



Measuring travel services and tourism in New Zealand

October 2013

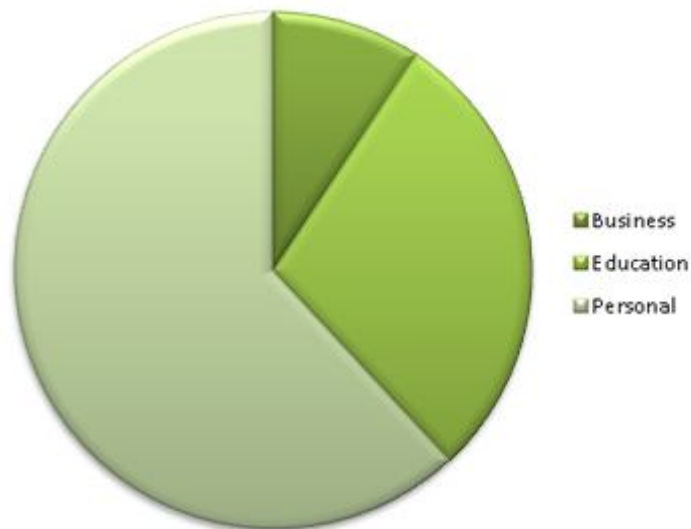
Outline

- ① Travel in the New Zealand economy
- ① Different measures for travel and tourism
- ① How are travel and tourism statistics compiled?
- ① Publications

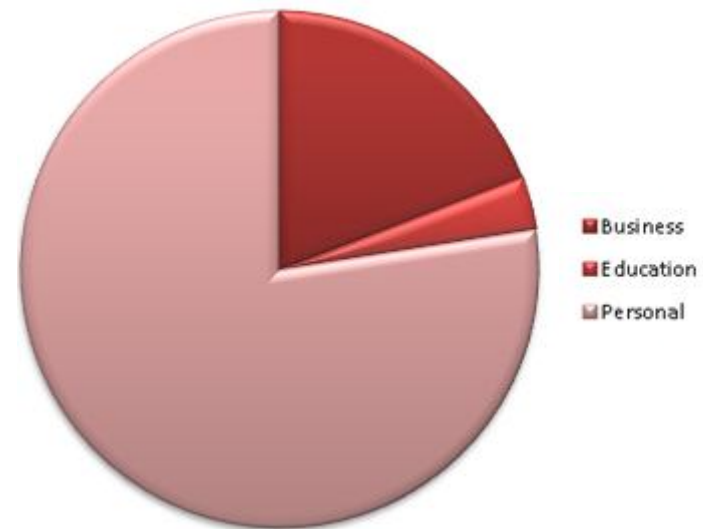
Travel services in NZ

Year ended June 2013

Exports of \$6.8 billion



Imports of \$4.6 billion



Travel versus tourism

	BoP Travel	Tourism in Tourism Satellite Account (TSA)
Expenditure by visitors to NZ	Included	Included
International students	Spend included regardless of length of study	Spend included for students studying less than 12 months
International airfares	Excluded – counted in transportation services	Included
Domestic airfares purchased by visitors to NZ	Included	Included

Different breakdowns

Travel	Tourism
<ul style="list-style-type: none"> Business Personal <ul style="list-style-type: none"> Education Health Other personal 	<ul style="list-style-type: none"> International tourism <ul style="list-style-type: none"> by value added <ul style="list-style-type: none"> direct value added indirect value added by industry by employment by commodity

MSITS 2010 also recommends an alternative breakdown for travel:

- Total travel expenditure
 - Goods
 - Local transport services
 - Accommodation services
 - Food and beverage-serving services
 - Other travel-related services
 - Health services
 - Education services
 - Other services

Direct and indirect value added relationship

Value added = Gross Output – Intermediate Consumption

Manufacturer roasts coffee

IC	GO
Raw beans \$10	Roasted beans \$20
VA = \$10	

Wholesaler stocks goods for resale

IC	GO
Roasted beans \$20	Packaged beans \$30
VA = \$10	

Café buys in goods and sells beverages

IC	GO
Packaged beans \$30	Coffee \$40
VA = \$10	



Beverage coffee and service provided by café to tourists

INDIRECT

DIRECT

Indirect tourism value added = \$20

Direct tourism value added = \$10

Total tourism value added = sum of individual contributors = \$30

People flows

- ◎ Both tourism and travel statistics use the same people flows
 - Arrival and departure card data
- ◎ International students are the main difference between the two concepts
 - These are estimated separately for travel, but tourism statistics use some arrival card data to measure people flows.



