



**International Recommendations  
on Tourism Statistics (IRTS)**  
Provisional draft  
Revision 5

**New York / Madrid, September 2007**



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## List of abbreviations and acronyms

BOP	Balance of Payments
BPM6	Balance of Payments and International Position Manual sixth edition
CB	Central Bank
COFOG	Classification of the Functions of Government
COICOP	Classification of Individual Consumption by Purpose
CPC, Ver. 2	Central Product Classification, Version 2
CTO	Caribbean Tourism Organization
ESA	European System of Accounts
ESA95	European System of Accounts, ESA 1995
EU	European Union
Eurostat	Statistical Office of the European communities
FISIM	Financial Intermediation Services Indirectly Measured
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
ICLS	International Conference of Labour Statisticians
ICSE	International Classification of Status in Employment
ILO	International Labour Organisation
IMF	International Monetary Fund
IRTS	International Recommendations on Tourism Statistics
ISCED	International Standard Classification of Education
ISCO	International Standard Classification of Occupations
ISIC, Rev. 4	International Standard Industrial Classification of all Economic Activities, Revision 4
ITRS	International Transactions Reporting System
IUOTO	International Union of Official Travel Organizations
MICE	Meetings, Incentives, Conferences and Exhibitions
NPISH	Non-profit institutions serving households
NSO	National Statistical Office
NTA	National Tourism Administration
NUTS	Nomenclature des Unités Territoriales Statistiques (Classification of Regions in the European Union)
OECD	Organisation for Economic Cooperation and Development
OECD EM	Organisation for Economic Cooperation and Development – Tourism Satellite Account Employment Module
PATA	Pacific Asia Travel Association
RTA	Regional Tourism Administrations
SDMX	Statistical Data and Metadata Exchange

SEEA	System of Environmental and Economic Accounts
SICTA	Standard International Classification of Tourism Activities
SITS	Statistics in International Trade in Services
1993 SNA	System of National Accounts 1993
1993, SNA Rev 1	System of National Accounts, 1993 revision 1
STS	System of Tourism Statistics
TCP	Tourism Characteristic Product
TEA	Tourism Economic Accounts
TSA	Tourism Satellite Account
TSA: RMF	Tourism Satellite Account: Recommended Methodological Framework
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNSC	United Nations Statistical Commission
UNSD	United Nations Statistics Division
UNWTO	World Tourism Organization
VAT	Value Added Tax
WTO	World Trade Organization

## **Chapter 1**

### **Development and needs for tourism statistics**

- 1.1. Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual place of residence being usually pleasure its basic motivation.
- 1.2. The activities carried out by a visitor may or may not suppose a market transaction and are either different from those normally carried out in his / her regular routine of life, or if they are similar, their frequency or intensity is different when travelling. A “tourism product” might be viewed as a combination of these activities.
- 1.3. Tourism has implications on the economy, on the natural and built environment, on the local population at the destinations that are visited, and on the tourists themselves.
- 1.4. Due to these multiple impacts, the wide range and variety of factors required for the production of those goods and services consumed by visitors, and the wide spectrum of stakeholders involved or affected by tourism, there is a need for a holistic approach to tourism development, management and monitoring. This approach is supported by UNWTO in order to formulate and implement national and local tourism policies, as well as the necessary international agreements or other processes in respect of tourism.
- 1.5. Having more and better statistics is a necessary condition for policy-makers to take decisions more efficiently. Only with sufficient and adequate statistics that generate credible data is it possible to face different types of economic analysis of tourism. This analysis is essential in order to evaluate the different aspects of the tourism activity and to propose a selected set of consistent actions to be undertaken.
- 1.6. Tourism statistics are instrumental in designing marketing strategies, strengthening inter-institutional relations, evaluating the efficiency of management decisions, and improving the measurement of tourism activity throughout the national economy.
- 1.7. The present *International Recommendations on Tourism Statistics* (IRTS) focuses on the activities carried on during the movements of visitors and their measurement in terms of both physical and monetary indicators. Its purpose is to provide a common reference framework for countries to use in the compilation of the corresponding statistics.
- 1.8. The main objective of the present *International recommendations* is to present a system of definitions, concepts, classifications and indicators that are internally consistent, and that facilitate the link to the conceptual framework for the integration of tourism statistics, the Tourism Satellite Account (TSA), as well as to other conceptual frameworks, such as national accounts, balance of payments, and labour statistics. In addition, general guidance with respect to data sources and data compilation methods is also provided that will be complemented by an upcoming IRTS Compilation Guide which first issue should be available in the first quarter of 2009.

- 1.9. The present focus is an economic perspective and within this perspective, tourism will be defined as the activities of persons, identified as visitors. A visitor is someone who is traveling (under certain conditions [see para. 2.5.](#)), for holiday, leisure and recreation, business, health, education or other purposes ([see para. 3.14.](#)).
- 1.10. Tourism comprises the activities of all these categories of visitors. This scope is much wider than the traditional perception of tourists as including only those traveling for leisure.
- 1.11. The notion of activities encompasses all actions that visitors do in preparation for a trip or while on a trip. It is not restricted to what are often considered as “typical” tourism activities such as sightseeing, sunbathing, visiting sites, practicing or watching sports, etc. ([see para. 3.17.](#)). Being a visitor is a transient situation, related to a specific trip or a specific visit. Once the trip is over, the individual loses his/her condition of being a visitor.
- 1.12. As a demand-side phenomenon, the economic contribution of tourism has to be approached from the activities of visitors and their implication in the acquisition of goods and services. However, it can also be viewed from the supply side and tourism will then be understood as a set of productive activities that cater mainly to visitors, or whose main output represents an important share of consumption by visitors. These two aspects, as well as employment in the tourism industries, will be considered in the present *International Recommendations*.

#### **A. Historical development**

- 1.13. The development of international standards concerning the concept and definition of tourism and the main variables that characterize it has a long history. In 1937 the Council of the League of Nations recommended a definition of “international tourist” for statistical purposes. This definition was slightly amended by the International Union of Official Travel Organizations (IUOTO) at a meeting held in Dublin in 1950. Finally, in 1953, the United Nations Statistical Commission (UNSC) determined the concept of “international visitor”.
- 1.14. The United Nations Conference on International Travel and Tourism (Rome, 1963) recommended a definition for the terms “visitor”, “tourist” and “excursionist” following IUOTO’s recommendations. These definitions were subsequently examined by a United Nations expert group on international travel statistics in 1967 and endorsed by the UNSC in 1968. After their approval by the UNSC in 1976 the Provisional Guidelines on Statistics of International Tourism were disseminated in 1978.
- 1.15. In the 1980s, there was an increased overall awareness of the importance of tourism and its interdependence with other economic and social activities. The World Tourism Organization (UNWTO), in close cooperation with the United Nations Statistics Division (UNSD), initiated a process of revision of the definitions and classifications used in tourism statistics.

- 1.16. This process was developed along two main directions: first, to propose modifications to the definitions and classifications used in studies of tourism to make them compatible and consistent with those of other national and international statistical systems; second, to take steps towards the incorporation of tourism into the analytical framework of national accounts.
- 1.17. As early as 1983, at the fifth session of its General Assembly held in New Delhi, the UNWTO issued a report illustrating how it was possible to describe tourism within the recommendations on national accounts existing at that time, the System of National Accounts, 1968 (SNA 1968). The report stressed the importance of such an exercise as a uniform and comprehensive means of measurement and comparison with other sectors of the economy. It was not implemented as such but is still considered to be a seminal contribution.
- 1.18. The International Conference on Travel and Tourism Statistics, held jointly by the UNWTO and the Government of Canada in Ottawa in June 1991 provided an opportunity to discuss the experience of different countries along these lines, among which Canada and France, as well as the Manual on Tourism Economic Accounts developed by the Organisation for Economic Co-operation and Development (OECD). A set of statistical definitions on domestic and international tourism and a classification of tourism activities were proposed, both related to other international statistical systems and standards such as the Balance of Payments, the System of National Accounts, 1993 (then still under review) and the Recommendations on Migration Statistics. Moreover, the need to develop a system of tourism-related data that would be structurally integrated with the System of National Accounts was emphasized.
- 1.19. In 1993, these proposals, once revised and refined, were submitted for approval at the 27th session of the UNSC, jointly with the Standard International Classification of Tourism Activities (SICTA) that was approved as a provisional classification. The 1993 Recommendations on Tourism Statistics (adopted by the Commission in 1993 and published in 1994) represent the first international standard designed to determine the basic foundations of a System of Tourism Statistics in terms of concepts, definitions, classifications and indicators.
- 1.20. The former 1993 Recommendations recognized that the definitions and classifications put forth therein reflected the work carried out by other international and regional organizations, in particular:
- a) The recommendations on international migration statistics published by the United Nations in 1980, as well as the fourth edition of the Balance of Payments Manual issued by the International Monetary Fund (IMF) in 1977 and the System of National Accounts, 1993 (1993 SNA);
  - b) The cooperation between the Statistical Division of the United Nations Secretariat and the United Nations regional commissions, as well as other regional and supranational organizations, namely the Organisation for Economic Co-operation and Development (OECD), the Statistical Office of the European

Communities (Eurostat), the Pacific Asia Travel Association (PATA) and the Caribbean Tourism Organization (CTO);

- c) The activities, experience and practices of both developed and developing countries concerning the mobility and characteristics of their residents traveling within the country and abroad.
- d) The activities and experiences in the most developed countries, most notably Austria, Canada, France, Spain, Sweden, the United Kingdom and the United States in developing early statements of the economic contribution of tourism to the national economy.

- 1.21. Since the Ottawa Conference, not only have many of the initiatives presented in the former 1993 Recommendations begun to materialize but a number of countries also initiated or further refined their Tourism Satellite Account (TSA) following the recommendations of the 1993 SNA concerning the development of satellite accounts. Within the private sector, the World Travel and Tourism Council (WTTC) also developed its own initiatives guided by similar objectives.
- 1.22. Some countries, notably Australia, Canada and the United States, carried out reviews of the consistency of their existing systems of tourism statistics with the new international standards, recommending and later implementing changes to bring their systems into greater harmonization with the new standard.
- 1.23. As a consequence of the Ottawa conference, the UNWTO adopted a statistical program in order to foster the development of national tourism statistics along the lines of the former 1993 Recommendations and set up a Steering Committee of 36 countries and concerned international organizations to monitor the elaboration of a common conceptual framework integrated with the system of national accounts, namely the Tourism Satellite Account, in order to give credibility to the measurement of tourism and provide comparability with the measurement of other economic and social activities.
- 1.24. Within these lines, in the following years, the UNWTO intensified the promotion of the development of tourism statistics: 9 regional fora were organized in Prague (Czech and Slovak Republic) (1992) and Warsaw (Poland) (1995) for Central and Eastern Europe countries, in Damascus (Syrian Arab Republic) (1995) for Middle East countries, in Moscow (Russia) (1996) for Russian Federation countries, in Jakarta (Indonesia) (1996) for the Pacific and South Asia countries, in Kingston (Jamaica) for Caribbean countries, in el Cairo (Egypt) (1997) for African and Middle Eastern countries, in Trivandrum (India) (1998) for Asian countries and in Mexico (1998) for the Americas. Additionally, the technical assistance to countries was strengthened by holding seminars, regional workshops, bilateral missions to countries as well as producing technical manuals as guidance for the application of the *International Recommendations* (See the bibliography).
- 1.25. Within OECD, work was undertaken in the mid 1980's in order to establish linkages with the analytical framework of national accounts. Data collection and analysis

organized within the policy-oriented framework of the Tourism Economic Accounts (TEA) started in 1991. Based on this development, OECD provided ongoing guidance to member countries on how to develop comparable international accounts, using national accounting principles and emphasizing linkages of tourism expenditure with other important economic aspects of tourism, notably employment. In 1997 the OECD Tourism Committee made its first proposal for a tourism satellite account for OECD countries.

- 1.26. The Statistical Office of the European Communities (Eurostat) also developed programs and carried out studies on tourism statistics in the European Union. It prepared a community methodology on tourism statistics, compatible with the 1993 Recommendations on Tourism Statistics and adapted to the specific needs and context of its member States. Special mention should be made of the 1995 EU Council directive on the collection of statistical information in the field of tourism; its aim was to harmonize and improve the statistical data produced by member States. It can be seen as the first legal step taken to create an integrated system of information on tourism demand and supply.
- 1.27. The UNWTO Enzo Paci World Conference on the Measurement of the Economic Impact of Tourism, held in Nice, in June 1999 provided the opportunity for the UNWTO to present the work it had developed since 1993 in the form of a proposed Tourism Satellite Account (TSA) standard. This proposal was taken over within an UNWTO -OECD – Eurostat - intersecretariat working group in accordance with the resolutions of the UNWTO Nice World Conference and was the basis of the document finally endorsed by the UNSC at its 31st session, and published as Tourism Satellite Account (TSA): Recommended Methodological Framework in 2001-As a result of this process, each of the organizations agreed that they were now in a position to promote the implementation of a similar framework in their respective member countries.
- 1.28. The setting up of the TSA conceptual framework, based on a fully articulated structural link of tourism definitions and concepts with those used in the System of National Accounts, 1993, and as a consequence with those of the IMF Balance of Payments Manual 5, required some adjustments to the 1993 Recommendations on Tourism Statistics particularly on the scope of visitors and of tourism consumption and precisions were required on the location and timing of consumption.
- 1.29. However it was not possible at the time of the approval of the TSA standard to bring the 1993 Recommendations on Tourism Statistics explicitly in line with the requirements of the TSA. As a consequence, their revision was postponed to a later date.

## **B. Towards the 2008 International Recommendations on Tourism Statistics (IRTS)**

- 1.30. At the level of international organizations, tourism was increasingly viewed as a promising area of economic activity that could become a structural part of poverty

alleviation and sustainable development programs in addition to its previously recognized role in fostering global competitiveness of international trade, wealth creation and regional development. The role of the UNWTO in this context has been particularly noteworthy. This role was recognized by the international community in 2004, when the UNWTO was transformed into a specialized agency of the United Nations, and began to participate in the general coordination mechanism of all agencies involved in supporting the compilation of tourism statistics (see Box 1.1).

### **Box 1.1 UNWTO competences in terms of statistics**

#### Article 13

#### Statistical services

- 1 The United Nations and the World Tourism Organization agree to strive for the maximum cooperation, the elimination of all undesirable duplication between them and the most efficient use of personnel in their respective collection, analysis, publication and dissemination of statistical information. They agree to combine their efforts to secure the greatest possible usefulness and utilization of statistical information, to guarantee close coordination in their respective statistical related initiatives and to minimize the burden placed upon Governments and other organizations from which such information may be collected.
- 2 The World Tourism Organization recognizes that the United Nations is the central agency for the collection, analysis, publication, standardization and improvement of tourism statistics serving the general purposes of international organizations.
- 3 The United Nations recognizes the World Tourism Organization as the appropriate organization to collect, to analyse, to publish, to standardize and to improve the statistics of tourism, and to promote the integration of these statistics within the sphere of the United Nations system.

*Agreement between the United Nations and the World Tourism Organization –  
UN General Assembly, 58<sup>th</sup> session, 2003*

- 1.31. In the context of the update and review of most international statistical standards relevant to tourism statistics (such as the 1993 SNA, the Balance of Payments fifth Manual, the International classifications of products (CPC ver. 1)) and of economic activities (ISIC Rev. 3)) and the Manual on Statistics on International Trade in Services), the revision of the 1993 Recommendations on Tourism Statistics that had been postponed in 2000 was decided.
- 1.32. The revision process of the former 1993 Recommendations benefited first of all from the work carried out by the Inter-agency Coordination Group on Tourism Statistics created in 2004 at the request of the UNSC. The scope of its work included the identification of those issues where coordination was required in order to find mutually accepted solutions regarding the TSA update process and close conceptual gaps with related macroeconomic frameworks.
- 1.33. Additional initiatives were also developed: first of all, an electronic forum in which the UNWTO presented several proposals for discussion was active from April to October 2006. Then an international Workshop on Tourism Statistics, under the sponsorship of the UNSD and the UNWTO was held in Madrid in July 2006. It was attended by 79 participants representing 33 countries and 7 international and regional organizations, with the purpose of collecting proposals, recommendations and suggestions for this update. The UNWTO Statistics Committee actively participated in the revision process and provided valuable inputs into the drafting process in particular through a



special session held in Lisbon in March 2007. The provisional draft of IRTS that resulted from its work was the subject of a worldwide consultation during May-June 2007. It was further reviewed and globally endorsed by the ad-hoc United Nations Expert Group which met in New York on 25-28 June 2007.

- 1.34. The concepts, definitions, classifications and indicators as set forth in the present *International Recommendations* have been guided by the following criteria:
- a) Definitions and classifications should be of world-wide practical applicability, both to developed and developing economies;
  - b) They should also be:
    - Consistent (though not necessarily identical) with definitions and classifications used in the National Accounts, Balance of Payments, International Trade in Services, Household and Migration statistics. Additionally, the classifications used should refer, when relevant, to the two main international economic classifications of products (CPC) and activities (ISIC);
    - applicable for description and analysis of tourism at a national and sub-national level;
    - conceptually precise; and
    - measurable within the constraints of statistical observation of visitors and of the activities serving them.
- 1.35. Although the development of national tourism statistics is uneven and the resources (both human and financial) vary from country to country, there is nevertheless the need to strengthen international comparability. Consequently, countries are encouraged to develop their compilation of both demand and supply side tourism statistics along the present *International Recommendations* to ensure a better information base for analysis of tourism and its economic contributions.
- 1.36. Concepts, definitions, classifications and indicators presented in the present *International Recommendations* should be viewed as a foundation of the System of Tourism Statistics. As such, they should be used for coordination, reconciliation and interpretation of all the information produced by all stakeholders in the area of tourism.
- 1.37. The development of a System of Tourism Statistics is closely linked to the implementation of the second international standard approved by the United Nations Statistical Commission (UNSC) for use in the compilation of the Tourism Satellite Accounts (TSA) that is briefly introduced in Chapter 8. In fact, the TSA provides the conceptual framework and the organizational structure for the reconciliation of most tourism statistics internally within the sector as well as with other economic statistics. From this perspective, it should be seen as an instrument to assist countries in the identification of data gaps and to guide them during the revision of existing data sources as well as in the development of new sources.

- 1.38. The measurement of key variables in tourism statistics (such as trips, visitors, expenditure, tourism supply, employment, etc.) must take account of the complexity of tourism due to its crosscutting nature. It should also be responsive to the specificities of each different form of tourism.

### **C. Structure of the document**

- 1.39. The present *International Recommendations* are organized in the following way: after a general introduction and a historical review of the development of the concepts linked to tourism (chapter 1), chapter 2 will introduce the definition of tourism as a subset of travel, and more precisely define some related concepts and definitions, such as that of country of residence, place of usual residence, the usual environment. It will also clarify notions such as those of trips and visits, and introduce the different forms of tourism.
- 1.40. Chapter 3 is dedicated to the characterization of visitors and of tourism trips that are fundamental to a more analytical approach to the flows of visitors.
- 1.41. Chapter 4 introduces the activity of visitors from the point of view of their expenditure and will emphasize on the conceptual delimitation of this expenditure, and its relationship with the different economies concerned by the visits.
- 1.42. Chapter 5 presents the classifications of products and productive activities that need to be used in order to be able to harmonize observations made within the demand approach and the supply approach at a national level as well as to develop internationally comparable economic measurements and aggregates at certain level of breakdown of products and activities.
- 1.43. Chapter 6 introduces the notion of tourism industries as the establishments, whose main activity is a tourism-characteristic activity, and will provide indications on the information that might be of interest regarding these activities in a tourism analysis perspective.
- 1.44. Employment is a crucial aspect of the analysis of the importance of tourism for a national economy. Chapter 7 is dedicated to it and describes concepts and definitions of employment in the tourism industries, its basic categories, major classifications and measures.
- 1.45. The intent of chapter 8 is to discuss briefly the TSA and to identify particular areas that should allow for future extensions in the focus of the present *International Recommendations* such as the link with the measurement of external transactions (the Balance of Payments), extensions of tourism statistics to the observation of tourism at sub-national levels, and the issue of sustainability of tourism.
- 1.46. Chapter 9 provides indications on aspects as important as quality definition and measurement and on dissemination of the results of the statistical procedures developed according to the present *International Recommendations*.

- 1.47. Finally, an Index, a glossary of terms and four Annexes are included. The Index intends to make easier the task of finding references within the document. The glossary of terms recalls the basic definitions of the most important concepts used in the present recommendations, and is usually based either on accepted international definitions from the Balance of Payments Manual or the System of National Accounts, or on the definitions of tourism concepts presented in the present document. Annex 1 identifies the main differences of the present *International recommendations* with the former 1993 Recommendations. The following ones present first of all the list of tourism related products from an expenditure perspective and then the classification that is proposed for an analysis both of supply and demand and the corresponding explanatory notes of the tourism characteristics products and activities that are recommended for international comparability of tourism statistics.

## **Chapter 2**

### **The demand perspective: Basic concepts and definitions**

- 2.1. Because of its special nature, by which visitors are those that make it happen, tourism is a phenomenon which statistical apprehension has its particular challenges. Most tourism indicators have traditionally been physical (non-monetary) and have focused on the description and measurement of flows of visitors associated with inbound tourism. Without underestimating the importance of such information, the present recommendations will expand well beyond this scope.
- 2.2. The purpose of the present chapter is to:
- define tourism as a subset of travel;
  - provide the conceptual background for the definition of visitors and tourism trips and establish the different forms of tourism;
  - provide also basic references and recommendations regarding the measurement of flows of visitors.
- 2.3. As a general type of observation, the term “country” used in the present chapter as well as in other parts of the present *International Recommendations* can be easily transposed, other things being equal, to a different geographical level, using the terms “region” or “place” instead. In this case, the term “region” might refer either to an area within a country or to a group of countries, and the term “resident in a country” can be replaced by “usual resident in a region or place”.

#### **A. Travel and tourism**

- 2.4. **Travel** is understood as the activity of persons while they move between different geographic locations, for any purpose and any duration. Those who travel are referred to as **travelers**. Travel can occur within a country or region (domestic travel) or involve more than one country (international travel). In relation to a country and a measurement at the border, an inbound traveler is an arriving non-resident whereas an outbound traveler is a resident who is leaving the country. Travel has economic, environmental and social impacts that occur mainly in the places that are traveled to.
- 2.5. **Tourism** refers to the activity of visitors while on trips or related to trips. In the context of tourism statistics, a **visitor** is a traveler taking trips (see para. 2.27.) outside his/her usual environment (see paras. 2.20. to 2.22.) involving visits (see paras. 2.27. to 2.36.) each of them for less than a year. The main purpose of the trip should be other than being employed by a resident entity in the economy (or place) visited (see paras. 2.37. to 2.38.). To be a visitor is a transient situation, related to a specific trip. This situation only holds during the trip itself.
- 2.6. Visitors are further subdivided into two types: **tourists** (or overnight visitors), if the trip extends beyond midnight of the day in which it commenced, and **same-day visitors** (or excursionists) otherwise.

- 2.7. **Tourism** is therefore a subset of **travel** and **visitors** are a subset of **travelers**. These distinctions are crucial for the compilation of data on flows of travelers and visitors and for the credibility of tourism statistics.
- 2.8. The trip might take the visitor outside his/her country of residence (see para. 2.13.) and for this country, he/she will be considered as an **outbound visitor**, and his/her activities while outside this country will be considered as **outbound tourism** (see para. 2.41.) whereas for the country visited, he/she will be considered as an **inbound visitor** and his/her activities within the country visited will be considered as **inbound tourism** (see para. 2.41.).
- 2.9. As a visitor travels within his/her country of residence, he/she is a **domestic visitor** and his/her activities are part of **domestic tourism** (see para. 2.41.).
- 2.10. The term **international tourism** includes both inbound and outbound tourism and refers to situations in which the country of residence (see para. 2.13.) of the visitor is different from the country visited. Such visitors are called **international visitors**.

## **B. Conceptual background**

- 2.11. The definitions of the basic concepts in tourism statistics (see also section “Glossary of terms”), refer to the following key notions that require to be clearly stated:
- Economy of reference; economic territory of the country of reference
  - Residence: country of residence, place of usual residence (within a country)
  - Nationality
  - Usual environment of an individual
  - Tourism trips and visits
  - Tourism and being employed by a resident entity in the place visited

### **B.1 Economy of reference; economic territory of the country of reference**

- 2.12. The term “reference country” or “country of reference” refers to the country for which the measurement is done. It is a geographical reference and corresponds to that of economic territory (see Box 2.1). Economy of reference is defined in the same way as in the Balance of Payments and in the System of National Accounts and refers to the economic agents that are resident in the country of reference: it is an economic reference. These references are needed in order to establish without ambiguity the geographical and economic links of activities related to tourism.

### **Box 2.1 Economic territory, economy of reference**

4.3. In its broadest sense, an *economic territory* can be any geographic area or jurisdiction for which statistics are required. Although in many cases, an economic territory is a country, that is not necessarily the case. Types of economic territory include a country, a part of a country, a group of countries, or the world. The connection of entities to a particular economic territory is determined from aspects such as physical presence and being subject to the jurisdiction of the government of the territory.

4.11. An *economy* consists of all the institutional units that are resident in a particular economic territory.

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## **B.2 Residence: country of residence, place of usual residence (within a country)**

2.13. The concept of residence allows for the classification of visitors according to their place of origin and for the characterization of their destination, thus making it possible to typify the different forms of tourism.

### **Box 2.2 Definition of the country of residence of a household**

4.104. While many people are clearly strongly connected to only one economy, others have substantial economic interests in two or more economic territories. Factors such as location of dwellings, employment, asset holdings, citizenship, migration status, income tax status, income received, expenditure, business interests, and location of dependent family members may point to different economies.

4.105. The residence of households is determined according to the center of predominant economic interest of its members. A household has a center of predominant economic interest in the economic territory in which household members maintain a dwelling or succession of dwellings treated and used by members of the household as their principal dwelling. The principal dwelling is defined with reference to time spent there, rather than other factors such as cost, size, or length of tenure. Being present for one year or more in a territory or intending to do so is sufficient to qualify as having a principal dwelling there.

