per capita GDP to tourism. Hence, the study finds that ICT investment and tourism market development are crucial for Fiji's growth and development.

Keywords: tourism development; ICT; economic growth; bounds test; Granger causality; Fiji

International tourism remains the world's largest and fastest growing sector, accounting for over a third of the value of the total worldwide services trade. Tourist arrivals for business, leisure and other purposes peaked at 880 million (and receipts of US$852 billion) in 2009 compared to 919 million in 2008 and 801 million in 2005. Despite the adverse impact from the worldwide financial crisis, the numbers are relatively stable (UNWTO, 2010a,b). According to the United Nations World Tourism Organization (UNWTO), tourism worldwide

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