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DRAFT TOURISM SATELLITE ACCOUNT: METHODOLOGICAL REFERENCES

The attached draft Tourism Satellite Account: Methodological References is proposed for adoption by the Statistical Commission. Some important technical issues and the process that has been followed to develop this draft are described in document E/CN.3/2000/11.

* This is a limited edition of a draft of a future publication, submitted to the Statistical Commission for comment.

Tourism Satellite Account (TSA):

Methodological References

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Content and structure of the document

- 0.1 **Chapter I** is a general **Introduction** to this proposal of designing a Tourism Satellite Account (hereafter referred to as TSA) in which the reasons for the proposal are set out, its technical nature defined and the usefulness of the application of this new statistical instrument highlighted.
- 0.2 **Chapter II “The demand approach: concepts and definitions”**, begins by analyzing the basic unit of observation, “the visitor”, and sets out a series of indications for the correct application of the concept of visitor consumption where the visitor final consumption expenditure in cash (its main component), corresponds to the term “visitor expenditure”, traditionally used in the analysis of tourism. Also presented in this chapter are other concepts and definitions defined within the TSA as, for instance, the definition and measurement of tourism consumption, the venues of visitor consumption, and special issues as housing services on own account or free of charge, and services provided within the households.
- 0.3 The remaining paragraphs of chapter II specify the contents of the three components that make up tourism demand generated by this attention to the visitor. If internal tourism consumption is the central aggregate to qualify the extent of direct “visitor demand” within the country of reference, it must be recognized that this aggregate could validly be complemented by other components of final demand (such as tourism collective consumption and tourism gross fixed capital formation).
- 0.4 **Chapter III “The supply approach: concepts and definitions”** focuses on the aspects of the supply of goods and services to visitors, defining the activities, and the products which will be at the center of the analysis, and the relevant economic variables associated with supply. The analysis of tourism from a supply point of view focuses on producing units of the same kind as those used in the supply and use tables of SNA93, namely establishments. Within the functional perspective, SNA93 defines “industry” as “groups of establishments engaged in the same kind of productive activities”. The set of characteristic tourism activities does not comprise a single industry conforming to this definition. But this set does include a number of classes of “industries” in the ISIC sense. Consequently, the TSA defines the “tourism industries” as all establishments whose principal productive activity is a tourism characteristic productive activity.
- 0.5 Special issues as travel agencies, tour operators and the treatment of goods purchased by visitors are also considered.
- 0.6 **Chapter IV “Tables, accounts and aggregates”** is the central part of the proposal and includes a set of ten tables. The tables proposed herein use a given aggregation of Tourism characteristic products and activities and are presented in their general sequence of compilation.
- 0.7 Several paragraphs in this chapter refer precisely to the procedure to be used in elaboration of the tables in order, on the one hand, to illustrate the coherence

established in chapters II and III between concepts, definitions and classifications and, on the other, to emphasize those aspects which are considered to be the most relevant.

- 0.8 Finally, the document ends with a selected Bibliography, and an Annex with the classifications to be used, and their links with other international classifications (CPC ver 1.0, ISIC Rev 3 and SICTA93).

I. Introduction

- 1.1 Tourism, described as the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited, is an activity which has grown substantially over the last quarter of a century as an economic and social phenomenon. Statistical information on the nature, progress and consequences of tourism is, on the whole, scanty and incomplete. This situation deprives governments, businesses and citizens of the accurate information necessary for effective public policies, efficient business operations, and a rising standard of living for both visitors and hosts. Valid information on the role tourism plays in national economies throughout the world is particularly deficient, and credible data concerning the scale and significance of tourism is urgently needed.
- 1.2 If, in the past, the description of tourism focused on the characteristics of visitors, on the conditions in which they travelled and stayed, the purpose of visit, etc., there is an increasing awareness nowadays on the role tourism is playing and can play, directly, indirectly or through induced effects in the economy in terms of generation of value added, employment, personal income, government income, etc.
- 1.3 As a consequence, the type of data on tourism required both by the public and the private sector has radically changed in nature. Besides descriptive information on the flow of visitors and the conditions in which they are received and served, countries now need robust information and indicators to enhance the credibility of the measurements concerning the economic importance of tourism. These should have the following characteristics:
 - (a) They should be statistical in character and be produced on a regular basis, that is, not only as one-time estimations, but as on-going statistical processes, combining the compilation of benchmark estimations with more flexible uses of indicators to enhance the usefulness of the results;
 - (b) Estimates must be based on reliable statistical sources, where visitors and producers of services are both observed, possibly using independent procedures;
 - (c) Data should be comparable over time within the same country, comparable among countries, and comparable with other fields of economic activities;
 - (d) Data should be internally consistent and presented within macro-economic frameworks recognized at the international level; that is, there is a need for new instruments of statistical observation.

- 1.4 The data required cover the following main areas: analysis of the demand generated by the different forms of tourism (within the same economy, from other economies or towards other economies), classified according to characteristics of the visitors themselves and of their trips, of the goods and services acquired; the incidence of such supply on the basic macroeconomic variables of the country of reference; production functions and interrelationship between activities, which provide the basis for impact analysis; descriptions of the nature of employment and jobs, of capital formation and of non-financial investment; imports and exports and impacts on balance of payments; effects on government revenues, generation of personal and business income, etc.
- 1.5 The goods and services consumed by visitors are principally transport, accommodation, food and entertainment, which, in a broad sense, can be considered as characteristic of tourism. According to the trip destination, the purpose of the visit, and the personal characteristics of each visitor, they can be very different in nature, quality and quantity. The study of tourism has to take all these elements into consideration in a regular and systematic presentation.
- 1.6 Although tourism is by nature a demand phenomenon, it is necessary, from an economic point of view, to observe how the match between demand and supply operates and the incidence such supply has on the basic macroeconomic variables in a country of reference.
- 1.7 Within a context of macroeconomic analysis, the relationship between supply and demand is best studied within the general framework of National Accounts and, more specifically, within the particular framework of supply and use tables.
- 1.8 The System of National Accounts adopted in 1993 (hereafter referred to as SNA93) ¹ provides concepts, definitions, classifications, accounting rules, accounts and tables to present a comprehensive, integrated framework for the estimation of production, consumption, capital investment, income, stocks and flows of financial and non-financial wealth, and other related economic variables.
- 1.9 Within this framework, a detailed analysis of a specific type of demand can be presented in the interface with the supply of these goods and services, within the economy.
- 1.10 But visitor consumption is not restricted to a set of predefined goods and services. What makes tourism special is not so much what is acquired, but the provisional situation in which the consumer finds himself/herself: he/she is outside his/her usual environment, and this is the characteristic that identifies him/her specifically as different from any other consumer.

¹ System of National Accounts 1993 (SNA93) prepared under the auspices of the Inter-Secretariat Working Group on National Accounts - Commission of the European Communities - International Monetary Fund - Organization for Economic Co-operation and Development - United Nations - World Bank Brussels/Luxembourg, New York, Paris, Washington, D.C. 1993

- 1.11 This characteristic cannot be recognized within the central framework of National Accounts, where the transactors are classified and identified according to (relatively) permanent characteristics attached to them, one of them being the country or place of residence.
- 1.12 This makes it necessary to use a so-called Satellite Account, annexed to the core of the System of National Accounts, and which to a greater or lesser extent, shares with this core system its basic concepts, definitions and classifications. The use of such systems is strongly emphasized in SNA93 ², in order to deal with this type of situation.
- 1.13 As a consequence, the fundamental structure of the Tourism Satellite Account (hereafter referred to as TSA) is based on the general balance existing within an economy between demand of goods and services generated by tourism and their supply, which can be found in representations such as SNA93. The idea behind the construction of the TSA is to analyze in detail all the aspects of demand of goods and services which might be associated to tourism within the economy, to observe operational interface with the supply of such goods and services within the same economy of reference, and how this supply interacts with other economic activities.
- 1.14 This proposal for the design of the TSA takes the form of a basic system of concepts, classifications, definitions, tables, and aggregates linked to the standard tables of SNA93 in the functional perspective. Consequently, this system has been developed as the basis for international comparisons of tourism economic impacts in a national economy and on an annual basis.
- 1.15 TSAs will provide:
- (a) Macroeconomic aggregates to describe the size and the economic importance of tourism, such as Tourism Value Added and Tourism GDP, consistent with similar aggregates for the total economy, and for other productive activities and functional areas of interest; this requires a total consistency with the production boundary of the National Accounts;
 - (b) Detailed data on visitor consumption, and how this use is met by domestic supply and imports, integrated within tables derived from general supply and use tables of the National Accounts, both at current and constant prices;
 - (c) Detailed production accounts of the tourism industries including data on employment, linkages with other productive economic activities, and capital formation;

² SNA93, Chapter XXI

- (d) Basic information required for the development of models of economic impact of tourism (at national and supranational level), for the preparation of tourism market oriented analysis, etc.
- (e) A link between economic data and other non monetary information on tourism, such as number of arrivals, duration of the stay, purpose of the trip, modes of transport, etc.

1.16 The Tourism Satellite Account is to be seen from two different perspectives:

- (a) as a new statistical instrument for international standardization of concepts, classifications, definitions, tables and aggregates, which will allow for valid comparisons from country to country, between groups of countries, and make also these estimates comparable with other internationally recognized macroeconomic aggregates and compilations;
- (b) as a building process to guide countries in the development of their own system of tourism statistics, the main objective being the completion of the TSA, which could be viewed as a synthesis of such a system.

1.17 This proposal should be understood to be the first step in a process of methodological development of this new statistical instrument whose operational character is a synthesis shared in common with National Accounts. Its progressive implementation by countries depends also on the development achieved in the corresponding implementation of SNA93 but, in any case, will make it necessary in the future to update some of the recommendations included in this proposal, if adopted, to implement new developments in relation with the proposed classifications on products and activities, new fields of application (national tourism indicators, balance of payments analysis, regional level, ...), specific modules (employment, government revenues,...), etc.

II. The demand approach: concepts and definitions

- 2.1 Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited. The term “activity of persons” is used herein as the general meaning of the word (e.g., a specified pursuit in which a person partakes) and not as an abbreviated term for “productive economic activity” as it is used for instance in I.S.I.C. ¹. The “activities of persons” refer to the pursuits of those individuals who qualify as “visitors”.
- 2.2 As these activities are many, and have consequences on a vast array of circumstances, the study of “tourism” can be made from a great variety of perspectives, as for instance from that of its effect on the environment, on local culture, on the landscape, on infrastructure, etc. The TSA is interested in the first place in its effect on the supply and demand of goods and services, on the general level of economic activity and on employment.
- 2.3 As a consequence, the fundamental structure of the TSA is based on the general balance existing within an economy between demand of goods and services generated by tourism and their supply, which can be found in representations such as SNA93. The idea behind the construction of the TSA is to analyze in detail all the aspects of demand of goods and services which might be associated to tourism within an economy, to observe how operates the match with the supply of such goods and services within the same economy of reference, and how this supply interacts with other economic activities.
- 2.4 As tourism is defined as the activity of “persons”, the first step is to identify clearly who these persons are, because they are at the center of the study of tourism. Then the different components of tourism demand shall be presented.

A. Visitors

- 2.5 The “persons” referred to in the definition of tourism are termed “visitors”: “Any person travelling to a place other than that of his/her usual environment for less than twelve months and whose main purpose of trip is other than the exercise of an activity remunerated from within the place visited”. ²
- 2.6 Much and even most of the economic activities of tourism in a country occur while visitors are traveling. However, the TSA also includes consumption activity by potential visitors in anticipation of trips (such as purchases of camping luggage or travel insurance), or by visitors after they have returned home (such as having film developed for pictures taken during the trip). Vacation homes and other secondary residences may also generate economic activity of interest in the TSA that occurs even in the absence of visitors traveling.

¹ I.S.I.C.: *International Standard Industrial Classification of all economic activities*, of United Nations, 1990.

² UN/WTO *Recommendations on Tourism Statistics* ¶ 20.

A.1. The usual environment

- 2.7 The usual environment required to distinguish a visitor from all other travelers within a location is difficult to define in precise terms. Generally speaking, it corresponds to the geographical boundaries within which an individual displaces himself/herself within his/her regular routine of life, except for leisure and recreation (second homes and vacation homes, although regularly visited, are usually not considered part of the usual environment). For some, relatively inactive people, this usual environment might mean an area only some few blocks away from the place where they live. For others who commute or conduct day-to-day activities over large distances, it may cover an extensive area. National statistical organizations might establish the boundaries of the usual environment by referring to distances traveled, time spent away from a person's home, or the formal boundaries of localities or other administrative territories.
- 2.8 It is important to observe that if the place visited is not part of the usual environment of a person ("the visitor"), then that person is not considered one of the usual "resident consumers" in the place. By definition, his/her visit to the place will generate additional consumption expenditure in this place over and above that generated by the resident consumers. These additional consumption expenditure provide the basis for the economic activity generated by tourism and, hence, are at the foundation of the Tourism Satellite Account.
- 2.9 Finally, the notion of usual environment is an economical notion, and has little to do with legal circumstances: illegal aliens residing in a country nevertheless have their usual environment within its borders. On the other hand, a legal right to reside in a place does not mean that this individual is effectively having this place as his/her usual environment.

A.1.1 Usual environment and residence

- 2.10 The concept of usual environment defined by the United Nations and the WTO and that of residence, used in SNA93 and in the fifth edition of the Balance of Payments Manual (BPM5) are not synonymous. The place where an individual works is clearly part of his/her usual environment but is not necessarily his/her place of residence. Commuting to work according to the UN/WTO definition is traveling but is not considered as a tourism activity.³
- 2.11 If an individual leaves his/her place of residence, or "center of economic interest"⁴, with the intention of establishing residence in a new place, s/he should not be considered as a visitor to this new place, even if s/he has not yet resided there for a year. This new place becomes part of his/her new usual environment.
- 2.12 On the other hand, if an individual has been present in a place for more than one year, this place is considered as part of his/her usual environment. Thus, s/he

³ UN/WTO *Recommendations on Tourism Statistics*, ¶22.

⁴ SNA93, ¶4.15

cannot be considered as a visitor to this place, although s/he might not be a resident of this place in the economic or legal sense of the term. In fact, in statistics on population, residency is a characteristic attached to households, while the usual environment is a characteristic the UN/WTO has attached to individuals, each of which is part of a unique household. Two individuals who are part of the same household necessarily have the same residence but may have different usual environments.

- 2.13 Students traveling abroad, even for more than a year, but still depending economically on their families, comprise part of their family's household. Consequently, they remain residents of the place where this household has its center of economic interest, but their usual environment is also their university, and the place where they live. Sick persons staying in a hospital or similar facility some distance from their original residence for more than a year are still part of the household from which they come if there continues to be economic ties with that household, even though their usual environment now includes the hospital where they are staying. The same can be said of persons serving a long-term prison sentence. All these classes of persons are not visitors to the places where they now reside. But if other members of their original households travel to see them, then these persons are visitors to these places.

A.1.2 Usual environment and second homes

- 2.14 For each household, there will be a dwelling that shall be considered statistically as the primary home and residence of this household. All other dwellings (rented or owner-occupied) occupied by a household will be considered second homes.
- 2.15 To be considered as second homes these dwellings may have one or more of the following characteristics:
- (a) it is the usual environment of one or more of the members of the household but is not the primary residence of the household;
 - (b) it is a vacation home, that is, it is visited infrequently or not by one or more of the members of the household for recreation, vacation or other activities different from the exercise of an activity remunerated within this place;
 - (c) it is visited occasionally by one or more members of the household for work reasons.
- 2.16 By definition, any member of the household who visits a second home that is not his/her usual environment is considered a visitor to that second home as long as the visit is not for the purpose of performing a productive activity in the place visited.
- 2.17 A second home might be located either in the same national economy as the main home, or in a different national economy.

A.2. Duration of the stay

- 2.18 For a traveler to be considered engaged in tourism activity, his/her stay in any place visited must be less than a consecutive year. As has been explained above, when a visitor stays in a place for longer than a year, this place becomes part of his/her new usual environment and s/he ceases to be considered a visitor to it. On the other hand, for those attending short term courses or stays (summer courses, summer camps, medical treatment of short duration...) they are visitors to the location visited.
- 2.19 There are two classes of visitors: tourists, who stay one or more nights in the place visited and same-day visitors, comprising visitors who visit a place for less than one night.
- 2.20 Most same-day visitors are usually domestic visitors ⁵, but there are also cases of international same-day visitors. For some countries, consumption by same-day visitors travelling by different means of transport may constitute an important volume of tourism expenditure.
- 2.21 In transit same-day visitors is a specific category of same-day visitors, related both to international and domestic visitors. They refer to different sets of passengers, the identification of which might present interest in some countries, because of their relevance, both in numerical terms and for their economic impact. It refers to same-day visitors who do not return to their place of origin within 24 hours of their departure, but are in their way towards a different destination. Within this constituency are included both those visitors legally in transit because they remain in a transit zone, so that they do not enter the legal country (situation normally associated with visitors arriving by air), as well as those visitors crossing a location or the territory of a country, heading to a different destination (the most relevant cases refer to those travelling by road or rail).