4.106. Usually, these criteria give a clear result, but there may be some highly mobile individuals who do not have continuous actual or intended presence in any one territory for one year. In cases of no principal dwelling, or two or more principal dwellings in different economies, the territory of residence is determined on the basis of the territory in which the predominant amount of time is spent in the year.

4.107. Individuals who belong to the same household must be residents of the same territory. If a member of an existing household ceases to reside in the territory where his or her household is resident, the individual ceases to be a member of that household. As a result of this definition, the use of households as the institutional unit is compatible with residence being determined on an individual basis.

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2.14. In tourism statistics, the country of residence of a household is defined in exactly the same terms as in the Balance of Payments and in the System of National Accounts

<sup>1</sup> In the present *International Recommendations* provisional draft, references are made to the March 2007 BPM6 Draft which is the most recent available version of the international recommendations. References will be updated as new versions are available.

(see Box 2.2). All exceptions and special cases considered in these frameworks are also totally applicable in the case of tourism statistics. As a consequence, it is possible to share and reconcile data coming from these different sources and to work in a coordinated way on related topics such as the measurement of the flows and the expenditures of international travelers and visitors.

- 2.15. Within the context of the study of domestic tourism and of the measurement of tourism activity at a sub-national level, **it is recommended** that residents in a given country be classified according to their place of usual residence, as defined in accordance with the conceptual background of household surveys. Once his/her country of residence has been defined, an individual has only one place of usual residence within this country and it is the place of usual residence of the household to which he/she belongs and the location of his/her principal dwelling. Determining the place of usual residence (see Box 2.3), and thus the principal dwelling of a household is not always straight forward as some individuals might stay for long periods of time in more than one place (e.g. retirees) and thus have strong links with more than one local economy (see Box 2.2). This issue will be addressed in the IRTS Compilation Guide.

#### **Box 2.3 Place of usual residence**

“The membership of a household consists of all persons usually resident in the household, where usual residence should be defined in a manner consistent with the provisions in the latest version of the *Principles and recommendations for population and housing censuses of the United Nations*.”

*International Labour Organisation (ILO) –  
Recommendation No 59 of the Seventeenth International Conference of Labour Statisticians.*

“The place of usual residence is the geographical place where the enumerated person usually resides.... Although most persons will have no difficulty in stating their place of usual residence, some confusion is bound to arise in a number of special cases where persons may appear to have more than one usual residence ....”

*Principles and recommendations for population and housing censuses of the United Nations paras 2.20 to 2.24*

### **B.3 Nationality**

- 2.16. The concept of “country of residence” of a traveler is different from that of his/her nationality or citizenship. The traveler is usually a national or citizen of the country whose government issues his/her passport (or other identification document), even if he/she resides in another country. A traveler might have more than one passport and thus more than one nationality. In some countries, in statistical operations at the border or elsewhere, only the nationality of the traveler as stated in the passport that is presented is taken into consideration. Nevertheless, although frequently used in migration statistics, the concept of nationality is not part of the requirements or definitions of tourism statistics.
- 2.17. While nationality is indicated in the traveler’s passport (or other identification document), the country of residence has to be determined by means of a question (usually the indication of the current home address, although this might not be

sufficient ([see Box 2.2](#)). For tourism statistics purposes, travelers (and visitors) are to be classified on the basis of their country of residence, not their nationality.

#### **B.4 The usual environment of an individual**

- 2.18. The usual environment of an individual is a key concept of tourism statistics. It refers to the geographical area (though not necessarily a compact one) within which an individual conducts his/her regular life routines.
- 2.19. It is a characteristic attached exclusively to individuals that complements (though does not substitute) the notions of country of residence used in National Accounts and in Balance of Payments ([see Box 2.2](#)), and that of place of usual residence used in household statistics ([see Box 2.3](#)).
- 2.20. The purpose of introducing the concept of usual environment is to exclude from visitors those travelers commuting regularly between their place of usual residence and place of work or study, or visiting frequently places within their current life routine, for instance homes of friends or relatives, shopping centers, religious, health care or any other facilities that might be at a substantial distance away or in a different administrative area but nevertheless are regularly and frequently visited.
- 2.21. Based on the prevalent habits of movements, **it is recommended** that each country decide the precise meaning of what is termed regular and frequent in the context of its tourism statistics.
- 2.22. Consequently, the usual environment of an individual includes the place of usual residence of the household to which he/she belongs, his/her own place of work or study and any other place that he/she visits regularly and frequently, even when this place is located far away from his/her place of usual residence ([see Box 2.3](#)) or in another locality.
- 2.23. Each household has a principal dwelling (sometimes also designated as main or primary home) usually defined with reference to time spent there ([see Box 2.2](#)), whose location defines the country of residence and place of usual residence of this household and of all its members. All other dwellings (owned by the household or on which it holds a medium or long-term lease) are to be considered as secondary dwellings.
- 2.24. A vacation home (sometimes also designated as a holiday home) is a secondary dwelling that is visited by the members of the household mostly for purposes of recreation, vacation or any other form of leisure.
- 2.25. Vacation homes are excluded from the usual environment, regardless of their distance from the principal dwelling, locality and frequency of visit: this convention is based on the recognition of the importance of visits to vacation homes in some countries – and its impact on international comparability of domestic tourism specifically -, and the specificities of the expenditures, activities deployed and behaviors associated with the visits to these places.



- 2.26. Vacation homes owned under a timeshare arrangement present specificities in terms of their analysis, classification and measurement. Their treatment in tourism statistics will be developed in the IRTS Compilation Guide.

### **B.5 Tourism trips and visits**

- 2.27. The term trip refers to the movement of an individual from the time of leaving his/her usual residence until he/she returns: it thus refers to a round-trip. A trip may be made up of various visits to different places. A trip is characterized by its main destination, among other characteristics ([see para. 3.10.](#)).
- 2.28. As a general recommendation, the main destination of a trip is to be defined as the place the visit to which is central to the decision to take the trip. However, if no such place can be identified by the traveler, the main destination is to be defined as the place where he/she spent (or will spend) most of his/her time during the trip. If the traveler spent (or will spend) the same amount of time in two or more places during the trip, then the main destination is defined as the one among these places that is the farthest from the place of usual residence.
- 2.29. An international trip is one whose main destination is outside the country of residence of the traveler. A domestic trip is one whose main destination is within the country of residence of the traveler. An international trip might include visits to places within the country of residence in the same way as a domestic trip might include the crossing of international borders and visits outside the country of residence of the traveler if these visits are not central to the decision to take the trip.
- 2.30. The term “visit” refers to the stay in a place visited during a trip. From the perspective of a specific place, individuals making visits to that place that is outside their usual environment, for less than a year, and for a main purpose other than being employed in this specific place are viewed as visitors.
- 2.31. The stay does not need to be overnight to qualify as a visit. Nevertheless, the notion of stay supposes that there is a stop. Entering a geographical area without stopping there does not qualify as a visit to that area. Countries will define the minimum characteristics of stops to be considered as tourism visits.
- 2.32. In tourism statistics, the term tourism trip refers to a trip that does not involve any stay in a place for more than twelve months outside the usual environment, and for a main purpose other than being employed by a resident entity in any of the places visited. The same type of definition holds for *tourism visits*. In other words, *tourism trips* are *trips* taken by visitors and both terms are sometimes used synonymously in the IRTS.
- 2.33. A single tourism trip might include visits or stays in more than one place. As a consequence, visits to places within a broader geographic domain cannot be added to determine the number of tourism trips to this domain (see also duration of a trip paras. [3.28.](#) to [3.31.](#)). This issue is particularly relevant when trying to relate the

measurement of these trips at the national level and the number of visits measured at sub-national level ([see Chapter 8/C](#)).

- 2.34. Observing tourism trips and visits to a place is not the same as observing travelers or visitors as an individual might make more than one trip or visit to a place during the period of observation. Due to the link of tourism statistics with studies of mobility, it might be of interest to identify the number of visits and the places visited during a trip by an individual, as well as the means of accommodation used during each stay and the modes of transport used for each segment of the trip.
- 2.35. This is also the case with tourism trips involving over-the-border visits in which the same individual might make more than one international visit to a country in the period or even within the same trip. Nevertheless, in statistics derived from international arrivals, the term “visitor” is often used instead of “tourism visit” or “tourism trip”. When ambiguity might arise, **it is recommended** that the concepts of “visitor” and “trip” be clearly defined and differentiated in the statistical operations and presentation of the information.
- 2.36. A tourism trip might include overnight stays in some of the places visited, and the visitor is then considered to be a *tourist* (or overnight visitor) to those places; it might also involve visits without an overnight stay, in which case the visitor is considered an *excursionist* (or same-day visitor) to those places.

#### **B.6 Tourism and being employed by a resident entity in the place visited**

- 2.37. Any trip by a traveler whose main purpose is to be employed by a resident entity in the country (or place) visited and receive compensation for the labor input provided should not be considered as a tourism trip even though it is outside his/her usual environment and for less than 12 months. This refers only to the main purpose: if the work and the payment received are only incidental to the trip, this condition does not hold.
- 2.38. Whether a traveler is deemed to be employed or not in the country (or place) visited is to be based on the existence of an employer-employee relationship with a resident entity. This goes beyond the existence of a formal work contract between the provider of the labor service and a producer (businesses, government and Non Profit Institution Serving Households (NPISH)) corresponding to a resident/non-resident transaction (or equivalent in the case of domestic travel). It should be based on the same criteria used in the Balance of Payments compilation ([see Box 2.4](#)) and labor force statistics to determine the cases in which the payment for the labor input provided has to be considered as compensation of employee.

#### **Box 2.4 The employer-employee relationship**

11.11. [...] It is important to establish whether an employer-employee relationship exists between a resident individual and a nonresident enterprise or between a nonresident individual and a resident enterprise. An employer-employee relationship exists when there is an agreement, which may be formal or informal, between an enterprise and an individual, normally entered into voluntarily by both parties, whereby the individual works for the enterprise in return for remuneration in cash or in kind. The remuneration is normally based on either the time spent at work or some other objective indicator of the amount of work undertaken.

11.12. When an individual performs work for an enterprise, it may not always be clear whether an employer-employee relationship exists between the individual and the enterprise. Provision of several types of services may pose such problems because enterprises may choose either to purchase a service from a self-employed worker or to hire an employee to perform the job. The status of the worker has important implications for the international accounts. If an employer-employee relationship exists between the worker and the enterprise for which the work is being done, the payment constitutes compensation of employees.[...]

11.13. Several factors may have to be considered in determining whether an employer-employee relationship exists. An important test of whether an employer-employee relationship exists is that of control. The right to control or to direct, both as to what shall be done and how it shall be done, is a strong indication of an employer-employee relationship. The method of measuring or arranging for the payment is not important as long as the employer has the effective control both on the method and the result of the work undertaken by the individual. If an individual is contracted to produce a given result, it suggests a relationship of a service contract between the enterprise and a self-employed. Self-employed individuals are deemed to operate their own unincorporated enterprises, and thus sell output they produce.

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2.39. As a consequence, and applying this criterion, **it is recommended** that the following be excluded from visitors:

- Travelers crossing the (national or administrative) border on a regular basis (see para. 2.20.) in order to work in a country or region different from that of their place of usual residence (border workers).
- Travelers employed under a short-term contract to work in an economic territory other than that of their residence (seasonal workers in agriculture, construction, hotels, restaurants and other services, as well as other workers), with or without a formal work contract, as long as it might be considered that these travelers are involved in an employer-employee relationship involving a resident/non-resident transaction.

2.40. On the other hand, **it is recommended** that the following travelers crossing the international (or administrative borders) for work or business purposes outside their usual environment be considered as visitors:

- Employees of non-resident entities as well as self-employed persons coming for a short period of time (less than a year) to provide a service such as the installation of equipment, repair, consultancy, etc. working within a framework in which there is no implicit employer-employee relationship with a resident entity;

- Invited lecturers or performers, even when remunerated in the economy visited if for punctual types of performances;
- Businessmen entering in business negotiation with local entities or looking for business opportunities, including buying and selling.

### C. Forms of tourism

2.41. In relation to an economy of reference **it is recommended** that the following three basic forms of tourism be distinguished:

- Domestic tourism**, which comprises the activities of resident visitors within the country of reference either as a domestic trip or part of an international trip (see para. 2.9. and Box 2.5);
- Inbound tourism**, which comprises the activities of non-resident visitors within the country of reference either as an international trip or as part of a domestic trip (from the perspective of his/her country of residence) (see paras. 2.8. and 2.10.);
- Outbound tourism**, which comprises the activities of resident visitors outside the country of reference, either as an international trip or as part of a domestic trip (see paras. 2.8. and 2.10.).

#### **Box 2.5 The scope of domestic tourism**

Because of the traditional denomination that has been used for years in tourism statistics, the term “domestic” used in the tourism context differs from its use in the SNA framework. “Domestic”, in the tourism context retains its original marketing connotations, that is, it refers to the activities and expenditures of resident visitors within the country of reference. In the SNA context, the term “domestic” refers to the production activities of resident institutional units and their transactions encompass attending the needs of both residents and non-residents within the country of reference.

2.42. The three basic forms of tourism set forth in para. 2.41. can be combined in various ways to derive other forms of tourism, in which case the following definitions should be used:

- Internal tourism**, which comprises domestic tourism and inbound tourism, that is, the activities of resident and non-resident visitors within the country of reference as part of a domestic or an international trip;
- National tourism**, which comprises domestic tourism and outbound tourism, that is, the activities of resident visitors within and outside the country of reference either as part of a domestic or an international trip;

- c) **International tourism**, which comprises inbound tourism and outbound tourism, that is, the activities of resident visitors outside the country of reference either as part of a domestic or an international trip and the activities of non-resident visitors within the country of reference as part of a domestic or an international trip (from the perspective of their country of residence).

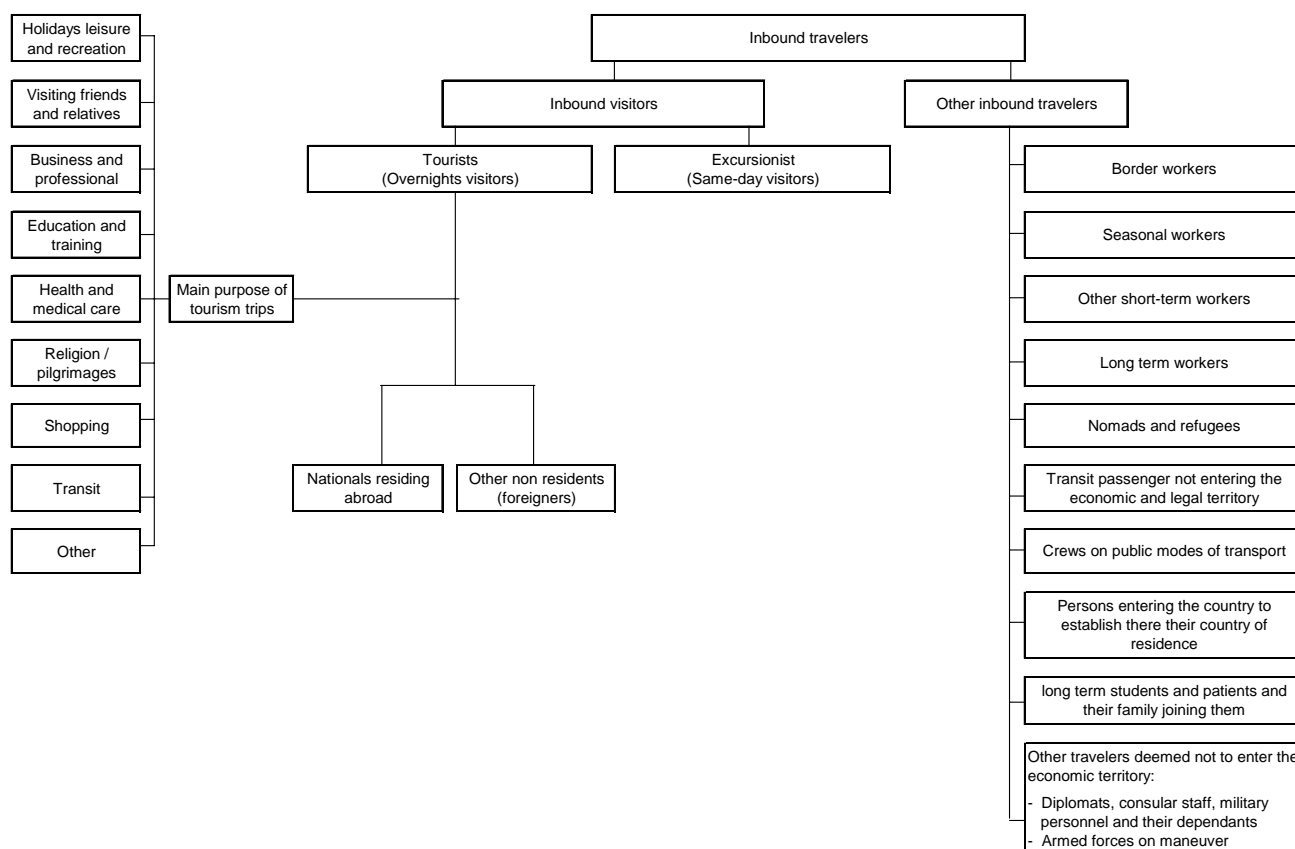
## D. International and domestic visitors

### D.1 International visitors

- 2.43. From the perspective of the country of reference, international travelers/visitors are either inbound travelers/visitors (non resident travelers/visitors making trips to the country of reference) or outbound travelers/visitors (resident travelers/visitors making trips to a country other than the country of reference).
- 2.44. An international traveler, that is, a traveler to or within a country different from that of his/her residence, qualifies as an international visitor if all of the following criteria are satisfied:
- a) The place of destination within the country visited is outside the traveler's usual environment (see para. 2.22.); in particular, travelers to their vacation homes located in a country different from that of their residence are to be treated as visitors;
  - b) The stay, or intention of stay, in the country visited should last no more than twelve months, beyond which the place in the country visited would become part of his/her usual environment;
  - c) The main purpose of the trip is other than entering in an employer-employee relationship with a resident entity in the country visited (see para. 2.37.).
- 2.45. Within arriving resident and non-resident travelers observed at the border, it is possible to define two categories; that of *visitors* (returning outbound visitors in the case of residents, arriving inbound visitors in the case of non-residents) and that of *other travelers* that are not visitors.
- 2.46. *Visitors* are characterized by their main purpose of visit (see para. 3.10.), whereas *other travelers* are being characterized by the reason for which they have been excluded from visitors that corresponds, either to the fact of being in an employer-employee relationship (border, seasonal and other short-term workers) or to the fact of being within the usual environment (all other situations). A special mention needs to be made regarding individuals that are changing their country of residence: they should be excluded from visitors. In principle, this refers both to those proceeding legally and to those proceeding without legal permit although it has to be recognized that it is almost always impossible to identify the latter.

- 2.47. According to Balance of Payments and National Accounts principles, although being non-residents, diplomats, consular staff, military personnel of foreign governments (other than locally engaged staff) as well as accompanying or joining dependents, are deemed not to enter the economic territory of the country in which they are stationed and thus are excluded from the universe of international travelers to this country as they are considered to be residents of the extraterritorial enclave that is part of the national territory of the country they represent. As a consequence, at the border, they are not counted as visitors to the country in which they are stationed. Nevertheless, in a subnational perspective (see paras. [2.3.](#), [2.51.](#) and [Chapter 8/C](#)) their visits to places within the country different from the place where they are stationed will be taken into consideration within tourism statistics.
- 2.48. In the cases of nomads and refugees special considerations apply. For nomads, by convention, all places they visit are part of their usual environment so that beyond the difficulty in certain cases of determining their country of residence, they are not visitors because of condition (a). For refugees or displaced persons, they have no longer any place of usual residence to which to refer, so that their place of stay is considered to be their usual environment: condition (a).
- 2.49. Armed forces on maneuver should also be excluded in order to be consistent with Balance of Payments criteria.
- 2.50. Figure 2.1 below illustrates the classification of inbound travelers in the categories of inbound visitors and other inbound travelers:, in which inbound visitors are classified, either as tourists or excursionists according to the duration of stay, as national residing abroad or other non residents according to the existence of a special link to the country visited, and finally according to the main purpose of trip.

**Figure 2.1**  
**Classification of inbound travelers**



## D.2 Domestic visitors

- 2.51. Most of the recommendations to be found in the present document that mention the term “country” can be easily transposed, other things being equal, to a different geographical level, using the terms region or place instead of country, in which the term “region” might refer either to an area within a country or to a group of countries, and the term “resident in a country” can be replaced by “usual resident in a region or place”. The development of tourism statistics at a sub-national level will be briefly introduced in [Chapter 8/C](#)).
- 2.52. Transposing the criteria above to the case of domestic visitors, generates the following formulation: for any resident traveler to be considered a domestic visitor to a place, the following conditions should be met:
- a) The place (or region) visited should be outside the visitor’s usual environment which would exclude regular and frequent trips to the place visited ([see para. 2.22.](#));
  - b) The stay, or intention of stay, in the place (or region) visited should last no more than twelve months, beyond which this place would become part of his/her usual environment;

- c) The main purpose of the visit should be other than being employed by a resident entity in the place visited (see para. 2.37.).

2.53. Although, theoretically, a similar type of chart to the one established for international arrivals (see figure 2.2) could be established to show the link between domestic tourism and domestic travel, it is rather meaningless because of the practical impossibility of measuring such flows because of the lack of enforcement of controls at subnational borders.

## **E. Measuring flows of visitors**

### **E.1 The usual environment: suggested criteria**

2.54. Because the measurement of flows of visitors, and of all associated variables, is highly sensitive to the definition of the usual environment, **it is recommended** that countries establish observable criteria to delineate statistically the usual environment in their national context. **It is further recommended** that neighboring countries or countries belonging to common supra-national organizations consult with each other in order to apply compatible criteria and ensure compilation of comparable statistics.

2.55. Some countries leave it to the informant to decide whether a trip taken qualifies as a tourism trip. However, in order to ensure comparability between informants, within the country, and overtime, National Statistics Offices are encouraged to establish boundaries and statistical criteria, based on the concept of “usual environment”, of what qualifies as a tourism trip.

2.56. There are often differences in density of population, transportation accessibility, cultural behaviors, vicinity to national or administrative borders, etc., between countries or sometimes within a country. These differences hinder the development of a unique world-wide statistical determination of the usual environment of an individual. Nevertheless, the determination of the usual environment should be based on a combination of the following criteria:

- a) Frequency of the trips
- b) Distance from the usual place of residence
- c) The crossing of administrative or national borders
- d) Duration of stay

2.57. Nevertheless, **it is recommended** that in the practical application of the criteria, the crossing of administrative borders be combined with distance traveled to establish the limits of the usual environment for the following reasons:

- a) administrative units might have very different sizes even within a country;

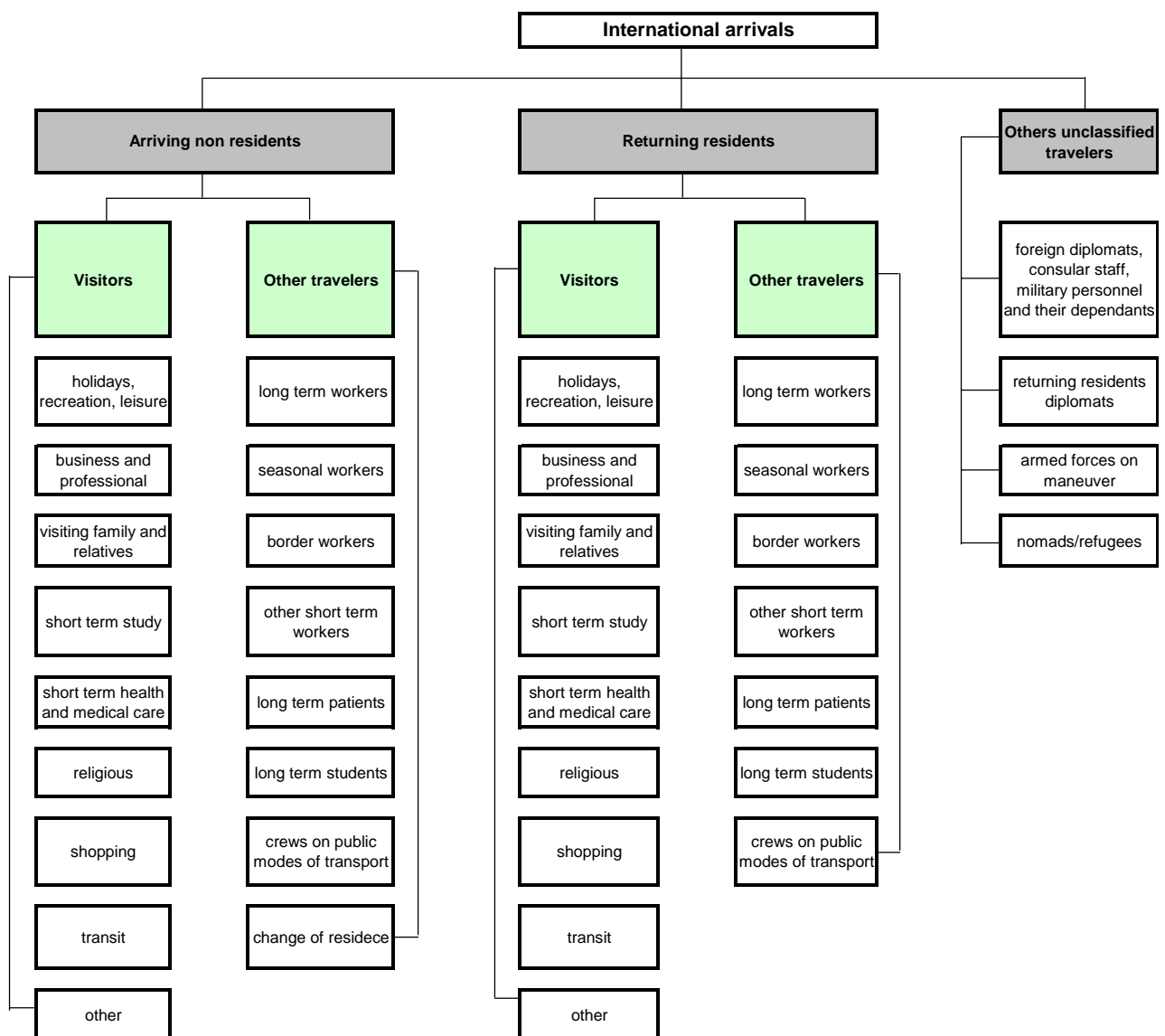


- b) metropolitan areas may stretch over administrative borders even though they represent a compact or contiguous geographical area;
- c) the place of usual residence of some individuals may be very close or far away from the administrative borders so that their crossing might not involve a relevant movement for tourism analysis.

