

How Tourism Contributes To The Economy Of Arizona

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Tourism is among the primary pillars that support the economy of the state of Arizona. A report released by the Arizona Office of Tourism indicated that tourism was the leading export in Arizona. Thus, it is an indication of the role tourism plays in Arizona's economy. Empirical studies show how tourism supports an economy. They also stress the spillover benefits created by tourism to other sectors of the economy. Further, there is sufficient evidence showing how tourism in Arizona contributes to the broader policy agenda through socioeconomic inclusion, sustainable development, business formation, and regeneration. Therefore, this paper aims to explore the general contribution of tourism within primary contexts such as employment generation, influence on trade and investment, improved social services and infrastructure and how tourism spurs broader economic growth and development in Arizona. (Arizona Office of Tourism, n.d.)

Empirical data shows some countries that have experienced unprecedented economic growth through tourism. Most of the literature reviews suggest that tourism is an attractive option for stimulating development in low-income economies, which previously relied on natural resource extraction and agriculture. Similarly, the growth and development of the tourism industry in Arizona have been able to support economic development across nearly all sectors of the economy. It generates additional demand among numerous professions and services. Besides both the direct and indirect impacts, the state of Arizona has been able to derive benefits such as improved infrastructure used by other industries to promote trade investment and skills in other sectors. (UN Tourism, n.d.)

Tourism has played a crucial role in promoting trade in Arizona, besides the local businesses that emerge due to the vibrant tourism industry within the state. A previous global study carried out among 2,300 business people confirmed that sealing business deals often involves physical meetings between business partners. Out of the responses from the respondents, 95% stated that developing long-term trade links in the first growing business environment requires in-person meetings with business partners and leaders. Therefore, Arizona has been playing a critical role in providing an avenue and space for business leaders and partners to meet, close deals, and build long-term mutual business relations.

Therefore, the well-established tourism industry in Arizona facilitates rapid trade growth. According to the econometric modelling performed at Oxford Economics, increased intensity of business travel often leads to increased intensity of trade. Thus, this is indicative of the manner in which tourism contributes to the economic growth of Arizona. There are some economic benefits associated with trade initiated through tourism. For instance, advancement in trade reduces prices, enhances the state's focus on its core competency areas, creates economies of scale, creates competition, and

spurs innovation. Through tourism in Arizona, local entrepreneurs get an opportunity to develop relations with potential suppliers and customers from across the globe. (U.S. Bureau of Economic Analysis, n.d.)

Besides trade, tourism also fosters investment by both local and foreign investors. Through tourism, the state of Arizona can benefit from Foreign Direct Investment, which introduces skills, technology, capital, and demand for local commodities, as well as improving the balance of trade. Many tourist destinations often compete for foreign direct investments. Therefore, this prompts the need to establish connectivity across the sector, including aviation and technology, to be able to attract maximum foreign exchange from tourists. Airport hubs provide the connectivity that helps in increasing foreign direct investments. Thus, tourism in the state of Arizona enhances investment in various support industries such as aviation.

Although a substantial portion of the direct foreign investment acquired from the tourism industry is used in activities that directly benefit tourists, such as constructing new resorts and hotels, some part also goes to improving infrastructures that benefit not only tourists but also the locals. Tourism has assisted in enhancing collective investments in transportation infrastructures such as harbours, roads, airports and communication infrastructure. Although these are necessary investments that have a considerable impact on the tourism industry, they also have a critical influence on the residents and other sectors within the state. Tourism in Arizona has strengthened the infrastructural network that has been able to improve the transportation system to enhance mobility, ensure a continuous flow of goods and services, enable competitiveness and improve public safety.

Improving Tourism in Arizona

However, despite the unprecedented growth of tourism in the state of Arizona, some issues still need to be addressed to make the benefits of the tourist economy sustainable in the long term. The latest reports show that despite the encouraging leisure snapshots of the Arizonian tourism industry, there is an impending danger to the future of the industry. However, experts suggest that one of the critical ways of making the Arizonian industry vibrant is identifying and implementing measures such as urging leaders to promote the state as the best tourist destination and take active roles in welcoming visitors. Further, the tourist authorities support marketing efforts by designating the function to a senior government official. Members of Congress from the state of Arizona should also mobilise for the government to ease the process of entry for people from particular countries to enter the United States.

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