A volcano eruption occurs in Iceland every 4 to 5 years. This isn't surprising as the island has between 150 and 200 volcanoes. We will research a few of Iceland's volcano eruptions and the cost to repair their damages and then we will see how many tourists arrived and what they spent. We will then compare these statistics. Then we will see if tourism in Iceland makes more money for the economy, or does all the money they make end up going towards repairing damages done by volcanic activity.

The volcano eruptions we will be comparing are Hekla, Heimaey, Krafjall, Eyjafjallajökull. The Eyjafjallajökull in 2010 was a pretty small eruption but it canceled over 100,000 flights and caused a lot of damage to crops and roads. The cost of the repairs globally was €4.9 billion. After this eruption the amount of tourists increased by 18% between 2010 and 2014, and rose another 30% by 2017. (Graph 1)

We contacted Promote Iceland tourist board and they told us 700 million was spent on marketing campaign 'Inspired by Iceland' after the 2010 eruption. This prevented 34 billion loss in Icelandic tourism revenue. (Graph 2)

As you can see from all our charts volcanic eruptions especially Eyjafjallajökull has had some pros and cons. From the 5 volcanic eruptions we have studied, we've learned that the cost to repair damages in Iceland was roughly 177 million and the global cost was 4.9 billion (see chart 1). However, the positive side to this is that after their 2010 eruption, their tourism income generated a total of 142.6 billion from 2010 to 2018 (see graph 3) and created approximately 13,000 tourism related employment (see graph 2) Lots of people were dying to see the newly erupted volcano. Iceland has gained back all of the money that they lost and also made a profit. In conclusion it appears that Iceland makes more money for the economy through tourism than it costs to repair damages caused by eruptions.