## **E.2 Flows of inbound visitors**

- 2.58. The interest in measuring flows relating to inbound travelers, and identifying some of their subsets is also shared by Balance of Payments compilers and the national accounts. **It is recommended** that countries promote joint efforts of National Tourism Administrations, National Statistics Offices, BOP compilers and border control authorities to perform and improve these measurements.
- 2.59. **It is recommended** to combine as far as possible the use of different categories of instruments such as administrative controls and surveys in an integrated manner.
- 2.60. In the case of countries where the administrative controls at the borders have disappeared and where surveys of travelers at the border cannot be implemented, **it is recommended** that surveys of travelers at the places of accommodation for visitors be combined with other sources such as surveys at popular tourism sites or other tourism destinations.
- 2.61. When the measurement of inbound tourism can be undertaken at the border, **it is recommended** that such administrative means of control as Entry/Departure cards, be complemented with (or substituted by) a program of systematic surveys of travelers at the border (or in its vicinity), mostly at the moment the travelers leave the country.
- 2.62. Usually, what is measured is the flow of non-residents entering or having entered the country. Figure 2.2 below illustrates the different categories of visitors and other travelers that can be identified at national borders upon arrival: some of them are non-resident (first block) and some resident (second block). Finally, some have a special status and are treated separately (other unclassified category that includes diplomats of this country and of foreign countries, armed forces on maneuver and nomads and refugees).

Figure 2.2  
Relationship between international arrivals and different categories of visitors and other travelers



2.63. The main aim of tourism statistics is to identify travelers, and then to separate out visitors from other subset of travelers. In this process, some categories of non-residents are specifically relevant for compilers and for analysis:

- *Nationals residing abroad*
- *Transit passengers*
- *Crews on public or private modes of transport*
- *Cruise passengers and yachters*
- *Frequent border crossers*

2.64. *Nationals residing abroad*: Because immigration authorities are often not interested in collecting information on this group of non-residents entering the country, some

countries exclude those presenting a national passport or a national ID card from the obligation of filling Entry/Departure cards. However, these persons are non-residents with respect to the country of reference and should be included in the scope of non-resident travelers and visitors. Nevertheless, if relevant, the subset of such visitors could be shown separately for analytical purposes.

- 2.65. *Transit passengers*: In principle, only those persons making a stop (see para. 2.33.) and entering the legal and economic territory should be considered as visitors and their purpose of visit should be transit (see para. 3.17/1.7.). Those that do not spend a night in the country visited should be considered as excursionists, while all those spending at least a night in the country visited should be considered as tourists.
- 2.66. *Regular as well as occasional crews* on public modes of transport (understood as transport systems in which the passengers do not travel in their own vehicles) should be considered as within their usual environment, and thus excluded from visitors, even though not always the same individuals are concerned. Crews in other types of conditions for which border crossing is not the usual business (e.g. on an individual mode of transport, on a yacht or non scheduled public mode) should be considered as visitors.
- 2.67. For some countries, *cruise ship passengers and yachters* represent a significant tourism market, and they require a specific analysis and representation. Because of the required consistency of the notions of residence and economic territory with those used in National Accounts and Balance of Payments (see paras. 2.12. and 2.13.), their treatment in tourism statistics will depend upon the application of these concepts to the cruise ship on which they arrive and leave the moorings. The IRTS Compilation Guide will provide indication on the treatment to be given in various circumstances, in particular when a cruise ship calls at various ports within the economic territory of the same country while having left or not the territorial waters.
- 2.68. *Frequent border-crossers*: for countries having a land border and where for a variety of reasons including family visits, work opportunities, shopping on own account, or for business, etc., there is an important movement of persons over the border, the measurement and qualification of these flows in terms of tourism activity might present theoretical and practical difficulties. From a conceptual perspective, **it is recommended** that the notion of usual environment be used and applied, hopefully in a coordinated way with the country sharing the border. From a practical perspective, difficulties might derive from the fact that the population living on the border is often given special facilities in terms of exemption of ID, filling of Entry/Departure cards, or other. As a consequence, the follow up of these movements is often poor and might lead to misclassifications. Nevertheless, if relevant, a subset of such visitors could be shown separately as a memorandum item for analytical purposes.
- 2.69. Besides these subsets of travelers, some other categories may require the use of criteria additional to that of the declaration of the main purpose of the trip (see para. 3.10.) in order to be able to identify visitors. This is the case for those declaring to be traveling for “Education and training”, “Health and medical care” or “Business and professional” purposes.

- 2.70. *Students*: those taking short-term courses (less than one year) are visitors, whereas those taking long-term courses (more than one year) should be considered within their usual environment in their place of study and be excluded from visitors, although still being considered as non-residents. On the contrary according to BoP requirements long-term students are continuing – after one year of stay – to be resident in the territory in which they were resident prior to studying abroad and they are treated as travelers, therefore. If administrative data generated by Immigration Authorities cannot be used, in particular when they provide students with only renewable one-year visa, the identification of such a situation might require the use of specific questions. Additionally, counts might be made more difficult due to the fact that students might interrupt their stay with short-term visits either in their country of origin or elsewhere while their place of study continues being part of their usual environment. The IRTS Compilation Guide will provide indications on this topic.
- 2.71. *Long term Patients*: The same type of issues concern long-term patients that Balance of Payments and National Accounts principles consider as residents of their country of origin irrespective of their length of stay in the place where they are receiving their medical treatment. Those staying more than one year should be considered as within their usual environment. The identification of such cases should be developed with the help of local Immigration Authorities.
- 2.72. *Business and professional visitors*: identifying separately business and professional visitors from other travelers coming for work purposes who are to be considered as non-visitors, requires usually the collection of more information than can be obtained through Entry/Departure cards as they are currently used. Border workers need first to be identified on the basis of the frequency of their border crossing. Other short-term workers that are not visitors are characterized by the existence of an employer-employee relationship with a resident employer, either explicit or implicit. An explicit relationship will usually be coupled with the requirement of a specific visa, whereas an implicit relationship might be more difficult to identify. The IRTS Compilation Guide will include some recommendations on how to face the issue from a statistical perspective.
- 2.73. Besides the compilation of tourism statistics, the measurement of specific subsets of travelers is of special interest to some users. For example, in the case of GATS negotiations, the estimate of the flow component of GATS mode 4 travelers (the number of persons crossing borders) (see Box 2.6) is closely linked to information collected at the borders (both administrative controls – Entry/Departure (E/D) cards and Visa control- and border surveys).

**Box 2.6 About mode 4 and General Agreement on Trade in Services (GATS) negotiations**

In GATS, trade in services is defined as “the supply of a service

- 1 from the territory of one [World Trade Organization (WTO)] Member into the territory of any other [WTO] Member;
- 2 in the territory of one [WTO] Member to the service consumer of any other [WTO] Member;
- 3 by a service supplier of one [WTO] Member, through commercial presence in the territory of any other [WTO] Member;

- 4 by a service supplier of one [WTO] Member, through presence of natural persons of a [WTO] Member in the territory of any other [WTO] Member”.

*World Trade Organization (WTO) – “Results of the Uruguay Round of Multilateral Trade negotiations: the Legal Texts”, Geneva, 1995*

These modes of supplying services are generally referred to as mode 1) or cross-border supply, mode 2) or consumption abroad, mode 3) or commercial presence, and *mode 4) or presence of natural persons.*”

### **E.3 Flows of outbound visitors**

- 2.74. **It is recommended** to use one of two methods, or a combination of both to determine the flows of outbound visitors: either using an E/D card, or a specific survey at the border as in the case of inbound visitors, or to observe them from household surveys because they belong to resident households. In this case, the information on outbound trips is usually collected at the same time as that on domestic trips.

### **E.4 Flows of domestic visitors**

- 2.75. The awareness of the economic importance of domestic tourism has grown significantly in recent years. Even though many countries have left the statistical measurement of domestic tourism to a further stage, the economic contribution of domestic tourism, as a TSA exercise has frequently shown, is often more important than that of inbound tourism.
- 2.76. Because there are no international borders to cross, the observation of the flows of domestic tourism requires the use of different statistical procedures. As far as overnight tourism is concerned, accommodation statistics are an important statistical source to provide information on internal tourism. Information can also be obtained from household surveys interviewing people about trips undertaken in a specified period.
- 2.77. Household surveys based on a stratified sample using spatial, demographic, and socio-economic criteria can be efficient and suitable instruments for measuring domestic tourism activity and related expenditure. They provide comprehensive information as they are in principle not limited to overnight tourism.
- 2.78. Sample size and design are strongly related to the significance and accuracy of the variables to be estimated. Two different issues need to be taken into consideration when designing domestic surveys to analyze tourism: the unequal distribution of persons having a tourism activity over the national territory and the high degree of heterogeneity of the population in terms of its tourism behavior.
- 2.79. From a general household survey perspective, it is possible to observe round trips taken by visitors (see para. 2.27.) and not only visits as is the case when observing visitors during their trips, at certain points of their movement. This provides a more global vision of the tourism behavior from the point of view of the visitor.

- 2.80. While in household surveys on tourism patterns, the trip is the core variable, in accommodation statistics the number of nights spent is the centre of interest. It is a good indicator of the performance of the industry as it not only reflects the trip itself but also the length of stay.
- 2.81. Accommodation statistics are often based on a census operation covering establishments providing paid accommodation, though very often using a threshold in terms of a specified number of bed places or of bed rooms. That part of overnight tourism which is attributed to unpaid accommodation (e.g. stays with friends and relatives, trips to owner occupied vacation homes) is excluded.
- 2.82. Accommodation statistics provide important short term indicators for the evaluation of internal overnight tourism, as they are generally rather quickly available. Due to the fact that it is mostly conducted on a census basis, it is possible to obtain data in a deeper regional breakdown. By connecting data about the localities where the accommodation establishments are located and which often can be derived from existing registers without additional workload for the respondents it is possible to enrich the information directly collected with additional information about e.g. the type of localities where tourism takes place.

## **Chapter 3      The demand perspective: characterization of visitor and tourism trips**

- 3.1. The statistical observation of tourism is made mainly while the visitor is on a trip. A trip can be typified by the visitor's socio-economic characteristics, or by specific features of the trip, including features that are of a non-monetary type as are those associated with the measurement of the flows of visitors ([see Chapter 2](#)). Throughout this chapter, different recommendations are provided regarding the identification and measurement of these characteristics.
- 3.2. Visitors are at the center of the observation of tourism. Nevertheless, visitors do not always travel alone: they might travel in parties, in which they share all or parts of the activities, visits and expenditure associated with their trips. A *travel party* is defined as visitors from the same household traveling together on a trip and whose expenditures are pooled. This extends the SNA notion of a household as persons who share some portion of their income, wealth and consumption to those traveling together on a trip.
- 3.3. Visitors might also travel in a (*travel*) *group* that is made of individuals or travel parties traveling together but where each individual or party is separately responsible for the expenditure not included in the common part (usually purchased separately by each of them as a package): example of such a travel group are people traveling on the same package tour or youngsters attending summer camps.
- 3.4. Although many characteristics of visitors and of their trips can be separately identified for each individual member of a travel party, some of them might not, as is the case of economic variables, and this issue will be introduced in [para. 4.37/\(i\)](#) and further discussed in the IRTS Compilation Guide.
- 3.5. For this reason, it is recommended that the membership of an individual visitor in a travel party be identified as well as the size of the party.

### **A.      Characteristics of the visitor**

- 3.6. **It is recommended** that personal characteristics of visitors be collected through administrative procedures (e.g., Entry/Departure cards, control information collected in collective accommodation establishments, etc.) or through household or border surveys or at specific places or in particular circumstances associated with the trip. They refer mainly to the following:
  - Gender
  - Age
  - Economic activity status
  - Occupation
  - Annual household, family or individual income
  - Education

- 3.7. When relevant, other characteristics should also be included such as the size of the place of usual residence, since the propensity to travel depends also on the size of the place of residence (mostly measured in terms of population) or the proximity to the national or administrative border.
- 3.8. Regarding socio-demographic characteristics, ILO and UNESCO international standard should be used, as adjusted by countries.

## **B. Characteristics of tourism trips**

- 3.9. Trips associated with different forms of tourism (see paras. [2.41.](#) and [2.42.](#)) may be characterized by:
- Main purpose
  - Types of “Tourism product”
  - Duration of trip / visit / stay
  - Origin and destination
  - Modes of transport
  - Types of accommodation

### **B.1 Main purpose of a tourism trip**

- 3.10. The main purpose of a tourism trip to a country (or place) ([see para. 2.3.](#)) is defined as “the purpose in the absence of which the trip would not have taken place”. It is determined by the main activities in which the visitor (or the reference person of a party ([see para. 3.13.](#))) has been or will be involved during the trip at destination.
- 3.11. As defined, the main purpose of the trip helps to determine whether a traveler qualifies as a visitor. For instance, as long as it is incidental to their trip, visitors might earn some income during their stay (e.g. students). Nevertheless, if the main purpose of their trip is to be employed and earn an income, then they are no longer to be considered as visitors but as other travelers ([see para. 2.38.](#)).
- 3.12. Information on the purpose of the tourism trip is a key issue for characterizing tourism expenditure patterns. It is also important in identifying key segments of tourism demand for planning, marketing and promotion purposes.
- 3.13. In the case of travel parties in which members might have different individual purposes, there are various possibilities for the definition of the main purpose of the trip of each of their member: either (i) applying the same purpose to each member of the party (on the basis of the purpose of the reference person of the party - this reference person being defined in the same way as the reference person of a household in SNA either as the person with the largest income or as the person who makes the major decisions with regard to the consumption of the household), or (ii) assigning his/her specific purpose to each member of the travel party. The solution



adopted will depend on the purpose of the study and the sample design and the IRTS Compilation Guide will provide indications on this issue.

- 3.14. The classification presented below elaborates on previous classifications and incorporates new behaviors that have been gaining in importance since the 1993 Recommendations on Tourism Statistics.

**Figure 3.1**

***Classification of tourism trips according to the main purpose***

1. Personal
  - 1.1. Holidays, leisure and recreation
  - 1.2. Visiting friends and relatives
  - 1.3. Education and training
  - 1.4. Health and medical care
  - 1.5. Religion/pilgrimages
  - 1.6. Shopping
  - 1.7. Transit
  - 1.8. Other
2. Business and professional

- 3.15. The classification of a trip according to its tourism purpose should be related to the types of activities undertaken while on the trip (see para. 3.10.). Based on this criterion, incentive trips organized by producers (business, government and non profit institutions serving households), for their employees either as a reward, or in which the main activities in which participants engage are the practice a sport or a recreational activity, should be included, when feasible, in category 1.1. *Holiday, leisure and recreation* although they are paid for and organized by the employers.

- 3.16. Each tourism trip has one and only one main purpose though a visitor can also develop secondary activities (some of those specific to other identified purposes of trips) while on his/her trip.

- 3.17. Each tourism purpose (except the case of 1.7. *Transit*) is associated with a main group of activities undertaken during the trip as follows:

1. *Personal*: this category includes all purposes of tourism trips that are not classified as business and professional (see 2. *Business and professional* below).

1.1. *Holidays, leisure and recreation*: this category includes, for example, sightseeing, visiting natural or man-made sites, attending sporting or cultural events, practicing a sport (skiing, riding, golfing, playing tennis, diving, surfing, hiking, trekking, mountain climbing, etc.) as a non-professional activity; using beaches, swimming pools and any recreation and entertainment facilities, cruising, gambling, attending summer camps for youngsters, resting, honeymooning, fine dining, visiting establishments specialized in wellbeing (i.e. wellness hotels), fitness except in the context of a medical treatment (in which case the purpose would be 1.4 *health and medical care*), staying in a vacation home belonging to or leased medium or long term and used by the household, etc.

- 1.2. *Visiting friends and relatives*: this category includes, for example, activities such as visiting relatives or friends; attending weddings, funerals or any other family event; short-term caring for the sick or old.
  - 1.3. *Education and training*: this category includes, for example, activities such as taking short-term courses (i.e. less than one year) ([see para. 2.70.](#)); following particular programs of study (formal or informal) or acquiring specific skills through formal courses including paid study, language, professional or other special courses, university sabbatical leaves.
  - 1.4. *Health and medical care*: this category includes, for example, activities such as receiving services from hospitals, clinics, convalescent homes and, more generally, health and social institutions, visiting thalassotherapy and health and spa resorts and other specialized places to receive medical treatments when they are based on medical advice, including cosmetic surgeries using medical facilities and services. This category includes only short-term treatments because long-term treatments requiring stays of more than one year are not part of tourism ([see para. 2.71.](#)).
  - 1.5. *Religion/pilgrimage*: this category includes, for example, attending religious meetings and events, pilgrimages, etc.
  - 1.6. *Shopping*: this category includes, for example, purchasing consumer goods for own personal use or as gifts except for resale or for use in a future productive process, (in which case the purpose would be business and professional);
  - 1.7. *Transit*: this category includes, for example, stopping at a place without any specific purpose other than being en route to another destination;
  - 1.8. *Other*: this category includes, for example, volunteer work (n.i.e.), investigating work and migration possibilities; undertaking any other temporary non-remunerated activities n.i.e..
2. *Business and professional*: this category includes the activities of self-employed, and employees of non resident producers, as long as they do not correspond to an implicit employer-employee relationship with a resident producer, those of investors, businessmen, etc. It also includes for example: attending meetings, conferences or congresses, trade fairs and exhibitions; giving lectures, concerts, shows and plays; promoting, purchasing, selling or buying goods or services on behalf of a non-resident producer; participating in foreign government missions inclusive as diplomatic, military or international organization personnel, except when stationed on duty in the country visited; participating in non governmental organizations missions; participating in scientific or academic research; programming tourism travel, contracting accommodation and transport services, working as guides or other tourism professionals for non-resident agencies; participating in professional sports activities; attending formal or informal on-the-job

training courses; being part of crews on land vehicles, aircraft and ship within non regular transportation services, etc.

- 3.18. Some countries might find it difficult to implement these details and wish, more simply, to use the one digit breakdown, and identify only the *personal purposes* on the one hand, and the *business and professional* purpose on the other, and within *personal*, identify separately visitors for health purpose and those for education purpose. This split between “business” and “personal” and the identification of trips for health and education purposes would at least help to satisfy the minimal requirements for the compilation of the Balance of Payments Accounts (see paras. [8.20.](#) and [8.21.](#)).
- 3.19. In some countries, one or more of these categories may be sufficiently important to justify an additional level of this classification by purpose, which may be developed for national or local analysis. In this case, a hierarchical structure **is recommended**, one in which sub-categories are developed to those that have been proposed above.
- 3.20. For instance, the business and professional purpose could be split into “attending meetings, conferences, or congresses, trade fairs and exhibition” and “other business and professional purposes” to highlight purposes relevant to the Meetings Industry (see [para. 5.25.](#)). Also regarding the holidays, leisure and recreation purpose, visiting vacation homes (see paras. [2.24.](#) to [2.26.](#)) could be specified as a separate sub-category.
- 3.21. Besides the activities associated with the main purpose of the trip, visitors may undertake additional activities considered as secondary because they are not central to the trip. However, their identification may be relevant for planning, promotion and other analytical purposes, in particular, it may be useful to know how visitors are responding to a destination’s major diversification of activities proposed to visitors and to strategies designed to extend the visitors’ stay in the country, region or place traveled to.
- 3.22. For example, a visitor could arrive in a country for the main purpose of attending a conference, but make cultural or family visits on the way to, from or during the conference, in the place of the conference or in other parts of the country or beyond the duration of the conference.
- 3.23. Because of the existence of other identifiable purposes besides the main one, a traveler who has not been considered as a visitor to a country at the border because of the main purpose of his/her trip (e.g. a seasonal worker) could travel to places within this country for leisure and recreation. These visits as well as the activities undertaken and expenditure associated with these specific visits could be taken into consideration in tourism statistics at the sub-national level because from the perspective of these places visited, they fall under the category of tourism visits (see paras. [2.33.](#), [8.39.](#) and [8.42.](#)). The IRTS Compilation Guide will give indications on how to solve these situations in a satisfactory manner, both for the general national and particular subregional purposes.

- 3.24. For the purpose of enhancing the consistency between the flows and characteristics of visitors and particularly their main purpose of the trip as identified at the border and the activities undertaken by visitors both at the national and the sub-national level, **it is recommended** that border surveys and other surveys in which the activities of travelers are identified, try also to identify movements and visits to different places within the country visited and the activities undertaken there.

## **B.2 Types of “Tourism product”**

- 3.25. A “tourism product” represents a combination of different aspects (characteristics of the places visited, modes of transport, types of accommodation, specific activities at destination, etc.) around a specific center of interest such as nature tours, life on farms, visits to historical and cultural sites, visits to a particular city, the practice of specific sports, the beach, winter sports, etc. This notion of “tourism product” is not related to the concept of “product” used in economic statistics but rather to that used by professionals in the tourism business to market specific packages or destinations.
- 3.26. It is then possible to speak of specific types of “tourism products”, such as culinary tourism, eco-tourism, city tourism, sun-and-sand tourism, agro-tourism, health tourism, winter tourism, etc. This classification is increasingly requested and used by tourism stakeholders as a marketing tool.
- 3.27. Because these “products” are still not sufficiently characterized in a uniform way, there is no international recommendation for the use of this type of classification.

## **B.3 Duration of a trip / visit / stay**

- 3.28. The volume of tourism can be characterized, not only by the number of trips, but also by the number of overnights. The duration of a trip or visit is a meaningful parameter in tourism statistics because it provides information on the total number of nights spent in a place by visitors. This is an important input in assessing the level of demand for tourism services, such as overnight accommodation services. Duration of stay is also useful in estimating expenditure as there is a high correlation between duration of stay and total expenditure associated to a trip.
- 3.29. The total duration of a trip as perceived and reported by a visitor may be different from the sum of the durations of the different stays in the places visited because of the time spent traveling to/from and between the different places. This, and the fact that an international trip might involve trips to a number of countries, makes it difficult to use mirror statistics that involve establishing flows and characteristics of inbound tourism on the basis of statistics on outbound tourism of the countries of origin of the visitors.
- 3.30. The duration of trips or visits that include an overnight stay is expressed in terms of number of nights. No correction is to be made to take into consideration trips or visits beginning early on the first day and finishing late on the last day of the stay or trip.

Trips or visits that do not involve an overnight have to be considered same-day trips or visits irrespective of the number of hours spent in the place or on the trip.

- 3.31. Overnight trips should be grouped by classes according to the number of overnights. Each country (or regional organizations) should determine the categories that are relevant in their own context. Many countries for instance separate long stays (4 nights and more) from short stays (less than 4 nights). In the case of international tourism, long stays might be further subdivided consistently with the different categories of stays approved by immigration authorities and their duration brackets so as to facilitate collaboration and exchange of information. In some countries, in particular in the case of domestic tourism, it will be relevant to identify short and long weekends, involving 1, 2 or even 3 nights. In countries where the tourism of retirees visiting their vacation homes is important, some categories of very long stays might need to be established.

#### **B.4 Origin and destination**

- 3.32. For inbound tourism, it is essential to classify all arrivals by country of residence rather than by nationality (see paras. [2.13.](#) and [2.14.](#) and paras. [2.16.](#) and [2.17.](#)). It is in the country of residence where the trip originates and usually it is there that the decisions are taken and implemented regarding the organization of the trip: its duration, destination, use of a package, modes of transport used, etc. For outbound tourism, departures should be classified according to the main destination of the trip or visit (if part of a domestic trip).
- 3.33. The same classification of countries and territories should be used for classifying both residence and outbound destination and should be based on the UNSD *Standard Country and Area Codes for Statistical Use*.
- 3.34. For sub-national analysis of domestic tourism, ([see Chapter 8](#)) it is also essential to characterize trips both according to the place of usual residence of the visitor and his/her personal characteristics ([see para. 3.6.](#)) and of the destination of the trip. This information, usually collected through household surveys, is often represented in matrices showing the number and duration of trips by origin and destination.

#### **B.5 Modes of transport**

- 3.35. The modes of transport usually refer to the main mode used by the visitor to travel to the country or place visited. This main mode might be established in different ways and based on:
- the mode on which the most miles/kilometers are traveled;
  - the mode on which most time is spent;
  - the mode which has the highest share of the total transport cost;
  - etc.

- 3.36. In the case of international travel, the main mode of transport is often established on the basis of the main distance covered or on the mode used to cross the borders of the country visited in particular in the case of island countries or territories.
- 3.37. A similar kind of classification can be used when countries wish to describe trips according to modes of transportation used within the country or to the place visited. This type of standard classification was developed by UNWTO and has been traditionally used in tourism statistics.

