



Tourism in the macroeconomic frameworks: use tourism aggregates in the System of National Accounts and in the Statistics of International Trade in Services

Developing National Systems of Tourism Statistics: Challenges and Good Practices
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Statistics of International Trade in Services Section

Outline

- Impact of tourism on the economy
- System of National Accounts (SNA)
- Tourism Satellite Accounts (TSA)
- Balance of Payment
- Statistics of International Trade in Services
- Tourism and sustainability

Impact of tourism on the economy

Tourism is now one of the most significant activities in the world showing significant growth from year to year. Tourism is seen for many countries as a major instrument for regional development as it stimulates new economic activities.

Tourism may have a positive economic impact on the balance of payments, on GDP and on employment – however it may cause negative impact on other areas, like the environment.



Tourism statistics is designed for measuring tourism throughout the national economy.

Tourism is one of the many socio-economic activities in a country and shall be looked and analyzed from a broader perspective.

The System of National Accounts (SNA) is the internationally agreed standard set of recommendations on how to compile measures of economic activity in accordance with strict accounting conventions based on economic principles.

System of National Accounts (SNA)

The accounting framework of the SNA allows economic data to be compiled and presented in a format that is designed for purposes of economic analysis, decision-taking and policy-making. The accounts themselves present in a condensed way a great mass of detailed information, organized according to economic principles and perceptions, about the working of an economy.

System of National Accounts (SNA)

The accounts provide a comprehensive and detailed record of the complex economic activities taking place within an economy and of the interaction between the different economic agents, and groups of agents, that takes place on markets or elsewhere.

System of National Accounts (SNA)

SNA provides information not only about economic activities taking place within a period but also about the levels of an economy's assets and liabilities, and thus the wealth of its inhabitants, at particular points of time. SNA also includes an external account that displays the links between an economy and the rest of the world.

Tourism Satellite Accounts (TSA)

The System of National Accounts gives great flexibility in the design of functionally oriented satellite accounts, as the objective of such accounts is to focus on specific aspects of an economic domain. Through tourism satellite accounts tourism statistics is linked to the mainstream of macro-economic analysis.

Tourism Satellite Accounts (TSA)

One of the major concerns in developing the Tourism Satellite Account was to provide information about the size of tourism, an aggregate that was in high demand among national tourism administrations.

A tourism satellite account was deemed relevant for several key reasons:

- As an instrument that recognized that tourism effects across many products and productive activities, facilitating a deeper understanding of tourism's linkages to other economic areas;
- As a structural link to national accounts aggregates and their general estimation approach.

A tourism satellite account was deemed relevant for several key reasons (cont'd):

- A framework for 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 (characterization of visitors, tourism trips and employment in the tourism industries);
- As the unique framework through which one can properly compile tourism *gross domestic product* (GDP) in order to characterize the size of tourism;
- As a reference and milestone for future statistical developments and economic research on tourism.

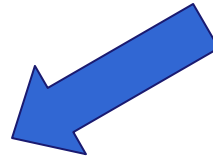
Balance of Payment

The balance of payments focuses on the description of the economic relationship between residents and non-residents. It obviously includes transactions associated with international tourism that have been defined on the basis of a concept of residence that is similar to that used in the balance of payments and the System of National Accounts.

Balance of Payment

Figure 8.1
Bridge table between the "travel" and "passenger international transport services" items of BoP and inbound/outbound tourism expenditure