A.3. Purpose of the visit

- 2.22 Colloquially, the term "tourist" refers to those individuals who travel for leisure, recreation and holidays. Nevertheless, the definition of a tourist used within TSA is much broader and includes all individuals who travel or visit a place for a purpose other than "the exercise of an activity remunerated from within the place visited" ⁶. This qualification follows the concept of usual environment as indicating the area where a person usually lives and works. As a consequence, a business or a commercial traveler might or might not be a tourist, according to the place from where he/she is paid, and how he/she develops his/her activity.

⁵ UN/WTO *Recommendations on Tourism Statistics*, ¶28.

⁶ UN/WTO *Recommendations on Tourism Statistics*, ¶20.

2.23 Tourists and same-day visitors may be classified according to the purpose of their visit in the following categories:⁷

- a. leisure, recreation and holidays;
- b. visiting friends and relatives;
- c. business and professional;
- d. health treatment;
- e. religion, pilgrimages;
- f. other

A.4. Classification of visitors

2.24 Countries might wish to further disaggregate and typify their markets according to additional characteristics of the visitors and their trips.

2.25 Two categories are considered:⁸

- (a) **international visitors**, whose country of residence is different from the country visited; these international visitors also include nationals residing permanently abroad, who may represent an important segment of the market with special characteristics;
- (b) **domestic visitors**, whose country of residence is the country visited; they can be nationals or foreigners for this country.

2.26 It should be noted that, because the residence attached to a visitor might differ from his usual environment, not all international travelers need to have crossed the geographic border of a country in this capacity in order to be considered as visitors. This is the case for military personnel on active duty assigned to a base in other than their residence country on active duty, and diplomats and their entourages⁹. The embassy or consulate of one country is considered as constituting a physical and legal extension of that country regardless of where it is located. Consequently, when a diplomat or his family or staff travel to a place within his/her country of posting, s/he is considered an international visitor upon that occasion, and not when s/he enters the host country.

2.27 Such distinctions, crucial for consistent treatment of visitor activities within the conventions of tourism statistics and National Accounts, may nevertheless produce a discrepancy between border counts of international visitors and the number of such individuals actually acting as visitors within the economy.

⁷ UN/WTO *Recommendations on Tourism Statistics*, ¶44

⁸ UN/WTO *Recommendations on Tourism Statistics*, ¶28 and ¶33

⁹ SNA93, ¶14.19.

B. Visitor consumption

2.28 Consumption is an activity which characterizes individuals and the households to which they belong. In terms of National Accounts, it is referred to as the consumption activity of visitors, belonging to resident or non resident households. In the same way as the visitor is at the center of tourism activity, the consumption of visitor is at the center of the economic measurement of tourism. The visitor is viewed as a particular type of consumption unit, which only distinguishes from other households by the fact that he/she is outside his/her usual environment: but otherwise, he/she is an ordinary consumer, so that the characteristics of the consumption activity attached to household consumption in SNA93 should also be encountered for visitors.

B.1. Household final consumption in SNA93

2.29 In the case of households, SNA93 considers two concepts of consumption: household final consumption expenditure and household actual final consumption. These concepts differ by the social transfers in kind received from General Government and Non Profit Institutions Serving Households (NPISHs). Both of these concepts are applicable to visitors.

2.30 In promoting the concept of household actual final consumption SNA93 treats in a more homogeneous way situations in which social transfers in kind have different relative importance. In some countries, where General Government provides education and health free of charge or at very low costs, the structure and relative importance of household final consumption expenditure would be extremely different from those existing in the countries where these services have to be purchased on the market or at market prices. Including these social transfers in kind reduces strongly these discrepancies in structures, and improves comparability among countries.

2.31 SNA93 dedicates some extension in clarifying a series of concepts associated with household final consumption. The System introduces differences between the concepts of: *expenditure on consumption goods and services*; *household final consumption expenditure* and *actual final consumption of households*. It takes into account the particularities of the so called “individual non market services”, for which individual beneficiaries can be identified. The System recognizes the difference between the institutional unit which pays for the services, and the institutional unit which benefits from it, and proposes a way to transfer the consumption from one unit to the other.

2.32 Expenditure is defined as the value of the amounts that buyers pay, or agree to pay, to sellers, in exchange for goods or services that sellers provide to them or to other institutional units designed by the buyers. The buyer incurring the liability to pay need not be the same unit that takes possession of the good or service. As

already noted, it is common for government units or NPISHs to pay for goods and services that the sellers provide to households.¹⁰

- 2.33 In SNA93, expenditure is attributed to the units that ultimately bear the costs as distinct from the units that make the payments to the sellers. The unit making the payment is usually also the one that bears the cost, but this is not always the case. For example, one unit may pay a seller acting as the agent of another unit to whom the ownership of the good is transferred. In this case, the agent provides a short-term credit to the buyer that is extinguished when the agent is reimbursed. Another example is that of a household that purchases a good or service that it retains itself but is subsequently reimbursed out of social security funds for some or all of the amount spent. In this case, the amount reimbursed is treated as expenditure incurred by the social security fund.¹¹
- 2.34 “A consumption good or service is defined as a good or service that is used (without further transformation in production as defined in the System) by households,... for the direct satisfaction of individual needs or wants...”¹². The preparation of meals within the household for its own account is not considered as a production process. Thus, the food purchased for this meal is considered as a consumption good, because there is no further (economic) transformation. The gas bought for the automobile of the household is considered as a consumption good also for the same reason, as no service is attached to the use of an automobile by a household for his own account.
- 2.35 Household final consumption expenditure covers "expenditure, including imputed expenditure, incurred by resident households on individual consumption goods and services, including those sold at prices that are not economically significant. Final consumption expenditure excludes expenditure on fixed assets in the forms of dwellings or on valuables"¹³. Imputed transactions refer here to the valuation of production and use of goods by household for own final use, or any other transfer or transaction in kind between institutional units, except social transfers in kind. Goods and services received as remuneration in kind from the employer are included within household final consumption expenditure. There is no imputation for other types of services on own account.
- 2.36 As a consequence, household final consumption expenditure not only includes all consumption expenditure made by households from their own cash resources (including all income in cash received), but within that concept, are also included all the counterpart of income in kind (except social transfers in kind) that household might have received, such as remuneration in kind from their employers, or other transfers in kind from other households. It also includes the value of all consumption of output for own final use, such as those provided by dwellings to their owner occupying them.

¹⁰ SNA93 § 9.22

¹¹ SNA93 § 9.23.

¹² SNA93 § 9.41.

¹³ SNA.93 § 9.94.

2.37 Actual final consumption of households is measured by the value of all the individual consumption goods and services acquired by resident households, which are:

- (a) those acquired through direct expenditure by the households themselves or imputed to them (consumption for own final use or obtained from other institutional units as transfers in kind other than social transfers in kind): it is called household final consumption expenditure;
- (b) those acquired as social transfers in kind from Non Profit Institutions Serving Households (NPISHs);
- (c) those acquired as social transfers in kind from General Government.

2.38 Social transfers in kind consist of:

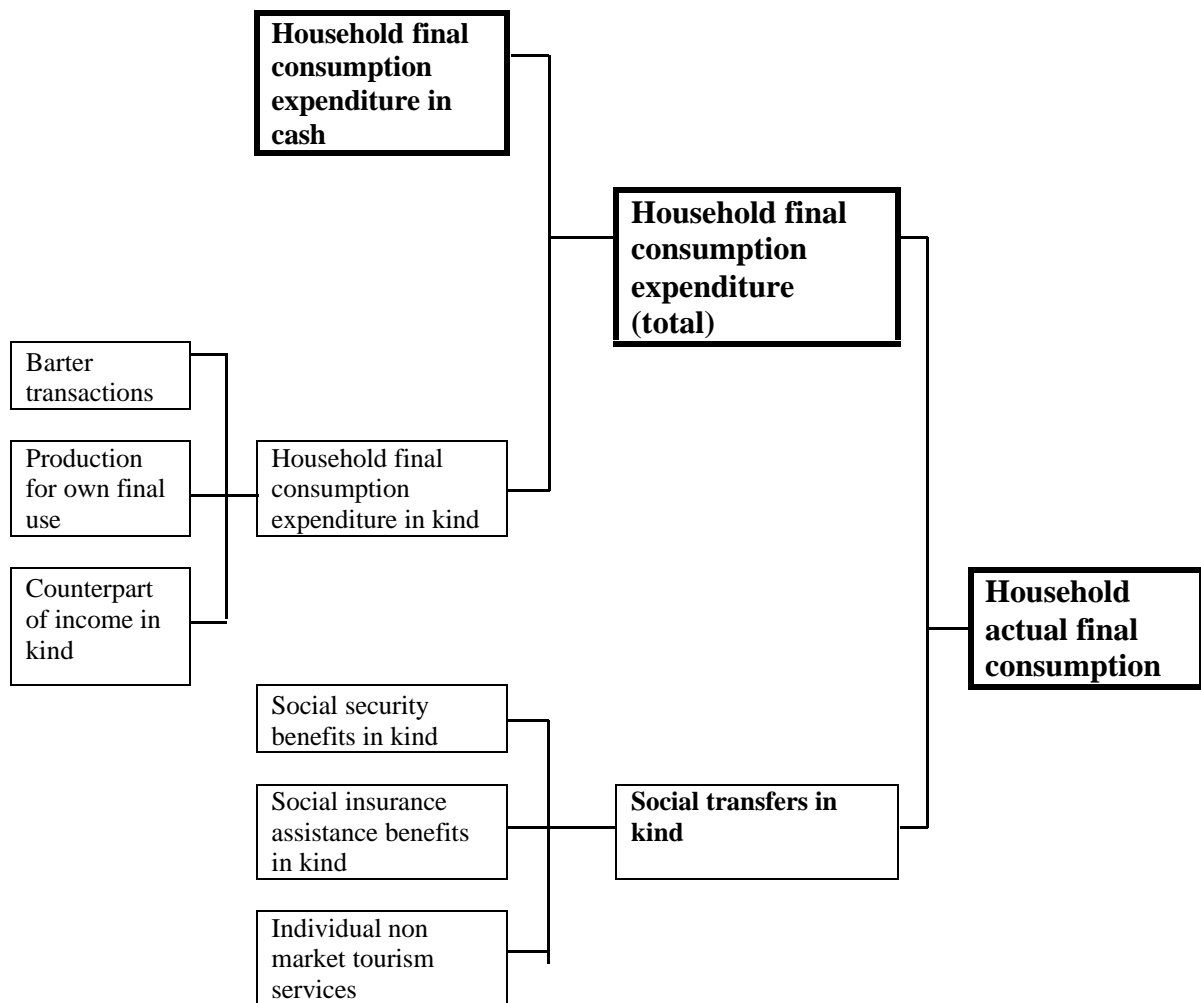
- (a) social security and social assistance benefits provided in kind, that is in the form of a good, service or asset other than cash;
- (b) other individual services provided to individual households by government units or NPISHs. These consist roughly of health, education and social services provided to individuals free of charge, or at very low prices, which are not economically significant.

2.39 Figure II.1 summarizes these relationships among the consumption terms.

2.40 Household final consumption expenditure includes all consumption expenditure made by households from their own cash resources (including all income in cash received), as well as all the counterpart of income in kind (except social transfers in kind) that household might have received, such as remuneration in kind and other transfers in kind. It also includes the value of all consumption of output for own final use, such as those provided by housing units on own account or what it can have received through barter transactions.

2.41 Household actual final consumption adds to household final consumption expenditure the social transfers in kind received from General Government and NPISHs. These refer to social security benefits and social assistance benefits received in kind, and to the individual non market goods and services provided by government and NPISHs.

Figure II.1 The components of household actual final consumption



B.2. The definition of visitor consumption

2.42 Visitor consumption can thus be derived from this definition of household final consumption in SNA93, and be defined as the final consumption of a special subcategory within households or within those which behave as households: visitors, which can be both residents and non residents of the economy of reference.

2.43 Nevertheless, if we follow along the same line provided by this new point of view on household consumption, in which it goes beyond the expenditure restricted to the out of pocket expenses of visitors, then some consumption that SNA93 does not assign to households due to constraints of overall consistency of the system, find legitimately their place within visitor consumption when this constraint is removed: this observation refers to some travel costs associated to employees or others paid by producing units, namely those on transport and accommodation,

that SNA93 classifies as intermediate consumption of these producing units, arguing the benefit these producers receive from these expenses. For the providers of these goods and services as well as for the visitors themselves, the expenditure plays a similar role regardless of which institutional unit registers the cost, so that for the sake of tourism analysis, these expenses, called in short “tourism business expenses”, are assigned to visitor consumption.

- 2.44 These considerations give rise to visitor consumption as the basic concept of the demand approach, being defined as the total consumption expenditure made by a visitor or on behalf of a visitor for and during his/her trip and stay at destination.
- 2.45 All acquisition of goods and services by or on behalf of a visitor that SNA93 would consider as part of his/her actual consumption is included within the boundary of a visitor consumption. No consumption good or service is excluded by its nature. If a product is acquired by a visitor on a trip or trips, or in preparation for a trip, it is included.
- 2.46 The notion of consumption expenditure made on behalf of a visitor is broader than the one used in SNA93 as, beyond the expenses in kind made by other institutional units for his/her benefit, it also encompasses travel related expenditure made by producing units for the benefit of their employees or others that SNA93 would consider as intermediate consumption (tourism business expenses).
- 2.47 There are payments related to a trip that visitors might make which are excluded from visitor consumption by SNA93 conventions:
- (a) Those which do not correspond to the purchase of consumption goods and services, such as:
- the payment of taxes and duties not levied on products;
 - the payment of interests (net of FISIM corresponding to the visitor) ¹⁴, including those on expenditure made during and for trips;
 - the purchase of financial and of non financial assets, including land, works of arts and other valuables;
 - the acquisition of multipurpose consumer durable goods of important unit value not made during trips;

¹⁴ Financial Intermediation Services Indirectly Measured (FISIM) refer to those services provided by financial intermediaries for which they do not charge explicitly, but only implicitly through the difference in interest rates charged to borrowers and to lenders. SNA93 recommends to allocate the total output of this activity as consumption among the various recipients or users of the services for which no explicit charges are made: this can be the case of visitors. See SNA93 ¶¶ 6.124 to 6.131.

- all transfer payments in cash such as donations to charities or to other individuals and which do not correspond to the payment for goods or services,
- (b) Any purchases on a trip for commercial purposes, that is, for resale or use in a production process or on behalf of his/her employer by a visitor on a business trip (these are intermediate consumption or gross fixed capital formation of the producing unit).
- 2.48 Consumer durable goods defined as “goods which may be used for purpose of consumption repeatedly or continuously over a period of more than a year, assuming a normal or average rate of physical use”¹⁵, require a specific treatment within this proposal, because they can be purchased at any time, during trips, for trips or outside the context of trips, and have multiple uses.
- 2.49 In TSA, two different categories of consumer durable goods are considered:
- (a) Tourism single purpose consumer durable goods, which are those goods, the use of which can be considered as almost exclusively on trips, such as luggage, camping equipment (tents, sleeping bags, trailers), skiing and diving equipment, etc.
 - (b) Multipurpose consumer durable goods are those partially used on trips, but also partially used within the usual environment.
- 2.50 Consumer durable goods will have a different treatment according to the following convention:
- (a) During trips, all consumer durable goods (tourism single and multipurpose consumer durable goods) purchased are included within visitor consumption;
 - (b) Before or after a trip, all tourism single purpose durable goods and small durable goods for personal use are included within visitor consumption;
 - (c) Outside the context of a trip, solely tourism single purpose consumer durable goods purchased, are included within visitor consumption.
- 2.51 In the case of any consumer durable item which is purchased on a trip but then sold at the conclusion of the trip, the value to be considered within visitor consumption is the difference between the original purchase price and the price received upon re-sale by the visitor; no allocation is made for costs of use.

¹⁵ SNA93 ¶9.38.

2.52 As a conclusion, visitor consumption will include:

- all consumption expenditure made during the trips by a visitor or on behalf of him/her regardless of the nature of the good and service as long as it is a consumption good and service;
- all consumption expenditure made before the trip by a visitor or on behalf of him/her in goods and services necessary for the preparation and undertaking of the trip: those goods and services which use is clearly related to it (inoculation, passports, medical control, etc.), as well as the purchase of small durable goods for personal use, souvenirs and gifts for family and friends;
- all consumption expenditure made after the trip by a visitor or on behalf of him/her in those goods and services (photograph development, repairs, etc.) which use is clearly related to it.
- all consumption expenditure of consumer durable goods, according to the identification and treatment indicated under 2.50.