**Figure 3.2 Standard classification of modes of transport**

Major groups	Minor groups
1. Air	1.1 Scheduled flight 1.2 Unscheduled flight 1.3 Private aircraft 1.4 Other modes of air transport
2. Waterway	2.1 Passenger line and ferry 2.2 Cruise ship 2.3 Yacht 2.4 Other modes of water transport
3. Land	3.1 Railway 3.2 Motor coach or bus and other public road transportation 3.3 Vehicle rental with driver <ul style="list-style-type: none"> <li>(i) taxis, limousines and rental of private motor vehicles with driver</li> <li>(ii) rental of man or animal drawn vehicles</li> </ul> 3.4 Owned private vehicle (with capacity for up to 8 persons) 3.5 Rented vehicle without operator (with capacity for up to 8 persons) 3.6 Other modes of land transport: horse back, bicycle, motorcycles, etc. 3.7 On foot

## B.6 Types of accommodation

- 3.38. Overnight visitors usually require some type of accommodation to spend the night and accommodation represents often a significant share of the overall trip expenditures (once transportation to the place visited has been taken care of). An important field of tourism policy has to do with the development of hotels and other types of accommodation offered to visitors so that it is of particular interest to tourism authorities to know about the type of short term accommodation used by visitors and relate it to their characteristics in order to forecast demand for different types of accommodation.
- 3.39. Short term accommodation might be provided either on a commercial (market) basis, that is as a paid service, even when the value charged to the user might be subsidized, or on a non-commercial (non-market) basis, that is, as a service provided by family, friends or relatives, without charge, or on own-account (owner-occupied vacation homes). Visitors might also choose not to use any type of produced accommodation service as is the case of backpackers sleeping in the open.

- 3.40. Whereas outright purchase of vacation or holiday homes have always been an alternative to using other types of short-term accommodation, more recently, new forms of acquisition and leasehold of holiday homes have emerged including time-shares, condo hotels, fractionals, private clubs and other forms of shared use and ownership that tend to blur the divide between what is described as accommodation and what is described as ownership of real estate or vacation homes. Given the nature and complexity of these arrangements it becomes difficult for the visitor to identify and inform precisely the type of accommodation or real estate services used.
- 3.41. In the 1993 Recommendations, a standard classification of tourism accommodation was provided. Due to the complexity already mentioned, the practical difficulties to correctly identify these different types of accommodation services provided, as well as the newly revised international classifications of activities and products related to accommodation, this classification needs to be reviewed.
- 3.42. These revised international classifications now form the basis of the lists of Tourism characteristic products and activities for the analysis of the supply of and demand for accommodation services for visitors (see Annexes 3 and 4). Consequently, the former standard classification of tourism accommodation needs to be revised in due course, once the Companion Guide to ISIC, Rev. 4 and the CPC, Ver. 2 is finalized and agreement is reached for launching an international consultation process including national statistical offices, national tourism authorities as well as international organizations.

### **C. Measuring the characteristics of visitors and tourism trips**

- 3.43. In all surveys and procedures regarding visitors and trips, the data collected should provide information on the visitors, on the one hand for their correct identification as visitors, and on the other hand for analytical purposes, in order to identify the nature and characteristics of the different target groups or markets of origin. For example, some countries might be interested in separately observing different subsets of visitors according to one specific issue or focus, as for instance nationals (actual or former) residing abroad and taking a trip to their (actual or former) country of origin, or those coming from big metropolis, etc..
- 3.44. The classifications used in the collection of these additional data, for example, types of accommodation, modes of transport, and country of origin, and in their later tabulation, should be similar to those used in expenditure surveys of the same universe of visitors and in the observation of supply, so that links, references and expansions to the corresponding universe of visitors can be performed.
- 3.45. In many countries, the characteristics of trips and visitors are established through questions, either on the Entry/Departure cards, or in surveys at the borders, at destination (accommodation surveys) or as part of household surveys (for domestic and outbound tourism). In the case of inbound tourism, the UNWTO has developed a model border survey that builds on previous proposals as well as on a large consultation of countries' experiences. The IRTS Compilation Guide will provide

indications on the statistical operations related to the measurement of trips and the definition of their characteristics. Here, only a few issues related with the duration of stay will be underlined.

- 3.46. The Entry/Departure cards, or records of entry and departure captured and reconciled by the immigration authorities are often the basic source for establishing the flows of inbound and outbound visitors. These cards usually collect information on a census basis on name, gender, age, nationality, current address, date of arrival (of departure in the departure card), and length of stay (expected on arrival/actual on departure for inbound visitors and expected on departure/actual on arrival for outbound visitors).
- 3.47. Usually, immigration authorities provide data based on arrivals, in which case, for inbound travellers, the data that are collected refer to expected length of stay. Some countries reconcile entry and exit cards by matching their identification number in order to establish the actual length of stay. Some difficulties might arise in this operation due to the existence of unmatched cards as a consequence of errors in the process (lost cards, error in the capture of the data), lack of coordination in recording authorization of change in status, or to longer than expected stays or overstays (illegal immigrants having entered as tourists being also a possible source of discrepancy).
- 3.48. Countries lacking an exhaustive control of travelers at national borders often use, as a substitute, surveys of guests staying at collective accommodation. The users of this type of sources without complementary operations to correct coverage shortfalls should bear in mind some limitations associated with such type of sources: first of all, not all visitors stay at collective accommodation, and those who do not might have very different patterns of behavior as compared to those who do. Second, a visitor while on a trip might stay in more than one collective accommodation, resulting in an overestimation of the number of visitors and an underestimation of the total duration of trip.
- 3.49. The duration of stay is the first criterion (though not the unique one) to be applied in order to determine whether an arrival relates to a (potential) resident or a non-resident, and if a non-resident, whether it might relate to a visitor.
- 3.50. In some cases, it is extremely difficult to determine the main place of residence of certain travelers as they move frequently from one place (or country) to another while none of them is significantly more visited than the others ([see para. 2.15.](#)).
- 3.51. For the purpose of tourism statistics, as well as for National Accounts and Balance of Payments, the classification of these persons presents specific challenges as information collected by immigration authorities might not be sufficient to take a decision (as information such as duration of this visit being less than a year; declaration of a home address different from that in the country visited are not sufficient to elucidate the situation).
- 3.52. For countries in which these situations are frequent (countries with an important “population” of foreign retirees for example) it would seem reasonable that they allow



for a “grey” category in which to classify such individuals and to extend this type of classification and treatment also to the analysis of expenditure (and investment, with the acquisition of dwellings (vacation home, principal dwelling or others)).

- 3.53. A similar situation might also occur when trying to determine the length of stay of long-term students and patients, so as to establish whether the place visited might be considered as falling within their usual environment as their stay might be interrupted by short stays in their country (or place) of origin or elsewhere. In that case, the classification should be based on the length of the course they are taking or of the treatment they are following (see paras. [2.70.](#) and [2.71.](#)). This requires regrouping their different arrivals in order to convert visits (what is observed currently at the border) into individuals taking trips. Tourism and immigrations authorities should collaborate on this issue in countries where their incidence is relevant.

## **Chapter 4      The demand perspective: Tourism expenditure**

4.1. In addition to the traditional measurement of the characteristics and activities of visitors by means of physical (non-monetary) indicators (see Chapter [2](#) and [3](#)), the measurement of the contribution of tourism to the economy requires the use of monetary variables. This chapter provides a definition of tourism expenditure, its coverage, timing and location, its different categories and classifications, and provides some recommendations about its measurement. A more detailed elaboration on compilation methodology will be presented in the IRTS Compilation Guide.

### **A.      Coverage of tourism expenditure**

4.2. *Tourism expenditure* refers to the amount paid for the acquisition of goods and services for and during their trips by visitors or by others for their benefit through a monetary transaction, for own use or to give away. It includes expenditures by the visitors out of their own resources, as well as expenses related to the trip that are paid for or reimbursed by others.

4.3. It excludes the acquisition of those items that need to be estimated using other types of statistical sources (for instance the so-called social transfers in kind that benefit visitors) or when they do not involve a monetary transaction (for instance, the imputation of accommodation services provided by vacation homes to their owners). These will be included in the more inclusive concept of *tourism consumption* that will be used in the other standard, the *Tourism Satellite Account*. Other exclusions will also be mentioned in [para. 4.7](#).

4.4. All individual goods and services that the 1993 SNA considers as consumption goods or services (those that satisfy the wants and needs of individuals) can potentially be part of tourism expenditure such as, all food prepared and without preparation, all manufactures whether locally produced or imported, all personal services, etc.. Other types of goods, namely valuables, might also be included.

4.5. More precisely, tourism expenditure includes:

- Monetary expenditure on consumption goods and services paid directly by the visitor;
- Goods of considerable value considered as valuables (painting, works of arts, jewelry, etc.) that are acquired also because of their role as stores of value overtime, purchased on trips irrespective of their unit value;
- Durable consumer goods (computers, cars, etc.) purchased on trips irrespective of their unit value;
- Direct expenditure by the visitor refunded by a third party, either producers (businesses, government and NPISH), other household or the social insurance scheme;
- Partial payment made by visitors for the individual services provided on a non-market basis by government and NPISH in the areas of education, health, museums, performing arts, etc.;

- Out of the pocket portions of the services provided to employees or others on tourism trips financed principally by producers (businesses, government and NPISH), such as: subsidized transport, accommodation or other services provided by producers to their employees and their family; payment due by employees and their family spending holidays in the holiday residences of producers; supplementary payments due by individuals invited by producers to attend sports or any other cultural events, etc..

4.6. Tourism expenditure refers exclusively to transactions involving goods and services acquired by visitors and not to all types of payments that they might make. Excluded are all payments that do not correspond to the acquisition of goods and services, and in particular:

- the payment of taxes and duties not levied on products;
- the payment of interest, including those on expenditure made during and for trips; additionally Financial Intermediation Services Indirectly Measured (FISIM) as indirectly estimated values are not included in tourism expenditure. They will be included in tourism consumption;
- the purchase of financial and non-financial assets, including land and real estate;
- all transfers in cash and in kind such as donations to charities or to other individuals (in particular to family and relatives) as they do not correspond to the purchase of consumption goods or services from these charities or individuals.

4.7. The purchase of housing, real estate, and all expenditure related to major repairs and improvements thereof are considered by the 1993 SNA and by the Balance of Payments as capital expenses even in the case of households purchasing them and therefore are also excluded from the notion of consumption. **It is recommended** to exclude them also from tourism expenditure as well as current expenses related to vacation homes such as those usually incurred by owners as they relate to the function of owners as producer of accommodation services and not to that of consumers of such services. This recommendation will be more developed in the IRTS Compilation Guide.

## **B. The when and where of tourism expenditure**

4.8. The issue of the timing of tourism expenditure is relevant, as often items such as transportation, accommodation, etc., purchased and booked either separately or as parts of a package are paid for before being “consumed”. The corresponding disbursement (that visitors often wrongly understand as their acquisition) might also happen after consumption when using a credit card or a special loan drawn for this specific purpose.

4.9. Following the rules of the 1993 SNA, final consumption by households (individuals) (and tourism expenditure, though not all of it is part of final consumption expenditure of visitors (see para. 4.37/(g)), follows the same rules) is deemed to occur at the moment of the transfer of ownership of goods or that of the delivery of services, not

that of its payment. Consumption expenditure on transport services occur when being transported, consumption expenditure on accommodation services occur when staying in the place of accommodation, consumption expenditure on travel agency services occur when the information is provided and the travel services are booked, etc..

## B.1 Timing

- 4.10. Timing of expenditure in tourism statistics should follow the principles used in the 1993 SNA that are recalled in Box 4.1.

### **Box 4.1** Timing of expenditure

Expenditures on goods or services occur at the times when buyers incur liabilities to sellers. These are usually the times when:

- (a) The ownership of the good is transferred from the seller to the new owner; or
- (b) The delivery of a service by the producer is completed to the satisfaction of the consumer.

The times at which sellers are actually paid for the goods or services they deliver are not necessarily the times at which the expenditures occur. [...] Payments may either proceed, or lag behind the actual deliveries of the goods or services sold. For this reason, the values of expenditures are measured by the values of the amounts receivable and payable at the times the expenditures are incurred. (paras. 8.24 and 9.25)

*Commission of the European Communities, International Monetary Fund, Organisation for Economic Cooperation and Development, United Nations and World Bank, System of National Accounts, 1993 (Brussels/Luxembourg, New York, Paris, Washington, D.C., 1993)*

- 4.11. The acquisition of all goods and services during a tourism trip is in principle part of tourism expenditure.
- 4.12. Some goods and services related to a trip might be acquired either before a trip or during a trip, so care should be taken to include them irrespective of the moment at which they have been purchased. All acquisition of services made before the trip and clearly related to the trip, (e.g., inoculations, passports, medical control, services of travel agency, etc.), and of items of small unit value made before the trip that are intended to be used on the trip or brought along as gifts (specific clothes, medicines, etc. to be used on the trip), should be included in tourism expenditure.

## B.2 Location

- 4.13. Although for marketing purposes, and in order to compare the total costs for the visitor that are associated with a trip, it is the value of total trip spending that is relevant, for macro-economic analysis of tourism activity and its effect on a specific territory, the location in which the consumption occurs is crucial. Rather than the identification of the geographical place in which tourism expenditure occurs, the intention in this case is to identify the **economy** in which this expenditure occurs (see difference between economic territory and economy in Box 2.1). In most cases, physical location and the economy concerned will be identical, with a few exceptions

as for instance international (or transborder) transportation, in which the economy involved in the transaction with the visitor will be that of the carrier, and not that corresponding to the physical location of expenditure (that might occur anywhere) (see para. 2.12.).

- 4.14. The economy affected by tourism expenditure cannot be derived directly from the route or destination of the visitor's trip or on the basis of the different visits undertaken or to be undertaken during the trip. There is no strict relationship between the destination of a trip and the places visited on the one hand and the location of the associated expenditure on the other. For instance, not all expenditure associated with international visits occurs outside the economy of origin of the visitor and in particular some services might be acquired from producers resident in the country of origin or in any other country (international transport in particular, or any expenditure made while en route to the final destination).
- 4.15. Though tourism expenditure always relates to persons traveling or intending to travel outside their usual environment, the acquisition of goods and services may well occur within the economy of the usual environment of the visitor or in any of the economies corresponding to the places visited during the trip. This might depend on the nature of the good or service purchased (travel agency services, inoculations required for the trip) or on the particular behavior of a visitor (some prefer purchasing clothes, gear, or other goods to be used on the trip before leaving while others prefer doing it on the trip as part of their tourism experience, some prefer traveling on a specific airline while others do not have marked preferences, etc.).

### **C. Categories of tourism expenditure**

- 4.16. Applying the three forms of tourism that have been defined in para. 2.41. to the specific activity corresponding to the acquisition of goods and services, three basic categories of tourism expenditure can be defined as follows:
- a) **Domestic tourism expenditure** is the tourism expenditure of resident visitors within the economy of reference;
  - b) **Inbound tourism expenditure** is the tourism expenditure of non-resident visitors within the economy of reference;
  - c) **Outbound tourism expenditure** is the tourism expenditure of resident visitors outside the economy of reference.
- 4.17. All expenditures attached to a specific trip will not necessarily fall under the same category. Additionally, domestic and inbound tourism expenditure might include goods produced in another economy but they need to be acquired within the economy of reference (imported goods) from a resident provider to be part of domestic or inbound tourism expenditure.

- 4.18. A specific case is that of transportation services provided in an economic territory to residents by a non resident carrier, a situation that might increasingly occur in the case of open skies and mentioned specifically in the Balance of Payments (see para. 8.16.). Other problematic limit case is that of goods purchased for a domestic trip on Internet from an international provider. In those cases, there is the purchase of a service (transport or retail trade services) provided by a non-resident that would be initially considered as part of domestic tourism expenditure because there is no visit outside the economic territory, a contradiction with the fact that domestic tourism expenditure only comprises resident/resident transactions. In those cases, these expenditures should be included in outbound tourism expenditure although the visitor does not cross the geographical borders, a fact that illustrates the difference between the notion of economy and that of economic territory (see Box 2.1). The IRTS Compilation Guide will discuss these very special situations.
- 4.19. Inbound tourism expenditure does not include all acquisition of goods and services on trips by inbound visitors but only acquisitions that occur in the economy of reference. Adding inbound tourism expenditure related to a trip with the expenditure of these visitors in their economy of origin related to the same trip, the total expenditure of inbound visitors on the trip is compiled, a variable that may be of interest for policy making purposes in order to compare total costs associated with a trip and market destinations on the basis of this variable.
- 4.20. Outbound tourism expenditure does not include all acquisition of goods and services by outbound visitors but only acquisitions that occur outside the economy of reference as well as expenditure by visitors on domestic trips from non resident providers (see para. 4.18.). Acquisition of goods and services in the economy of residence of outbound visitors is included in domestic tourism expenditure.
- 4.21. In the same way as already defined (see para. 2.42.) other categories of tourism expenditure can be derived from the three basic ones:
- a) **Internal tourism expenditure** comprises all tourism expenditure of visitors, both resident and non-resident, within the economy of reference. It is the sum of domestic tourism expenditure and inbound tourism expenditure. It includes acquisition of goods and services imported into the country of reference and sold to visitors. This indicator provides the most comprehensive measurement of tourism expenditure in the economy of reference.
  - b) **National tourism expenditure** comprises all tourism expenditure of resident visitors within and outside the economy of reference. It is the sum of domestic tourism expenditure and outbound tourism expenditure.
- 4.22. International tourism expenditure can also be defined, but has no real economic meaning, as it would combine tourism expenditure of non-resident visitors within the economy of reference (an export) with tourism expenditure of resident visitors outside this economy (an import).

- 4.23. The valuation of tourism expenditure depends on the form of acquisition of the goods and services concerned. In the case of transactions that happen on the market, the prices to be used are the purchasers' prices, which correspond to the unit value that the visitors face. These prices should include all taxes on products as well as tips, either voluntary or compulsory: these are prevalent in services used by visitors such as accommodation services and food serving services. Discounts and sales tax or VAT rebates to non residents, even when made at the border, should also be taken into consideration when relevant as they lower the actual price paid by consumers. (Further indication on valuation and in particular the treatment of transactions in foreign currency will be provided in the IRTS Compilation Guide).

#### D. Classifications

- 4.24. In order to be able to relate expenditure by visitors to the supply in the economy and the specific industries catering to them, **it is recommended** that information be collected not only on the total value of tourism expenditure, but also on the detailed items making up this total.
- 4.25. Establishing the demand associated with tourism expenditure of specific goods and services and relating this demand to the supply of these goods and services in the economy requires an interface between supply and demand, and this can be done only through the use of a common classification of goods and services in both the demand and the supply side statistics. In industrial statistics and in the National Accounts, products are usually analyzed in classifications derived from the UN Central Product Classification (CPC).
- 4.26. Nevertheless, the product breakdown of tourism expenditure is usually based on direct information provided by visitors and therefore will need to be as easy as possible for visitors to inform.
- 4.27. As a consequence, the recommended classifications to be used to collect information on tourism expenditure are the following:
- *According to their purpose:* the most common way of finding out from visitors about their expenditure is to ask them to group these expenditures according to their purpose. This should be done in such a way as to facilitate the linkage of the categories being used to the International Classification of Individual Consumption by Purpose (COICOP), an international classification of products linked to CPC and mostly used for the description of personal consumption in general statistics and surveys concerning households. For tourism analysis, the categories that are commonly used and are recommended are the following:
    - i. Package travel, package holidays and package tours
    - ii. Accommodation
    - iii. Food and drink
    - iv. Local transport
    - v. International transport

- vi. Recreation, culture and sporting activities
- vii. Shopping
- viii. Other products

- *According to the means of payment used:* cash, check, credit card, this information is particularly useful in order to reconcile flows by means of payments, an information coming from the International Transactions Reporting System (ITRS) that some countries use as a reference in particular for the compilation of the “travel” item of their Balance of Payments.

4.28. **It is recommended** that surveys wherever possible, provide the breaking down of expenditure data in terms of the goods and services acquired (see 5.20 and 5.21), and the cross-classification of this information with some relevant characteristics either of the visitor (such as country of residence, age, and gender) and/or of the trip (purpose of the trip, place of stay, organization of the trip, length of the stay, etc.). The possibility of cross classifying at the same time for various characteristics might impose stringent requirements in terms of the size of the sample and its design, but is at the same time at the core of the possibility of using the full richness of the information that is collected.

#### **E. Measuring tourism expenditure**

- 4.29. In the case of inbound tourism expenditure, **it is recommended** that countries include a specific expenditure module in those surveys addressed to inbound visitors, either at the border, or at any other place where they can be observed.
- 4.30. Border surveys might be on an on-going basis (monthly, quarterly, annually), or conducted only at certain moments in time (high season, low season). Some countries might decide to set up such an operation only from time to time, but using an adequate sample size and design so as to be able to derive from these observations a pattern of behaviors to be applied in intermediate years using some type of modeling procedure. Similarly, only a selected number of border posts might be surveyed.
- 4.31. In cases of open land borders in which it is difficult to apply a survey at the borders, some countries rely on a combination of surveys collected from guests at places of paid accommodation and of “mirror statistics”, that is, statistics on outbound visitors and outbound tourism expenditure from the countries of origin of their foreign visitors as well as on the use of other data sources such as for instance those coming from credit card records.
- 4.32. In the case of domestic and outbound tourism, a tourism specific household survey or a periodic module attached to a general expenditure purpose one is often the main source of information regarding domestic tourism expenditure. It can be conducted on an on-going basis. However, if the structure of consumption at constant prices does not vary too much from year to year, the survey could be done less frequently and be



associated with an estimation procedure based on a model as is the case for inbound tourism expenditure.

- 4.33. In the measurement of domestic tourism expenditure, **it is recommended** that the location of expenditure be identified, in order to assign the economic effects associated with the movement of visitors to the local economies concerned, as these are not only concentrated in the place of origin and that of destination but all along the route (mostly if a private vehicle is used on the trip as it facilitates stops).
- 4.34. Alternative estimation methods consider the use of different types of administrative data (such as bank reporting systems, credit card reports, transportation expenditures provided by travel agencies, companies, or transportation regulatory authorities).
- 4.35. Because most households and individuals do not maintain a systematic record of their expenditure, asking them to report in detail expenditures related to specific trips or visits requires special attention and expertise to insure an adequate degree of accuracy, in particular when the visitors are traveling on a package tour, when the expenditure covers a travel party, or when the reference period is lengthy or distant in time (recall bias).
- 4.36. In some countries, the information is collected under a reduced number of categories, with a combination of a classification by purpose (the general purpose of the expenditure) and a payment approach. For example, visitors might be asked to report the total value of their hotel bill and the means of payment used. Nevertheless, this bill, besides accommodation, might include food, and other services such as laundry, telephone, the use of facilities such as business centre, spa, and other recreation facilities provided in the same location. Consequently, it may not be feasible to separately identify these different items and some additional estimation procedures might be required.
- 4.37. Although the IRTS Compilation Guide will provide further indication on measurement issues, some of them are outlined below:
  - (a) It is important to identify clearly the key characteristics of visitors and their trips, in a way that allows this information to be linked with the universe of visitors observed in other statistical procedures and to expand properly the data that has been collected;
  - (b) Because the acquisition of goods and services by a visitor is classified as inbound, domestic or outbound tourism expenditure according to the economy in which it occurs, **it is recommended** that the economy concerned by each class of expenditure be clearly stated in accordance with the principles that have been enunciated previously in particular in the case of payments made before the trip for services to be consumed on the trip;
  - (c) For visitors traveling on a package tour, information should be collected on the total value paid, the components of the package and the country of residence of

the tour operator or travel agent from which the package was purchased in addition to the country of residence of the visitor;

- (d) The modes of transport used to arrive to, travel within and leave the country should be clearly stated (identifying the carrier whenever possible to permit the identification of its country of residence), including when the service is part of a package; assigning properly international passenger service when more than one carrier is concerned or in the case of code sharing is a challenge for tourism statistics and will be discussed in the IRTS Compilation Guide;
- (e) Modeling behaviors of visitors while on trips on the basis of detailed observations made from time to time, when the expenditure on specific items might be explained by their relationship with characteristics of the visitor and his/her trip might also be a solution once these behaviors have been extensively observed;
- (f) The importance of determining clearly not only those expenditures that the visitor has made out of his/her own resources, but also of obtaining a good estimation of those expenditure made by others for his/her benefit;
- (g) Most of the items included in tourism expenditure are of a nature that would make them part of the concept of household final consumption expenditure. Nevertheless, some expenditures will not as is the case of expenditure on accommodation and transport by visitors on business and professional trips that the System of National Accounts will consider as part of the intermediate consumption of the employing entity. It is also the case of valuables that are not considered as part of household final consumption expenditure but correspond to a specific category of final demand. It is recommended that such expenditures be presented separately in order to facilitate comparisons with other macroeconomic frameworks;
- (h) Because though representing infrequent events, some valuables and consumer durables acquired by visitors might be of an important unit value, **it is recommended** to treat and present separately such acquisitions for statistical reasons (separate procedures of estimation) and also because their inclusion affects comparability with other frameworks (Balance of Payments and National Accounts include such items of important unit value under merchandise trade).
- (i) As mentioned (paras. [3.2.](#) to [3.5.](#)), travel parties deserve special attention due to:
  - The pooling of some or all expenditure within a travel party so that the data reported in an expenditure survey will often refer to various members of this party.
  - some countries might find it relevant to define equivalence scales for all or some items of tourism expenditure (see Box 4.2), as is the current practice in some household budget analysis, in order to take into account the fact that

sharing expenditures might sometimes lead to a smaller per capita expenditure, as in the case of accommodation (various persons sharing a room) or transportation (various persons sharing a car or special rates for groups of persons traveling by railways or other modes of public transport) in order to be able to compare per capita expenditure when traveling within parties or individually.

**Box 4.2 Equivalent scales**

The needs of a household grow with each additional member but – due to economies of scale in consumption – not in a proportional way. Needs for housing space, electricity, etc. will not be three times as high for a household with three members than for a single person. With the help of *equivalence scales* each household type in the population is assigned a value in proportion to its needs. The factors commonly taken into account to assign these values are the *size of the household* and the *age of its members* (whether they are adults or children).