Dealing with students

- ◎ Tourism and travel exports are broken down by purpose of visit using arrival/departure card data
- ◎ But, international students' spending is estimated separately, so we ignore people who select 'education' as a purpose of visit
- ◎ However, not all students select 'education' as their purpose of visit...
 - So, we adjust purpose of visit numbers to account for this

Current collection method (exports)

- ◎ Data comes from the International Visitors Survey (IVS)
 - Run by market research company on behalf of the Tourism Strategy Group and Statistics NZ
 - Stratified sampling
 - Face to face interviews at major airports
 - 5,200 responses per year
 - Rated up using data from arrival/departure cards

Expenditure by foreign students in NZ

- ◎ Current international visitors survey includes an estimate for student expenditure
 - Statistics NZ removes this and replaces it with our own estimate



Expenditure by foreign students in NZ

- ◎ Statistics NZ uses data from NZ's Export Education Levy
 - Tuition fees paid by international students available
- ◎ But, also need an estimate for living costs
 - Based on 2008 study – partially incorporated results
 - Very different to old estimate (1:1 ratio of tuition fees to living costs)

Measuring education - current work

- Two different figures in government if you're looking for travel education exports

Statistics New Zealand	Ministry of Education
\$1.5 billion (Mar 08 year)	\$2.2 billion (Mar 08 year)
\$1.9 billion (Mar 12 year)	\$2.6 billion (Dec 11 year)

- Need to be consistent across government
 - Another study has been run this year, with Statistics NZ input
 - Paper released by Ministry of Education on 1 October
 - \$2.6 billion education exports

Health-related travel

- ⊙ Not really measured in NZ
 - This is assumed to be small, but this assumption may be out of date
 - People travelling for health purposes will be implicitly captured in the IVS though
- ⊙ How do you treat someone who travels for a small operation, but stays for a 2-week holiday afterwards?



Imports of travel services

- ⊙ Harder to measure than exports
- ⊙ So, expenditure by NZ travellers overseas is modelled
 - Based on 2004 Survey of Returned Travellers (SoRT)
 - Uses credit card data, travellers cheques, departure numbers, length of stay
 - Again, education estimated separately



Admin data opportunities

- ① Using credit and debit card data to estimate travel expenditure
 - Already used to estimate Regional Tourism Indicators (published for the first time this year)

