

# Measuring Tourism in the context of International Trade in Services

Antonio Massieu  
*Chief, Statistics and Economic Measurement of Tourism*  
*World Tourism Organization (WTO)*  
*Capitán Haya, 42*  
*28020 Madrid, Spain*  
*stat@world-tourism.org*

## 1. Introduction

Services transactions are increasing in importance, the impact of international trade in services on growth is now an area of particular interest for economic and policy analysis. The statistical measurement of international trade in services is also of particular interest to trade policy analysts and international trade- in -services negotiators in the context of the General Agreement on Trade in Services (GATS). Among internationally traded services, “Tourism” is an area of special interest as there are many economies in which the expenditure of international “visitors and other travellers” is an important source of foreign exchange earnings and one that contributes substantially to employment and capital investment in the economy.

## 2. Tourism, the TSA and other analytical frameworks

The production accounts of the System of National Accounts provide a framework for the analysis of the production, use and final demand for the products of industries. The new Tourism Satellite Account (TSA) enables Tourism to be measured within the framework of the System of National Accounts. ‘Visitor’ expenditure constitutes a sub-set of intermediate and final demand and international ‘visitor’ expenditure is a sub-set of exports and imports. For purposes of international comparability and to measure the contribution of Tourism and visitor expenditure to the economy, the Tourism Satellite Account (TSA) has identified a set of Tourism characteristic products and a set of Tourism characteristic industries for whom, visitor expenditure accounts for a large proportion of their revenue.

The Balance of Payments (BOP) is the most important source of information about international trade in services and is used in the System of National Accounts (SNA). When international visitors and other travellers consume the domestic production of the economy to which they travel, the goods and services they consume are exports of that economy and are measured as part of the Balance of Payments. The fifth edition of the Balance of Payments Manual, contains a Classification of Service Transactions, now extended and called EBOPS in the new Manual on Statistics of International Trade in Services (MSITS), some components of which can be related to the expenditure of “visitors and other travellers”. Given that the Balance of Payments is compiled world-wide, and it is expected that countries will start compiling EBOPS, it is useful to examine whether and how components of these data can be used in the analysis of Tourism.

## 3. Visitors and travellers

Tourism in the TSA is defined as “ 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 persons referred to in the definition of tourism are termed “visitors”. They may travel

to destinations within the geographic boundaries of their own country or they may travel internationally.

Travellers defined for purposes of the Balance of Payments and International Trade in Services are: “individuals staying for less than a year in an economy of which they are not residents ...” with some exceptions.

International ‘visitors’ are therefore a sub-set of ‘travellers’.

#### **4. Tourism and the standard components of the Balance of Payments**

TRAVEL is a standard component of the BOP and EBOPS. It measures international ‘visitor’ expenditure for Tourism analysis, after the exclusion of the exceptions to the one-year rule, namely expenditures of commuters and seasonal workers, and students, persons travelling for medical treatment and ship’s crews, away for more than a year. TRAVEL is a measure of mode 2 of the GATS, “consumption abroad”.

The part of the standard component TRANSPORTATION, that relates to passenger transportation, is also relevant for the statistical measurement of international visitor expenditure for Tourism analysis, because it covers the international carriage of travellers, not included under TRAVEL. The convention of the Balance of Payments, also adopted for Tourism analysis, is that passengers travelling abroad on domestic transportation carriers are treated as purchasing a domestic service whereas passengers travelling abroad on foreign transportation carriers are treated as purchasing a service from the country in which the foreign carrier is registered. The supply of international transportation services by domestic carriers to foreign visitors, under the GATS concept of modes of supply, is mode 1 “cross-border supply”.

#### **5. Conclusion**

Data compiled for the BOP and EBOPS, are useful in the measurement and analysis of international Tourism. Greater convergence between the concepts of the BOP and EBOPS and the TSA would be mutually beneficial, in that similar methods of data collection and compilation could serve the needs of all three, which would contribute to enhancing the quality of data in all three frameworks and go towards meeting some of the needs for measurement of the modes of supply of the GATS.

#### **RÉSUMÉ**

*La Balance des Paiements est la plus importante source d'information sur le commerce international des services. Les données recueillies pour le poste "Voyages", après ajustement des différences entre les définitions des "visiteurs" (CST), des "voyageurs" (BP) et du Transport de Passagers, sont importantes pour mesurer les dépenses des "visiteurs" internationaux pour l'analyse du Tourisme. La convergence entre les concepts de la BP et la EBOPS et ceux du CST permettrait d'améliorer la qualité des données et de répondre aux besoins du GATS pour les données par mode de fourniture. Le poste "Voyages" est le plus gros composant du mode 2 ou "consommation à l'étranger" et le "Transport de Passagers" correspond au mode 1 ou "fourniture transfrontières".*