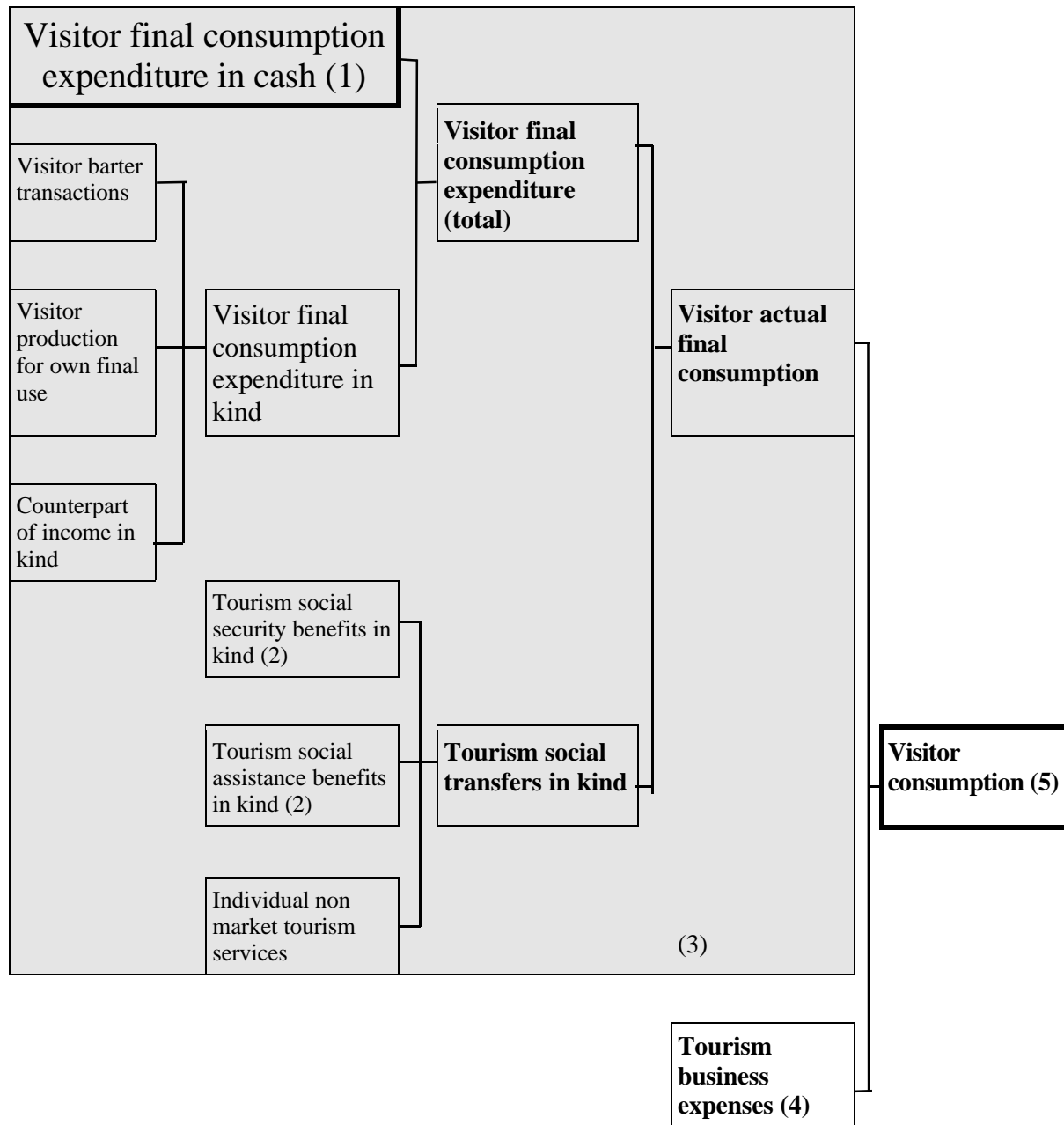
B.3. Components of visitor consumption

2.53 As indicated in previous paragraphs, visitor consumption exceeds by far visitor purchases on a trip. It encompasses these as well as all expenditure on goods and services by other institutional units on behalf of visitors. If cash or financial assets are transferred to the visitor to finance his/her trip, the purchases funded by these are included in visitor consumption. Along with this are all forms of transfers in kind and other transactions benefiting visitors where it is not cash or financial assets which is provided to the visitors but the goods and services themselves. Following the definition of household actual final consumption in SNA93, visitor consumption can be represented schematically as in Figure II.2.

2.54 As a consequence, visitor consumption is not restricted to the consumption expenditure by the visitor from his/her own cash resources, but also encompasses expenditure made on behalf of him/her, by the following units:

- A resident household different from that of the visitor
- A resident producing unit acting in this capacity
- General Government and Non Profit Institutions Serving Households (NPISHs) of the country of reference
- Any other non resident unit.

Figure II.2. The components of visitor consumption



- (1) This always represents the most important component of total consumption of, or on behalf of, visitors. It covers what is usually meant by “visitor expenditure”, but SNA93 obliges to use more precisely defined terms. The term “in cash” does not necessarily mean a disbursement of “cash” but refers to all visitors final consumption expenditure which are not in kind.
- (2) The term “tourism” refers to those transfers for tourism purposes addressed to potential visitors.
- (3) The area in grey represents the part of total consumption of or on behalf of visitors which corresponds strictly to the transposition of SNA93 concept of household actual final consumption to visitors (both residents and non residents).
- (4) Includes exclusively the expenditure on transport and accommodation of employees on business trips and those made by business on behalf of guests outside their usual environment.
- (5) Visitor consumption refers to total consumption of or on behalf of visitors and could, consequently, also be termed as “visitor demand”. Because the visitor is at the center of tourism activity, visitor consumption is related to individual consumption versus Tourism collective consumption which defines another component of Tourism demand.

B.4. The venue of visitor consumption

- 2.55 It should be clearly understood that while visitor consumption always relates to persons traveling or intending to travel outside of their usual environment, the acquisition of goods and services may well occur within the usual environment of the visitor, whether due to the nature of the good or service purchased (for instance an airway ticket has to be acquired in the usual environment, even if it is considered as consumed on a trip...) or because they occur before or after the trip and are clearly related to the trip itself.
- 2.56 As a consequence, determining the venue of visitor consumption from the route or destination of the visitor's trip is not straightforward. It is important to locate the consumption geographically in order to analyze its impacts on a country of reference: this is true when accounts are established at national level, but even more so when they are compiled at subnational level. Based on the types and categories of tourism, and taking into consideration that consumption is an activity of visitors, aggregates for tourism consumption can be derived as follows from the different forms of tourism ¹⁶:

Domestic tourism: is the tourism of resident visitors within the economic territory of the country of reference;	Domestic tourism consumption: comprises the consumption of resident visitors within the economic territory of the country of reference;
Inbound tourism: is the tourism of non resident visitors within the economic territory of the country of reference;	Inbound tourism consumption: comprises the consumption of non resident visitors within the economic territory of the country of reference and/or that provided by residents;
Outbound tourism: is the tourism of resident visitors outside the economic territory of the country of reference;	Outbound tourism consumption: comprises the consumption of resident visitors outside the economic territory of the country of reference and provided by non residents ;
Internal tourism: is the tourism of visitors, both resident and non resident, within the economic territory of the country of reference;	Internal tourism consumption: comprises the consumption of both resident and non resident visitors within the economic territory of the country of reference and/or that provided by residents;
National tourism: is the tourism of resident visitors, within and outside the economic territory of the country of reference.	National tourism consumption: comprises the consumption of resident visitors, within and outside the economic territory of the country of reference.

- 2.57 **Domestic tourism consumption** is the consumption incurred by resident visitors within their country of reference. The final destination of the visitor might be within or outside the country of reference but the consumption activity that is referred to has to take place within this country of reference. It might include goods or even services produced abroad or by non-residents but sold within the country of reference (imported goods and services).

¹⁶ As the proposal restricts its scope to the activities of visitors within, entering or leaving the economic territory of reference, the reference to "international tourism" has not been included.

- 2.58 **Inbound tourism consumption** is the consumption incurred by non resident visitors within the economic territory of the country of reference and/or that provided by residents. Purchases which took place in other countries are excluded.¹⁷ The goods purchased in the country may also have been imported.
- 2.59 **Outbound tourism consumption** is the consumption incurred by resident visitors outside the economic territory of the country of reference and provided by non residents. It does not include those goods and services acquired for or after the trip within the country of reference¹⁸ as this consumption activity is included within the notion of domestic tourism consumption.
- 2.60 **Internal tourism consumption** comprises all consumption expenditure of visitors both resident and non-resident within the economic territory of the country of reference and/or that provided by residents. It is the sum of domestic tourism consumption and inbound tourism consumption. It might include goods and services imported into the compiling country and domestically sold to visitors. Therefore, this aggregate provides the most extensive measurement of tourism consumption in the compiling country, covering the totality of the components indicated in Figure II.2.
- 2.61 **National tourism consumption** comprises all consumption expenditure of resident visitors within and outside the economic territory of the country of reference. It is the sum of domestic tourism consumption and outbound tourism consumption. These purchases may include domestically produced goods and services, imported goods purchased from resident providers, and goods and services purchased from non-resident providers, such as in countries visited.
- 2.62 This proposal will restrict its scope to the activities of visitors within, entering or leaving the economic territory of the country of reference. The implication of the increase in the general flows of visitors all over the world on a given economy will not be considered, as long as these flows do not correspond to movements within, towards or from the economic territory of the country of reference. For instance, the effect of the direct transportation of a visitor from country A to country B by an airline of country C will not be recorded in the TSA of country C because the visitor has not entered nor left the economic territory of country C. Similarly, the increase of the supply of souvenirs or other objects produced in an economy to be sold in another will not be considered within the TSA of the economy where these goods have been produced.

B.5. Special issues

- 2.63 Under this heading are taken into consideration some special topics related with the activities of tourism which have an incidence on consumption, such as the case of services provided within a household, those provided by owner occupied second

¹⁷ Those acquired through travel agencies and tour operators will be given a special treatment which shall be explained in ¶4.14 and ¶4.16.

¹⁸ Those acquired through travel agencies and tour operators will be given a special treatment which shall be explained in ¶4.14 and ¶4.16.

homes, the services provided by travel agencies, the treatment to be given to package tours, and the special difficulties generated by the treatment of goods in a TSA.

B.5.1 Services provided within the household

- 2.64 The concept of production used in SNA93 does not include any services provided by a household for the benefit of its own members, with only two exceptions: the provision of services by owner-occupied dwellings, and the production of domestic services produced by employing paid staff. The TSA adopts these conventions and does not consider as output nor as consumption a household's provision of transport services to itself (e.g., driving the family to a distant destination), or the service which derives from the preparation of meals (e.g., preparing and serving meals for the family in self-catering lodging on a trip).
- 2.65 Regarding the services (different from housing services) rendered by one household to the visiting members of another household free of charge, in accordance with SNA93 and Balance of payments principles, only the increase in the consumption of the household resulting from the provision of this service will be recorded as transfer in kind, and consumption of the visitor.

B.5.2 Housing services provided by second homes on own account or free of charge

- 2.66 For the sake of the homogeneity of treatment between rented dwellings and those occupied on own-account, SNA93 recommends to impute a housing service on own account for all dwellings occupied by their owners. When this case occurs, the housing services associated to it are estimated based, either on these characteristics, or, when an active rental market exists for similar units, on the effective average market rental for similar units.
- 2.67 This recommendation not only applies to the main housing unit of a household, but to all housing units owned by households: thus, it also applies to second homes, and particularly, for the sake of the TSA, to those used for tourism purpose on own account or provided free of charge to visitors. A housing service has to be imputed, both as a production activity, and as a consumption expenditure for the owner (or for the visitor, if he receives this service from another household free of charge). It is part of tourism supply and of tourism consumption. Finally, own production of housing services provided to visitors are excluded.

B.5.3 Travel agency services

- 2.68 A variety of services associated with traveling such as transport (including car rentals), accommodation and package tours on a fee or a contract basis, are sold to the public through travel agencies. This role as an intermediary between the real provider of tourism services and the visitors generates some difficult

problems in the construction of a TSA which shall be discussed in chapter III (B.2.3.)

B.5.4. Package tours

2.69 Package tours are complex products offered to the visitors, which are made of a mix of a variety of elementary tourism products such as transport, accommodation, food services, recreation, etc. An homogeneous treatment of the tourism services purchased individually, and of those purchased within such package tours presents some peculiar characteristics, which will be discussed in an extensive way in chapter III (B.2.4.)

B.5.5. Goods as part of visitor consumption

2.70 Although visitor consumption concentrates on services, visitors do purchase goods, during their trip, but also before departure, with the view of using them on the trip. A good, when purchased by a final consumer, might be considered economically as a complex item, which encompasses not only the material conditions of the good purchased, but also all the chain of distribution services which have made it available at the right moment and at the right location in order to make the purchase possible. The consequences of this economic nature of goods on the TSA will be described in chapter III (B.2.5.)

C. Tourism collective consumption

2.71 Within the many services provided by general government, non market collective services play a particular role: they are meant to provide the basic structure and organization of social life so that the national community might develop its various activities in harmony and according to the principles it has declared as its own.

2.72 In terms of SNA93, non market collective services must meet all of the following¹⁹ conditions:

- (a) they can be delivered simultaneously to every member of the community or of particular sections of the community, such as those in a particular region or a locality;
- (b) the use of such services is usually passive and does not require the explicit agreement or active participation of all the individuals concerned;
- (c) the provision of a collective service to one individual does not reduce the amount available to others in the same community or section of the community; i.e., there is no rivalry in acquisition.

¹⁹ SNA93, ¶9.83

- 2.73 In the case of tourism, collective services refer to the provision of legislation and regulation regarding tourism, to the promotion of tourism by a government unit, to the maintenance of order and security, and to the maintenance of public space to name a few.
- 2.74 SNA93 does not permit the assignment of the value of collective services to household consumption and, as a consequence, creates a specific category, that of collective consumption expenditure of general government and NPISHs.²⁰
- 2.75 In this proposal, Tourism collective consumption is considered as part of Tourism demand, in line with SNA93 recommendations, even if, for the time being, the approach to this component will only have an experimental character due to the lack of experience in this field. As a consequence, it follows that the estimate of the corresponding aggregate should not be used, for the time being, for international comparisons.

D. Tourism gross fixed capital formation

- 2.76 SNA93 defines gross fixed capital formation as the “total value of a producer’s acquisitions, less disposals, of fixed assets during the accounting period plus certain additions to the value of non-produced assets by the productive activity of institutional units. Fixed assets are tangible or intangible and produced as outputs from processes of production that are themselves used repeatedly or continuously in other processes of production for more than one year”.²¹
- 2.77 The analysis of gross fixed capital formation, and more generally the net acquisition of tangible non-financial assets, is particularly important for tourism because the existence of a basic infrastructure in terms of transport, accommodation, recreation, centers of interest, etc., determines to a large extent visitor flows. Nevertheless, it is difficult to identify capital goods, the acquisition or production of which are related to the needs of visitors so that they can be qualified as tourism gross fixed capital formation.
- 2.78 Once identified such gross fixed capital formation items which have some type of relationship to supply to tourism, to establish the intensity of their use involved in that supply (which could provide the information in order to establish the tourism share of such item) presents still more difficulties.²²
- 2.79 In this proposal, Tourism gross fixed capital formation is considered as part of Tourism demand, in line with SNA93 recommendations, even if, for the time being, the approach to this component will only have an experimental character due to the lack of experience in this field. As a consequence, it follows that the

²⁰ SNA93, ¶9.75

²¹ SNA93, ¶10.33

²² For the proposed list, see TSA ¶4.64 and Table 8

estimate of the corresponding aggregate should not be used, for the time being, for international comparisons.

