

Tourism Statistics: Challenges and Good Practices

Regional Workshop for the CIS countries

Tourism Statistics and its relationship with statistics of international trade in services, BoP and NA

Item 4

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Tourism and its relationship with other macroeconomic frameworks



IRTS 2008 (Chapter 8):

- **Tourism Satellite Account (TSA)** approach: by which tourism statistics is linked within the mainstream of macroeconomic analysis, considering the requirements of SNA'93;
- Link between inbound and outbound tourism (expenditure) via **Balance of Payments (BoP)** recognizing the increasing importance of tourism as an international traded service;
- **TSA and BoP**: Link via inbound (TSA-Table 1) and outbound (TSA-Table 3) tourism.

Tourism Statistics – relation to NA via TSA



IRTS 2008 (para 8.4):

- tourism is an ideal area for satellite accounting;
- adaptation of the general concepts, definitions, classifications, aggregates and tables of the SNA'93 according to tourism requirement since
 - ✓ tourism statistics cuts across many products and productive activities, facilitating a deeper understanding of tourism's linkages to other economic areas;
 - ✓ tourism statistics provides a structural link to the System of National Accounts, the balance of payments and the statistics of international trade in services, and as a consequence, to other macroeconomic frameworks;

Tourism Statistics – relation to NA via TSA



IRTS 2008 (para 8.4):

- ✓ tourism statistics makes a structural link to national accounts aggregates and their general estimation approach, from which to derive credibility and legitimacy for tourism statistics data and development programs;
- ✓ it is a methodology and provides framework for a comprehensive reconciliation of tourism data related mainly to supply by tourism industries and other industries and demand by visitors and other types of associated variables (i.e. related to the characterization of visitors, tourism trips and employment);
- ✓ it is a unique framework through which tourism direct gross domestic product (TDGDP) is estimated as the basic macro aggregate to characterize the size of tourism, among other ones.

Tourism Statistics – relation to NA via TSA



IRTS 2008 (para 8.5-8.6):

- TSA is essentially a conceptual framework for understanding tourism from a macroeconomic perspective,
 - ✓ focusing on the description and measurement of tourism in its different forms (inbound, domestic and outbound);
 - ✓ highlighting the relationship between consumption by visitors and the supply of goods and services in the economy, principally those from the tourism industries;
 - ✓ enabling the estimation of tourism GDP, to establish the direct contribution of tourism to the economy and to develop more complex and elaborated schemes building on the intrinsic relationship of the TSA with SNA and BoP.

Tourism Statistics – relation to NA via TSA



IRTS 2008 (para 8.5-8.6):

- Two types of consistency are provided by the Tourism Satellite Account (TSA):
 - ✓ first, between the measurement of tourism from the perspective of visitors through their consumption activity and that of the supply of goods and services by all industries (and mainly tourism industries) to meet their demand;
 - ✓ and second, between the general use and supply of all products and all agents in the economy and the demand generated by visitors.

Tourism Statistics – relation to BoP



IRTS 2008 (para 8.10-8.25):

- BoP shows the economic relationship between residents and non-residents, including transactions associated with international tourism (see IRTS 2008, para 2.40) defined on the basis of a concept of residence similar used in BoP and SNA.
- Within BoP the term “travel” does not refer to all activities of individuals while on visits outside their country of residence but only to the value of expenditure during these journeys:
 - ✓ Travel credits cover goods and services for own use or to give away acquired from an economy by non-residents during visits to that economy.
 - ✓ Travel debits cover goods and services for own use or to give away acquired from other economies by residents during visits to other economies.

Tourism Statistics – relation to BoP



IRTS 2008 (para 8.13 and 8.14):

- Differences to tourism statistics have to do with
 - ✓ the scope of the individuals whose transactions are included, and
 - ✓ with the scope of expenditures that are covered.
- Regarding the scope of individuals whose expenditure is included, the “travel” item include the expenditure of travelers who are not considered visitors, such as
 - ✓ border workers, seasonal workers and other short-term workers, frequent border crossers who are within their usual environment,
 - ✓ students taking long-term courses (longer than 1 year) outside their country of residence and long-term patients who are being treated outside their country of residence.

On this basis, the “travel” item has a broader scope than tourism statistics!