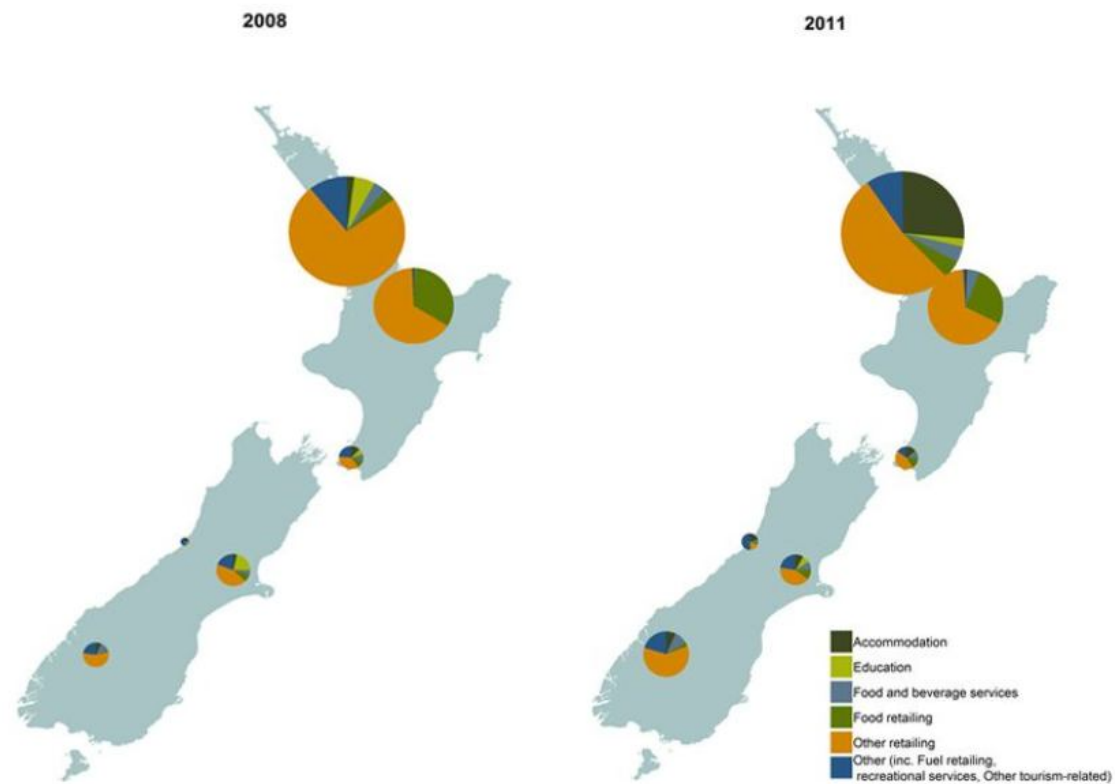


Publications

- ◎ Travel numbers released quarterly as part of Balance of Payments releases
- ◎ Year ended in quarter figures released each quarter by (former) Ministry of Tourism
 - Will exclude international students in future
- ◎ Tourism Satellite Account
 - Published annually, for March years
 - Much greater detail available
- ◎ Regional Tourism Indicators

Regional Tourism Indicators

Figure 4: Composition of Chinese spend in selected RTOs, 2008 and 2011 (area of circles proportionate to Chinese RTI spend)



Source: Source: MBIE, Regional Tourism Indicators

Tourism Satellite Account

Tourism expenditure⁽¹⁾⁽²⁾

By type of product and type of tourist

Year ended March 2009–12

Product	Domestic demand		International demand	Total demand	Total supply	Tourism product ratio
	Business and government demand	Household demand				
	\$(million)					
2009						
Accommodation services	314 R	599 R	1,081 R	1,994 R	2,097 R	0.95 R
Food and beverage serving services	135 R	1,021 R	1,556 R	2,713 R	6,470 R	0.42 R
Air passenger transport	1,168 R	728 R	2,230 R	4,126 R	4,212 R	0.98 R
Other passenger transport	1,021 R	519 R	883 R	2,422 R	3,961 R	0.61 R
Retail sales – fuel and other automotive products	492 R	1,710 R	364 R	2,566 R	12,221 R	0.21 R
Retail sales – other	0	3,384 R	1,418 R	4,802 R	57,772 R	0.08 R
Education services	0	12	625	637	3,908	0.16
Other tourism products	81 R	1,182 R	702 R	1,965 R	36,612 R	0.05 R
Total tourism demand by type of tourist excluding GST	3,211 R	9,155 R	8,857 R	21,223 R
GST paid on purchases by tourists	14 R	774 R	487 R	1,276 R
Total tourism expenditure by type of tourist	3,225 R	9,929 R	9,344 R	22,499 R

More detail

- ◎ Tourism Satellite Account on Statistics NZ website

http://www.stats.govt.nz/browse_for_stats/industry_sectors/Tourism/tourism-satellite-account-info-releases.aspx

- ◎ Regional Tourism Indicators

<http://www.med.govt.nz/sectors-industries/tourism/tourism-research-data/regional-tourism-indicators>