III. The supply approach: concepts and definitions

- 3.1 Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited; consequently, the visitor is the core of tourism who makes it exist.
- 3.2 Nevertheless, the economic analysis of tourism requires at the same time to identify the resources used by visitors on their trips, and within those the consumption of goods and services which they acquire, and to characterize the economic units which provide them with those goods and services. Both aspects are of particular importance.
- 3.3 Most general economic classifications of products and activities are established from a point of view of supply by producers and a characterization of the production processes, while tourism is a phenomenon which has been originally defined from the point of view of demand. As a consequence, some adaptations of these classifications are required in order to describe and measure properly and in a useful manner the economic impacts of tourism.
- 3.4 To these methodological difficulties to adapt the traditional framework of classification has to be added the fact that, until now, national experiences in quantifying tourism from a demand point of view are rather scarce. Consequently, those countries which have already developed a TSA can hardly provide precise statistical criteria which could be used universally.
- 3.5 For the time being, the statistical approximation in order to define when a product or an activity is characteristic of or connected to tourism requires the use of pragmatic criteria. In a near future, when the number of countries developing their TSA has grown, not only will it be possible to substitute more rigorous criteria to those presently suggested, but the proposed classifications for the compilation of the tables of the TSA will be expanded and modified.
- 3.6 The present proposal is restricted, for the time being, to classifications for use in those tables which constitute the central core of the system (tables 1 to 6 and 10), in which the different types and categories of consumption by visitors and their corresponding supply make up the basic structure.
- 3.7 For the compilation of tables referring to tourism collective consumption and tourism gross fixed capital formation, the enumeration of products which are proposed is totally experimental, and no intend is made to provide criteria to establish such lists.

A. Tourism specific products

- 3.8 Visitor consumption covers the total consumption expenditure made by a visitor or on behalf of a visitor for and during his/her trip and stay at destination”.¹
- 3.9 As a consequence, the scope of visitor consumption is virtually the same as the scope of household actual final consumption in SNA93, and thus includes all consumption goods and services.
- 3.10 Nevertheless, not all these goods and services have the same relevance for the estimation of visitor consumption, because the level and structure of an individual’s consumption is modified when he/she is away from his/her usual environment. This means that structures and classifications that are meaningful for the study and description of household consumption, might not be so interesting when the focus is specifically on tourism.
- 3.11 This issue is recognized by SNA93 which recommends to begin the development of a functionally oriented satellite account by “analysing the structure of expenditure by product and looking at what activities deliver these goods and services”.²
- 3.12 Following SNA93,

“The first step is to define the goods and services that are considered **specific** to this field. It is convenient to distinguish two types of goods and services in this context: **characteristic** goods and services and **connected** goods and services. The first category covers the products that are typical for the field under study... The second category, connected goods and services, includes products in whose uses we are interested because they are clearly covered by the concept of expenditure in a given field, without being typical, either by nature or because they are classified in broader categories of products... The precise borderline between characteristic and connected products depends on the economic organization in a given country and the purpose of a satellite account”³

.....

“In actual satellite accounts, it is necessary, for analytical purposes, to show the uses of characteristic goods and services and the uses of connected goods and services separately.”⁴

¹ UN/WTO *Recommendations on Tourism Statistics*, ¶85

² SNA93, ¶21.16

³ SNA93, ¶¶21.61-62

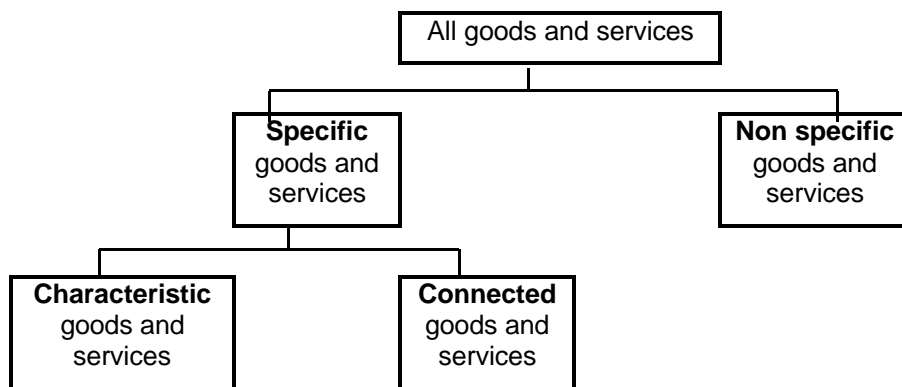
⁴ SNA93 ¶21.66

3.13 Applying these principles to tourism, tourism characteristic and connected products (goods and services), at different levels of detail of classifications, would be extracted from the provisional list of Tourism Specific Products (TSP) developed by WTO for the sake of international comparability of data. As has already been mentioned, for the time being, the criteria used to determine when a product is characteristic of or connected to tourism, is based on pragmatic criteria due to the lack of experience in the use of detailed lists of products in the quantification of the economic impacts of tourism. For this same reason, the present list is provisional, will be updated periodically and when time comes and when more experience is gathered on functionally oriented Satellite Accounts in other areas such as health or education, this list will need to be expanded and modified.

3.14 The identification of the products considered as tourism characteristic or tourism connected should follow these pragmatic criteria:

- **Tourism characteristic products:** those which, in most countries, would cease to exist in meaningful quantity or those for which the level of consumption would be significantly reduced in the absence of visitors, and for which statistical information seems possible to obtain.
- **Tourism connected products:** those, that are consumed by visitors in volumes which are significant for the visitor and/or the provider but are not included in the list of tourism characteristic products.
- **Tourism specific products:** the set of both tourism characteristic products and tourism connected products; specificity would thus be associated to a special compilation.

3.15 Within the perspective of the analysis of visitor consumption, the universe of all goods and services is partitioned in the following way:



3.16 For the purpose of this proposal, the issue of classification has to be considered from two different points of view, which complement each other. These are: the adaptation to the specific needs and the statistical infrastructure of the country of reference and international comparability.

- 3.17 If the focus was on the adaptation to the needs and possibilities in each specific case, this proposal could just provide guidance on the criteria which could be used to determine tourism specific goods and services, and leave the compilers free to make their own choices.
- 3.18 Nevertheless, international organizations are also concerned by their institutional responsibility and function, and thus aim at providing a basis for international comparison.
- 3.19 With the view of combining the two objectives of international comparability on a core of tourism goods and services and productive activities on the one hand, and of the consideration of the special needs, technical capability and statistical development of compilers on the other, two different proposals are made:
- (a) one refers to the perspective of the publication of TSA results by international organizations. This proposal understands that, on a worldwide basis, international comparability will only be achieved on the basis of a fixed list of tourism characteristic products, which must be updated periodically. Broader or different lists could also be established by regional institutions (OECD, EUROSTAT and others), for appropriate comparability among their member countries, provided correspondence is maintained between these lists and the basic classifications. In order to determine this list of tourism characteristic products,⁵ applying those criteria, it would be necessary to use a high degree of disaggregation of products, so that the characteristicity of a product could be more easily identified. Nevertheless, this possibility is limited by the high degree of aggregation in which most countries obtain their information (in most of the cases, this degree does not exceed the 4 digit level of CPC ver 1.0).⁶ As a consequence, the proposal, for the time being, presents a high level of aggregation which appears in Chapter IV A.3. "Classifications used" and has its application in tables 1 to 7.
 - (b) any country wishing to develop its own list of tourism specific goods and services (that is, characteristic plus connected), should use as reference the provisional list of Tourism Specific Products (TSP). Nevertheless, it should provide the information required by international organizations using the classifications proposed in this document.
- 3.20 As a consequence, the list of Tourism Characteristic Products (TSA/TCP) proposed takes into account goods and services, although it concentrates on services which have been traditionally considered as tourism services, as they respond to the more general needs and wants of visitors as can be: accommodation, food and beverage serving services, long distance transportation and the associated services (including car rentals); travel arranger services, tourism guides and cultural and recreation services.

⁵ TSA ¶4.24

⁶ CPC: *Central Product Classification*, (CPC ver 1.0) of United Nations. 1998

- 3.21 It is proposed, for the time being, to restrict the list of Tourism Characteristic Products for international comparisons to services, for two main reasons:
- (a) the first relates to the great differences within the goods purchased by visitors among countries and places visited;
 - (b) the second refers to the fact that the basic statistical information to be used to fill up the tables comes from the visitors themselves: nevertheless, it has been observed that, in most cases, the use of this type of statistical source, makes it difficult to go beyond the broad concepts of “shopping” or “souvenirs”.
- 3.22 Connected products (those specific products which are not characteristic) would refer to different categories of items: those which can be found in most circumstances but are of lesser importance, such as taxicab services; those which occurrence might be specific to certain local characteristics of the place visited and might not necessarily be important everywhere, such as handicrafts and souvenirs. In the case of connected products (on which the system does not require international comparability), it is possible for a country, to provide a high level of detail, in line with its own statistical capability.

B. Tourism specific activities

B.1. General issues

- 3.23 SNA93 emphasizes the analysis of characteristic producers in a satellite account:

“In a satellite account, the main emphasis when looking at production is on the analysis of characteristic activities and producers. As explained earlier [e.g., ¶21.61, reference added], characteristic goods and services are typical of the field under study. The activities in which they originate are called characteristic activities, and producers who carry out a characteristic activity are said to be characteristic producers.”⁷

- 3.24 Once defined the set of tourism characteristic products, the discussion on **tourism characteristic activities** could be closed, saying that they can be identified as those productive activities which produce a principal output which previously has been identified as characteristic of tourism⁸.
- 3.25 Similarly, **tourism connected activities** can be identified as those productive activities which produce a principal output which has been identified previously as connected to tourism.
- 3.26 Nevertheless, it must be recalled that the relationship between the classification of products according to CPC Version 1.0 and the classification of productive activities according to ISIC, does not generate necessarily a one to one relationship between

⁷ SNA93, ¶21.98

⁸ TSA ¶ 3.14

categories in these classifications, as the industrial origin of a product (the ISIC activity which produces it) is not a criterion for aggregation of products within a same CPC category: it is the nature of the product which is taken into consideration in the classification procedure, not its industrial origin: two products of similar nature, even obtained through different production processes, would be classified in the same CPC category. This makes the process of going from the characterization of an output to that of a productive activity, and reciprocally, somewhat difficult, and does not lead necessarily to a unique solution.

- 3.27 One important feature of tourism characteristic and connected activities is that they must serve the visitors themselves, that is, there must be a direct contact between the provider of the product and the consumer. For most services, the producer and the seller coincide, so this is not a restriction. In the case of goods, however, there are usually one or more intermediaries between the producer of the good and its ultimate consumer.
- 3.28 While a direct physical relationship is very often involved in the delivery of the goods and services to the visitor, the term “direct contact” cannot be reduced to a physical contact but must be used in a broader sense in accordance with the objective of measuring the economic impacts of tourism in a macroeconomic context.
- 3.29 Due to the criteria given for the determination of tourism characteristic and connected products, some activities might be considered as characteristic of or connected to tourism although their typical output is not principally sold to visitors because of the importance of this typical commodity for the visitors. This is the case for restaurants, or for transport services where commuting is important, or when the activity of freight transportation cannot statistically be separated from that of passenger transportation.
- 3.30 Similarly to what has been done for tourism specific products ⁹, and with the objective of achieving international comparability, this proposal considers two different cases:
- (a) Within the objective of international comparability, a list of tourism characteristic activities has been determined at an aggregate level, similar to what has been done for products; ¹⁰
 - (b) Any country wishing to develop its own list of tourism specific activities, should use as a reference the Standard International Classification of Tourism Activities (SICTA93), developed by WTO for the sake of international comparability of data.
- 3.31 Due to the particular nature of tourism consumption, which is defined not by the products which are consumed but by the particular purpose pursued by the consumer (i.e., travel away from home), there might be important differences between the output of tourism characteristic activities in a country and its internal

⁹ TSA ¶3.19

¹⁰ TSA ¶4.24

tourism consumption. The importance of these differences depends on the extent of the supply to visitors by producers that do not belong to the tourism characteristic activities category, and also on the extent of the supply to non visitors by producers belonging to this category. The level of detail of the available information in terms of goods and services and activities, has also an important effect on this difference.

3.32 Figure III.1 illustrates this situation: the cells outlined with the double border indicate the focus of tourism supply analysis that the TSA offers. Similarly, the shaded cells comprise the topics that tourism consumption analysis focuses on. This emphasizes that there is no reason for visitor consumption in a compiling country to equal the output of tourism characteristic activities.

Figure III.1: Focus of tourism supply and consumption analysis

	Tourism characteristic activities (1)			Tourism connected activities (1)			Non specific tourism activities (1)			
	Principal output		Secondary output	Principal output		Secondary output	Principal output		Secondary output	
	Characte- ristic products	Connected products	Non specific products	Connected products	Characte- ristic products	Non specific products	Non specific products	Characte- ristic products	Connected products	
<i>Products supplied to:</i>										
<i>Visitors</i>										Focus of internal tourism consumption analysis
<i>Non visitors</i>										
	Focus of tourism supply analysis									

(1) The characteristic and connected products refer, exclusively, to those being of tourism nature

B.2. Special issues

3.33 When considering demand in chapter II, some discussion regarding specific elements were raised and presented under heading B.5: they had to do with services provided within the households and specifically housing services provided by second homes on own account or free of charge, services of travel agency and those provided by tour operators. The treatments that have been suggested regarding demand have also an impact on the way the production of these services has to be considered from the supply point of view, and this will be at the center of the present discussion. An additional issue of importance refer to how the TSA considers the demand and the supply of goods, and this will be the last topic discussed under this heading.

B.2.1. Services provided within the household

3.34 No specific product was identified under this heading, and no particular production process either: the treatment in terms of an additional purchase of goods and services has no specific impact on the way supply has to be considered.

B.2.2. Housing services provided by second homes on own account or free of charge

- 3.35 It was recalled on due time that in SNA93, for the sake of homogeneity of treatment of situations where a dwelling was rented and where a dwelling was owner-occupied, a housing service on own account was associated to the ownership of a dwelling occupied by its owner both as a production activity, and as the production and consumption of a specific service. It was also recorded that this situation covered both main dwellings and second homes, and particularly, in the case which is of our specific concern, second homes owned mainly for tourism purposes, that is, in order to be visited for short periods of time (less than a consecutive year) and not with the purpose of developing an income earning activity from there.
- 3.36 As a consequence, a specific tourism activity has to be associated to the ownership of a second home used mainly for tourism purposes, and a corresponding tourism housing service is produced, and consumed by visitors.
- 3.37 The specific activity is of a peculiar kind, because the sole ownership of a second home for tourism purpose on own account generates a tourism service and an equivalent consumption: no visit by any individual to this housing unit is necessary to generate the service, because, as for any housing unit on own account, the value of the service provided depends only on the existence of the housing unit and its inherent qualities, such as location, configuration, type of construction, size and equipment installed, and not on any quality of the visitor.

B.2.3. Travel agencies

- 3.38 Visitors (or would-be visitors), when planning and organizing their trip, often use the services of travel agencies. Their function consists mainly in selling the right to use a certain service, at a certain moment in time and within certain conditions. They do not substitute the service providing unit, but only play the role of information of the visitor towards the purchase of certain services, which will be provided, at the end, by the producers, and not by the travel agency, which only trades the right to use but not the use itself.
- 3.39 These agencies operate in some ways as “retailers” of these services which are sold to the public. But their function is definitely different from that of a retailer of a good as the producer of the service still is who finally serves the consumer: there is no substitution of relationships, only an efficient way for producers to sell their product to the public, where this commercial activity is outsourced.

- 3.40 In most of the cases, the value of travel agency services is not invoiced explicitly or separately to the (apparent) ¹¹ user of the service, that is, the visitor, although such direct invoice might exist. In some cases, these travel agencies buy tickets at a discounted price from airlines (or discounters) and sell them to their customers at a marked-up price, earning income from the difference between the price they pay and the price they receive. In other cases, the visitor pays for airline transport or some other tourism product at a set price established by the producer of the service. The travel agency earns as income a commission on the sale established by the provider of the service: the service of the travel agency is thus purchased by the provider of the service which this travel agency sells to the visitor.
- 3.41 As a consequence, for these services provided, gross incomes of travel agencies are of three kinds:
- (a) Those collected directly from the visitors through a specific invoice to the visitors, for the services provided;
 - (b) Gross commercial margins representing retail trade services when travel agents remunerate themselves implicitly through a retail trade operation (buying from the producers of the services (for instance airlines) or wholesale traders and selling back the product to the traveler);
 - (c) Commissions paid by the providers of tourism services when they operate as their agents, similar in operation to retail trade services on a fee or contract basis.
- 3.42 For the sake of the TSA, travel agencies are seen in the first line of tourism characteristic activities as it is mostly through these entities that persons planning to travel purchase the transport and accommodation services they will require. The travel agency and the provider of the service sold through their intermediation are both directly involved in the provision of services to visitors, and both of them will be analysed in their service providing function to the visitors.
- 3.43 As a consequence, this proposal considers by convention and for homogenization of procedures that, in all cases, travel agencies are tourism characteristic activities providing services to the visitors and travel agency services as such will be considered as part of tourism consumption.
- 3.44 Whatever the effective procedure through which a travel agency generates its income, the total value paid by visitors for a tourism service purchased through a travel agency will be split in two parts: one corresponding to the value of the travel agency service purchased within the same transaction (or, if we are in the first case, as a separately invoiced transaction), estimated through the gross value effectively received by the travel agency as net income, and the other corresponding to the net value of the tourism service purchased, from which

¹¹ Apparent, in the sense that, in National Accounts (and thus in the TSA), the user of a consumption good or service must have acquired it through final consumption expenditure or social transfers in kind.

payments made to (or amounts retained by) travel agencies would have been deducted.