Tourism Statistics – relation to BoP



IRTS 2008 (para 8.13):

- Regarding the goods and services covered by the “travel” item and by tourism expenditure, the differences are:
 - ✓ Notion “acquisition” used in the “travel” item is broader than the notion of tourism expenditure, including imputed values, such as the provision of accommodation free of charge (notion “tourism consumption” used in TSA is closer to “travel”);
 - ✓ Purchases of valuables / consumer durables are included in in-bound/outbound tourism expenditure (irrespective of their unit value) whereas the “travel” item in the BoP includes only those purchases whose value is below the custom’s threshold (see also para 4.36 (h));
 - ✓ Expenditure on international transportation when representing a resident to non-resident transaction is part of international tourism expenditure but is not included in the “travel” item but included under the “passenger services” item of BoP.

Tourism Statistics – relation to BoP



Excursus “Passenger Services” IRTS 2008 (Box 8.2, p. 80)

“Passenger services” of the BoP includes:

- passenger services provided to travelers who are not visitors (i.e. refugees);
- services provided between two destinations outside the country of residence of the carrier:
 - ✓ For the country of residence of the carrier, the travelers that are transported under this condition, even though they might be international visitors (from the perspective of their country of residence), are not on a trip to, from or within this country, and as a consequence, they are not considered as visitors and their consumption is not part of inbound tourism expenditure (for the country of residence of the carrier, this transaction is not part of tourism expenditure (debit) because the traveler is not a visitor to, from or within this country);
 - ✓ nevertheless, for their country of origin, they are outbound visitors and their consumption involving a **resident-to-non-resident transaction** is part of outbound tourism expenditure.

Tourism Statistics – relation to BoP



Resident-to-non-resident transaction, for example:

- A Moldavian travels from Austria to France using Austrian Airlines:
 - ✓ For Moldova – she/he is a outbound visitor and the expenditure undertaken is outbound tourism expenditure!
 - ✓ For Austria – as the residence of Austrian Airlines – the passenger service is an “international transport of non-residents by a resident carrier” (credit) – so the transport expenditure is booked under the credit side of the BoP!

Tourism Statistics – relation to BoP



IRTS 2008 (para 8.20-8.24):

- Balance of payments requires countries to present the “travel” item separately for business and personal purposes:
 - ✓ **Business travel** covers goods and services acquired by persons going abroad for all types of business activities.
 - ✓ **Personal travel** covers goods and services acquired by persons going abroad for purposes other than business, such as vacations, participation in recreational and cultural activities, visits with friends and relations, pilgrimages, and education and health-related purposes.
- This breakdown **corresponds** roughly to that of “personal” and “business and professional” used for classification of tourism trips by purpose (see also para 3.14 and 3.17).

Tourism Statistics – relation to BoP



IRTS 2008 (para 8.20-8.24):

- The differences in scope between BoP and tourism statistics must be taken into account:
 - ✓ The expenditures included under “business” in the BoP include the spending on tourism trips with a business or professional main purpose, as well as those on travel by seasonal, border workers and other short-term workers and crews; this scope is broader than that of tourism statistics which only include the expenditures of visitors on business trips;
 - ✓ The expenditures included under “personal” in the BoP include those made on tourism trips with a personal main purpose, those of long-term students and patients, and others.
 - ✓ The scope of expenditures included under “travel” both for “business” and “personal”, in the BOP, and inbound/outbound tourism expenditure in tourism statistics is different (see also para 8.15, 8.16 and Figure 8.1).

Tourism Statistics – relation to BoP



IRTS 2008 (para 8.20-8.24):

- BoPM 6 recommends the presentation of the “travel” item broken down into goods, local transportation services, accommodation services, food serving services, and other services, a breakdown that would adjust fairly well with the classification by purpose recommended for tourism expenditure (see para. 4.26);
- this improve the consistency of the measurements with the TSA, as well as with the supply and use tables (see para 8.6).

It is recommended that tourism statistics should allow tourism related expenditure to be identified in “travel” and “international passenger transport” as a supplementary item to the standard components of the balance of payments. This is also a recommendation that is explicitly mentioned for the balance of payments compilation!

Annex: Integrated System of Tourism & Travel Statistics - the case of Austria