***OECD Social policy division: What are equivalent scales? Paris 2005***

## **Chapter 5      Classifications of products and productive activities for tourism**

- 5.1. The aim of this chapter is to provide recommendations for the classification of products and productive activities for the compilation of economic data that are required for tourism analysis that at the same time would be (i) internationally comparable and (ii) nationally relevant. The classifications refer to (1) products, mainly those belonging to tourism expenditure (see 4.2 to 4.7), and (2) productive activities to be considered as the basis for the definition of the tourism industries (see para. 6.16.).
- 5.2. It focuses on those goods and services directly acquired by visitors and main productive activities serving visitors and in direct contact with them (see para. 6.2.); it therefore excludes from the discussion goods that belong to tourism investment or services provided as support services to producers, such as promotion and administrative services. It also excludes products that although strongly related to tourism are not acquired by visitors, such as for example catering services for passenger transport enterprises and consulting services for tourism development. They will all belong to the residual category called “*Other products*” (see paras. 5.20. and 5.21.).
- 5.3. The present chapter focuses the attention not only on the demand of goods and services by visitors or by others for their benefit, but also on the productive activities that supply the goods and services to satisfy that demand. Therefore, reference to a common product classification to be used for identifying products (that is, goods and services), both for supply and for demand, is required. The CPC classification meets this condition and will thus be used as a reference. Additionally, there is a well established relationship between products classified using CPC Ver.2 and productive activities classified using ISIC Rev.4 that will be very useful to relate products and activities producing them.
- 5.4. The detail of the products and productive activities that is used takes into account the recent revisions of these two international standards (CPC Ver. 2. and ISIC Rev. 4.), approved by the UN Statistical Commission in 2006. It has also benefited from the experience of countries developing tourism statistics over the last few years.
- 5.5. The chapter will mention and use these classifications in their different levels of detail which are recalled here for a better understanding of what follows: the CPC is organized in 5 different levels, whereas the ISIC is organized in 4 levels, as is shown below:

CPC		ISIC	
Section	1 digit	Section	Letter
Division	2 digits	Division	2 digits
Group	3 digits	Group	3 digits
Class	4 digits	Class	4 digits
Subclass	5 digits		

5.6. The issue of goods acquired by visitors and the activities to be attached to them in tourism analysis present specific features and is discussed in a separate section (section C.).

#### **A. The basic principles**

5.7. Because the TSA provides the conceptual framework and the organizational structure for the reconciliation of most tourism statistics internally within the sector, as well as with other economic statistics (see para. 1.37.), the identification of tourism-related products within the products belonging to tourism expenditure should be based on the definition of three major categories of products belonging to this expenditure determined by the intensity of their link to tourism either worldwide or for particular national economies.

5.8. These three major categories are that of *tourism characteristic products*, *tourism connected products* and finally *other products*.

5.9. The two first categories are related to the recommendation on the elaboration of satellite accounts to be found in the 1993 SNA Chapter XXI that defines these categories as appears in Box 5.1 that follows:

#### **Box 5.1**

##### **Characteristic and connected products according to SNA 1993**

It is convenient to distinguish two types of goods and services [...]: characteristic goods and services and connected goods and services. The first category covers the products that are typical for the field under study. We are interested in studying the way these goods and services are produced, what kinds of producers are involved, what kinds of labor and fixed capital they use and the efficiency of the production process and hence of the allocation of resources [...] (para. 21.61)

The second category, connected goods and services, includes products in whose uses we are interested because they are clearly covered by the concept of expenditure in a given field, without being typical, either by nature or because they are classified in broader categories of products [...] For these connected goods and services, we are not primarily interested, when studying a given field, in their condition of production. If we were, these products would have been treated as characteristic goods and services. [...] The precise borderline between characteristic and connected products depends on the economic organization in a given country and the purpose of a satellite account". (para 21.62.)

##### **Characteristics activities and producers**

In a satellite account, the main emphasis when looking at production is on the analysis of characteristic activities and producers. As explained earlier, characteristic goods and services are typical of the field under study. The activities in which they mainly originate are called characteristic activities, and producers who carry out a characteristic activity are said to be characteristic producers. (para. 21.98.)

*Commission of the European Communities, International Monetary Fund, Organisation for Economic Cooperation and Development, United Nations and World Bank, System of National Accounts, 1993 (Brussels/Luxembourg, New York, Paris, Washington, D.C., 1993*

- 5.10. Because tourism is a peculiar type of function, that is not determined by a list of products which acquisition is driven by an easily identifiable purpose as is the case for health or education for instance, but by the fact that an individual is outside his/her usual environment, there are some products that visitors acquire while on trips that have little if any relationship with this specific situation. This is the reason why some products, though acquired by visitors, are irrelevant or not importantly related to the fact of being on a trip and will fall outside these two categories of tourism related products and be assigned to the residual category of *Other products* (see paras. [5.20.](#) and [5.21.](#)).
- 5.11. Within this SNA reference framework, tourism characteristic products and tourism connected products are both types of products that are of particular interest for the description and analysis of the role of tourism on the use of goods and services and thus on their supply.
- 5.12. For *tourism characteristic products*, there is a particular interest in showing how they are produced, to describe the production process and the inputs of capital, intermediate consumption and labor that are required and to compare the production and tourism use of these products overtime and among countries.
- 5.13. *Tourism characteristic products* are related to the activities that produce them, the *tourism characteristic activities*. As a consequence, the selection of these characteristic products and activities (those that principally produce them) are inter-related, though not equivalent, because there is no strict one-to-one relationship between products and the activities producing them as their principal output, but a loose connection as the industrial origin of a product (the ISIC activity that produces it) is not a criterion for the aggregation of products within a similar CPC category. Two products of similar characteristics but obtained through different production processes (two different ISIC categories) would be classified in the same CPC category.
- 5.14. In the case of *tourism connected products*, their importance within tourism analysis is recognized, but they are not homogeneously relevant for all countries so as to justify a detailed presentation of their production process and the consideration of the process by which they are produced as an internationally comparable tourism-characteristic activity. As a consequence, there will be no internationally recommended list of tourism connected products though some guidelines will be provided regarding the process of selection of such products. Such lists of products will be typically country-specific.
- 5.15. The present *International Recommendations* will provide the list of products and corresponding activities to be considered as tourism characteristic worldwide (and this will be the object of section B.1.) and on which detailed international comparisons will be possible. In addition, guidance will also be provided on how countries should proceed in order to determine other country-specific tourism related products both tourism characteristic and tourism connected (see section B.2.).

5.16. As a consequence, for the purpose of tourism statistics, all goods and services need to be classified according to the following typology that respond to different objectives:

**(a) Tourism-related products:**

- **tourism characteristic products:** made of two subcategories: that of (i) *tourism characteristic products* for which there is an international consensus that they represent the core products for international comparison and (ii) *other country-specific tourism characteristic products* (to be determined by each country); for these products, the activities producing them principally will be considered as tourism characteristic also, and the industries which principal activity is tourism-characteristic will constitute the tourism industries.
- **tourism connected products:** comprising other set of products which identification and measurement is the responsibility of each country according to their relevance for tourism analysis on a country basis but for which there is no interest in studying the way they are produced. Consequently, this new category will be referred as country-specific tourism connected products.

**(b) Other products** a residual category of products that are not particularly tourism related. ([see para. 5.2.](#))

5.17. Following para. 5.13., *tourism characteristic activities* will refer to both subcategories of tourism characteristic products. For industries associated with internationally comparable tourism-characteristic activities, it will be possible to make comparisons between countries at a detailed level, whereas for the others, the comparisons will be made globally.

5.18. As a consequence, figure 5.1 presents the typology that will be used in the system of tourism statistics to classify characteristic products and activities in order to relate demand and supply statistics, and as the basis of international comparisons. Categories 1 to 10 comprise categories supporting detailed international comparison ([see paras. 5.27. to 5.33.](#)), category 11 will cover characteristic goods and the corresponding activities ([see para. 5.46.](#)) and category 12 will refer to country-specific characteristic products and activities. ([see para. 5.38.](#))

<b>Figure 5.1</b>	
<b>List of categories of tourism characteristic products and activities</b>	
<b>Products</b>	<b>Activities</b>
1. Accommodation services for visitors	1. Accommodation for visitors
2. Food and beverage serving services	2. Food and beverage serving activities
3. Railway passenger transport services	3. Railway passenger transport
4. Road passenger transport services	4. Road passenger transport
5. Water passenger transport services	5. Water passenger transport
6. Air passenger transport services	6. Air passenger transport
7. Transport equipment rental services	7. Transport equipment rental
8. Travel agencies and other reservation services	8. Travel agencies and other reservation

	services activities
9. Cultural services	9. Cultural activities
10. Sports and recreational services	10. Sports and recreational activities
11. Tourism characteristic goods	11. Retail trade of tourism characteristic goods
12. Country-specific tourism characteristic products	12. Country-specific tourism characteristic activities

## B. Identifying tourism-related products and activities

- 5.19. The tourism-related products have to be selected on the basis of products belonging to tourism expenditure. Tourism expenditure can potentially include any consumer good or service that a visitor may acquire (with some restrictions see paras. 4.4. to 4.7.) as well as valuables. Nevertheless, there is an international consensus that not all products part of tourism expenditure have the same importance.
- 5.20. Information from visitors on their tourism expenditure has usually been collected on the basis of the classification recommended (see para. 4.28.) that is considered as appropriate to describe and isolate the major significant categories of expenditure of visitors for and while on trips based on the purpose of the expenditure, taking into consideration the fact that the last category of the grouping ("*Other products*") comprises goods and services that cannot be associated with any of the explicitly mentioned purposes of the preceding categories, as for instance newspapers and magazines, current health care products and occasional health services, etc.. This classification by purpose of products acquired by visitors will be used as the first basis of selection.
- 5.21. It can be recalled (see para. 4.27.) that, according to this classification, the recommended groupings are the following:
- i. Package travel, package holidays and package tours
  - ii. Accommodation
  - iii. Food and drink
  - iv. Local transport
  - v. International transport
  - vi. Recreation, culture and sporting activities
  - vii. Shopping
  - viii. Other products
- 5.22. A list of products (established using subclasses of CPC Ver.2 as a reference) belonging potentially to tourism expenditure has been elaborated and is presented in Annex 2. They are grouped under the categories of the classification by purpose, in which the grouping is based on the purpose of the expenditure irrespective of its physical nature or mode of production.
- 5.23. For instance, the first basic difference between goods and services that is made in CPC structure that classifies separately goods from services, is not applicable here: goods as well as services are assigned to the purpose they make possible to fulfill: for



instance, gas, spare parts, etc. are grouped with transport services in the *local transport* and *international transport* categories; the purchase of gears to practice some sport or outdoor activity while on trip is classified within *recreation, culture and sporting activities*; the *food and drink* purpose does not only include food and beverage serving services but also include all type of food purchased to be consumed as such (fruits, biscuits, sweets, drinks, etc.) or to be used for the preparation of meals by the visitors. According to similar types of principles, reservation services are grouped with the services sold through their channel: cruises with *package travel*, transport within *transport*, shows and events within *recreation, culture and sporting activities*, etc.

- 5.24. Because for goods, there is this fundamental difference between the structure of CPC and these groupings of expenditure, and because of the specific treatment of goods in tourism statistics that will be explained in Section C, they are only mentioned in general terms in Annex 2.
- 5.25. The CPC subclasses that are mentioned in Annex 2 refer to sets of products, and not to elemental products and as such might also cover products not typically consumed by visitors. The fact that a CPC subclass is included in the list does not mean that all products belonging to this subclass relate in a way or other to tourism but rather that it contains products belonging to tourism expenditure. For instance, CPC 67190 *Other cargo and handling services* is listed because of the tips that visitors pay to baggage handlers; the remaining elemental products included in this category are usually purchased by producers. Similarly, CPC 85961 *Convention assistance and organization services* and CPC 85962 *Trade show assistance and organization services* are included because of the possibility of direct payment of attendance or entrance fees by visitors; the rest of the services to be found within this subclass are purchased by producers or other categories of attendants (that are not visitors).
- 5.26. The inclusion of certain levels of the CPC classification into this list needs some further justification:
- a) Division 66 refers to the *Rental services of transport vehicles with operators*. Because of the role of tour operators that are treated in a net mode (see paras. [6.51.](#) and [6.52.](#)), part of the *rental services of buses and coaches with operator* (66011) (that is purchased by tour operators) is assigned to tourism expenditure.
  - b) Services that are included in Division 67 *Supporting and auxiliary transport services* refer, either to services provided to passengers in railway stations, bus stations, airports, highways, bridges etc. or to services provided to visitors as owners or lessees of private modes of transport such as vehicles, vessels and aircrafts.
  - c) Group 859 refers to *other support services*, that are of two kinds: services provided to business visitors and other visitors, either by business centers in hotels or by independent establishments (*85953 Document preparation and other specialized office support services*), and the fees paid by visitors to attend

conventions, trade shows etc. (8596 *Convention and tradeshow assistance and organization services*).

- d) Finally, the items included in Divisions 92 (*Education services*) and 93 (*Human health and social care services*) refer to the expenditures by visitors in education and health, mainly for those for which short-term education or medical treatment constitutes the main purpose of their trip.

### **B.1 Products and activities to be considered as internationally comparable tourism characteristic**

- 5.27. In principle, all CPC subclasses belonging to the groupings of tourism expenditure different from “Other products” ([see para. 5.20.](#)) should be considered of interest for the measurement of tourism expenditure as there has been a consensus to identify separately such categories of expenditure because of their relevance for tourism analysis. Following the 1993 SNA principles ([see Box 5.1](#)) these products would be candidates to be considered as tourism-characteristic world-wide.
- 5.28. Nevertheless, only would be considered as tourism-characteristic world-wide those products that are importantly acquired by visitors on all types of trips all over the world, and for which there is an interest in considering within the tourism industries and the basis of international comparison those establishments which principal activity is to produce them as their typical output ([see para. 5.17.](#)). For this reason, the activities that typically produce the products are also mentioned in Annex 2 alongside with the products to facilitate the process of analysis and selection.
- 5.29. In this annex, the last column identifies as *characteristic* those products that are considered to be internationally comparable *tourism characteristic products* and as a consequence, the activities producing them as their principal output as tourism characteristic also. The classification and treatment of the other products of the Annex 2 not identified as characteristic will be explained in section B.2.
- 5.30. The inclusion of certain levels of CPC as internationally comparable *tourism-characteristic products* needs some explanation:
- CPC 63399 *Other food serving services* relates to food provided by refreshment stands, fish-and-chips stands, fast-food outlets without seating, take-away facilities, etc., ice-cream parlors and cake serving places, vending machines, motorized vehicle or non-motorized carts, etc.
  - Division 72, *Real estate services* includes services related to vacation homes, main homes rented short-term to visitors, and time-share properties such as 72111 *renting or leasing services involving own or leased residential property*, 72123 *trade services of time-share properties*, as well as *property management services on a fee or contract basis* (7221).

- 5.31. The exclusion of certain CPC subclasses from tourism-characteristic product needs also some justification:
- For example, visitors consume different products that are typical of *ISIC 4921 Urban and suburban passenger land transport*, such as CPC 64111 *urban and suburban railway transport service of passengers*, 64112 *urban and suburban road transport service of passengers* and 64113 *Mixed mode urban and suburban transport service of passengers*; nevertheless, their consumption of such services is usually small as compared to the total consumption of the population that is within its usual environment, and to include such activity as a tourism characteristic activities would clearly lack interest. This explains why these products are not considered as tourism characteristic in Annex 2.  
(By contrast, products that are typical of *ISIC 4922 Other passenger land transport* are mostly consumed by visitors in all countries so that this activity should be considered as tourism characteristic and its typical output as tourism characteristic also).
  - The same arguments to exclude the above mentioned CPC subclasses related with the activity of “Urban and suburban passenger land transport”, also apply to CPC. Division 68, *Postal and courier services*, Division 84 *Telecommunications, etc*, and some of the components of Division 97 *Other services*, that refer to business and personal services, that visitors use and that are provided as separately invoiced services in hotels or in independent establishments, or that are related to the reception of mail or other types of postal services while being away from home.
- 5.32. The internationally comparable *tourism-characteristic activities* are grouped in 10 main categories that are related to ISIC rev.4 and presented above in figure 5.1. This figure also presents the corresponding categories of internationally comparable *tourism-characteristic products*. The detailed ISIC classes (as in ISIC Rev.4) that correspond to each of them can be consulted in Annex 3. Annex 4 includes the description of CPC subclasses as they appear in CPC Ver.2 .
- 5.33. This classification is more relevant for the analysis of production and supply than the classification by purpose initially presented and used for the collection and analysis of tourism expenditure (see paras. [5.20.](#) and [5.21.](#)) because of its immediate link to the analysis of supply. For example, all activities and products related to reservation and similar services are grouped under a unique category (group 8). Also, long distance passenger transport is grouped by means of transport. It is the classification that will be used in the TSA.

## **B.2 Establishing the list of country-specific characteristic and connected products**

- 5.34. As already mentioned ([see para. 5.16.](#)), each country should complement this list of internationally comparable tourism characteristic products and activities with other country-specific characteristic products and activities and country-specific connected products.

- 5.35. All CPC subclasses that appear in Annex 2 have been identified as potential tourism related products. Those not previously identified as the basis of international comparison (those classified as characteristic in this annex) constitute a set from which countries should determine their tourism characteristic products and their tourism connected products. This list intends only to serve as a guide for countries to identify whether their tourism reality justifies gathering more details on some of these goods and services and how they are produced (case of country specific tourism characteristic products) or to present in more detail some products, though not looking at the way they are produced (case of country-specific connected products). In that regard, it is to be viewed as a provisional list and can be completed by countries as needed. In due time, the UNWTO will collect these country specific lists, in order to review them and determine whether their difference or similarity in scope is liable to induce a modification in the list of internationally comparable tourism characteristic products and activities.
- 5.36. Countries are encouraged to use this list as a reference in order to improve their knowledge and identification of products that, in their economy, might be particularly relevant for the proper description of tourism expenditure and its link with domestic production activity and supply, either because they are related to the fact of being outside the usual environment, or because they relate to a specific activity that corresponds to an important purpose of trip to or within the country.
- 5.37. In order to give a certain degree of objectivity to the process of selection of country-specific *other tourism-characteristic products* (and the corresponding activities), the combined use of the following criteria is recommended:
- Tourism expenditure on the output of the activity(ies) should represent a significant share of total tourism expenditure (share-of-expenditure/demand condition);
  - Tourism expenditure on the output of the activity(ies) should represent an important share of the supply of these products in the economy (share-of-supply condition); as most of the supply of these products comes from the activities for which these products are their principal output, this means that tourism expenditure is an important share of the supply by the activity(ies) to be considered as tourism characteristic.
- 5.38. The share-of-expenditure condition has to be applied at the level of CPC subclasses whereas the share-of-supply condition has to be applied at the ISIC class and based on the correspondence between products that are potentially consumed by visitors and activities producing principally the latter.
- 5.39. *Country-specific tourism-characteristic products and country-specific tourism-characteristic activities* will constitute category 12 of the classification of tourism-characteristic products and activities to be added to those previously defined and the basis of international comparisons (see figure 5.1). They can include any of the products and activities listed in Annex 2, whatever their classification by purpose.

- 5.40. Additionally and eventually, each country will determine its list of *country-specific tourism connected products* on the basis of their importance for the understanding of tourism and of tourism development policy.
- 5.41. Countries have different experiences concerning the degree to which a product is relatively more consumed on tourism trips than in other circumstances or whether they have a specific interest in making a follow-up of certain products. Countries might also decide, when relevant, to create specific sub-categories of some of the CPC Ver. 2 subclasses that are listed in Annex 2, in order to focus more specifically on the measurement of a product, of a particular interest. The same would apply to eventual break out 5-digit levels of important 4-digit ISIC classes.
- 5.42. In the case of tourism statistics that are compiled at sub-national level (see [Chapter 8/C](#)), the determination of *other tourism-characteristic products and activities* and *tourism connected products* might be particularly relevant and proper to each compilation: for instance, in some regions or places, visitors coming for medical or educational purposes might represent a relevant share of arrivals and their consumption of output of the corresponding activities as important, and it might then be valid to consider some particular educational or medical products as connected or even as characteristic.

### **C. The case of goods**

- 5.43. As previously observed, tourism expenditure does not only include services: goods might also be purchased and the classification of tourism by purpose recognizes that the acquisition of some of those (shopping) might also be the main purpose of tourism trips ([see para. 3.17/1.6](#)).
- 5.44. Some goods, such as handicrafts are usually more intensively purchased by visitors than by non-visitors. Nevertheless, there is no specific category in CPC under which to find them because their denomination as handicrafts is based on the fact that they result from production processes that are either traditional or with a very low level of technology which can result in a great variety of products. Souvenirs are also more intensively purchased by visitors, but they can be made of all types of material and thus might belong to different CPC categories. Gas for motor vehicles (or for boats in island countries) might also represent an important expenditure on goods for countries in which many tourism trips are taken using privately owned or rented motor vehicles (or boats). Other goods purchased might also relate to the types of activities undertaken by visitors in a specific country or region, such as sport gears.
- 5.45. The nature of the other goods purchased more intensively while on tourism trips than within the usual environment depends importantly on the place of origin of the visitor, its relative economic situation, on the availability and relative prices of certain goods when comparing with those prevailing in the place visited, on his/her specific centers of interest, and it is the reason why it is not possible to establish a list of tourism-related goods that would be meaningful worldwide. In other words, it is not possible to

achieve complete homogeneity among countries in terms of the goods purchased by visitors.

- 5.46. An additional issue has to do with the productive activities to be associated with goods. In the case of services, production, acquisition and consumption by users are simultaneous events. This is not the case for goods. The producers of goods purchased by visitors are not usually those that sell those goods to visitors. Once produced, goods are made available to consumers through a chain of intermediaries made of wholesalers of different kinds, that are responsible for the transportation, storage, delivery of the goods to the retailer that finally makes the good available to the final purchaser. Goods are usually produced in times and places that are different from those of their final sale. They might have been produced in different economies and different time periods. The only activity in direct relationship with the visitors is the retail trade activity. For this reason (see para. 5.2.), it is the retail trade activity that will be associated with goods in tourism analysis.
- 5.47. Each country will have to determine on the basis of the relative importance of their purchase by visitors, the goods and the retail trade activities that will make up the category 11 of the classification (*Tourism characteristic goods* for products, and *Retail trade of tourism characteristic goods* for activities) (see figure 5.1. and Annex 3).
- 5.48. The relationship between the production of goods purchased by visitors and tourism related measurements should be considered in a more elaborated analysis of the impacts of tourism, a topic that constitutes an extension to the TSA framework (see mention of these extensions in Annex 5 to the 2008 TSA Recommended Methodological Framework).

## **Chapter 6**

### **The supply perspective**

- 6.1. In order for individuals to take tourism trips to a given country or location, an array of services must be available to respond to their specific needs. This means that in order to attract visitors, modes of transport and transportation facilities, means of accommodation, food-serving services, recreation facilities, shopping facilities and specific tourism opportunities in terms of sites to visit, recreational or cultural activities to attend or participate in, convention centers, etc. must be available in the form and in the quantity that visitors might demand. It is through supply as it responds to demand that the economic contribution of tourism can be traced and measured. From there stems the interest in studying the supply of goods and services to visitors in the understanding and description of tourism in a country.
- 6.2. In basic tourism statistics, tourism supply is understood as the provision *directly* to visitors of the goods and services that make up tourism expenditure. As has already been mentioned ([see para. 5.2.](#)), the activities concerned by tourism expenditure because they provide inputs or capital goods that are needed by activities serving directly visitors, or those producing goods that visitors purchase, but not in direct contact with them, will not be covered by basic tourism analysis of supply, The effect of tourism on these activities goes beyond the scope of the IRTS and is considered to be a TSA issue.
- 6.3. The analysis of tourism supply consists, therefore, first, in showing how the conditions are created which enable producers to provide goods and services to visitors, and, second, in describing the process, the costs associated with the production of these goods and services and the major indicators used to establish the economic performance of the producers involved in this supply and within those particularly the tourism industries.

#### **A. The statistical unit**

- 6.4. From the perspective of supply, the object is to generate data on the productive activities that provide the goods and services that visitors acquire or others for their benefit, for their own use or to give away.
- 6.5. In the first place, it is particularly important to determine the type of statistical unit that has to be considered, for which information will be sought and data will be compiled.
- 6.6. Different statistical units are possible and are used in different procedures and analyses. The most common ones are institutional units, establishments and homogeneous production units.
- 6.7. *Institutional units* are the core units of the System of National Accounts, around which the system is built. It can be a household or a legal, social or economic entity which may own goods and assets, incur in liabilities, enter in contracts, take decisions and actions for which they are led responsible. When studying production processes, the use of these

units is not particularly adequate, as they may engage simultaneously in a variety of activities.

- 6.8. In recognition of this heterogeneity when production processes are concerned, the SNA recommends the use of *establishments*, when describing production processes. The establishment (or local kind of activity unit in the EU lexicon) is defined operationally as “an enterprise or part of an enterprise that engages in one, or predominantly one, kind of economic activity at or from one location or within one geographical area, for which data are available or can meaningfully be compiled, so as to allow the calculation of the operating surplus”.
- 6.9. The homogeneous production unit is even more specialized as it carries out a single productive activity in a single location. Nevertheless, it is difficult if not impossible to observe such units in the real world, and their measurement results from a construct based on the observation of establishments and the use of different types of assumptions in order to build the accounts of homogeneous production units on this basis.
- 6.10. As a consequence, the statistical unit that is used for the analysis of production and production processes in the System of National Accounts is the establishment, and the same principle should be followed in tourism statistics compilation (and in the TSA).
- 6.11. In fact, establishments often have more than one productive activity. Whether they have more than one or not (from a statistical point of view), will depend upon whether it has been possible to delineate their different outputs, and identify the costs of production associated with each productive activity so that they can be isolated. Such a situation of multiple activities carried out in a single establishment often happens for establishments that cater to visitors. For example, most hotels, in addition to providing accommodation services, also provide food serving services to guests and other customers, manage convention centers, etc.; trains, besides transporting passengers, might be serving meals, provide paying sleeping facilities, etc.
- 6.12. Each hotel, each restaurant, each travel agency belonging to a chain and operating in a different location will be considered as a separate establishment.
- 6.13. In tourism, many producing entities operate on very small scale, as unincorporated enterprises, family businesses or even as informal units of production (sometimes also designated as the grey economy), with only one establishment in particular in activities such as food and beverage serving services, hotels and other personal services. Irrespective of their form of organization, each of these entities should be considered as separate establishments.
- 6.14. Compilers should be particularly aware of the existence of these types of units, which might behave differently from the big formal units engaged in similar types of activities, which often are the focus of statistical procedures and official registers.