- 3.45 This type of treatment will usually require a transformation of the basic statistical information from travel agencies and from the activities which use them as retailer, in order to generate a data set which conforms to this point of view.
- 3.46 This treatment has important consequences on the precise content of domestic tourism consumption, inbound tourism consumption and outbound tourism consumption, and these will be described in detail when presenting the tables and aggregates, in chapter IV.

B.2.4. Tour operators

- 3.47 Tour operators are businesses that combine two or more travel services (e.g., transport, accommodation, meals, entertainment, sightseeing) and sell them through travel agencies or directly to final consumers as a single product (called a package tour) and for a global price. The components of a package tour might be pre-established, or can result of an “a la carte” procedure, where the visitor is who decides the combination of services he/she wishes to acquire.
- 3.48 Tour operators usually operate in their own name and on their own account. The operator initially acquires from the tourism producers different services, that are combined and offered as a single, complex product to customers either directly or through travel agencies. This product usually embodies the services of transport and one or more of accommodation, meals, sightseeing, entertainment, and other services visitors require, as well as the service of the tour operator himself. In most cases, the visitor is not aware of the distribution of the expenses among the components, and has no direct contact with the providers of the services prior to the trip. Oftentimes, the tour operator puts himself at risk with the providers of the services included within the package tour, and must pay them penalty fees or more if the packages do not sell.
- 3.49 A package tour might be seen to comprise a completely new, if synthetic, tourism product. Its classification and treatment, within national Accounts and Balance of Payments, has traditionally posed difficulties, but no final conclusion has been proposed in these systems: has it to be considered as a product per se, independent in a certain way from its components, which would be considered as inputs to the production of this brand new product?¹² Or on the contrary, has it to be considered nothing more than its part, and only a marketing procedure, in order to sell its components?¹³
- 3.50 For the purpose of a TSA, a package tour cannot be considered as a product on its own, because the buyers of these products would then no longer be purchasing

¹² Option which seems implicit to CPC rev 1, as package tours are recognized as products on their own.

¹³ See for instance Balance of Payments Compilation Manual IMF 1995, ¶ 318.

the embodied tourism services which would then appear as intermediate consumption of the tour operators, and thus would lose their direct relationship with visitors, who nevertheless are those who effectively use these services in the same way as those visitors which have purchased the service directly. As a consequence, the tourism services commercialized this way would not be considered as acquired by visitors, and share of tourism in their use would be seriously undervalued, and might hamper the classification of the activities producing them as their main output as tourism characteristic activities.

- 3.51 A TSA requires for all components of a package tour, including the value of the service of the tour operator himself, to be considered as directly purchased by the visitors, which entails a so called “net” valuation of package tours.
- 3.52 The tour operator would then be considered as a certain type of retailer of tourism services. A value for the service would be calculated, equal to its gross margin, as the difference between what the tour operator charges for the package tours sold and the costs for him of the components, including, eventually, the commission recognized to travel agencies selling the package tours to the public. The effects of this way of considering package tours will be fully developed when presenting the tables and aggregates in chapter IV.

B.2.5. The treatment of goods purchased by visitors

- 3.53 Although services make up an important part of visitor purchases, namely transport, accommodation and food services, visitors also purchase goods for and during their trip, and in certain cases, the purchase of goods might even be the purpose of the trip itself as is the case of a shopping trip to factory outlets, or to special duty free zones.
- 3.54 As a consequence, goods are part of visitor consumption, for their total purchasers' value, which is the value paid by the visitor or others on his behalf, for the purchase.
- 3.55 In most cases, the producers of the goods are neither those who sell their production to final consumer, nor those who finally serve them: there exists a whole chain of wholesale traders, and finally an ultimate retailer who sells the product to a visitor. The product might have been produced in a nearby location, or in a different economy, or even in a distant part of the world.
- 3.56 The whole chain participates in the supply of the product to the visitor, from the producer of the good, those who transport it, those who trade it in different forms, and finally, the last link of the chain, the retailer, who sells the good to the visitor. The retailer is from whom the visitor receives the good purchased and, in this transaction, he acts under his own responsibility (although the producer is usually who responds for the final quality of the good purchased). The producer is usually totally unaware of whom the final purchaser is.

- 3.57 Regarding supply, and the determination of tourism specific activities, the TSA considers the availability of goods within an economy as unrestricted, and is only concerned about their availability at the right place and at the right time. As a consequence, only the activity responsible for offering directly the good in these conditions is considered as a possible tourism activity: it is the retail trade of the goods, but neither their production, their transport, nor their whole sale trade; only the last link within the chain of activities previously described.
- 3.58 The output associated with this activity is exclusively the retail trade margin of the goods that are sold: as a consequence, for goods, the value of tourism consumption should be broken down between the retail trade margin (corresponding to the value of retail trade services) and the rest of the purchasers' value of the good.
- 3.59 Nevertheless, the type of valuation of goods resulting from this procedure, which corresponds to the purchaser value by the retailer, is not a traditional way of valuing goods in the statistical aggregated systems, such as National Accounts. As a consequence, and for the time being, instead of using the retail trade margin on goods as a measure of these retail trade services, it is the whole transport and commercial margin which shall be used as a proxy. As a consequence, in this proposal, the value of goods will be broken down between the basic value and net taxes on products on one hand and the transport and commercial margin on the other: both types of margins are referred as distribution margins and under this heading are included in the tables.

C. Tourism industries

- 3.60 Ideally, the characteristic producer is a homogeneous production unit, that is, a producer unit in which only a single productive activity is carried out. However, such a unit is not normally observable and is more an abstract or conceptual unit.¹⁴ Consequently, for the sake of convenience, "establishments whose principal activity is a tourism characteristic activity may be included in their totality" among tourism industries.¹⁵ A "principal productive activity" is defined as the activity of an establishment whose gross value added exceeds that of any other productive activity carried out within the same unit.¹⁶
- 3.61 As indicated, the statistical unit to be used is the establishment, which is defined as "an enterprise or part of an enterprise, that is situated in a single location and in which only a single (non-ancillary) productive activity is carried out or in which the principal productive activity accounts for most of the value added."¹⁷

¹⁴ SNA93, ¶15.14

¹⁵ SNA93, ¶21.103

¹⁶ SNA93, ¶15.16

¹⁷ SNA93, ¶5.21. See ¶21.8 for the central role of the establishment in satellite accounts

3.62 Within the functional perspective, SNA93 defines an industry as “groups of establishments engaged in the same kind of productive activities”.¹⁸ The set of tourism characteristic activities does not comprise a single industry conforming to this definition. But this set does include a number of “industries” in the ISIC sense. Consequently, the TSA defines the tourism industries as all establishments whose principal productive activity is a tourism characteristic activity.

C.1. Value added

3.63 As for all economic activities within the conceptual framework of SNA93, the functioning of the tourism industries in the sphere of production are best described by a set of tables showing the product composition of the outputs, the product composition of the inputs, and the remuneration of the factors of production.

3.64 The economic importance of a productive activity is usually measured by its value added, a measurement which ensures that there is no duplication when different productive activities are compared and aggregated and which is totally independent of the institutional organization of the production processes. SNA93 defines:

- (a) Gross value added as the value of output less the value of intermediate consumption ;
- (b) Net value added as Gross value added less consumption of fixed capital.

3.65 As value added is intended to measure the additional value created by a process of production, it ought to be measured net, since the consumption of fixed capital is a cost of production. However, consumption of fixed capital can be difficult to measure in practice and it may not always be possible to make a satisfactory estimate of its value and hence of net value added.¹⁹ The TSA adopts the gross measurement of value added.

3.66 Value added is a measurement that is related to a production process taken as a whole, that is, a combination of inputs, capital goods, labor and technology in order to obtain a combination of outputs. As for other industries, the value added of the tourism industries can rapidly be imputed as the sum of the value added of the tourism characteristic activities. It is this indicator that measures the economic significance of the tourism industries in a way comparable to the value added of other industries.

C.2. Employment

3.67 Employment is a variable of major importance in the economic analysis of productive activities, and this is also the case for tourism. In general, tourism characteristic activities are relatively labor intensive and thus there are many

¹⁸ SNA93, ¶15.13

¹⁹ SNA93, ¶6.4-5

expectations relative to the effect of the development of tourism on a country's employment and on the personal income of the labor force.

- 3.68 Tourism presents peculiarities that have to be taken into consideration when employment is concerned. In many cases, visitor consumption, particularly that associated with inbound tourism, is not evenly spread over the year. Rather, many destinations experience fluctuations in their tourism activity due to seasonality of demand. As a consequence, employment in tourism characteristic activities will fluctuate seasonally with more intensity than in other activities.
- 3.69 This underlines the importance of measuring employment by a variety of indicators which complement each other and may not have general application in the economy. These include: employment, jobs, full-time equivalent employment, and total hours worked.²⁰

C.3. Gross fixed capital formation

- 3.70 Gross fixed capital formation is an important component of the description and analysis of tourism: this importance is recognized in this proposal
- 3.71 A list of those gross fixed capital formation items which have some type of relationship to tourism is included and is proposed as a practical guide. In effect, with the exception of certain countries, the elaboration of a table on Tourism gross fixed capital formation can only be understood as a useful statistical exercise. Consequently, for the time being, this table should not be used as a basis for international comparability of results, due to the broad limitations in methodology and concepts, as well as to the lack of statistical sources.
- 3.72 In accordance with SNA93 recommendations on this subject²¹, the proposed list of capital goods²² includes the following categories at the first aggregated level:

A. Produced non financial assets:

A.1. Tangible fixed assets:

1. Tourism accommodation
2. Other buildings and structures
3. Passenger transport equipment
4. Machinery and equipment

A.2. Intangible fixed assets

B. Improvements of land used for tourism purposes.

²⁰ SNA93, ¶17.4 - 17.18

²¹ SNA93, Chapter XIII, Annex on "Definition of assets"

²² For the proposed list, see TSA ¶4.64 and Table 8

IV. Tables, accounts and aggregates

- 4.1 The methodological design for the elaboration of the TSA is no more than a set of definitions and classifications integrated into tables and organized in a logical, consistent way, which allows to view the whole economic magnitude of tourism in both its aspects of demand and supply. As a consequence, this chapter, which describes the tables and aggregates, constitutes the central part of this proposal.
- 4.2 The proposed tables, accounts and main aggregates will have to be developed in two separate stages. Most countries will not be able to compile all at the same time, as most of them do not have all the information required at hand to compile all the ten proposed tables.
- 4.3 In a first stage, it shall be sufficient to compile tables 1, 2, 3, 4, 5, 6 and 10. It is the minimal set of tables required to speak of a system of satellite accounts, as accounts that concentrate solely on visitor consumption or solely on the supply by tourism industries and others do not qualify as a Tourism Satellite Account. Such a system must include at least a presentation of supply and consumption in certain detail in terms of goods and services consumed by visitors and the corresponding activities that produce them, as well as an overall confrontation of their corresponding aggregates, which is at the core of the TSA system.
- 4.4 Although, in a strict sense, table 7 (tourism employment) does not belong to the central part of the system, it should be possible to establish it in this stage, using information from activities collected simultaneously as those necessary for the estimation of tables 5 and 6.
- 4.5 On the contrary, the compilation of tables 8 and 9 (Tourism gross fixed capital formation and Tourism collective consumption) not only requires data that most of the countries do not currently dispose of, but it presents difficulties of a different kind. As a consequence, it should only be considered in a second stage, as well as the estimation of a set of associated aggregates such as: Tourism gross fixed capital formation, Tourism collective consumption and Tourism demand. In any case, their compilation, for the time being, would have a strictly experimental character ¹ and, consequently, they should not be used (tables 8 and 9, and the associated aggregates) for international comparisons in the above mentioned first stage.
- 4.6 The ten tables which comprise the Tourism Satellite Account are derived from or related to the tables of SNA93 relative to supply and use of goods and services. They are at the center for international comparisons of economic impacts of tourism between economies
- 4.7 These tables are illustrative for future compilers of the work to be undertaken and should be considered as a guide for users to the analytical possibilities available to them. In any case, the future publication by international organizations of the results

¹ TSA, ¶ 4.93, 4.101 and 4.106

obtained in those member countries that have developed a TSA, should be based on a set of tables similar to that herein proposed.

- 4.8 In any case, for all tables, both for those elaborated in the first stage as for those corresponding to the second one, the presentation of results should always be accompanied by clear references to the precise coverage of variables, and to the methodology used in their estimation.

A. Tables and accounts

A.1. General remarks

- 4.9 The formal differences between the TSA tables and those in SNA93 are numerous but are mainly due to differences in presentation rather than differences in concepts. Consequently, developing a country's TSA requires from the compiler, not only a basic set of direct data collection procedures, but also a transformation of the information already existing in the National Accounts of a country into the tourism orientation embodied in the TSA.

- 4.10 This transformation consists of:

- (a) The extraction of data on tourism specific products and activities from the data bases used for the elaboration of make and use matrices of National Accounts.
- (b) The transformation of package tours from their gross valuation in the National Accounts of some countries to the net valuation required by the TSA, in order to separate the services of the tour operator from the components of the package tour as both, the services of the tour operator and the services embodied in the package tour, are considered as consumed by visitors ².
- (c) The extraction of the value of travel agency services from the costs of the services in which they are included (principally transport, package tours, and accommodation) in order to explicitly consider travel agencies as part of a country's tourism industries ³. This also requires, within the consumption of non resident and resident visitors travelling outside the economic territory of the country of reference, the identification of the residence of the different providers of the services (e.g., air transport, hotel lodging) as well as that of the travel agency itself if the service of such transactor was used in the purchase of the before mentioned services.
- (d) The breakdown of the value of goods acquired by visitors between the distribution margins and the rest of the value of the goods. ⁴

² TSA ¶3.49-3.51

³ TSA ¶3.43

⁴ TSA ¶3.53-3.59

- (e) Although, strictly speaking, it is not a transformation, it is necessary to identify visitor consumption in all its components (visitor final consumption expenditure in cash, transactions in kind and tourism business expenses) as different from non tourism consumption.

A.2. Net valuation

- 4.11 Of the four transformations of basic information that have been mentioned, two of them have already been treated (use of different classifications for products and activities; extraction of the commercial margins from the value of goods) and have only a formal effect on the tables, that is, breakdowns by products and activities of totals are modified but not the total values themselves. This is not the case of the use of a net valuation of package tours and of the extraction of travel agency services, which have serious implications on the values and classifications of flows within the different concepts of tourism consumption, and it is thus necessary to give a more thorough overview of their implications.
- 4.12 Data presented using these four transformations will be considered as following the totally net valuation proposed (that is, net valuation of the travel agencies, of tour operators services and of distribution margins).

A.2.1 Net valuation of package tours

- 4.13 In a TSA, services provided by tour operators have to be valued in a net form: this requirement derives from the need for a consistent treatment between those tourism services acquired directly and those (of a same type) acquired through tour operators. No requirement is made for valuation in gross terms for the purposes of international comparisons, as it is not clear whether all countries would use such a valuation, particularly if their National Accounts do not require it.
- 4.14 This form of valuation has the following consequences on the measurement of visitor consumption:
- In the case of a resident visitor travelling within the economic territory of the country of reference and purchasing a package tour with this intention, the breakdown of this package tour has no consequence on the total value assigned to visitor consumption before or after the breakdown: it is broken down into all its components, which all are part of domestic tourism consumption. With the policy of open skies, transportation might be provided by a non resident, but as the transportation takes place between two locations within the economic territory of the country of reference, it still is part of domestic tourism consumption, even when provided by a non resident.
 - In the case of a resident visitor intending to travel outside the economic territory of reference, who purchases a package produced by a resident tour operator directly or through a resident travel agency, in a gross system of valuation, this expenditure as a whole is part of domestic tourism

consumption. Nevertheless, for a net valuation, two different situations have to be considered:

- (a) Some services within the package are provided by resident producers: These expenses, along with the service of the tour operator and that of the travel agency which sold it are assigned to domestic tourism consumption, and are broken down into their product components;
 - (b) Some services within the package are provided by non resident producers: These services are part of what has been defined as outbound tourism consumption.
- If a resident visitor intending to travel outside the economic territory of the country of reference purchases a package produced by a non resident tour operator directly outside the country or through a resident travel agency, in a gross system of valuation, the value of the expenditure is considered as a whole as part of outbound tourism consumption. Nevertheless, in a net system of valuation, two different situations have again to be considered:
 - (a) Some services within the package are provided by resident producers: These expenses, along with the (eventual) service of the travel agency are assigned to domestic tourism consumption, and are broken down into their product components;
 - (b) Some services within the package are provided by non resident producers: Then these services, along with that of the tour operator are part of what has been defined as outbound tourism consumption.
 - In the case of a non resident visitor, planning to travel to the country of reference, who purchases a package tour directly or through a travel agency before departure, in a gross system of valuation, two different situations might also occur, whether the tour operator is resident or non resident of the country of reference, after observing that the service proper to the travel agency itself is outside the scope of the TSA (a transaction between two non residents): if the tour operator is a non resident, then nothing is reported in the TSA: if the tour operator is a resident, then the total amount of its value is recorded as inbound tourism consumption. Within a net system of reporting, the analysis is somewhat more complex:
 - (a) the services (including eventually that of the tour operator) sold through the package provided by producers resident of the country of reference are to be considered within inbound tourism consumption;
 - (b) the services (including eventually that of the tour operator) sold through the package provided by producers non resident of the country of reference are outside the scope of the TSA as they refer to services provided by non residents to a non resident: no value appears in tourism consumption.