		Balance of Payments	Tourism Statistics
Definition		<i>Travel item</i>	<i>Inbound/outbound tourism expenditure</i>
		Travel credits cover goods and services for own use or to give away acquired from an economy by nonresidents 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 expenditure refers to the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips. It includes expenditures by visitors themselves, as well as expenses that are paid for or reimbursed by others.
Scope		<i>Passenger international transport item</i>	(a) Inbound tourism expenditure is the tourism expenditure of a non-resident visitor within the economy of reference; (b) Outbound tourism expenditure is the expenditure of a resident visitor outside the economy of reference.
		Passenger services cover the transport of people. It covers all services provided in the international transport of nonresidents by resident carriers (credit) and that of residents by nonresident carriers (debit). Also included are passenger services performed within a territory by nonresident carriers. The valuation of passenger transport should include fees payable by the carriers to travel agencies and other providers of reservation services. Excluded are passenger services provided by resident units to nonresidents within the territory of residence of the carrier where these are provided/purchased separately from international travel; these are included in travel.	
		Arriving non residents/leaving residents	International visitors: non resident travelers taking tourism trips outside their usual environment for less than a year, for a purpose other than being employed by a resident entity in the country visited.
P	diplomats, consular staff, military personnel (other than locally engaged staff) and their dependants	no	no
	border workers	yes	no
	seasonal workers	yes	no
	other short term workers	yes	no
	crews	yes	Considered as visitors except regular as well as occasional crews on public modes of transport
	students	short term and long term	only those taking courses for less than a year (short term)
	patients	short term and long term	only those under treatment for less than a year (short term)
	nomads, refugees and displaced persons	yes if for stay less than a year	no
S	transactions on goods and services that do not imply a monetary transaction and represent social transfers in kind or require imputations	yes	not included in tourism expenditure but in the more inclusive concept of tourism consumption used in the TSA approach
	acquisition of consumption goods and services other than international transport	yes	yes
	acquisition of valuables	yes if under the customs' threshold	if acquired on trips
	acquisition of consumer durable goods	yes if under the customs' threshold	all, if acquired on trips
	expenditure on education for those which main purpose is education	yes	yes if course for less than a year (short term)
	expenditure on health for those which main purpose is health	yes	yes if treatment for less than a year (short term)
	expenditure other than acquisition of goods and services	no in principle. Nevertheless, the EPMS Text Book (para 337) recommends that fees such as airport taxes or traffic violations be included under travel although they should be considered as current transfers.	no
	transport to and from the country of reference in a resident to non resident transaction	yes	yes
	transport between two points outside the country of reference as a resident to non resident transaction	yes	for the country of residence of the carrier, the traveler is not a visitor to, from or within that country; for the country of residence of the traveler, part of outbound tourism expenditure if the traveler is an outbound visitor
	transport within an economy by non-resident carriers as a resident to non resident transaction	yes	part of outbound tourism expenditure for the country of residence of the traveler if he/she is a visitor; not in tourism statistics for the country of residence of the carrier
T	intermediation of travel agencies	if remunerated by a fee or commission paid by the carrier whatever the country of residence of the travel agency, its service is included in the valuation of international passenger transport and included or excluded whether the purchase of international passenger transport is a resident to non resident transaction or not. Else, if a separate fee is paid by the traveler, it is included under travel but only if it represents a resident to non resident transaction.	In all cases, the service is valued using the gross margin it is acquired by the visitor. It is included in inbound, outbound or domestic tourism expenditure depending on the country of residence of the travel agency and of the visitor
	package tours	The fee or commission of a tour operator is part of the value of the package. For the fee or commission paid by the service provider, the treatment is similar to that of the intermediation of travel agencies. The value of the service of the tour operator on top of the services purchased from providers will be included under travel only if it represents a resident to non resident transaction.	In all cases, the service is valued using the gross margin it is acquired by the visitor. It is included in inbound, outbound or domestic tourism expenditure depending on the country of residence of the tour operator, the travel agency and the visitor



Bridge table between the 'travel' and 'passenger international transport services' item of BOP and inbound/outbound tourism expenditure

(from the IRTS 2008 manual)

The increasing importance of tourism in the international trade in services is recognized. The updating work on the Manual on Statistics of International Trade in Services 2002 is being done in parallel with the update of the Balance of Payment Manual fifth edition.

Statistics of international trade in services

The scope of statistics on international trade in services is determined by the scope of the services components of BPM6, which are:

- *Manufacturing services on physical inputs owned by others*
- *Maintenance and repair services n.i.e.*
- *Transport*
- *Travel*
- *Construction*
- *Insurance and pension services*
- *Financial services*
- *Charges for the use of intellectual property n.i.e.*
- *Telecommunications, computer, and information services*
- *Other business services*
- *Personal, cultural, and recreational services*
- *Government goods and services n.i.e.*

Details of the services components has been refined to obtain more exact information on the services being traded. The service categories are described in the revised Extended Balance of Payments Services Classification (EBOPS 2010) which is completely consistent with BPM6 but provides for more detailed breakdowns in a number of areas.

EBOPS 2010, draft

- 1 Manufacturing services on physical inputs owned by others
- 2 Maintenance and repair services n.i.e.
- 3 Transport
 - 3.1 Sea transport
 - 3.1.1 Passenger
 - 3.1.2 Freight
 - 3.1.3 Other
 - 3.2 Air transport
 - 3.2.1 Passenger
 - 3.2.2 Freight
 - 3.2.3 Other
 - 3.3 Other modes of transport
 - 3.3.1 Passenger
 - 3.3.2 Freight
 - 3.3.3 Other
 - 3.4 Post and courier services
 - 3.5 Space transport
 - 3.6 Rail transport
 - 3.6.1 Passenger
 - 3.6.2 Freight
 - 3.6.3 Other
 - 3.7 Road transport
 - 3.7.1 Passenger
 - 3.7.2 Freight
 - 3.7.3 Other

EBOPS 2010, draft

- 3.8 Inland waterway transport
 - 3.8.1 Passenger
 - 3.8.2 Freight
 - 3.8.3 Other
- 3.9 Pipeline transport
- 3.10 Electricity transmission
- 3.11 Other supporting and auxiliary services
 - 3a.1 Passenger
 - 3a.2 Freight
 - 3a.3 Other
 - 3a.31 Post and courier
 - 3a.32 Other
- 4 Travel
 - 4.1 Business
 - 4.1.1 Acquisition of goods and services by border and seasonal workers
 - 4.1.2 Other
 - 4.2 Personal
 - 4.2.1 Health-related
 - 4.2.2 Education-related
 - 4.2.3 Other
 - 4a.1 Goods
 - 4a.2 Local transport services
 - 4a.3 Accommodation services
 - 4a.4 Food-serving services
 - 4a.5 Other services

EBOPS 2010, draft (cont.)

