# The Main Aggregates in Reconciling Supply and Demand and Integration with the National Accounts

The Bahamas TSA Experience

# The Bahamas Tourism Satellite Account

- First Attempt was done with the Assistance of Global Insights (Adam Sacks)
- Used a number of Sources (BOP, External Trade Statistics, Ministry of Tourism Exit Survey,  Expenditure Survey)
- Lack of Supply and Use Tables made it more difficult to reconcile the data.

# The Bahamas Tourism Satellite Account

- The 2$^{nd}$ Attempt was done with the assistance of Statistics Canada - Demi Kotsovos

- TSA –Supply and Use 2005

- TSA – Supply and Use 2007

  ◦ Household Expenditure Survey

  ◦ Economic Census

# Supply and Use Tables and the Tourism Satellite Accounts

- The 2006 United Nations World Tourism Organization conference recommended that countries develop Supply and Use Tables to ensure the sustainability and continuity of the TSA project.

- Supply and Use Tables are most important for systematic reconciliation of the supply and consumption of tourism.

# Bahamas - Supply And Use Tables

- Started each Industry with original Production estimates but a new adjusted figure is listed at the bottom of each industry.

- The Use and Demand Sheet includes the original estimates by Industry and Final Use. Adjusted final values by Industry is also listed.

- The adjustments are as a result of the demand of commodity balancing with the corresponding supply.

# Bahamas Tourism Industries

- Accommodation (Hotels, Guesthouses, Timeshare and Second Homes)

# Bahamas Tourism Industries

- Restaurants (Formal and informal meals outside the home)

# Bahamas Tourism Industries

- Transportation Services
  - Land
  - Marine
  - Air

# Sources of Tourism Industry Supply

- Supply and Use Tables 2007
  - Business Establishment Surveys
  - Balance of Payments
  - External Trade Statistics
  - Labor Force Survey

# Sources of Tourism Demand

- Supply and Use Tables
  - Cruise Visitor Expenditure Survey
  - Visitor Expenditure Survey (VES)
  - Household Expenditure Survey (HES)
  - Domestic Tourism Survey
  - Bahamas Immigration Cards
  - External Trade Statistics
  - Business Establishment Surveys (BES)

# Identify Tourism Industries

- Which of the tourism characteristic products are supplied by the tourism Industries?

- Using total Output for each commodity calculate the percentage that the Tourism Industry supply of the commodity

- Then calculate the percentage that the remaining non-tourism industries supply of the commodity.

# Tourism Characteristic Products

- Identify which Products are found in your economy.
- Identify country-specific tourism characteristic goods & services

# For Example: Accommodation

- Hotels supply the Lion's share of accommodation



Photo: The Bahamas Ministry of Tourism

# Accommodation

- There are also other industries where Accommodations can be found eg:
  - Marine Transport (Yacht Charters)
  - Other Recreational Cultural Services (Bone Fishing Lodges)

# Reconciling Demand

- Depending on the commodity it was decided that the BES was stronger for example the Accommodation portion provided by the Hotels.

- The response rate of this Industry is great and the output is dominated by a few large hotels.

# Reconciling Demand

- However, when comparing the <u>Supply</u> of Accommodation to the <u>Use</u> reported by HES and VES  we realized that we were under reported in terms of the output of the smaller guest houses and second home rentals.

# Beverages served on Premises

# Reconciling Demand

- Beverages served on Premises is an example of a commodity where the Production side is stronger.

- It was felt Output of Beverage sales by Hotels and Restaurants is more accurate compared to the HES and VES consumption of this commodity. Purchases of "sinful" products are often under valued by person and therefore the results from the HES and VES would be under valued.

# Reconciling Supply

- Determine the strengths and weaknesses of the data sources depending on the commodity.
- For example: Meals are supplied Formally and Informally
- Business Establishment Surveys (BES) would include a variety large of Restaurants.
- This figure would then be adjusted for the informal sector (Restaurants)

# Reconciling Supply and Demand

- Data from the Household Expenditure Survey (HES)and the Visitor Exit Survey (VES) would represent the demand for Meals Outside of the Home.

- On the demand side for Meals the HES, VES and the Industry's Use as more concrete than the production side for this item, as a result if the demand for this item is calculated and if it is found that the production side is lower, then the supply would be increased.

# Land Transportation

# Reconciling Supply

- Land Transportation is not as strong for the Bahamas in terms of the Supply. Due to the fact that this area is dominated by Working Proprietors without a fixed location administration of the BES is extremely difficult.

- The demand of this Industry by the HES and the VES is considered much stronger as a result the Supply is adjusted to match this.

# Country-Specific Tourism Service

- For The Bahamas Casino Gambling is a country specific Tourism Characteristic Product because "currently" only Non-Residents are allowed to gamble.

- Output for this commodity is obtained through a Government Regulated Agency as a result this data is considered more reliable.

- VES tourist expenditure for Casino gambling is not used on the Demand.

# Conclusion

Based on The Bahamas Experience a TSA can be calculated Using the same data found in the Supply and Use Tables. However, having the SUT made it easier to Reconcile the Tourism Supply and Demand.