4.15 As a consequence of these adjustments not only the breakdown by products is modified, but the global value of domestic tourism consumption, outbound tourism consumption and inbound tourism consumption are also modified because of the difference of residence between tour operators producing and selling package tours, and that of the tourism services which they (implicitly) retail. Figure IV.1. summarizes the findings.

Figure IV.1

Summary presentation of the aggregated effects of using a net valuation of package tours on Domestic tourism consumption, Outbound tourism consumption and Inbound tourism consumption

Characteristics of the visitor	Residence of the tour operator	Classification in a gross valuation of package tours	Classification in a net valuation of package tours
Resident visitor travelling within the economic territory of the country of reference	The country of reference	The package, as an aggregated product, is part of Domestic Tourism Consumption ;	All the components of the package, including the service of the tour operator, are part of Domestic Tourism Consumption ;
Resident visitor which destination is outside the economic territory of the country of reference	The country of reference	The package, as an aggregated product, is part of Domestic Tourism Consumption ;	The domestically produced components, including the services of the tour operator and of the travel agency which sold the package, are part of Domestic Tourism Consumption ; The other non domestically produced components are part of Outbound Tourism Consumption ;
Resident visitor which destination is outside the economic territory of the country of reference	Other than the country of reference	The package, as an aggregated product, is part of Outbound Tourism Consumption ;	The domestically produced components, including the services of the travel agency which sold the package, are part of Domestic Tourism Consumption ; The other non domestically produced components, including the service of the tour operator are part of Outbound Tourism Consumption ;
Non resident visitor traveling within the economic territory of the country of	The country of reference	The package, as an aggregated product, is part of Inbound Tourism	The domestically produced components, including the services of the tour operator, are part

Characteristics of the visitor	Residence of the tour operator	Classification in a gross valuation of package tours	Classification in a net valuation of package tours
reference		Consumption;	of Inbound Tourism Consumption; The other non domestically produced components, including the services of the travel agency which sold the package, are excluded from the measurement concerning the country of reference;
Non resident visitor traveling within the economic territory of the country of reference	Other than the country of reference	The package, as an aggregated product, is excluded from the measurement concerning the country of reference;	The domestically produced components, are part of Inbound Tourism Consumption; The other non domestically produced components, including the service of the tour operator and the services of the travel agency which sold the package, are excluded from the measurement concerning the country of reference;

A.2.2 Net valuation of travel agency services

4.16 The net valuation that results from the extraction of the value of travel agency services from the costs of the services in which they are imbedded, has the following consequences:

- In the case of a resident visitor travelling within the economic territory of the country of reference, this breakdown has no consequence on the total value assigned to tourism consumption: its only effect is a different product breakdown of domestic tourism consumption;
- In the case of a resident visitor intending to travel outside the economic territory of the country of reference, who purchases a service before departure through a travel agency, two different cases have to be considered:
 - (a) the service sold through the travel agency is provided by a resident producer: dividing the value paid by visitors between the value of the service and the value of the travel agency service still consists in assigning the total value to domestic consumption as both are provided by residents: we are in a similar case as the previous one: the total value of the expense is assigned to domestic tourism consumption, and is broken down into its two components;

- (b) the service sold through the travel agency is provided by a non resident producer: Then this service is part of what has been defined as outbound tourism consumption, but the part corresponding to the value of the services of the travel agency itself remains as part of domestic tourism consumption; the total value of consumption is not modified by this new treatment, but the parts corresponding to domestic tourism consumption and outbound tourism consumption are altered: domestic tourism consumption is increased by the value of the travel agency services while outbound tourism consumption is decreased by the same amount;
 - In the case of a non resident visitor whose trip will take him/her inside the economic territory of the country of reference, who purchases a service through a travel agency before departure, two different situations might also occur, after observing that the travel agency must be located outside the economic territory of the country of reference, so that the service proper to the travel agency itself is outside the scope of the TSA (a transaction between two non residents):
 - (a) the service sold through the travel agency is provided by a producer resident for the country of reference: although the service proper to the travel agency itself is outside the scope of the TSA, this is not the case of the tourism service “retailed” by this agency which is part of inbound tourism consumption. The net value of the service (once deducted the cost of the travel agency service) is still part of inbound tourism consumption, but this value is now smaller than before this operation, as the payments made by him to non resident travel agencies have to be deducted;
 - (b) the service sold through the travel agency is provided by a non resident producer: Then this service is also outside the scope of the TSA: no value appear in tourism consumption.
- 4.17 As a consequence of these adjustments not only the breakdown by products is modified by this type of procedure, but the global value of domestic tourism consumption, outbound tourism consumption and inbound tourism consumption are also modified because of the difference of residence between travel agencies “retailing” tourism services, and that of the tourism services which they retail. Figure IV.2. summarizes the findings.

Figure IV.2

Summary presentation of the aggregated effects of extracting travel agency services from the value of tourism services they retail on Domestic tourism consumption, Outbound tourism consumption and Inbound tourism consumption

Characteristics of the visitor	Residence of the travel agency	Classification in a gross valuation	Classification in a net valuation
Resident visitor travelling within the economic territory of the country of reference	The country of reference	The service purchased, as an aggregated product, is part of Domestic Tourism Consumption ; The service of the travel agency is an intermediate consumption for the production of this service	The value of the (tourism) service purchased is diminished by the value of the service of the travel agency. All the components of the service, including that of the travel agency are part of Domestic Tourism Consumption ;
Resident visitor which destination is outside the economic territory of the country of reference	The country of reference	The service purchased, as an aggregated product, is part of Domestic Tourism Consumption if domestically produced, part of Outbound tourism consumption if not; The service of the travel agency is an intermediate consumption for the production of a domestically produced service, or an export if not;	The net value of domestically produced components, including the services of the travel agency itself, is part of Domestic Tourism Consumption ; The net value of other non domestically produced components is part of Outbound Tourism Consumption ;
Non resident visitor to the economic territory of the country of reference	Other than the country of reference	The service purchased, as an aggregated product, is excluded from the measurement concerning the country of reference if not domestically produced, part of Inbound tourism consumption if not; The service of the travel agency is an imported consumption for the production of a domestically produced service, or excluded from the measurement concerning the country of reference if not;	The net value of domestically produced components is part of Inbound Tourism Consumption ; The other non domestically produced components, including the services of the travel agency are excluded from the measurement concerning the country of reference;

A.3. Classifications used

A.3.1. General remark

- 4.18 In the same way as the elaboration of the ten tables that make up this proposal ⁵ might usually be developed in two different stages, the classifications to be used will also respond to different stages of development of classifications at the international level.
- 4.19 For the time being and in view of international comparability of the results that should be compiled in tables 1 to 7 and 10 (that constitute the basic set of tables), this proposal includes a list ⁶ of those products and activities considered as characteristic of tourism (and it also takes into consideration, as an aggregate, those products and activities considered as connected). The objective of this list has an auxiliary character, in the sense that –for future dissemination by international organizations of the results obtained by those countries having a TSA- the first requirement of those countries will be that the respective methodologies used in designing a TSA should be compatible with the methodological design set out in this proposal. Moreover, as a second requirement, the results obtained should refer to a common classification. It is precisely for this reason that a high degree of aggregation has been used in order to facilitate the development of the first efforts in the elaboration of a TSA by the greatest number of countries.

A.3.2. Specific observations

(a) Products

- 4.20 Products are classified in three types and grouped into two different sets of categories: specific tourism products (characteristic and connected) and non specific products (all those which are neither characteristic nor connected: they are considered of no major direct tourism interest).
- 4.21 For the elaboration of the first six tables, it is necessary to separate clearly goods from services because the value of distribution margins on goods will be extracted and identified separately from the rest of the purchasers' price value of the goods.

(b) Productive units

- 4.22 Regarding productive units, there are three types of activities that are defined by their main output and that can be grouped into two different sets of categories:

⁵ TSA ¶4.2

⁶ TSA ¶4.24

tourism specific activities (characteristic and connected) and non specific activities (which include all other productive activities which do not belong to the previous ones).⁷

- 4.23 Tourism characteristic activities are defined at the same aggregate level, with the exception of travel agencies, tour operators and tourist guide services, cultural services and sporting and other recreational services, which are presented in an aggregated form in terms of activities, and in a detailed form, in terms of products⁸.

(c) List of tourism characteristic products and activities

- 4.24 For the time being, the list of Tourism Characteristic Products (TSA/TCP) and Characteristic Activities (TSA/TCA) recommended for the development of tables 1 to 7 and 10 of this proposal, are presented in Figures IV.3 and IV.4.

Figure IV.3 List of Tourism Characteristic Products (TSA/TCP)

Products Description

- 1 – Accommodation services**
 - 1.1 – Hotels and other lodging services
 - 1.2 – Second homes services on own account or for free
- 2 – Food and beverage serving services**
- 3 – Passenger transport services**
 - 3.1 Interurban railway transport services
 - 3.2 Road transport services
 - 3.3 Water transport services
 - 3.4 Air transport services
 - 3.5 Supporting passenger transport services
 - 3.6 Passenger transport equipment rental
 - 3.7 Maintenance and repair services of passenger transport equipment
- 4 – Travel agency, tour operator and tourist guide services**
 - 4.1 Travel agency services
 - 4.2 Tour operator services
 - 4.3 Tourist information and tourist guide services
- 5 – Cultural services**
 - 5.1 Performing arts
 - 5.2 Museum and preservation services
- 6 – Recreation and other entertainment services**
 - 6.1 Sports and recreational sport services
 - 6.2 Other amusement and recreational services
- 7 – Miscellaneous tourism services**
 - 7.1 Financial and insurance services
 - 7.2 Other good rental services
 - 7.3 Other tourism services

Figure IV.4 List of Tourism Characteristics Activities (TSA/TCA)

Activities description

- 1 – Hotels and similar**
- 2 – Second home ownership (imputed)**
- 3 – Restaurants and similar**
- 4 – Railway passenger transport services**
- 5 – Road passenger transport services**
- 6 – Water passenger transport services**
- 7 – Air passenger transport services**
- 8 – Passenger transport supporting services**
- 9 – Passenger transport equipment rental**
- 10 – Travel agencies and similar**
- 11 – Cultural services**
- 12 – Sporting and other recreational services**

⁷ TSA ¶3.24-3.25

⁸ If possible, passenger transportation services should be separated from freight transportation services as only passenger transportation services are to be considered as tourism characteristic activities.

- 4.25 Annex 1 includes correspondence tables of the list of Tourism Characteristic Products (TSA/TCP) with CPC ver 1.0 and TSP, and of the list of Tourism Characteristic Activities (TSA/TCA) with the ISIC Rev 3 and SICTA93.⁹

A.4. The tables

A.4.1. Overview

- 4.26 According to the treatment of goods purchased by visitors¹⁰, tables 1 to 6 use the totally net valuation proposed (that is, net valuation of the travel agencies services, of package tours and of distribution margins). As a consequence, tables 1 to 6 lead to divide the value of goods purchased within the economic territory into two parts: the distribution margin on these goods, classified either as connected products or as non specific products, and the rest of the value of the goods, which includes the basic value and the net taxes on the product.
- 4.27 Because visitor final consumption expenditure in cash is the most important component of visitor consumption, tables focusing on this variable according to the different types of tourism (tables 1 to 3) are first considered. Then a table (table 4) adds globally all visitor final consumption expenditure in cash and the adjustments necessary to obtain total consumption of or on behalf of visitors, as these adjustments are not easily attributable to the different types of tourism. The corresponding variable is internal tourism consumption, which is the aggregate to be compared to domestic supply.
- 4.28 Then comes the supply table (table 5) where tourism characteristic products and activities are presented at the greater level of disaggregation which, for the time being, seems reasonable to achieve. Previously¹¹ it has been mentioned that this level of disaggregation was meant to serve exclusively the purposes of international comparability of the data collected by International Organizations for their publication. Nevertheless, those countries which develop their own classifications of characteristic and connected products and activities might have a greater level of disaggregation than the one proposed here. As a consequence, the column “connected industries” will include, in aggregated form the values corresponding to those activities considered as characteristic and connected in a given country, but which are not considered as such in the classification used in this proposal. Finally, the column “other non specific industries” will show the aggregated value corresponding to all other industries.
- 4.29 An overall confrontation of internal tourism consumption with domestic supply is then presented (table 6) from which Tourism value added and the GDP generated by tourism consumption can be derived. This table is at the center of the TSA and

⁹ The provisional list of Tourism Specific Products (TSP) and the Standard International Classification of Tourism Activities (SICTA) – approved as provisional in 1993 by the UN Statistical Commission in its 27th session, – have been developed by the World Tourism Organization (WTO)

¹⁰ TSA ¶ 3.53-3.59

¹¹ TSA ¶3.19 and 3.30

without this compilation, even with partial data, there is no Tourism Satellite Account.

- 4.30 A table referring to employment in the tourism industries (table 7) is included, despite the difficulties in its measurement, but in recognition of its central importance.
- 4.31 As it has already been commented ¹², the compilation of the tables concerning Tourism gross fixed capital formation and Tourism collective consumption (tables 8 and 9) would have, for the time being, an exclusively experimental character. Although few are the countries which, to-day, have the necessary information to compile them, these tables should be estimated in the future, because of their importance for the analysis of tourism, and because they are part of Tourism demand.
- 4.32 Finally, table 10 presents a limited number of non-monetary indicators, principally in terms of physical units which are required for the proper interpretation of the monetary information presented in the other basic tables 1 to 7.
- 4.33 Most of the tables that are presented herein can be established both at current prices and at constant prices, in domestic currency and, for international tourism, in foreign currencies. Constant price valuations can only validly be applied on entries relating to products, both market and non-market. Computations at constant prices should be performed following SNA93 principles.

A.4.2. Description

Tables 1, 2, 3 : Visitor final consumption expenditure in cash by products and types of tourism

- 4.34 Tables 1 to 3 describe the most important component of visitor consumption: visitor final consumption expenditure in cash. Table 1 focuses on inbound tourism, table 2 on domestic tourism, and table 3 on outbound tourism. The product breakdown is the one proposed for all tables: in neither of the tables, should there be any entry for “tourism housing services on own account or provided free of charge”, as this consumption item is by its nature part of transactions in kind and will be included within the total adjustments required for the estimation of internal tourism consumption (table 4).
- 4.35 All three tables share classifications, breakdown and principles of valuation: visitor final consumption expenditure in cash is classified according to the visitors concerned; in the case of inbound tourism consumption and outbound tourism consumption, this breakdown has no implication. But in the case of domestic tourism consumption (table 2), some specific adjustments are needed.
- 4.36 Table 2 compiles the final consumption expenditure in cash of resident visitors, which means that it also includes those residents whose trips will take them outside

¹² TSA ¶ 4.5

the economic territory of the country of reference and, consequently, it will include the corresponding consumption expenditure in the country of reference before leaving it. These two different sets of visitors, and their corresponding level and composition of expenditure, should be shown separately, if feasible. In that case, the estimation of domestic tourism consumption will require some additional adjustments, because some expenditure cannot be associated specifically to any of the sets of visitors (for instance, the purchase of single purpose consumer durable goods outside the context of a trip).

- 4.37 This proposal requires also for all three tables the breakdown between same day-visitors and tourists: if possible and meaningful, it is recommended also to create, in the case of same-day visitors, a breakdown for in transit passengers. This would be a way of ensuring a better interpretation of the data and a greater international comparability.
- 4.38 Two additional lines relate these values to the number of trips and of overnights. This generates a link between monetary data and non monetary indicators. Although the change in number of trips and of overnights are not strictly volume indicators in the sense of National Accounts, it is important to follow the change of per trip or per night expenditure in order to validate the quality of the data.

