

Bora bora hotel pestle economics

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Economic factors Tourism and service industries are two biggest sectors in Bora Bora, French Polynesia, about 40 percent of employees work in the Service sector. In 1997, almost eighty percent of the whole GDP in this country was from service sector. During the end of the last millennium, there has been a huge economic decline in the whole French Polynesia, mainly in Tahiti and Bora Bora. But with the economic help of France and clearing the rumors of nuclear experiences the country's economy started to grow.

This country's climate is very beneficial for hotels, because almost all year it's warm and the exotic nature always attracts people. Lately, there has been a huge increase of tourists that travel to Bora Bora, because of the newly built hotels and airports. This is a huge factor for our chosen hotel, Hilton, because if more people will want to go to this area, there has to be more hotels for their accommodation.

But other hotel chains are also interested in building new hotels in Bora Bora, because of its newly found Brand recognition as a holiday resort and growing economy. Bora Bora does not produce a lot of goods, so they have to be imported. Which is mainly the Hotels problem, because the Levies and excises on imported goods and licensing fees in the whole French Polynesia are the highest ones. The main objects that Bora Bora imports include food, fuel, building materials, consumer goods and automobiles.

Because they are imported, these goods cost more for the hotel than the natively made ones. Their main importers are United States and France. In the world chart, French Polynesia is in the two hundred twelfth place, with the inflation rate of 1. 1, while for example, Denmark's inflation rate is 2. 8,

United States inflation rate is 3. 1. In 2008, the currency exchange was 16. 5 French Polynesian francs for one US dollar.