## **B. Classifications**

- 6.15. In industrial statistics, establishments are classified according to their main activity, which in turn is determined by the activity that generates the most value added.
- 6.16. As a consequence, those establishments whose main activity is a tourism-characteristic activity as defined in the previous chapter grouped with other establishments performing the same tourism-characteristic activity as their main activity, constitute what tourism statistics considers a *tourism industry*. As mentioned earlier (see paras. [5.2.](#) and [6.2.](#)), tourism industries necessarily serve visitors directly.
- 6.17. Thus each tourism industry is composed of all establishments whose main activity is a particular tourism-characteristic activity.
- 6.18. As the classification of the establishments is based on their main activity, establishments having a particular tourism-characteristic activity as a secondary activity should not be included in this tourism-characteristic industry. For example, if a travel agency activity is carried out by a supermarket and this activity has not been delineated as a separate establishment, then this secondary activity consisting in producing travel agency services will remain part of the total output of the retail trade industry and will not appear as part of the travel agency industry. The activity will only show up through its principal product output as a secondary output of the retail trade industry.
- 6.19. By the same token, many establishments belonging to tourism industries have secondary activities that are not tourism-characteristic or have other tourism-characteristic secondary activities.
- 6.20. Tourism industries might produce a mix of different tourism-characteristic products: this is typically the case of the hotel industry that also has an important activity as provider of food and beverage serving services.
- 6.21. As a consequence, the output of tourism industries might not consist exclusively of tourism-characteristic products, and the output of other non-tourism industries may include some tourism-characteristic products. This situation is illustrated in Figure 6.1 below: The main output of tourism industries (the first set of columns) is necessarily made of tourism characteristic products, but they may also produce tourism connected products and other products. The main output of other industries might be any product different from tourism characteristic products. The total output of any product is made of the sum of the output of this product by all of the industries in the economy.

**Figure 6.1**  
**Relationship between tourism industries, other industries and products**

	Tourism Industries (TI)				Other Industries (OI)				Total output by product
	TI (1)	TI (2)	...	TI (n)	OI (1)	OI (2)	....	OI (p)	
<i>characteristic products (CHP)</i>									
CHP1	XXX	X	X	X	X	X	X	X	$\Sigma$ CHP1
CHP2	X	XXX	X	X	X	X	X	X	$\Sigma$ CHP2
...	...	...	...	...	...	...	...	...	....
CHPn	X	X	X	XXX	X	X	X	X	$\Sigma$ CHPn
<i>connected products (Cp)</i>									
Cp1	X	X	X	X	X?	X?	X?	X?	$\Sigma$ Cp1
Cp2	X	X	X	X	X?	X?	X?	X?	$\Sigma$ Cp2
...	...	...	...	...	...	...	...	...	....
Cpm	X	X	X	X	X?	X?	X?	X?	$\Sigma$ Cpn
<i>other products (Op)</i>									
Op1	X	X	X	X	X?	X?	X?	X?	$\Sigma$ Op1
Op2	X	X	X	X	X?	X?	X?	X?	$\Sigma$ Op2
...	...	...	...	...	...	...	...	...	....
Opn	X	X	X	X	X?	X?	X?	X?	$\Sigma$ opn
<b>Total output of the industries</b>	$\Sigma$ TI (1)	$\Sigma$ TI (2)	....	$\Sigma$ TI (n)	$\Sigma$ OI (1)	$\Sigma$ OI (2)	....	$\Sigma$ OI (p)	$\Sigma$ rows = $\Sigma$ columns

Notes:

XXX indicates that the value in the cell is the most important of the column (the principal output of the industry)

X indicates that a value is possible in the cell

X? indicates that any of these cells can be the most important of the column (the principal output of the industry)

### C. Characterization of tourism industries

6.22. The kind of characteristics that might be measured in order to describe the activity of tourism industries and the establishments that belong to them, have been established on the basis of a double objective: to have a good knowledge of the industries as such, and to generate the information that is required in order to be able to reconcile demand by visitors and supply by industries in a fairly detailed way (within a TSA perspective), both in terms of value **a** to **f** and, when possible and relevant, in quantity or non-monetary units **g** to **i**). Those characteristics are the following:

- a) Total value of output and output broken down by products (with special emphasis on tourism-characteristic products) at basic prices and producers prices (when relevant);
- b) Total value of intermediate consumption of each tourism industry broken down by main product categories (if possible) at purchasers prices;
- c) Total gross value added at basic prices (the difference between total value of output at basic prices and the total value of intermediate consumption at purchasers prices);
- d) Total compensation of employees: wages and salaries (in cash and in kind) and social contributions; globally and for specifically identified categories of employees (see chapter 7);

- e) Gross fixed capital formation by products;
- f) Net acquisition of land, and intangible assets (such as franchises).
- g) Number of establishments: the establishments should be classified (and if possible cross-classified) in categories that should be country relevant such as formal/informal, market/non market, by legal form of organization, employment size, etc.
- h) Information on employment (because of the strategic importance of employment, this issue is developed in [chapter 7](#));
- i) Relevant non-monetary indicators (specific to each activity) showing both capacity (supply) and the amount of demand that has been met (occupancy or capacity utilization rates for transportation and accommodation for instance), annually or more frequently if highlighting seasonality seems to be relevant and required.

## **D. Selected tourism industries: basic references**

### **D.1 Accommodation for visitors**

- 6.23. Because, by definition, they spend a night outside their usual environment, tourists will need a specific place to stay overnight unless they sleep in the open, in their own vehicle, on board a mode of transport without a specific arrangement to sleep, or in any other non-paying area.
- 6.24. The provision of short-term accommodation services is considered such an important activity for tourism that many countries that do not have any specific tourism analysis consider this activity jointly with food and beverage serving services and travel agency services as constituting their whole tourism industries and the object of the specific jurisdiction of their national tourism administrations.
- 6.25. The accommodation services might be provided, either on a commercial (market) basis, that is as a paid service, even when the value charged to the user might be subsidized, or on a non-commercial (non-market) basis, that is, as a service provided without charge by family, friends or relatives, or on own-account (owner-occupied vacation homes). The case of time-share properties also falls under the latter category but is treated differently. This issue will be discussed in the IRTS Compilation Guide.
- 6.26. The services provided on a commercial basis and the establishments providing them have to be appropriately classified in order to obtain the information required for analyzing different segments of demand and the producers servicing those segments that may vary in forms of organization, size and range of services offered. For example, the accommodation unit provided can consist of fully serviced and furnished guest rooms or suites or of completely self-contained units of one or more rooms with

kitchen, with or without daily and other regular housekeeping services. They can consist of shared accommodation units such as in youth hostels. The services provided may include a range of additional ones such as food and beverage services, parking, laundry services, the use of swimming pools, exercise rooms, recreational facilities and conference and convention facilities. One or more of these characteristics can be chosen for setting up market segments.

- 6.27. Data collection on accommodation services from the supply side additionally offers the opportunity to cross classify the data with information on the types of destinations where the accommodation establishments are located. These may be characterized by classes based on population size, geographic characteristics (seaside, mountains, etc.) or other tourism relevant characteristics like spa resorts, places of historical interest, native accommodation, etc.. The link of this information on the type of localities with the results of the data collection on accommodation services offers interesting approaches to more in-depth analysis of different market segments on the basis of the data collected within the survey. This information can mostly be obtained directly from existing registers.
- 6.28. Creating internationally comparable categories has proven to be difficult because there is no agreement on common relevant discriminant characteristics because of the great diversity of services provided that is also associated with differences in economic development and factor costs (mainly labor costs) among countries. In addition, the terminology used for groups of establishments providing similar accommodation services often differ across countries and languages, and even within countries. Establishments with the same or similar category names may not provide identical services and identical services can be provided by establishments with different category names. Certain types of establishments exist in some countries and not in others. Finally, an establishment might be providing different services identified in different CPC categories under the same management (traditional hotel, private residence clubs, timeshare units).
- 6.29. Until common groupings of activities can be agreed upon for international comparison (see paras. [3.41.](#) and [3.42.](#)), countries are encouraged to make their own groupings for national or regional application. The groupings should provide a relevant segmentation of the broad categories of productive activities presently shown in ISIC, to be applied nationally or regionally in supply statistics, in business registers as well as in collecting information on demand (e.g. nights spent in different types of accommodation) on each trip. The different products should also be identified.
- 6.30. For reasons explained above, accommodation is sometimes marketed as an implicit package in which other services such as food serving services, recreation services, spa, use of swimming pools, fitness centers, etc., are also provided and are not separately invoiced. It might be relevant for countries to take these different accommodation “packages” into account in their national classification of establishments and of products, as the differences have an impact both on the prices charged for this package and on the amounts spent by the visitors on other goods and services (provided as a package in the former case, to be purchased separately otherwise).

- 6.31. Regarding the economic measurement of the output, countries should be particularly aware of additional charges that might be invoiced to guests or directly paid by them, such as special taxes or additional service charges and tips (voluntary but also sometimes compulsory) that might not be reported as an income in the accounts of the service provider. These should be taken into consideration in order to value supply at actual basic prices (including service charge and voluntary tips) and relate it to consumption at purchasers' prices (in which case the specific tax should also be added and deduced or deductible VAT should be subtracted).
- 6.32. There is already a long tradition of using non-monetary indicators collected from the supply side to monitor the capacities and use of the accommodation establishments and to depict the flows of both domestic and inbound tourism. It is an important source of information not only for the accommodation industry but also for tourism policy, administration and promotion.
- 6.33. For many countries, surveys of accommodation establishments are the most important short term information source on supply as it is in general rather quickly available. In a more detailed regional breakdown the data of the accommodation statistics are most frequently the only source of information on tourism flows. To depict tourism flows the number of arrivals and night spent are the most used indicators. Of these two, nights spent are more appropriate to reflect the performance of the accommodation industry and the impact of the tourists stay for the place visited as this indicator takes into account the full effect of the duration of the stay.
- 6.34. Dividing the number of nights spent by the number of arrivals provides the average length of stay which can be used as an analytical indicator to offer additional information on the kind of tourism in a country or region.
- 6.35. The following variables are most frequently used to inform on the accommodation capacities:
- Months operating in the year;
  - Number of rooms or accommodation units (gross, net) (the net indicator takes into consideration the fact that rooms might not always be available for guest accommodation);
  - Number of bed places (gross, net) (the net indicator takes into consideration the fact that bed places might not always be available for guest accommodation);
  - Occupancy rates (gross, net) by rooms or accommodation units (an indicator to be associated with income per room);
  - Occupancy rates (gross, net) by bed places (an indicator to be associated with flows of visitors).

## D.2 Food and beverage serving activities

- 6.36. A feature of food and beverage serving activities is the fact that, although they are considered tourism characteristic activities because of the importance of these services for visitors, establishments in these industries also cater importantly to non-visitors or local residents. For some of the establishments but also for the industry as a whole, these non-visitors might represent the major share of their customers, permanently or at certain times of the year only. For this reason, it is particularly important to be able to evaluate the share of tourism expenditure to the total output of the establishments classified to a particular food and beverages serving industry category, this category being defined by the specific type of service provided, or by its location in tourism or non-tourism areas.
- 6.37. Just as in the case of accommodation for visitors, food and beverage serving activities can be provided on a commercial (market) or non-market basis by family, friends or relatives or on own account. For this reason, it is so important to classify visitors by type of accommodation (identifying separately non-market accommodation) as well as purpose of visit (identifying visiting family and friends) in order to be able to validate the amount of expenditure in food and beverage serving services by different categories of visitors.
- 6.38. Moreover, because of the relatively small initial investment in facilities and equipment for small-scale operations, such as street vendors, sale of home-cooked meals, home-made beverages, etc., the “informal” segment of the industry can be quite important in some countries. Therefore, special care should be taken to identify properly informal types of providers of food. Although their individual sales might not be very significant, they represent an important source of income for them and their family.
- 6.39. In most countries, tipping is a frequent practice; many countries also include a compulsory service charge that is not always included as sales income in the accounts of producers. Both are part of the basic price of the service (with a counterpart in compensation of employees).
- 6.40. Again, as mentioned for accommodation services, different categories of establishments providing food and beverage services in each country should be identified, although there is no general classification that would fit all the variants. For example, there are generally full-service restaurants with or without beverage service, sometimes referred to as fine dining, family restaurants with full service, self-service restaurants or cafeterias with seating, take-out or take-away establishments, stands or street vendors with fixed locations, bars, night clubs, etc.
- 6.41. Some additional non-monetary information associated with formal and organized types of producers, are of interest:

### **For restaurants with seating:**

- Total number of clients that can be accommodated per serving or
- Number of tables

- Number of seats
- Number of meals that can be served daily
- Number of meals actually served

**For take-out establishments:**

- Number of meals that can be served daily
- Number of meals actually served

**For bars and night-clubs:**

- Number of customers
- Number of drinks served

### **D.3 Passenger transportation**

- 6.42. Because a tourism trip always includes a movement away from the usual environment, many long distance passenger transport activities are to be considered as tourism characteristic activities, although transportation is also considered as a domain of interest on its own (and in some countries, the object of a specific Satellite Account). The expenditure on transportation often represents an important share of total tourism expenditure by visitors, particularly in the case of visitors traveling by air.
- 6.43. Passenger transportation occurs at various moments in a trip: it happens when the visitor leaves his/her point of origin to join his/her destination, it happens in all visits that are part of the trip, it may even happen within areas that are visited (within a city, a region, a country), and obviously it happens when the visitor leaves the place visited, either to go to another destination within his/her trip, or to return to his/her point of departure.
- 6.44. For analytical purposes, passenger transportation is usually considered under two different categories: transportation to or from the destination, and transportation at destination. This is particularly important in the case of international travel, because of the need to identify the economy that will benefit from the expenditure associated with transportation. In order to do this, it is necessary to identify the residence of the carrier(s), a process which might be problematic when more than one carrier is involved: this issue as well as that of code sharing will be discussed in the IRTS Compilation Guide. In the case of domestic travel it is necessary to identify where the service is delivered and who is the service provider in order to identify the economy (at the national or local level) that benefits from the expenditure.
- 6.45. As is the case for accommodation and food serving services, a movement does not always entail the acquisition of a service provided by an organized provider of such services: the movement might have taken place using informal providers or the visitors own resources: on foot, on his/her own bicycle, on horseback, using one's own means of transport (or a rented one): motor vehicle, boat, airplane, motorcycle, etc. or provided free of charge by a third party (family, friend, employees).

- 6.46. Additionally, many movements imply the use of more than one mode of transportation, and the use of different modes when getting or leaving the destination and moving around while at the destination so that the characterization of a trip by the main mode of transport used to arrive at the destination does not necessarily account for all the types of transportation used while on the trip, that might need to be identified also.
- 6.47. Some additional non-monetary information associated with the supply of transportation services, are of interest:
- **Long distance public transportation:**
    - Number of vehicles for road transport/aircrafts, vessels, for air and water
    - Number of available seats
    - Number of passengers transported
    - Capacity utilization
    - Number of passenger-kilometers/miles produced
  - **Rental of vehicles:**
    - Number of vehicles (cars, vans, caravans, boats, yachts, etc.) available for rent without operator
    - Number of vehicle-days available for rent in a given period (month, year)
    - Number of vehicle-days actually rented

#### **D.4 Travel agencies and other reservation services activities**

- 6.48. Visitors (or potential visitors), when planning and organizing their trip, often use the services of travel agencies in order to get information on different alternatives and for making their bookings (transport, accommodation, recreation activities, etc.). Their function consists mainly of selling the right to use a certain service provided by others at a certain moment in time and within certain conditions. Their role is to provide information and other services to the visitor and are the middleman in the purchase of certain services, although they might also provide additional services such as accompanying tours, guiding services, etc..
- 6.49. These agencies and reservation services operate in some ways as “retailers” of these services that are sold to the public. However, their function is different from that of a retailer of a good because it is still the producer of the service who finally serves the consumer. There is no substitution of relationships, only an efficient way for producers to make their product available to the public and sell it.
- 6.50. The value of travel agency services is not always invoiced explicitly or separately to the user of the service (the visitor) although such direct invoicing might exist and is current in the case of other reservation services different from travel agency services. In some cases, travel agencies buy tickets at a discounted price from airlines (or discounters) and sell them to their customers at a marked-up price, earning income from the difference for the same product between the price they pay and the price they charge. In other cases, the visitor pays for airline transport or some other



“tourism product” at a set price established by the producer of the service. Income is earned by the travel agency as a fee or commission on the sale that is established by the provider of the service: in that case, it is as if the service of the travel agency was purchased by the provider of the service that is sold to the visitor. Finally, travel agencies increasingly charge their customers fees to make up for the corresponding reduction (and in some cases elimination) of commissions from suppliers.

- 6.51. As a consequence, gross incomes of travel agencies on reservation services are of three kinds:
- Those collected directly from the visitors through a specific invoice to the visitors; this is most common in the case of reservation services other than travel agencies but increasingly the case also for travel agencies;
  - Gross commercial margins representing retail trade services when travel agents remunerate themselves implicitly through a retail trade operation (buying from the producers of the services (for instance airlines) or wholesale traders and selling back the product to the traveller);
  - Commissions paid by the providers of tourism services when they operate as their agents, similar in operation to retail trade services on a fee or contract basis.
- 6.52. A consensus is being searched within the revision process of other related macro-economic systems (Balance of Payments and National Accounts) on the following treatment: whatever the procedure through which a travel agency (or a reservation service activity) generates its income on reservation services, the total value paid by customers for a tourism service (or any other service) purchased through their intervention will be split in two parts: one corresponding to the value of the travel agency service (or reservation service) purchased (the gross margin it perceives); and the other corresponding to the value of the tourism services purchased (the income of the producer net of the eventual commission paid to the provider of reservation services).
- 6.53. Within this perspective, in tourism statistics, travel agencies and other reservation services agencies are viewed as selling a service directly to the visitor, so that they can be considered as tourism industries (see paras. [5.2.](#) and [6.2.](#)).
- 6.54. This treatment has important consequences for the precise content of domestic tourism expenditure, inbound tourism expenditure and outbound tourism expenditure, both in terms of products, and of the corresponding values when the customer, the provider of the services and the provider of reservation services are not resident of the same economy, an issue that will be further developed in the IRTS Compilation Guide and in the TSA Methodological Framework.
- 6.55. In addition to the information on their own activity, travel agencies and other reservation service activities constitute an important source of information on the

services that are purchased through their intermediation, both in monetary terms as well as in non-monetary terms.

6.56. Travel agencies should be able to provide quantitative information on other related issues, such as the number and values of products sold, categories of destinations, types of clients – business, others, (trips and/or packages either domestic/outbound/inbound), an information that might be of interest to confront with information collected from visitors:

- Domestic trips
  - Trips without package
  - Domestic packages
- International trips
  - Inbound trips without package
  - Outbound trips without package
  - Inbound package
  - Outbound package

#### **E. Measuring the supply of services of tourism industries**

6.57. Depending on the degree of development of surveys of service industries, countries might already observe tourism industries within their general program of economic surveys (either for economic/industrial statistics in general or designated as “national accounts surveys”), either as an annual program, or a more frequent survey program (quarterly or monthly).

6.58. Countries might also make use of administrative records as well as of economic censuses. Household surveys might also provide information on informal activities.

6.59. Generalized annual surveys will usually provide general economic information on establishments, including number of units, classified by industry, output by source of revenue or main product (with a certain product detail), and intermediate consumption, so that value added can be derived, employment and compensation of employees, investment in inventories/stocks and capital assets and sometimes non-monetary information, with few, if any, activity-specific questions.

6.60. In order to ensure that the observation of tourism industries is developed at a relevant degree of breakdown that allows some detailed analysis of their specific activities, **it is recommended** that when possible, the ISIC 4-digit level be used. The surveys should also take into consideration certain specific features that are of particular importance when trying to relate the supply by productive activities and the demand by visitors, in particular:

- In the case of accommodation:
  - Care should be taken that the classifications of types of accommodation adopted in tourism statistics is also applied in the statistical system as a whole: This classification should not only be used to classify supply

statistics, but it should also be used in the classification of information collected from visitors about their overnight stays by types of accommodation;

- The issue of the measurement of the providers of accommodation for visitors that may not be organized as formal businesses/legal entities, but rather as unincorporated business activities (private rooms in homes, apartments, etc.) should be addressed; additionally, it is necessary to focus on the measurement of accommodation services provided to others by owners of vacation homes or home-owners, and other forms of vacation property even if only non monetary indicators are used. (The imputation of the value of services received for own use of vacation homes and properties is beyond the scope of these *International Recommendations* (see para. 4.3.) but will be included in the TSA);
  - Information on availability of beds and rooms and occupancy rates should also be regularly collected for each or most of the categories of organized market providers. This information might be collected through a specific procedure (usually monthly or quarterly), applied to a sample of establishments or coupled with the previously described procedure. In that case, the permanent update of the universe of reference of the sample (number of establishments, number of rooms) should be a current concern.
- In the case of food and beverage serving services, tourism analysts should be aware of the importance of informal providers and be sure that they are adequately covered;
  - In the case of travel agencies and other reservation services, it is necessary to ensure that proper methods of valuation are used, or, in their absence, that information is available in order to convert data collected on a gross basis (that is, including the value of the service sold; transportation, accommodation, sightseeing tour, etc.) into information on a net basis (unbundling their different components is a prerequisite for the compilation of a Tourism Satellite Account and the Balance of Payment – at least for the international transport item –);
  - In the case of car rental activities, the existence of additional non-monetary information such as the number of vehicles available for rent and actually rented and the number of vehicles-days sold in the period might be useful.

6.61. The IRTS Compilation Guide will provide more detailed guidelines on these and other measurement issues and will elaborate on the use of international classification of supply side statistics.

#### **F. The particular case of tour operators and package tours**

6.62. Tour operators are businesses that combine two or more travel services (e.g., transport, accommodation, meals, entertainment, sightseeing, etc.) and sell them through travel agencies or directly to final consumers as a single product (called a

package tour) for a single price. The components of a package tour might be pre-established, or can result from an “a la carte” procedure, where the visitor chooses from a pre-established list the combination of services he/she wishes to acquire.

- 6.63. Tour operators usually operate in their own name and on their own behalf. The operator initially acquires from the tourism industries different services, often a long time ahead and at specially negotiated prices, that are combined and offered as a single, complex product to customers either directly or through travel agencies. As enterprises, they might also provide directly some services such as international transportation using charter airlines of their property. This product usually embodies the services of transportation and one or more from accommodation, meals, sightseeing, entertainment, and other services visitors require, as well as the service of the tour operator himself. In most cases, the visitor is not aware of the distribution of costs among the components, and has no direct contact with the providers of the services prior to departure. Often, the tour operator puts himself at risk with the providers of the services included within the package tour, and must pay them penalty fees if the products do not sell in the quantities that have been booked.
- 6.64. A package tour might be seen to comprise a completely new, if synthetic, “product”. Its classification and treatment within National Accounts and Balance of Payments has traditionally posed difficulties, but an agreement should be feasible on the fact that a package tour should not be viewed as a product per se, but rather as the sum of its components, including the gross margin of the tour operator and that of the travel agencies that sell them to the public.
- 6.65. In tourism statistics all components of a package tour, including the value of the service of the tour operator himself and of the travel agencies that sell them, have to be considered as directly purchased by the visitors. This entails a valuation of the principal output of tour operators on the basis of the “gross margin” (the so-called “net valuation” approach).
- 6.66. Tour operators are considered to be a certain type of retailer of tourism services although, as in the case of travel agencies, they do not substitute the providers of the services that are included in the package. A value for the service provided by tour operators should be calculated, equal to the gross margin earned, as the difference between what the tour operator charges for the package tours sold and the costs to him of the components, including the commission paid to travel agencies selling the package tours to the public.

## **Chapter 7**

### **Employment in the tourism industries**

- 7.1. As in any other sector of the economy, employment is an important dimension to characterize and acknowledge the importance of tourism from the productive, social and strategic points of view.
- 7.2. As a variable of major importance in the economic analysis of productive activities, employment is central to the industry-specific policy development process and this is also the case for tourism. Furthermore, tourism provides working people with work experience and income and therefore contributes to their social inclusion and personal development.
- 7.3. Because, in general, tourism-characteristic activities are labor-intensive, governments are particularly keen in measuring the contribution tourism makes in terms of generation of jobs and people's access to income.
- 7.4. As a factor of production, labor can be associated with the total output of an establishment, but cannot be assigned to any particular output without the use of specific assumptions and modeling procedures. For this reason, tourism employment as meaning the employment strictly related to the goods and services (tourism-characteristic, tourism-connected and other) acquired by visitors and produced by either tourism industries or other industries cannot be directly observed. The adjustment for the above will require the application of a series of data reconciliation procedures such as micro-data linking and other techniques that go beyond the present recommendations.
- 7.5. Due to the above, the recommendations to be found in this Chapter are restricted to employment in the tourism industries (see Chapter 6). As already mentioned, (see paras. 6.15. to 6.21.) in each country, the tourism industries will include all establishments whose main activity is a tourism-characteristic activity. These tourism industries will be common to all countries except for individual *country-specific tourism characteristic activities* (category 12) (see para. 5.39.). It should be noted that persons engaged in secondary tourism-characteristic activities of an establishment belonging to a non-tourism industry (e.g., all establishments whose principal activity is not a tourism-characteristic activity) will not be included in "employment in the tourism industries" although they would be counted in "tourism employment". On the other hand, persons employed in an establishment belonging to a tourism industry who participate in the establishment's secondary non-tourism-characteristic activities will be included in "employment in the tourism industries" but not included in "tourism employment".
- 7.6. Besides data on *persons employed* and the number of *jobs* in the tourism industries, other measures like *hours worked* or *full-time equivalent employment* are also required in order to gauge the amount of labour assigned to a particular tourism industry. The different concepts and definitions of employment in the tourism industries, and their interrelations are given below.