Table 4: Internal tourism consumption by products and types of tourism

- 4.39 This table adds all visitor final consumption expenditure in cash associated with inbound and domestic tourism consumption (the aggregate obtained is internal tourism consumption in cash), and the other components of visitor consumption included in Figure II.2.¹³ These components (referred to as visitor final consumption expenditure in kind, tourism social transfer in kind and tourism business expenses) are recorded in a separate column, and in a global form, as these components are not easily attributable by types of tourism.
- 4.40 The last column refers to internal tourism consumption (in cash and in kind), which is the aggregate that provides the most extensive measurement of tourism consumption in the compiling country and is the reference for deriving the aggregates of Tourism value added and Tourism GDP.
- 4.41 Flows are valued in the same form as in the previous tables, but two specific rows must be added: the value of domestically produced goods and that of imported goods net of distribution margins.
- 4.42 Table 4 provides data on tourism consumption which can now directly be entered within the structure in which consumption and supply can be compared.

Table 5: Production accounts of tourism industries and other industries

- 4.43 Table 5 presents the production accounts of tourism industries and others (that is, tourism connected industries and non specific industries) in the country of

¹³ TSA ¶2.53

reference in a form suitable for the comparison with internal tourism consumption, where tourism industries¹⁴ and tourism characteristic products are highlighted and imbedded within a general framework of analysis. This production table conforms formally to the format established in SNA93: output is broken down by product, is valued at basic prices¹⁵ and occupies the upper part of the table. Then intermediate consumption, also called inputs, is presented and broken down according to the CPC classification and is valued at purchasers prices¹⁶. The difference between these two values is called value added at basic prices and is further broken down in its components in a third block of rows.

- 4.44 In columns, the production accounts of the tourism industries are presented individually following the classification that has been adopted. Those referred to the tourism connected industries and non specific industries are presented under two columns, where are included the corresponding global results of each set of industries. Output is valued at basic prices, and its breakdown by product corresponds to a net valuation, which was defined previously.
- 4.45 It must be observed that the transformations from a gross valuation to a net valuation, principally those which have to do with package tours and travel agency services¹⁷, if they may alter the individual values of output, imports, exports and intermediate consumption, do not modify the value added of each activity.
- 4.46 The lower part of the table presents the detailed inputs of the production processes (classified according to the CPC), and then the value added by each productive activity and its components. Intermediate consumption of the other industries (tourism connected industries and non specific tourism industries) are presented at an aggregated level. Strictly speaking, only detailed output of tourism industries are needed.

Table 6: Domestic supply and internal tourism consumption by products

- 4.47 Table 6 is the core of the TSA system, where the confrontation between supply and consumption takes place, and where computations of Tourism value added (TVA) and Tourism GDP and their components can be performed.
- 4.48 The rows of table 6 are similar to those of table 5. That is, the first block of rows details output by tourism characteristic product, enhancing services, and within those, tourism characteristic services. Total output of an activity (in column) is obtained as the sum of its outputs by product. Then a block of rows shows intermediate consumption by product and a total. The difference between total output (at basic prices) and total input (at purchasers' prices) provides value added at basic prices. The last block of rows presents the components of value added.

¹⁴ TSA ¶3.62

¹⁵ SNA93 ¶ 6.205 a)

¹⁶ SNA93 ¶ 6.215

¹⁷ TSA ¶4.13-4.17

- 4.49 The columns are first organized by productive activities, with emphasis on the tourism industries which are presented individually. The supply by domestic producers is first added over activities to obtain the aggregate value of total output of domestic producers at basic prices. Then, this column is added to the following, called imports and which represents supply within the domestic economy of imported services (marginal cases of transport services within the domestic economy by non resident producers, or insurance services provided by a non resident company to travel internally..), and to a column recording the value of taxes less subsidies on products concerning domestic output and imports, in order to obtain what is called “Total domestic supply at purchasers’ price”.
- 4.50 This total domestic supply is systematically compared to internal tourism consumption product by product (that is, on each row), with the exception of the value of goods (net of distribution margins) which have been isolated in the table and are excluded from the confrontation. A share of internal tourism consumption to each component of supply is established by activity and by product, and globally for each product.
- 4.51 For most of the variables presented in columns, a column for tourism share is presented. The object is to establish how much of the value of the variable is attributable to internal tourism consumption. Regarding output (first upper part of the table), these tourism share values can be established in different ways: from direct information from suppliers (information on their classes of customers), from visitors themselves (sample surveys of expenditure by product), or from opinions of experts familiar with the relationships. The last column of table 6 provides the “tourism ratio” on supply (expressed as the share of visitor consumption on the domestic supply of each product).
- 4.52 From tourism share established for output it is possible, through different calculations involving assumptions on the technologies applied to the production processes of the establishments, to estimate for each activity, a tourism share to be applied to each product component of intermediate consumption, and from difference with the value of output attributable to visitor consumption, compute value added generated by visitor consumption. These calculations suppose usually the use of input-output techniques, and of the processes of reduction from a rectangular supply and use table involving goods, services and activities, to a square commodity by commodity input-output table.
- 4.53 This would be the unique case, in the elaboration of the TSA, that models would be used to compile some important results, instead of directly reconciled statistical data: this is due to the fact that, as already largely commented, value added is strictly associated to a producing process taken as a whole and not to a specific output.
- 4.54 As a consequence, for each activity the value added (at basic prices) corresponding to internal tourism consumption can be established. As a result, adding across all activities, it is possible to obtain total value added (at basic prices) corresponding to that variable.

- 4.55 From table 6 can be derived both TVA and GDP generated by tourism consumption. TVA is obtained by adding the value added corresponding to internal tourism consumption across all activities. To obtain the GDP generated by internal tourism consumption, to TVA should be added the taxes less subsidies on products and imports related to tourism products, which value corresponds mathematically to the difference between this variable valued at purchasers' prices and at basic prices.
- 4.56 Theoretically, these aggregates (TVA and Tourism GDP) ¹⁸ should be independent of the detail in which calculations have been made, and in particular, of the identification of tourism characteristic activities. In practice, however, it is not so because Value Added by product is not directly observable. The more detailed the analysis and the more refined and accurate the assumptions on the way tourism consumption affects each productive activity, the more precise the measurement.

Table 7: Employment in the tourism industries

- 4.57 Seasonality, high variability in the work conditions, flexibility and the lack of formality of many work contracts in many small producing units are the major obstacles for deriving meaningful figures related to employment in the tourism industries. This explains why, although there is no doubt that employment is a crucial variable for the description of the economic importance of tourism, statistical limitations do not allow to be very ambitious for the time being.
- 4.58 Measurement of employment will thus be limited to the employment in the tourism industries, and the indicators to express its size will be the number of jobs and the number of employed persons having at least one job in these industries.
- 4.59 Two major breakdown of the number of jobs are proposed: one according to the gender of the person employed, the other according to a simplified status in employment classification, where only employees are separated from the rest of the labour force.
- 4.60 For the number of employed persons, they are classified by activity according to their main job, defined, either by the number of hours worked, or by the income generated. Only gender is proposed as a breakdown.
- 4.61 As an additional variable, the number of establishments for each tourism industry is also recalled, so that an average number of jobs, per gender and per status in employment, per establishment can be compiled.
- 4.62 As a consequence, the measurement here proposed refers to a restrictive quantification of employment according to its statistical meaning (since not all the volume related to an industry corresponds to tourism consumption) and its coverage (since there are different levels of employment in non-tourist industries that correspond partly to tourism consumption). A proposal for an employment

¹⁸ TSA ¶4.84-4.91

module has been developed by the OECD Tourism Committee and is under consideration to be appended to the present proposal in the near future.

Table 8: Tourism gross fixed capital formation

- 4.63 The rows in table 8 show a proposed list of gross fixed capital formation related to tourism, and the columns show different blocks. The first block includes the net acquisitions of each of the tourism industries; it is followed by two columns including only net acquisitions of assets having a tourism character by general government and all other industries; the final column registers the total of each capital good acquired.
- 4.64 Tangible fixed assets related to tourism are defined and classified according to the following categories which are consistent with SNA93 definitions and classifications:
- 1 Tourism accommodation is classified as follows:
 - 1.1. Hotels and other collective accommodation include: hotels, motels, inns, youth hostels, mountain shelters, camping sites, holiday camps and villages.
 - 1.2. Tourism dwellings include: vacation homes and other second homes that are different from the main residence of the household and acquired with the objective of being used on a non-permanent basis by members of the household owning it. They might have also been acquired or constructed with the particular objective of being dedicated to the attention of visitors according to different types of contract, including time sharing schemes.
 - 2 Other buildings and structures are classified as follows:
 - 2.1. Restaurants and similar buildings serving food and beverages include: restaurants, cafés, bars and self-service establishments (night-clubs, discotheques, etc.).
 - 2.2. Buildings and infrastructures for the transport of passengers by land, sea and air include: construction of passenger terminals, bridges, tunnels, roads, highways, railways and landing runways, electric lines for railways, construction of harbour facilities.
 - 2.3. Buildings for cultural and similar services include: libraries, museums, theaters, restoration of historical monuments, tourism sites and halls for artistic exhibitions.

- 2.4. Constructions for sport, recreation and entertainment include: open-air sport centers, such as football and athletic stadiums, circuits for automobile races and for cycling tours, hippodromes for horse racing, construction of zoos and attraction parks, ski resorts, golf courses, etc.
 - 2.5. Other constructions and structures include: tangible fixed assets not included in other headings.
- 3 Passenger transport equipment is classified as follows:
- 3.1. Land transport includes: (a) roadtransport: automobiles, motorcycles, auto-caravans, camping trailers, interurban coaches, etc., and (b) railway passenger transport: locomotives, diesel trains, passenger wagons, etc.
 - 3.2. Sea transport includes: ships, passenger and vehicle ferries, cruise ships and yachts,
 - 3.3. Air transport includes aeroplanes, gliders and hang-gliders, observation balloons and air-ships, luggage transport vehicles, helicopters, etc.

Equipment for merchandise transport or for non visitors is excluded in the above three categories (for example, trains and coaches for daily commuting to place of work or study).

- 4 Machinery and equipment covers: all capital goods not included in other headings and associated with the provision of services to visitors, such as equipment for the industrial preparation of food in restaurants, special equipment for passenger terminals, office equipment, computer and accounting equipment, furniture, sport equipment, etc. Consumer durable goods acquired by visitors are excluded.
- 4.65 Intangible fixed assets refer to computer programmes for the development of data bases, bought and/or produced for personal use, specifically designed for visitor recreation and specialized tourism knowledge.
 - 4.66 Improvements in land for tourism use relate to those undertaken by the private sector, such as the recuperation of land from the sea by the construction of dykes, retaining walls or dams, ecological clearing of forests, etc. in order to permit this land to be used for tourism purposes.
 - 4.67 The inclusion "pro memoria" in this Table of non produced and non financial assets is proposed. These assets originate according to different production processes¹⁹ which are not integrated conceptually into the Gross fixed capital formation in the framework of the SNA93. Nevertheless, these assets could

¹⁹ SNA93, ¶10.6

represent an important component of the non financial tourism investment. There is a differentiation between non produced tangible assets (comprising land for the construction of tourism buildings and structures and land for public and private recreation) and tourism non produced intangible assets (comprising licensing rights, leasing agreements and other transferable contracts and acquired goodwill).

Table 9: Tourism collective consumption

- 4.68 The following classification for the measurement of tourism collective non-market services is proposed as experimental (that is, it is not based on previous experience):
- tourism promotion
 - general regulation of tourism
 - general planning and coordination related to tourism affairs
 - generation of statistics and of basic information on tourism
 - administration of information bureaus
 - control and regulation of establishments in contact with visitors (hotels, restaurants, recreation parks, etc.)
 - specific controls to residents and non resident visitors: issuance of visas and controls at the border
 - special civil defence services related with the protection of visitors
 - other services.
- 4.69 It must be stressed that the provision of individual non-market services, such as those provided by national parks, museums, etc. are excluded, as these are considered within the social transfers in kind included in visitor consumption.
- 4.70 Table 9 suggests a compilation of this information by type of service and level of government. Production is measured, as it always is the case for non-market services in SNA93, by using the costs of production, including the consumption of fixed capital as a component of these costs.
- 4.71 An additional column is proposed, as a “pro-memoria” item, in order to collect information on these services which benefit the tourism industries, but are financed by the industries themselves, and thus do not qualify as tourism collective consumption: as a matter of fact, in many countries, the tourism industries are those which finance part of tourism promotion, information bureaus, etc. These expenditure are important to be taken into consideration, when measurement of the efficiency of policies are to be implemented, reason why they are added in this table.

Table 10: Non monetary indicators

- 4.72 Table 10 presents a few quantitative indicators, without monetary expression which have been used in some of the previous tables and are basic for the interpretation

of the monetary information used: number of trips by type of tourism, categories of visitors and duration of the stay, physical indicators regarding forms of accommodation; means of transport used by non resident visitors travelling towards the economic territory of the country of reference; and finally number and size of the establishments belonging to tourism characteristic and connected activities.

- 4.73 As SNA93 states explicitly ²⁰, physical indicators are an essential component of Satellite Accounts and in no case should they be viewed as a secondary part of these.

B. Aggregates

- 4.74 The aggregates are not the most important features of the Tourism Satellite Account, which primary objective is to provide detailed and analytical information on tourism on all its aspects: composition of visitor consumption, activities most concerned by the activities of visitors, relationship with other productive activities, relationship between the different focuses that are possible, etc. Nevertheless, they have an important political impact (because they measure the quantitative importance of tourism in the country of reference), which cannot be disregarded.
- 4.75 These main aggregates need to be comparable with other macro-indicators within a country, and among them.
- 4.76 The aggregates that are presented can be measured in terms of the national currency of the country of reference. The use of international currency makes international comparability more direct.
- 4.77 They may also be compiled in terms of current prices (i.e., actually prevailing) or constant prices (i.e., relative to the prices prevailing in a base or reference period). The latter presentation is designed to emphasize changes in volume in activities distinct from changes in prices, and facilitates comparisons over time.

B.1. The main aggregates

- 4.78 The TSA suggests the calculation of the following aggregates, which are considered as a set of relevant indicators of the size of tourism in an economy:
- Internal tourism consumption in cash
 - Internal tourism consumption (in cash and in kind)
 - Value added of the tourism industries (VATI)
 - Tourism value added (TVA)
 - Tourism gross domestic product (TGDP)
- These are the aggregates to be used for international comparison for the time being; that is, in the first stage of TSA implementation.

²⁰ SNA93 ¶¶ 21.5, 21.113

B.1.a. Internal tourism consumption

- 4.79 First and above all, tourism is basically a demand concept, more precisely a consumption concept. The characteristics of the visitor (consumer) determine whether the consumption expenditure on a product is tourism-related or not. It is legitimate then to give particular relevance to the aggregates that focus on consumption. As discussed in chapter II ²¹, the forms of tourism are important aspects to be taken into consideration. Internal tourism consumption (in cash and in kind) characterizes globally the amount of visitor consumption within the economic territory of the country of reference, being the component in cash the most important one.
- 4.80 If the same SNA93 principles that guide the compilation of a country's National Accounts are applied, it makes sense to compare these aggregates to the main aggregates of national accounts, particularly to Gross national product or gross domestic product, just as total imports, total exports, total household final consumption or the surplus or deficit of the public sector are compared to them. ²² However, it must be stressed that these consumption aggregates cannot be expressed as a share of Gross domestic product or of household final consumption at the aggregated level, because they differ in coverage as visitor consumption includes flows (tourism business expenses) which National Accounts classify within the intermediate consumption of productive activities and not as part of final demand.

B.1.b. Tourism supply

- 4.81 In order to characterize tourism supply, three different indicators are used, which are slightly different and complement each other.

Value added of tourism industries

- 4.82 Value added of tourism industries simply sums the total value added of all characteristic producers, regardless of whether all or even some of their output is provided to visitors, and it leaves out the effect of visitor consumption on other productive activities which might serve them.
- 4.83 The Value added of tourism industries, which is the indicator usually used to measure their economic importance, is likely to be an inadequate indicator of the size of tourism in a country. Visitor consumption of the output of the various characteristic producers may range from a large share of total output (e.g., scheduled air passenger transport, hotels) to a small share (e.g. full-service restaurants). As the "tourism character" of a particular output is not defined by its

²¹ TSA ¶2.56

²² SNA93 distinguishes sharply between Gross Domestic Product as the measure of **production** of all of the institutional units resident in a country and Gross National Product as the measure of the **income** of all of these same units. To emphasize this difference, SNA93 renames "Gross National Product", "Gross National Income" (GNI). SNA93, ¶¶7.16-7.17.

particular nature but by the purpose pursued by the consumer in his/her purchase, there is a larger gap between the output of tourism industries (domestic supply) and internal tourism consumption (domestic demand) than for any other economic phenomenon functionally defined, such as health or education. The Value added of tourism industries, taken as an indicator, both of demand and of supply might, therefore, distort the value added actually attributable to internal tourism consumption in the country of reference.