- 5 Construction
- 5.1 Construction abroad
- 5.2 Construction in the reporting economy
- 6 Insurance and pension services
- 6.1 Direct insurance
- 6.1.1 Life insurance
- 6.1.2 Freight insurance
- 6.1.3 Other insurance
- 6.2 Reinsurance
- 6.3 Auxiliary insurance services
- 6.4 Pension services
- 6.5 Standardized guarantee services
- 7 Financial services
- 7.1 Explicitly charged and other financial services
- 7.2 Financial intermediation service charges indirectly measured (FISIM)
- 8 Charges for the use of intellectual property, n.i.e.
- 8.1 Franchises and trademarks licensing fees
- 8.2 Licenses for the use of outcomes of research and development
- 8.3 Licenses to reproduce and/or distribute computer software
- 8.4 Licenses to reproduce and/or distribute audiovisual and related products

EBOPS 2010, draft (cont.)

- 9 Telecommunications, computer, and information services
 - 9.1 Telecommunications services
 - 9.2 Computer services
 - 9.2.1 Computer software
 - 9.2.2 Other computer services
 - 9.3 Information services
 - 9.3.1 News agency services
 - 9.3.2 Other information services
- 10 Other business services
 - 10.1 Research and development services
 - 10.1.1 Work undertaken on a systematic basis to increase the stock of knowledge
 - 10.1.1.1 Provision of customized and noncustomized R&D services
 - 10.1.1.2 Sale of proprietary rights arising from R&D
 - 10.1.1.2.1 Patents
 - 10.1.1.2.2 Copyrights arising from R&D
 - 10.1.1.2.3 Industrial processes and designs (including trade secrets)
 - 10.1.1.2.4 Other
 - 10.1.2 Other (testing and other product/process development activities)
 - 10.2 Professional and management consulting services
 - 10.2.1 Legal, accounting, management consulting, and public relations
 - 10.2.1.1 Legal services
 - 10.2.1.2 Accounting, auditing, bookkeeping, and tax consulting services
 - 10.2.1.3 Business and management consulting and public relations services
 - 10.2.2 Advertising, market research, and public opinion polling

EBOPS 2010, draft (cont.)

- 10.3 Technical, trade-related and other business services
 - 10.3.1 Architectural, engineering, scientific and other technical services
 - 10.3.1.1 Architectural services CPC ver. 2 832
 - 10.3.1.2 Engineering services CPC ver. 2 833
 - 10.3.1.3 Scientific and other technical services CPC ver. 2 834
 - 10.3.2 Waste treatment and de-pollution, agricultural and mining services
 - 10.3.2.1 Waste treatment and de-pollution
 - 10.3.2.2 Services incidental to agriculture, forestry and fishing CPC Ver.2 861
 - 10.3.2.3 Services incidental to mining, and oil and gas extraction CPC Ver.2 862
 - 10.3.3 Operating leasing services
 - 10.3.4 Trade-related services
 - 10.3.5 Other business services n.i.e.
- 11 Personal, cultural, and recreational services
 - 11.1 Audiovisual and related services
 - 11.1.1 Audiovisual services
 - 11.1.2 Related services
 - 11.2 Other personal, cultural, and recreational services
 - 11.2.1 Health services
 - 11.2.2 Education services
 - 11.2.3 Cultural and recreational services, n.i.e.
 - 11.2.4 Other
- 12 Government goods and services n.i.e.
 - 12.1 Embassies and consulates
 - 12.2 Military units and agencies
 - 12.3 Other government services

The issue of tourism and sustainability is an increasingly important one and any measurement of tourism and its effect on an economy must take into account the social, economic and environmental impacts. Links with the latter component should be a high priority.

Tourism can contribute to irreversible damage to the environment, through pressure on fragile ecosystems, through construction of resorts or roads that destroy the natural sites and heritage, through the pressure that is exerted on land, water and air and through diverse processes of all kinds generating pollution, discharge of residuals, erosion, deforestation, etc.

The existence of both the tourism satellite accounts and the system of environmental and economic accounts allows countries where both international recommendations are being developed to estimate the links between tourism and the environment at the level of the national economy.

This could be done in two ways:

- Incorporating tourism as a specific set of industries and of consumers within the hybrid flow accounts of the environmental accounts;
- “Greening” the tourism GDP that is derived from the Tourism Satellite Account, taking into consideration the cost of the degradation of the environment and the use of the natural capital by tourism; expenditures that prevent degradation could also be taken into consideration as a further adjustment.