## A. Concepts and definitions

- 7.7. In order to achieve the most complete coverage and have an accurate measure of employment in the tourism industries, it is necessary to define the most relevant concepts and categories underpinning it. It should be noted that labour statistics have their own international standards<sup>2</sup> that comprise a full range of concepts, definitions and classifications which should be referred to and used when collecting employment statistics. Consequently, the concepts and definitions presented in this Chapter should primarily be used for statistical purposes as well as a basis for data reconciliation procedures for the production of TSA and SNA employment tables.
- 7.8. In general terms, a person having a job is considered to be employed and is part of the economically active population (see Box 7.1).

### Box 7.1 Job

“... a job is defined as an explicit or implicit contract between a person and an institutional unit to perform work on return for compensation for a defined period or until further notice. The institutional unit may be the proprietor of an unincorporated enterprise; in this case the person is described as being self-employed and earns a mixed income”.

Source: “*System of National Accounts 1993*”, para. 17.8.

### Economically active population

“The *economically active population* or *labour force* comprises all persons of either sex who furnish the supply of labour for the production of goods and services as defined by the *System of National Accounts* during a specified time-reference period. Activities that fall within the production boundary of the System may be summarized as follows: (a) The production of all individual or collective goods or services that are supplied to units other than their producers, or intended to be supplied, including the production of goods or services used up in the process of producing such goods or services...”

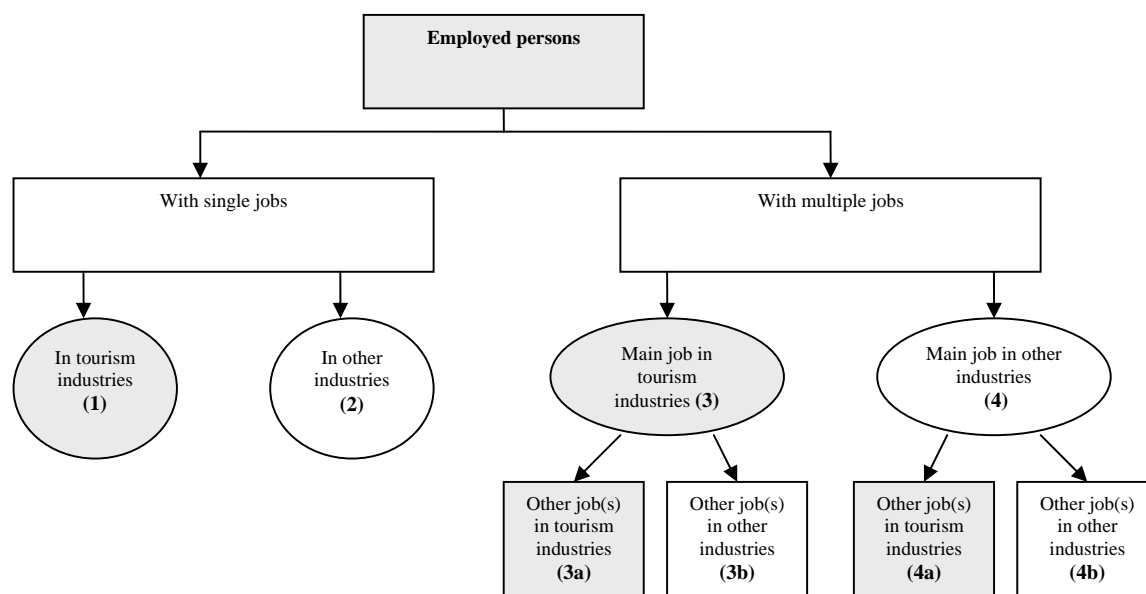
Source: ILO. “*Resolution concerning statistics of the economically active population, employment, unemployment and underemployment*”. *Thirteenth International Conference of Labour of Statisticians. Current International Recommendations on Labour Statistics, 2000 Edition. Geneva, 2000, p. 24*; and “*System of National Accounts 1993*”, para. 6.18.

- 7.9. A person may have a single job or multiple jobs. If it is a single job, it can be in a tourism industry or in other industry. If a person has multiple jobs, his/her main and/or additional job(s) may be in a tourism industry or in other industry. Figure 7.1 illustrates this situation in a graphical form.

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<sup>2</sup> Within the UN system, the International Labour Organization (ILO) is responsible for developing international standards in the field of labour statistics. The standards can be found in <http://www.ilo.org/public/english/bureau/stat/> (see: Labour Statistics’ Conventions, Resolutions, Recommendations, Guidelines ); and “*Resolution concerning statistics of the economically active population, employment, unemployment and underemployment*”. *Thirteenth International Conference of Labour of Labour Statisticians. Current International Recommendations on Labour Statistics, 2000 Edition.* International Labour Office, Geneva, 2000.

Figure 7.1. Single versus multiple job holders in the tourism industries



Persons employed in the tourism industries (all jobs) = 1, 3, 4a  
 Persons employed in the tourism industries (main job) = 1, 3  
 Jobs in the tourism industries = 1, 3, 3a, 4a

7.10. Stemming from the above, the following *operational definition* is recommended: *employment in the tourism industries* comprises all persons above a specified age, who during a specified period, either a week or a day, were engaged in tourism industries in their main or any additional jobs, and who were in one of the following categories: (i) paid employment or (ii) self-employment.

(a) *Paid employment:*

*At work:* persons who during the reference period performed some work for wage or salary in cash or in kind.

*With a job but not at work:* persons who, having already worked in their present job, were temporarily not at work during the reference period and had a formal attachment to their job.

(b) *Self-employment:*

*At work:* persons who during the reference period performed some work for profit or family gain, in cash or in kind.

*With an enterprise but not at work:* persons with an enterprise, which may be a business enterprise, a farm or a service undertaking, who were temporarily not at work during the reference period for any specific reason<sup>3</sup>.

<sup>3</sup> International Labour Office, “Resolution concerning statistics of the economically active population, employment, unemployment and underemployment”. Thirteenth International Conference of Labour of Labour Statisticians. *Current International Recommendations on Labour Statistics, 2000 Edition*. Geneva, 2000, p. 25.

- 7.11. *Self-employment jobs* are those jobs where the remuneration is directly dependent upon the profits (or the potential of profits) derived from the goods and services produced<sup>4</sup>.
- 7.12. *Self-employed* can be divided into two groups: those with and those without paid employees. Those with paid employees are classified as *employers* and those without paid employees are classified as *own-account workers*. In addition, self-employed also include contributing family workers and members of producers' co-operatives
- 7.13. If information on the industry and other characteristics of each job of multiple job holders is not available, employment in the tourism industries may be limited to refer to all persons above a specified age, who during a specified period, either a week or a day, were engaged in tourism industries in their main job.
- 7.14. Box 7.2 contains the definitions of *employees* and *employers* and identifies a number of special categories of persons that can be found among those employed in the tourism industries.

**Box 7.2 Status in employment: Basic definitions**

- (i) *Employees* are all those workers who hold the type of jobs defined as "paid employment". There is an agreement, which can be either formal or informal, between an enterprise and a person, whereby the person works for the enterprise in return for remuneration in cash or in kind. *Employees with stable contracts* are those "employees" who have had, and continue to have, an explicit (written or oral) or implicit contract of employment, or a succession of such contracts, with the same employer on a continuous basis. "On a continuous basis" implies a period of employment, which is longer than a specified minimum determined according to national circumstances. (If interruptions are allowed in this minimum period, their maximum duration should also be determined according to national circumstances). *Regular employees* are those "employees with stable contracts" for whom the employing organization is responsible for payment of relevant taxes and social security contributions and/or where the contractual relationship is subject to national labor legislation.
- (ii) *Employers* are those workers who, working on their own account or with one or a few partners, hold the type of job defined as a "self-employment job" and, in this capacity, on a continuous basis (including the reference period) have engaged one or more persons to work for them in their business as "employee(s)".
- (iii) *Own-account workers* are those workers who, working on their own account or with one or more partners, hold the type of job defined as a "self-employment job", and have not engaged on a continuous basis any "employees" to work for them during the reference period. It should be noted that during the reference period the members of this group might have engaged "employees", provided that this is on a non-continuous basis. (The partners may or may not be members of the same family or household.)
- (iv) *Casual workers* are workers who have an explicit or implicit contract of employment, which is not expected to continue for more than a short period, whose duration is to be determined by national circumstances.
- (v) *Workers in short-term employment* are workers who hold explicit or implicit contracts of employment which are expected to last longer than the period used to define "casual workers", but shorter than the one used to define "regular employees".
- (vi) *Workers in seasonal employment* are workers who hold explicit or implicit contracts of employment where the timing and duration of the contract is significantly influenced by seasonal factors such as the climatic cycle, public holidays and/or agricultural harvests.

<sup>4</sup> International Labour Office, "Resolution concerning the International Classification of Status in Employment (ICSE), adopted by the Fifteenth International Conference of Labour Statisticians". Current International Recommendations on Labour Statistics, 2000 Edition. Geneva, 2000, pp. 20-23.



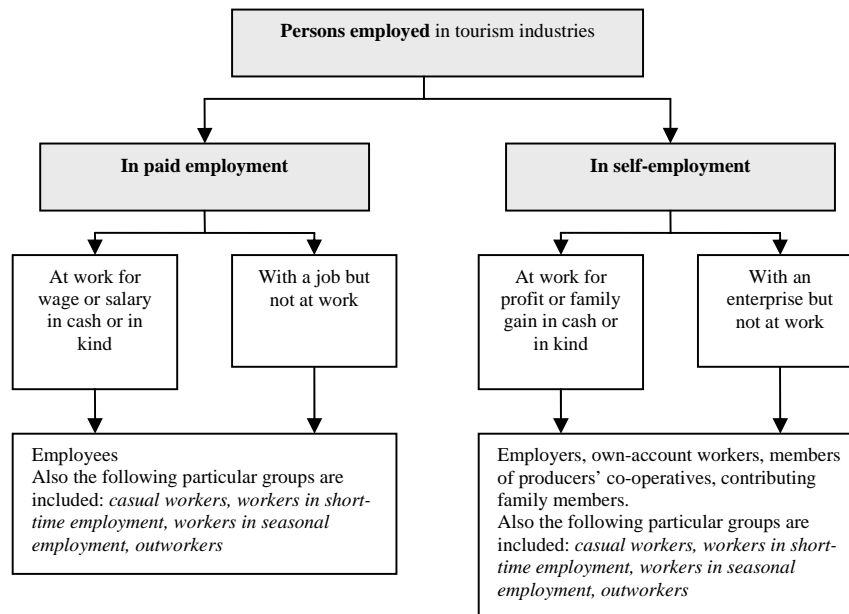
(vii) *Outworkers* are workers who: (a) hold explicit or implicit contracts of employment under which they agree to work for a particular enterprise, or to supply a certain quantity of goods or services to a particular enterprise, by prior arrangement or contract with that enterprise; but (b) whose place of work is not within any of the establishments which make up that enterprise. They may be classified as "employers" if they engage other workers on terms as described in para. (ii) above.

Workers in categories (iv) – (vii) may be classified as being "employees" or "own-account workers" according to the specific characteristics of the employment contract.

Source: International Labour Office. "Resolution concerning the International Classification of Status in Employment (ICSE)", adopted by the Fifteenth International Conference of Labour Statisticians. Current International Recommendations on Labour Statistics. 2000 Edition. Geneva, 2000, pp. 20-22

7.15. Figure 7.2 that follows illustrates and summarizes the categories of persons employed in tourism industries, as defined above.

Figure 7.2. Employment in the tourism industries: basic categories of employed persons



## B. Employment as demand and supply of labor

7.16. Work means an activity that contributes to the production of goods and services within the production boundary of the SNA. In that framework, labor markets can be characterized by demand for and supply of labor.

7.17. Establishments need people to work at various posts and these posts can be either vacant (vacancies) or filled (jobs). This is the demand side of labor. In the latter case, the statistical unit is a **job**. A person, occupying a post, performs the work thereby supplying his labor in return for payment in cash or in kind, or profit. This is the supply side of labor. The statistical unit here is a **person employed**. Payment for

the work performed translates into income for those employed and into part of labor costs for their employers.

- 7.18. Some employed persons may have more than one job, in which case one of the jobs will be the primary job (defined on the basis of time spent or income generated) and other(s) will be secondary job(s). Conversely, two or more persons may fill one post in taking two or more part-time jobs. As a consequence, the number of jobs (demand side) and the number of persons employed (supply side) are not similar categories and therefore usually do not match.
- 7.19. Stemming from the above, employment in the tourism industries can be expressed as a count of jobs in the tourism industries or as a count of persons employed. From the demand perspective (the former case) and when looking at the number of posts occupied by persons engaged in productive activity, it is the number of jobs and their characteristics that can be established rather than those of persons employed: the primary job plus a secondary job plus other additional jobs equals a total number of jobs of a given person. The aggregation of jobs over all persons concerned will yield a total number of tourism-characteristic jobs in a given establishment or tourism industry, etc. As for the supply side, a person may occupy more than one job, involved in tourism-characteristic activities, which may be located in different establishments belonging to different tourism industries. Therefore, the total number of persons employed in the tourism industries may not be equal to the sum of persons employed in individual tourism industries.
- 7.20. The intensity of work may vary from job to job, industry to industry and from period to period - jobs may differ by working time of persons employed and therefore be expressed in terms of full- or part-time jobs. For this reason, it is not sufficient to have data on the number of jobs or persons employed in order to obtain information on the volume of labor performed during a specified period of time (e.g., a month or a year). Data on the total number of working hours will be required. Finally, if all jobs are converted into full-time equivalent employment or annual total hours worked<sup>5</sup>, the total volume of labor of a given tourism industry for a given period can be obtained.
- 7.21. Figure 7.3 below illustrates the relationship between employed persons and jobs, and the types of measurement that have been suggested.

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<sup>5</sup> As defined by the 1993 SNA paras. 17.11 to 17.18

Figure 7.3. Relationship between different measures of tourism employment in a given period



7.22. To summarize all the above, depending on user needs, employment in the tourism industries can be expressed in terms of:

- number of persons
- number of jobs (full-time/part-time)
- number of hours of work
- full-time equivalent employment.

### C. Characteristics of employment

7.23. In order to provide information on the composition of jobs in tourism industries and identify more homogenous groups for analytical purposes, and as a basis for comparisons of statistics over time and between countries, the employment measures

should be classified according to various characteristics of the industries and of the persons occupying the jobs.

7.24. Thus, a job, in addition to classification by working time of person(s) employed, can also be classified by demographic, educational and social characteristics of person(s) occupying it. Also, remuneration linked to a given job is an important characteristic and should be classified separately.

7.25. For the purpose of international comparisons, the classifications of statistics on employment in the tourism industries should adhere or be convertible to the standard international classifications most recently adopted such as:

- (i) International Standard Industrial Classification (ISIC Rev. 4) and its application for tourism statistics.
- (ii) International Standard Classification of Occupations (ISCO-88)<sup>6</sup>.
- (iii) International Standard Classification of Education (ISCED-97).
- (iv) International Classification of Status in Employment (ICSE-93)<sup>7</sup>.

7.26. In order to adequately analyze employment in the tourism industries, it is recommended that countries collect the following key variables for each of the tourism industries as identified in chapter 6 and for the tourism industries as a whole:

- Employment by age group, gender and nationality/country of residence (if relevant);
- Employment by type of establishments (size, formal, informal<sup>8</sup>, etc.);
- Employment classified by occupation and status in employment;
- Permanent/temporary employment expressed in terms of number of jobs, hours of work, full-time equivalent, etc.
- Employment by educational attainment.
- Hours of work (normal/usual, actually worked, paid for).
- Working time arrangements.

7.27. As employment variables are eventually used for an in-depth analysis of a country's tourism industries within a social and economic context, countries also should collect the following variables characterizing the monetary aspect of labor:

- *Compensation* of employees that includes wages and salaries payable in cash or in kind, and the value of the social contributions payable by employers<sup>9</sup>, for each industry and by categories of workers.

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<sup>6</sup> International Labour Office. "International Standard Classification of Occupations (ISCO-88). Geneva, 1990. Currently, ISCO-88 is being updated and its new version (ISCO-08) is expected to be available as of 2008.

<sup>7</sup> \_\_\_\_\_ "Resolution concerning the International Classification of Status in Employment (ICSE), adopted by the Fifteenth International Conference of Labour Statisticians". *Current International Recommendations on Labour Statistics. 2000 Edition*. Geneva, 2000, pp. 20-23.

<sup>8</sup> \_\_\_\_\_ "Resolution concerning statistics of employment in the informal sector", *Current International Recommendations on Labour Statistics. 2000 Edition*. Geneva, 2000, pp. 32-40.

<sup>9</sup> As defined in the SNA 1993. See "System of National Accounts 1993". Chapter VII "The primary distribution of income account", para. 7.21, p. 164.

- *Labor cost* that besides remuneration for work performed also includes cost to the employer for vocational training, welfare services and miscellaneous items that are not necessarily included in compensation of employees such as transport of workers, work clothes and recruitment, together with taxes regarded as labor costs<sup>10</sup>.
- *Mixed income* of self-employed persons<sup>11</sup>.

#### **D. Measuring employment**

- 7.28. The collection of data on employment in the tourism industries should be integrated in the regular national statistical system. By its nature, employment in the tourism industries can be undertaken either in paid employment or self-employment. It is unlikely that a complete picture of employment in the tourism industries can be obtained from a single statistical source. In order to achieve a better coverage and get more detailed characteristics of persons employed, countries should, as far as possible, use the following major sources of data collection: (i) household-based sample surveys; (ii) establishment-based sample surveys; and (iii) administrative records.
- 7.29. Household Labor Force Surveys are an important data source that, with an appropriate survey design, can cover virtually the entire population of a country, all industries, all categories of workers, including the self-employed and casual workers. They can also capture economic activity in both formal and informal sectors, as well as informal employment.
- 7.30. Importantly, the Household Labor Force Surveys collect data from individuals and thus provide information on persons who may be employed in more than one job (multiple-job holders) and different industries (tourism or non-tourism).
- 7.31. Establishment-based sample surveys are another important data source on jobs and persons employed. When the interest is in specific industries, which is the case with tourism industries, establishment surveys, given an adequate sampling frame, can provide an in-depth picture of target industries. It should be noted though that informal establishments are not covered by conventional establishment surveys. Reliable and detailed information on topics related to jobs and employment (e.g. earnings, remuneration and labor costs) can be obtained in establishment surveys, especially when they can draw upon payrolls and other available records.
- 7.32. Statistics based on *administrative records* (such as social security files, tax reports, employment reports) are usually by-products of administrative processes. They are often based on continuous operations, and can therefore be a useful source of flow statistics and other longitudinal data. However, they can also have various

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<sup>10</sup> International Labour Office, "Resolution concerning statistics of labour cost, adopted by the Eleventh International Conference of Labour Statisticians". *Current International Recommendations on Labour Statistics. 2000 Edition*. Geneva, 2000, pp. 41-43.

<sup>11</sup> As defined in the SNA 1993. See "System of National Accounts 1993". Chapter VII "The primary distribution of income account", para. 7.80, p. 174.

shortcomings such as limited coverage (the exclusion of informal establishments) and content, inflexible concepts and definitions, incompleteness, inconsistencies and restricted access due to legal or administrative constraints<sup>12</sup>.

- 7.33. As it is hardly feasible to comprehensively gauge and analyze employment in tourism industries on the basis of only one statistical source, the integration of data from different sources is a preferable solution. This method yields more comprehensive information, provides a better overview and a more consistent picture, and results in a more accurate analysis.
- 7.34. Although a significant progress has been made in recent years in developing methodological frameworks for the integration of information on tourism employment with other macroeconomic aggregates and improvement of international data comparability, such as the TSA (see Chapter 8) and the OECD EM<sup>13</sup>, work is still underway in order to find a better way or develop a more comprehensive framework for integrating data from different sources and establishing better links with the SNA. The *IRTS Compilation Guide* will provide a useful road map for collecting information and reconciling data from different sources.

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<sup>12</sup> For more ample information on statistical sources see:

- International Labour Office. "Survey of economically active population, employment, unemployment and underemployment: An ILO manual on concepts and methods". ILO Geneva, 1990.
- \_\_\_\_\_ "Resolution concerning statistics of employment in the informal sector, adopted by the Fifteenth International Conference of Labour Statistician (January 1993)". *Current International Recommendations on Labour Statistics. 2000 Edition*. Geneva, 2000, pp. 32-38.
- \_\_\_\_\_ "Guidelines concerning statistical definition of informal employment endorsed by the Seventeenth Conference of Labour Statistician (December 2003)". *Report of the Conference*, Geneva, Seventeenth Conference of Labour Statisticians, 24 November – 3 December 2003.
- \_\_\_\_\_ "An integrated system of wages statistics: A manual on methods". Geneva, 1979.
- \_\_\_\_\_ "Labour Statistics based on administrative records: Guidelines on compilation and presentation". ILO/EASMAT, ILO Regional Office for Asia and the Pacific, Bangkok, 1997.

<sup>13</sup> Organisation for Economic Cooperation and Development. "Guidelines for a Tourism Satellite Account: the employment module". Paris 1999.

## **Chapter 8      Understanding tourism in its relationship with other macroeconomic frameworks**

8.1. Tourism cannot be viewed as an isolated field of economic analysis and the present chapter intends to indicate some particular areas that should allow for future extensions of the present scope of IRTS. First of all, the Tourism Satellite Account approach as the privileged instrument by which tourism statistics are linked within the mainstream of macro economic analysis is introduced. Then, the link between inbound and outbound tourism and the Balance of Payments statistics is highlighted as a response to the increasing importance of tourism as an international traded service. The need for measurements of tourism at the sub-national level is then stressed, and the links between the two approaches, the national one and the sub-national ones are underlined, approaches that might not totally coincide but bring complementary points of view on the activities associated with tourism in a given geographical territory. Finally, mention is made of the issue of sustainability of tourism and its measurement, as a complement and a corrective to the view of tourism from a too restrictive and short term economic perspective.

### **A.      The TSA approach**

8.2. The establishment of a Tourism Satellite Account at national level and the design of an international standard for this conceptual and analytical framework for tourism statistics have been on the agenda of tourism statisticians worldwide for more than two decades.

8.3. In recognition of the special feature of tourism, that stretches beyond the description of visitors, their consumption of transportation, accommodation, food services, and the activities of those serving them, tourism statisticians also understood very rapidly that tourism could not be described and analyzed apart from its broader socio-economic context.

8.4. This is the reason why tourism has been an ideal area for satellite accounting. The adaptation of the general concepts, definitions, classifications, aggregates and tables of the System of National Accounts, 1993 to tourism was rapidly considered as an important initiative. It was deemed relevant for several key reasons:

- As an instrument that recognized that tourism cuts across many products and productive activities, facilitating a deeper understanding of tourism's linkages to other economic areas;
- As a structural link to the System of National Accounts, the Balance of Payments, the Statistics on International Trade in Services, and as a consequence, to other macroeconomic frameworks;
- As 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;

- As a methodology and 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, in particular those related to the characterization of visitors, tourism trips and employment in the tourism industries;
  - As the unique framework through which to properly compile Tourism GDP considered as the basic macro aggregate to characterize the size of tourism, among other aggregates;
  - As a reference and milestone for future statistical developments and economic research on tourism.
- 8.5. The TSA is essentially a conceptual framework for understanding tourism from a macroeconomic perspective. It focuses on the description and measurement of tourism in its different forms (inbound, domestic and outbound). It also highlights the relationship between consumption by visitors and the supply of goods and services in the economy, principally those from the tourism industries. With this instrument, it is possible to estimate 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 the System of National Accounts and Balance of Payments.
- 8.6. Two types of consistency are provided by the TSA: first of all 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 secondly between the general use and supply of all products and all agents in the economy with the demand generated by visitors.
- 8.7. The TSA comprises a set of ten interrelated tables that articulate the different categories of consumption by visitors associated with the different forms of tourism (tables 1 to 4), the production in tourism industries and other industries of tourism characteristic products, tourism connected products and other products (tables 5 and 6) and allows the calculation of tourism GDP; the employment in the tourism industries (table 7), tourism gross fixed capital formation (table 8), government administrative expenditures associated with the support and control of tourism (tourism collective consumption - table 9) and finally some important non-monetary indicators (table 10) to support the analyses of the economic data in tables 1-9.
- 8.8. These tables are consistent with the general supply and use tables established by countries at national level to describe the general economic balance of goods and services and the production accounts of the producers following the System of National Accounts, 1993. A TSA can thus be considered as the global consistency framework of basic tourism economic statistics.
- 8.9. UNWTO will provide, in due time, future guidance regarding a staged plan and process to develop TSA and related extensions .



## **B. Tourism and Balance of Payments**

- 8.10. Balance of Payments focuses on the description of the economic relationship between residents and non-residents. It obviously comprises transactions associated with international tourism. International tourism has been defined on the basis of the concept of residence, that is similar to that used in Balance of Payments and the System of National Accounts. No discrepancy should thus derive from this definition.
- 8.11. In the context of the Balance of Payments of a country, 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 of individuals during these journeys. 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 (see Box 8.1).
- 8.12. According to this general definition, the value of tourism expenditure associated with international visitors while on trips would be part of “travel”: inbound tourism expenditure would be part of travel credit and outbound tourism expenditure would be part of travel debit. Nevertheless, the precise boundaries that are later assigned to this general definition make this initial simple view rather more complex.

### **Box 8.1 The “travel” item**

10.74. 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.

10.75. The primary breakdown of travel is between business and personal travel, with a secondary breakdown by type of good or service.

10.83. ... To highlight the link between travel and tourism statistics, tourism may be shown as a supplementary item that combines travel with tourism related services in passenger transport.

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- 8.13. Differences have to do with (i) differences in scope of the individuals whose transactions are included, and (ii) differences in the scope of expenditures that are covered, differences that are already suggested in the quote that appears in Box 8.1 as it mentions that the link with tourism statistics requires the consideration of tourism related services in passenger transport.
- 8.14. Regarding the difference in the scope of individuals whose expenditure is comprised, besides international visitors, who often represent most of the non-residents paying visits to the country, and of the residents paying visits abroad, the “travel” item includes the expenditure of travelers that tourism statistics do not consider as visitors,

such as: border workers, seasonal workers, and other short term workers, students taking long term courses outside their country of residence and long term patients outside their country of residence. The “travel” item also includes the expenditure of nomads and refugees (if their intended length of stay is shorter than a year so that they can still be considered as non residents for the place where they are located).