Tourism value added

- 4.84 As a consequence, and due to the fact that, by extension and through a calculation, a value added can be associated to the value of part of the output of a productive unit, Tourism value added (TVA) is defined as the value added generated in the economy by the tourism industries and other industries in response to internal tourism consumption.
- 4.85 Tourism value added includes the proportion of value added generated by all industries in the process of provision of goods and services directly to visitors or would be visitors, or to third parties for their benefit.
- 4.86 For instance, the Value added of tourism Industries would include all of the value added generated by restaurants as these activities are included as a tourism industry. On the other hand, Tourism value added (TVA) would include the value added generated by meals served in restaurants to visitors, but would exclude the value added corresponding to meals served by these same restaurants to non-visitors. It would also exclude the value added generated by restaurants in any other secondary activity, as for instance, catering to local businesses, the rental of space to third parties, etc., and in any other output as much as it is not delivered to visitors.
- 4.87 But TVA would also include additionally the corresponding value added associated with the output of those secondary activities that, although tourism characteristic, are part of establishments whose main activity is not a tourism characteristic activity.

Gross domestic product (GDP) generated by Internal tourism consumption (Tourism GDP)

- 4.88 Following the recommendations of SNA93, the value added of transactors is established at basic prices. That is, outputs of each activity are valued excluding all net taxes on products (i.e., indirect taxes net of subsidies on output), and inputs are valued at purchasers' prices, that is, including distribution margins and all net taxes on products. Nevertheless, as consumption expenditure is valued in SNA93 at purchasers' prices, that is, including all net taxes on products, there is a share of a country's tax on products and imports revenue that relates directly to visitor consumption.
- 4.89 Since total GDP of an economy is equal to the sum of value added generated by all productive activities (at basic prices) plus net taxes on products and imports, it is possible to establish rules for measuring GDP generated by visitor

consumption. This is the sum of the value added (at basic prices) generated by all industries in response to internal tourism consumption, and the amount of net taxes on products and imports included within the value of this expenditure.

4.90 Figure IV.5 shows the relationship between the different economic aggregates which characterize the magnitude of tourism from the point of view of supply.

Figure IV.5: Relationship between the different economic aggregates which characterize the magnitude of tourism from the point of view of supply

	Value added of tourism industries	Tourism value added (TVA)	Tourism GDP
Value added (at basic prices) generated by the supply to visitors by the tourism industries	Yes	Yes	Yes
Value added (at basic prices) generated by the supply to non-visitors by the tourism industries	Yes	No	No
Value added (at basic prices) generated by the supply to visitors by activities not in the tourism industries	No	Yes	Yes
Value added (at basic prices) generated by the supply to non-visitors by activities not in the tourism industries	No	No	No
Net taxes on products and imports included in the value of internal tourism consumption (at purchasers' prices)	No	No	Yes

4.91 It is important to address two issues here:

- The only indicator strictly characterizing tourism supply is the Value added of the tourism industries. TVA and Tourism GDP result from the reconciliation of supply and consumption within the TSA. This reconciliation is essential to the construction of a TSA and cannot be accomplished in the absence of the TSA.
- Although the latter two indicators can provide a measure of the economic importance of tourism in a country in the same sense as the GDP of any productive activity does, they do not refer to tourism as a productive activity, itself comparable to productive activities in SNA93. They are indicators emanating from a reconciliation of tourism consumption and supply, and their values will depend on the scope of measurement of visitor consumption that a country adopts.

B.2. Other aggregates

- 4.92 In this section, reference is made to a set of four aggregates whose elaboration, with the exception of the first aggregate (Tourism employment), should be the object of the second phase of development of a TSA, which was mentioned previously.²³
- 4.93 In the case of Tourism gross fixed capital formation and Tourism collective consumption, derived from tables 8 and 9 respectively, the limited character of the estimations is not only a result of the numerous methodological problems, but can be attributed also to the lack of experience in defining operative solutions for the estimation of the corresponding data by the National Statistical Offices (NSOs).
- 4.94 The last aggregate (Tourism demand) is a synthetic measurement obtained by aggregation of Internal tourism consumption (in cash and in kind), Tourism gross fixed capital formation and Tourism collective consumption. This aggregate is considered to be of analytical interest in the estimation of the economic impact of tourism in a country of reference.

B.2.a. Tourism employment

- 4.95 The association of a level of employment to a specific part of the output of a production activity necessary for the calculation of employment generated by visitor consumption, is difficult to achieve and justify theoretically.
- 4.96 Since there is only a partial and limited experience concerning the assignation of employment to a specific part of output, the present proposal will not include the compilation of any of the aggregates of tourism employment generated by visitor consumption.
- 4.97 As a consequence, and for the time being, the proposal will only consider the calculation of employment in the tourism industries (that is, in the set of establishments which principal productive activity is a tourism characteristic activity) using two indicators: number of jobs and number of employed persons.

B.2.b. Tourism gross fixed capital formation

- 4.98 The measurement of the value of gross fixed capital formation, associated to visitor consumption, requires of two steps: first the identification of the items constituting those capital goods associated to the service to visitors; then the establishment of a tourism share associated to each of the investment components.
- 4.99 There are conceptual and measurement difficulties as well as lack of experience in the area of functional analysis of the gross fixed capital formation of the public authority; for instance, there is no extended experience in the identification of

²³ TSA ¶4.5

investment of the public authority benefiting tourism, because in most of the cases, the benefits of these investments are shared over a very broad constituency. Moreover, there is not enough experience to try to associate some tourism consumption share to gross fixed capital formation.

- 4.100 Consequently, the proposal will exclude, for the time being, from the coverage of tourism gross fixed capital formation, the public investment in infrastructure in relation to transport, where various other non tourism uses are also important.
- 4.101 Finally, the estimate of Tourism gross fixed capital formation is proposed only as a useful statistical exercise and will not be used, for the time being, for international comparisons.

B.2.c. Tourism collective consumption

- 4.102 Although collective non-market services have been excluded from visitor consumption, this does not mean that the measurement of the expenditure by the public administration in the tourism-related fields of market promotion, information, planning, etc. is not relevant and that it does not have its place in the aggregate measurement concerning the economic importance of tourism.
- 4.103 The public sector plays an important role in the harmonious development of tourism activities in many countries. It establishes the legal framework covering tourism activity. It establishes certain controls on the production of services, and in some cases guarantees the quality of the service that is provided. It sets the legal framework for private investment, and sets norms for the preservation of the environment and the cultural and historical heritage. It studies the flows and orders certain public initiatives to attract the flow of visitors to certain locations and at certain times. It organizes important events and coordinates private initiatives that are involved in serving visitors. In certain cases, it organizes and controls the financing of the required investments for tourism.
- 4.104 These functions can be developed at the different levels of government: at the national level, at a regional (sub-national) level and even at the level of local entities.
- 4.105 The value of these different activities developed by the public administration can be established, along the same parameters of the measurement of any other collective non-market services, that is, through their cost of production. The value of consumption is, by convention, equal to the value of production.
- 4.106 Nevertheless, it must be recognized that besides its conceptual limitations, only partial and limited experience exists in this type of measurement. As a consequence, the estimate of Tourism collective consumption is proposed only as a useful statistical exercise and will not be used, for the time being, for international comparisons.

B.2.d. Tourism demand

- 4.107 If Internal tourism consumption is the central aggregate to qualify the size of direct visitor demand within a country of reference, it is legitimate to consider that such an aggregate could validly be complemented with other components of final demand generated by this very attention to the visitors, and with which no possible duplication exist. This aggregate could be found useful for analytical purposes in a country of reference.
- 4.108 In line with SNA93 recommendations, an additional aggregate can be compiled, called Tourism demand, which consists of the sum of Visitor consumption, Tourism gross fixed capital formation and Tourism collective consumption.
- 4.109 Coherently with previous remarks ²⁴, this proposal does not consider the estimation of this aggregate for international comparison until more experience and methodological research in relation with the implementation of TSA is achieved.

C. Tables

²⁴ TSA ¶¶¶ 4.93, 4.101 and 4.106

ANNEX 1

Correspondence tables of the list of Tourism Characteristic Products (TSA/TCP) and the list of Tourism Characteristic Activities (TSA/TCA)

List of Tourism Characteristic Products (TSA/TCP)

- I.1. The list of Tourism Characteristic Products (TSA/TCP) corresponds partly to the provisional list of Tourism Specific Products (TSP) which is, obviously, also provisional ; and, more specifically, to products considered characteristic for purposes of the international comparability of results. Consequently, the TSA/TCP list contained in the tables is designed in such a way that it serves as a proposal of how, in future, the various international organizations could present the results of countries that have developed a TSA.
- I.2. In coding the various items, six-digit codes with a point between the fifth and sixth digits were used. The first five digits correspond to the CPC code (version 1.0¹), and the sixth digit is used exclusively for this list. If the sixth digit is a zero, it means that this item is the same as the one presented in CPC Version 1.0 and has been drawn from it, but if the sixth digit is not a zero, the item corresponds only partly to the CPC code. For example, code 63110.0 "hotel and motel lodging services" is identical to CPC code 63110, whereas code 63199.1 "sleeping car...." corresponds only in part to CPC code 63119.

1- ACCOMMODATION SERVICES

1.1- Hotels and other lodging services

63110.0	Hotel and motel lodging services
63191.0	Holiday centre and holiday home services
63192.0	Letting services of furnished accommodation
63193.0	Youth hostel services
63194.0	Children's training and holiday camp services
63195.0	Camping and caravanning site services
63199.1	Sleeping-car and similar services in other transport media; hall residence of students

1.2. Second homes services on own account or for free

This subclass includes the imputed rent on owned second homes or for free and time-share apartments. There is no code in CPC with this information.

72211.1	Support services to time-shares activities
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2. FOOD AND BEVERAGE SERVING SERVICES

63210.0	Meal serving services with full restaurant services
63220.0	Meal serving services in self-service facilities
63290.0	Other food serving services
63300.0	Beverage serving services for consumption on the premises

3 PASSENGER TRANSPORT SERVICES

¹ CPC: *Central Product Classification, Version 1.0*, United Nations, 1998

3.1 Interurban railway transport services

64111.1	Scheduled rail services of passengers
64111.2	Non-scheduled rail services of passengers

3.2 Road transport services

64213.0	Interurban scheduled road transport services of passengers
64214.0	Interurban special purpose scheduled road transport services of passengers
64219.1	Scheduled ski-hills services
64219.2	Teleferics -funiculars services
64221.0	Taxi services
64222.0	Rental services of passenger cars with operator
64223.0	Rental services of buses and coaches with operator

3.3 Water transport services

65111.0	Coastal and transoceanic water transport services of passengers by ferries
65119.1	Other coastal and transoceanic scheduled water transport services of passengers
65119.2	Other coastal and transoceanic non-scheduled water transport services of passengers
65119.3	Cruise ship services
65130.1	Rental services of passenger vessel for coastal and transoceanic water transport with operator
65211.0	Inland water transport services of passengers by ferries
65219.1	Scheduled passenger services
65219.2	Sightseeing excursion services
65219.3	Cruise services
65230.0	Rental services of inland water passenger vessels with operator

3.4 Air transport services

66110.0	Scheduled air transport services of passengers
66120.1	Non-scheduled air transport services of passengers
66120.2	Sightseeing services, aircraft or helicopter
66400.0	Rental services of aircraft with operator

3.5 Supporting passenger transport services

67300.0	Navigational aid services
67400.0	Supporting services for railway transport
67510.0	Bus station services
67530.1	Parking of passenger terminal transport
67610.0	Port and waterway services (excl cargo handling)
67690.1	Vessel fuelling services
67690.2	Maintenance and upkeep services
67710.0	Airport operation services (excl cargo handling)
67790.0	Other supporting services for air or space transport

3.6 Passenger transport equipment rental

73111.0	Leasing or rental services concerning cars and light vans without operator
73114.1	Leasing or rental services concerning campers/motor without operator
73115.1	Leasing or rental services concerning passenger vessels without operator
73116.1	Leasing or rental services concerning passenger aircraft without operator

3.7 Maintenance and repair services of passenger transport equipment

87143.0	Maintenance and repair services of trailers, semi-trailers and other motor vehicles n.e.c.
87149.1	Maintenance and repair services of leisure vessel of own use
87149.2	Maintenance and repair services of leisure aircraft of own use

4 – TRAVEL AGENCY, TOUR OPERATOR AND TOURIST GUIDE SERVICES

4.1 Travel agency services

67811.0	Travel agency services
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4.2 Tour operator services

67812.0	Tour operator services
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4.3 Tourist information and tourist guide services

67813.0	Tourist information services
67820.0	Tourist guide services

5 – CULTURAL SERVICES

5.1 Performing arts

96230.0	Performing arts facility operation services
96310.0	Services of performing artists

5.2 Museum and preservation services

96411.0	Museum services except for historical sites and buildings
96412.0	Preservation services of historical sites and buildings
96421.0	Botanical and zoological garden services
96422.0	Nature reserve services including wildlife preservation services

6 – RECREATION AND OTHER ENTERTAINMENT SERVICES

6.1 Sports and recreational sport services

96510.0	Sports and recreational sports event promotion and organization services
96520.1	Golf course services
96520.2	Sky
96520.3	Race circuit
96520.5	Recreation park and beach services
96590.1	Risk sport and adventure

6.2 Other amusement and recreational services

96910.1	Theme park services
96910.2	Amusement park services
96910.3	Fair and carnival services
96920.1	Casino services
96920.2	Slot machine services

7- MISCELLANEOUS TOURISM SERVICES

7.1 Financial and insurances services

71100.1	Travel card services
71100.2	Travel loan services
71311.1	Travel life insurance services
71320.1	Travel accident insurance services
71320.2	Travel health insurance services
71334.1	Passenger's aircraft of own use insurance services
71334.2	Passenger's vessel of own use insurance services
71339.1	Travel insurance services
71552.0	Foreign exchange services

7.2 Other good rental services

73240.1	Non-motorized land transport equipment leasing or rental services
73240.2	Winter sports equipment leasing or rental services
73240.3	Non-motorized air transport equipment leasing or rental services
73240.4	Water sports and beach equipment leasing or rental services
73240.5	Camping equipment leasing or rental services
73290.1	Photographic camera rental services

7.3 Other tourism services

85970.0	Trade fair and exhibition organization services
97230.4	Spa services
91131.1	Fishing license services
91131.2	Hunting license services
91210.1	Passport issuing services
91210.2	Visa issuing services

96620.2	Guide services (mountain, hunting and fishing)
97910.0	Escort services

II. List of Tourism Characteristic Activities (TSA/TCA)

II.1. Tourism Characteristic Activities can be identified as those productive activities which produce a principal output which is characteristic of tourism. As the set of these activities does not comprise a single industry conforming to SNA93 definition,² the TSA defines tourism industries as all establishments whose principal productive activity is a tourism characteristic activity.

II.2. The following table reveals the similarity between the 12 items of the provisional list used in the TSA tables (TSA/TCA) and their corresponding codes in ISIC and SICTA93³

Activities description	ISIC – Rev.3	SICTA93
1 – Hotels and similar	5510	5510
2 – Second home ownership (imputed)	Part of 7010	Part of 7010
3 – Restaurants and similar	5520	5520
4 – Railway passenger transport services	Part of 6010	6010-1, 6010-2
5 – Road passenger transport services	Part of (6021 and 6022)	6021-1, 6021-2, 6021-3 6022-1, 6022-2, 6022-3, 6022-4
6 – Water passenger transport services	Part of (6110 and 6120)	6110-1, 6110-2 Part of 6110, 6120-1, 6120-2, 6120-3, Part of 6120
7 – Air passenger transport services	Part of (6210 and 6220)	6210-1 6220-1, 6220-2
8 – Passenger transport supporting services	Part of 6303	6303-1, 6303-2, 6303-3
9 – Passenger transport equipment rental	Part of (7111, 7112 and 7113)	7111-1, 7111-2, 7111-3 Part of 7112, 7113-1
10 – Travel agencies and similar	6304	6304
11 – Cultural services	9232 9233	9232-1, 9232-2 9233-1, 9233-2
12 – Sporting and other recreational services	Part of 9214 Part of 9241 Part of 9219 Part of 9249	Part of 9214 Part of 9241 9219-1 Part of 9249

² SNA93 defines ¶15.13) an industry as “groups of establishments engaged in the same kind of productive activities”

³ I.S.I.C.: *International Standard Industrial Classification of all economic activities*, a United Nations recommendation regarding the classification of productive economic activities. The last issue of these recommendations is indexed as Series M, No. 4, Rev 3, and was released in 1990.

SICTA: Standard International Classification of Tourism Activities – approved as provisional in 1993 by the UN Statistical Commission in its 27th session – developed by the World Tourism Organization (WTO)

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