- 8.15. On this basis, the “travel” item has a broader scope than tourism statistics.
- 8.16. Regarding the items covered by the notion of acquisition of goods and services in the “travel” item and by that of tourism expenditure in tourism statistics, progresses have been made in identifying the differences with precision and in making the necessary conceptual reconciliation an easier process:
- The notion of acquisition used in the “travel” item is broader than the notion of expenditure of tourism statistics, as it also includes imputed values as well as social transfers in kind, that tourism statistics only considers in a more inclusive concept, that of tourism consumption used in the TSA;
  - Purchases by visitors or other for their benefits of valuables and consumer durables which value exceeds the custom’s threshold that Balance of Payments do not include in “travel” but under merchandise trade are included in inbound/outbound tourism expenditure (see para. 4.37./h) although their separate identification has been recommended that makes reconciliation possible;
  - Expenditure by international visitors on international transportation when representing a resident/non-resident transaction is part of international tourism expenditure (inbound/outbound) but is not included in the “travel” item. It is included under the “passenger services” item of the Balance of Payments. However, not all this item represents the expenditure by inbound or outbound visitors and some further explanation is thus required.

#### **Box 8.2 Passenger services**

10.63. 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 an economy by nonresident carriers. The valuation of passenger transport should be net of the 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; these are included in travel.

10.64. Passenger services include fares and other expenditure related to the carriage of passengers. They also include any taxes levied on passenger services, such as sales or value added taxes. For practical reasons, they include fares that are a part of package tours but exclude cruise fares, which are included in travel.

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- (a) As appears in Box 8.2, first of all, the “passenger services” item of the Balance of Payments includes also passenger services provided to or from the country of reference to travelers that are not visitors;
- (b) “Passenger services” also includes 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; nevertheless, for their country of origin, they are outbound visitors and their consumption involving a resident/non-resident transaction is part of outbound tourism expenditure.
- (c) “Passenger services” also includes services provided to residents within a country by a non-resident carrier. It is a resident/non-resident transaction and has been included in outbound tourism expenditure for the country of reference ([see para. 4.18.](#)). For the country of residence of the carrier, this transaction is not part of tourism expenditure because the traveler is not a visitor to, from or within this country (see case (b)).

- 8.17. Additional, and still more complex issues, have to do with the way the intermediation of travel agencies, other reservation services and tour operators is recorded in both systems.
- 8.18. Box 8.2. mentions the fact that passenger services should be net of “fees payable by the carriers to travel agencies and other providers of reservation services” and that passenger services “include fares that are a part of package tours”. These two recommendations are consistent with the treatment in tourism statistics. Nevertheless, only once the updated Compilation Guide of the Balance of Payments is made available will it be possible to establish how these fees are treated, and what is done with the other components of package tours in the different possible situations of residence of the agents involved, and whether the treatments recommended are consistent with the perspective of tourism statistics.
- 8.19. The scheme that follows (figure 8.1) illustrates the relationship between the records in the Balance of Payments under “travel” and “passenger services” and tourism statistics. It separates the issue of the scope of individuals and the scope of expenditure.

Figure 8.1

Bridge table between the "travel" item of BoP and inbound/outbound tourism expenditure

		Balance of Payments	Tourism Statistics
<b>Definition</b>		<p><i>"travel" item BoP</i></p> <p>Travel credits cover all 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 all goods and services for own use or give away acquired from other economies by residents during visits to other economies</p>	<p><i>Inbound/outbound tourism expenditure</i></p> <p>Tourism expenditure is defined as the acquisition of goods and services by visitors or by others for their benefit, through a monetary transaction for own use or give away for and during his/her tourism trips. (a) Inbound tourism expenditure is the tourism expenditure of non-resident visitors within the economy of reference; (b) Outbound tourism expenditure is the expenditure of resident visitors outside the economy of reference.</p>
		<p><i>Passenger international transport item</i></p> <p>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 an economy by nonresident carriers. Excluded are passenger services provided by resident units to nonresidents within the territory of residence of the carrier; these are included in travel.</p>	
<b>Scope</b>			
		Arriving non residents/leaving residents	International Visitors: travelers taking trips outside their usual environment involving visits for less than a year, for a purpose other than been paid in any of the place visited.
<b>p e r s o n s</b>	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
	students	short term and long term	only course for less than a civil year
	patients	short term and long term	only treatment for less than a civil year
	nomads	yes if for stay less than a year	no
	refugees and displaced persons	yes if for stay less than a year	no
<b>t r a v e l</b>  <b>s c o p e</b>	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	all
	acquisition of consumer durable goods	yes if under the customs' threshold	all
	expenditure on education for those which main purpose is education	yes	yes if course for less than a civil year
	expenditure on health for those which main purpose is health	yes	yes if treatment for less than a civil year
	expenditure other than purchase of goods and services	no	no
	transport to and from the country of reference in a resident/non resident transaction	yes	yes
	transport between two points outside the country of reference as a resident/non resident transaction	yes	for the country of residence of the carrier, the traveler is not a visitor; 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/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
	intermediation of travel agencies	?	valuation of the service using the gross margin: it is acquired by the visitor. In inbound, outbound or domestic tourism expenditure depending on the country of residence of the travel agency and of the visitor
	package tours	?	valuation of the service using the gross margin: it is acquired by the visitor. In inbound, outbound or domestic tourism expenditure depending on the country of residence of the tour operator, the travel agency and the visitor

8.20. As a first breakdown, 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 whereas 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, pilgrimage, and education and health-related purposes

8.21. This breakdown corresponds to that of “Personal” and “Business and professional” used for classification of tourism trips by purpose (see paras. [3.14.](#) and [3.17.](#)) though the differences in scopes between Balance of Payments and tourism statistics have to be taken into account:

- the travelers whose expenditures have to be included under “business” in the Balance of Payments are business visitors, and travelers that are seasonal or border workers, and other short term workers; this scope is broader than that of tourism statistics that only takes into consideration business visitors
- the travelers whose expenditures have to be included under “personal” are visitors coming for tourism personal purposes and long term students and long term patients, as well as nomads, refugees and displaced persons; again, in this case, the scope is broader than that of tourism statistics that only includes those coming for tourism personal purposes
- The scope of expenditures included under “travel” both for “business” and “personal”, in the Balance of Payments, and inbound/outbound tourism expenditure in tourism statistics are different (see para. [8.16.](#) and [figure 8.1](#)): “travel” is at the same time broader as it includes expenditures benefiting visitors that do not necessarily involve a monetary transaction such as imputations and the counterpart of social transfers in kind and more restricted as it does not include transactions on international transport, even when such transactions are of a resident/non-resident nature.

8.22. As a secondary breakdown, and in line with the intention of closing gaps between the approaches followed in different conceptual frameworks, the Balance of Payments Manual 6 (BPM6) is recommending 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. [4.27.](#)), and improve the consistency of the measurements with the TSA as well as with the supply and use tables (see para. [8.6.](#)).

8.23. The travel item of the Balance of Payments, complemented with international passenger service, is extensively used as a first approximation of the total amount of inbound/outbound tourism expenditure by tourism analysts. Nevertheless, the differences in scope regarding the individuals and their expenditure might be relatively significant, in some countries when the flows of non-visitors within travelers are important, or when international passenger carriers operate importantly between foreign countries. Nevertheless, it should be viewed as a useful first approximation.

8.24. **It is recommended** that tourism statistics should allow for tourism related expenditure 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 (see Box 8.1).

- 8.25. Many countries base their estimation of the “travel” item and more generally, the estimation of the expenditure of travelers on a combination of different sources of information: International Transaction Reporting System (ITRS) from the Central Bank and the Financial System, complemented or not with credit card reports and information from travel agencies; global extrapolation of some estimation based on an observation or calculation made in the past of expenditure by travelers using price and volume indices; use of mirror estimations based on partner countries measurements concerning outbound travelers, etc. Nevertheless, International Organizations have recognized the importance for countries to work nationally in a coordinated manner in order to foster joint observation procedures at the borders using border surveys of inbound and outbound travelers, These are promoted as important instruments that provide information both for the compilation of the Balance of Payments items concerning “travel” and other expenditure by travelers, and for the compilation of tourism statistics. This collaboration should be the basis for a better understanding of the similarities and the differences of the two focuses (see Chapter 9 / D Interagency Cooperation)

### **C. Measuring tourism at sub-national levels**

- 8.26. Tourism is territorial by nature and occurs in specific locations. As a consequence, it is not surprising that the follow up of the activities associated with tourism is of increasing interest to the regional authorities, and to Regional Tourism Administrations (RTAs).
- 8.27. As a first step, this information is obtained by disaggregation of information available at national level, using general types of shares and some specific information available at subnational level, such as for instance accommodation statistics, or studies of mobility.
- 8.28. Information on tourism activity at regional level cannot be obtained by relying solely on the regionalization of national sources. Even supposing, in the best of instances, that the data sources used for the compilation of national statistics have the required detail for gathering data at the level of regions, most of the time, procedures developed at a national level tend to underestimate the importance of specific features of regions. For instance, the number, characteristics and expenditure pattern of visitors going to a region known for its beach resorts are very different from those of visitors going to a region rich in historical sites, or to those visiting a ski resort in the mountains: the type of demand that needs to be met, the infrastructure that needs to be put in place, the seasonality of the flows of visitors, are completely different, and these are features to which a general type of survey might have difficulty to respond properly.

- 8.29. Regions where tourism is an important source of economic activity and which have the necessary administrative skills and resources to do it, feel the need to progress towards developing sources of their own so as to be able to capture the specificities of tourism on their territory.
- 8.30. More specifically, increasingly RTAs are conscious of the need for preparing regional statistics and possibly some form of Tourism Satellite Account (as a systematic reconciliation procedure of demand and supply) at regional level as a means of providing useful indicators for tourism enterprises and organizations in identifying possible business opportunities, assessing the volume and intensity of tourism business and determining the extent to which private and public regional tourism networks and clusters are interconnected.
- 8.31. Nevertheless, in a sub-national perspective, there are some limitations from a statistical point of view: defining survey frames for tourism sampling surveys compiled at subnational level is particularly difficult for the lack of control at the corresponding administrative borders. Closely linked to the former one, another eventual problem is that estimates of tourism made from the perspective of a specific region solely could well not be compatible with that of the remaining regions, generating as a consequence a lack of reliability of tourism estimates, both for the regions and for the country as a whole. Therefore, **it is recommended** to combine both approaches, (to regionalize national data and to gross up and compare independent regional data) in order to foster conceptual consistency between them and to reach a balanced view of tourism activity in a country.
- 8.32. Developing tourism statistics at sub-national level will require adaptations of the national framework: some of these adaptations will be common to all sub-national units, while some will be specific to some of them.
- 8.33. First of all, this development might require a revision and adaptation of the definition of the usual environment and thus of determining the scope of tourism. As had been mentioned (see para. 2.56.), there are often differences between density of population, transportation accessibility, cultural behaviors, vicinity to national or administrative borders, etc., between countries or sometimes within a country. These differences hinder the development of a unique world-wide statistical determination of the usual environment of an individual.
- 8.34. Within a country, these differences might be very sharp, and a definition that seems satisfactory for the description of tourism at national level might lack relevance when applied in a specific region or place. These criteria should be discussed among regional entities and the entity in charge of the compilation at national level, and consistent decisions should be made that allow developing relevant statistics at sub-national level without compromising the comparability of inter regional flows and a reconciliation of the flows at national level.
- 8.35. At that point, it is important to underline that reconciliation does not mean necessarily identity: for instance, it might be necessary to make different measurements using different types of definitions of the usual environment or forms of tourism (in order to

be able to identify and separate categories of visitors that have a different relevance at subnational level. Also regarding visitors that are residents of the country of reference, it might be useful to separate those that have their place of usual residence within this region from those that come from other regions.

- 8.36. As a consequence, there is a need to split the set of “domestic visitors” in each region into “domestic visitors usually residents in the region” and “domestic visitors usually residents in other region”. For any given region, therefore, there are three subsets of visitors to or in that region: residents in other countries (inbound visitors for the country as a whole), residents in another part of the national territory, and residents in the region of reference. The two last categories are part of domestic visitors for the country as a whole.
- 8.37. Additionally, non-resident travelers identified as non visitors when entering the country of reference, might make visits within the country of reference that, within a regional perspective, should be considered as tourism visits: it is the case of long term students and patients, of diplomats, consular staff, military personnel and their dependents from other countries stationed in the country visited, as well as business travelers, that might make visits outside the place in which they are developing the aforementioned activity (and that is viewed from the regional perspective as their temporal usual environment) to engage in activities considered as tourism.
- 8.38. This situation (which is also true for domestic travelers and visitors) affects the scope of such regional aggregates as regional expenditure of inbound, outbound, domestic (of the region or from outside the region) visitors in each of the territorial levels selected for analysis, and affects incrementally the possibility of adding visits (see paras. [3.21.](#) to [3.23.](#)) and the value of expenditure across geographical areas. As a consequence, **it is recommended** that the difference between the national aggregate and the sum of the regional aggregates be documented and the differences of scope be clearly presented.
- 8.39. At regional level, it might also be necessary to adapt the classifications of tourism characteristic products and of tourism industries to reflect the specific features of tourism in that specific region or place ([see para. 5.41.](#)).
- 8.40. In fact, the structure of consumption of visitors might be strongly determined by the local conditions and attractions. Going to the beach or going skiing requires the acquisition of quite different types of goods and services (for instance, ski-lift services are very well identified in ski resorts, both for visitors and for providers, entrance to museums or historical sites are easily identifiable expenditures in historical sites), etc..
- 8.41. Some productive activities, that at the national level, might not be considered as tourism characteristic, can be characteristic in a specific destination (for instance, places where healthcare providers have great renown) and it might be relevant, for the analysis of tourism in that destination to include or incorporate such activities within the scope of tourism characteristic activities as well as the associated products within that of tourism characteristic products.



- 8.42. It is also the case for types of accommodation. For instance, in regions where there is evidence of the importance of a specific accommodation segment (for example vacation homes) or the letting of homes by residents, perhaps in direct competition with existing collective accommodation supply, the observation should focus on this aspect, and provide insight into this phenomenon.
- 8.43. Filling the information gaps is always a key issue for measuring and analyzing tourism activity at a sub-national level. **It is recommended**, for the time being, to limit the focus on two different types of level:
- the region, identified as the administrative unit corresponding to the first level of territorial disaggregation of a country in terms of its political and administrative organization (for instance, level 2 of the NUTS in the European Union, the provinces of Canada, and the states of USA and Brazil);
  - the local tourism destination, treated as a sub-regional territory (which may correspond to a single municipality or group of municipalities) with substantial tourism activity.
- 8.44. Measures of various kinds may be developed to fill the information gaps, the following three being the most appropriate: conducting supplementary surveys, using administrative data, or applying modeling techniques.

#### **D. Tourism and sustainability**

- 8.45. The issue of tourism and sustainability is becoming an increasingly important one and any measurement of tourism and its effect on an economy cannot set aside their relationship in its three different components: social, economic and environmental. Links with the latter component should be the first priority.
- 8.46. This relationship takes different forms: on the one hand, nature in its pristine form (mountains, beaches, tropical forests, deserts, etc.) or transformed by humans (such as landscapes, cultural heritage, etc.) is an important attraction for visitors, and not only in the case of eco-tourism, in which the contact with nature might become the main purpose of trip.
- 8.47. At the same time, the existence of tourism might also contribute to its maintenance and preservation as it might be viewed as a potential source of income through entrance fees to national parks, for example, and other types of expenditures. It also can gear interest to a potential natural capital which, in other circumstances, might have been overseen and thus participate in increasing the number of regions that are visited by tourists thus spreading its effects over the territory. Also the preservation of indigenous communities can find in tourism a relevant support.
- 8.48. But tourism, as many other activities, might also contribute in creating 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 pollutions, discharge of residuals, erosion, deforestation, etc.

- 8.49. This damage may also affect the feasibility of new tourism development in given locations or the profitability of present tourism investments and consequently, affect job creation and employment.
- 8.50. In the last ten years, the growing awareness about the negative impacts associated with certain tourism practices, along with the general acceptance of the principle of sustainable development, has led the world community to a re-assessment of tourism activity in the light of its long-term economic, social and environmental sustainability.
- 8.51. In recent years, beyond the measurement of tourism economic contribution in terms of TSA aggregates and other complementary and / or alternative modelling exercises, an increasing number of initiatives have appeared at sub-national levels in order to generate series of indicators for the analysis, monitoring or evaluation of the environmental implications of tourism development in specific areas.
- 8.52. Both types of approaches (macro-accounting and indicators) have their own potential and challenges for measuring at different territorial levels the mutual links between tourism and the environment and thus should be the first priority regarding tourism sustainability issues.
- 8.53. The existence of both the TSA: RMF and the System of Environmental and Economic Accounts (SEEA) allows a country where both standards are being developed, to estimate the mutual links between tourism and the environment at the level of the national economy. This could be done in two different directions:
- 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 TSA 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.
- 8.54. The core of this macro-approach at national level consists in establishing a more complex type of input/output matrix in which not only the “usual” inputs are considered, but also environment inputs established in quantity, and output also includes waste, green house gas emissions and other environmentally significant by-products. Consumption of fixed capital would also include estimation of the degradation of the environmental assets. As the core of TSA is a representation of tourism industries and tourism consumption within a supply and use framework, it could be adapted into this type of analysis, provided both TSA and Environmental Accounts are compiled at a sufficient level of detail to allow some type of mutual integration. Nevertheless, leaving aside conceptual issues there is increasing evidence that developing each type of account is not a straightforward exercise.

- 8.55. The second approach is more empirical, and might be more appealing to countries in which existing tourism regions and destinations would be interested in the design of concrete and geographically-oriented goals and policies in terms of developing a more environmentally-friendly tourism with which all stakeholders might be associated, including visitors themselves.
- 8.56. In this case, the focus would be to develop a set of indicators to highlight the interface between tourism and environmental issues that might identify phenomena or changes that require further analyses and possible action. Like other indicators, they are only tools for evaluation and have to be interpreted in context to acquire their full meaning. They might need to be supplemented by other qualitative and scientific information, notably to explain driving forces behind indicator changes, which form the basis for an assessment.
- 8.57. These indicators might be used as a central instrument for improved planning and management, bringing managers the information they need, when it is required, and in a form that will empower better decisions.
- 8.58. **It is recommended** that linking tourism and sustainability be considered as a priority in further IRTS development.

## **Chapter 9      Supplementary Topics**

### **A.      Quality**

- 9.1. *Concept of quality.* Tourism statistics are the end product of a complex process comprising many stages from the collection and processing of raw data to dissemination of data in standardized format. Quality measurement of tourism statistics is concerned with providing the user with sufficient information to judge whether or not the data are of adequate quality for their intended use, i.e. to judge their “fitness for use”. For example, users must be able to verify that the conceptual framework and definitions employed in collecting and processing the basic information, the methods used for collecting it, as well as the accuracy of the resulting data, satisfy their needs.
- 9.2. *Dimensions of quality and quality indicators.* Quality is a multi-dimensional phenomenon. Each of its dimension reflects a particular aspect of the characteristics of statistical outputs and should be measured either directly (e.g., the time lag from the reference date to the release of particular tourism statistics is a direct quality measure) or by means of qualitative indicators (to be developed) which provide evidences about the quality of the data (e.g., compliance with statistical standards). **It is recommended** that the following seven dimensions of quality<sup>14</sup> be adopted in tourism statistics:
- (i) *Relevance:* The relevance of tourism statistics reflects the degree to which they meet users needs. The compilers challenge is to identify various user groups, weigh and balance the differing requirements of current and potential users and to produce a programme that goes as far as possible in satisfying the most important needs within given resource constraints. Absence of significant gaps between the key user needs and compiled tourism statistics in terms of variables, coverage and details is an indicator of relevance.
  - (ii) *Accuracy:* The accuracy of tourism statistics is the degree to which the data correctly estimate or describe the quantities or characteristics they are designed to measure. It has many attributes and in practice there is no single aggregate or overall measure of accuracy. In general, it is characterized in terms of errors in statistical estimates and is traditionally decomposed into bias (systematic error) and variance (random error) components. In the case of tourism statistics based on sample surveys, the accuracy can be measured using such indicators as completeness of coverage and sampling errors, non-response errors, response errors, processing errors, etc.. It must be underlined that accuracy and its measurement is also applicable to those statistics based on administrative procedures: these are quite extended in the case of tourism (for instance, border and traffic control, employment and social security agencies records, etc.).

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<sup>14</sup> The dimensions of quality are based on the Organization for Economic Cooperation and Development (OCDE) “**Quality framework and guidelines for OECD statistical activities**”, Paris 2003 [www.oecd.org/statistics/qualityframework]

- (iii) *Credibility*: The credibility of tourism statistics refers to the confidence that users place in it based on the image of the agency responsible for production and dissemination of the data. Tourism statistics should be perceived as being produced professionally in accordance with appropriate statistical standards, and using transparent data compilation and dissemination policies and practices. Indicators of credibility should provide evidence that production of tourism statistics is not manipulated and that their release is not timed in response to political pressure.
- (iv) *Timeliness*: The timeliness of tourism statistics refers to the delay between the end of the reference period to which the data pertain, and the date on which the data are released and available to the public. Timeliness can be measured by the length of such a delay. Timeliness is closely related to the existence of a publication schedule. A publication schedule may comprise a set of target release dates or may involve a commitment to release tourism data within prescribed time period from their receipt. This dimension usually involves a trade-off against accuracy. The timeliness of information also influences its relevance as accurate data that are not timely are of limited usefulness.
- (v) *Accessibility*: The accessibility of tourism statistics refers to the ease with which they can be obtained from those agencies active in tourism statistics. This includes the ease with which the existence of information can be ascertained, as well as the suitability of the form or the media of dissemination through which the information can be accessed. Accessibility requires the development of an advance released calendar, so the users will be informed well in advance on when the data will become available, where and how to access them. The availability of metadata significantly improves accessibility and is, together with the existence of user support services, an indicator of this quality dimension.
- (vi) *Interpretability*: The interpretability of tourism statistics reflects the ease with which the user may understand and properly use and analyze the data. The adequacy of the definitions of concepts, target populations, variables and terminology, underlying the data, and information describing the limitations of the data, if any, largely determines the degree of interpretability. The metadata provided along with tourism statistics play a crucial role for improving interpretability of data. They should inform the users on how close to the target variable (for example, any of the data items) the input variables used for their estimation are. When there is a significant difference, it should be explained to what extent this may cause a bias in the estimation of data items. The availability of metadata is an important indicator of interpretability.
- (vii) *Coherence*: Taking into account that tourism statistics is compiled by several agencies, and covers different aspects of tourism, particularly supply and demand, monetary and non monetary variables, the coherence is a very important dimension of its quality. Coherence reflects the degree to which the data are logically connected and mutually consistent, i.e. they can be successfully brought together with other statistical information within a broad analytical framework and over time. The use of standard concepts,

classifications and target populations promotes coherence, as does the use of common methodology across surveys when relevant. Coherence does not necessarily imply full numerical consistency. Coherence has four important sub-dimensions: (a) *coherence within a dataset* implies that the elementary data items are based on compatible concepts, definitions, and classifications and can be meaningfully combined; (b) *coherence across datasets* implies that the data are based on common concepts, definitions and classifications, or that any differences are explained and can be allowed for; (c) *coherence over time* implies that the data are based on common concepts, definitions, and methodology over time, or that any differences are explained and can be allowed for and (d) *coherence across countries* implies that the data are based on common concepts, definitions, and methodology over time, or that any differences are explained and can be allowed for.

- 9.3. The seven dimensions of quality that have been listed above are overlapping and interrelated. An action taken to address or modify one aspect of quality will tend to affect other elements of quality. For example, there may be a trade-off between aiming for the most accurate estimation of total annual tourism expenditure and providing it in a timely manner when this information is still of interest to the users. **It is recommended** that countries handle this particular trade-off by producing provisional estimates which are available soon after the end of the reference period but are generated from a rather limited database. These estimates are reviewed at a later date with information that is based on more comprehensive datasets but which is less timely than its provisional version.
- 9.4. It is recognized that direct quality measures are difficult to develop. For example, in the case of accuracy it is almost impossible to measure non-response bias as the characteristics of non-respondents can be difficult and costly to ascertain. In this instance, response rate is often used as a proxy quality indicator which provides a measure of the possible extent of non-response bias. While defining the quality indicators for tourism statistics **it is recommended** that the following criteria be satisfied: (i) indicators cover part or all of the dimensions of quality as defined previously; (ii) the methodology for their compilation is well established; and (iii) the indicators are easy to interpret.
- 9.5. Since deriving a single quantitative measure of quality for tourism statistics is not possible countries **are encouraged** to develop a tourism statistics quality framework based on the above mentioned dimensions and to regularly issue quality reports as part of their metadata. Such reports should contain a system of quality indicators appropriate under the country circumstances and will allow users to judge for themselves whether any given dataset meets their particular quality requirements. **It is recommended** that a quality review of tourism statistics be undertaken every four to five years or more frequently if significant methodological changes or changes in the data sources occur.
- 9.6. *Data quality assessment frameworks for tourism statistics.* The UNWTO, in cooperation with UNSD, is to develop Data Quality Assessment Frameworks applicable for Tourism Statistics (DQAF-TS) on the basis of the existing similar

frameworks in other areas of statistics and to promote its use among tourism statistics compilers. Countries are encouraged to adapt such a framework to their specific circumstances and to establish, on its basis, long term programs aimed at enhancing quality of tourism statistics. While doing this, countries should maintain an appropriate balance between different dimensions of quality and **are encouraged** to develop and use a minimum set of quality indicators to monitor progress.

## **B. Metadata**

- 9.7. *Metadata in the context of tourism statistics.* The term metadata refers to all kinds of information used to describe other data. Metadata reflects not only form and contents of data but also relevant administrative facts (e.g., who creates data and when), how data were collected and processed before they were disseminated or stored in a database. Without appropriate metadata, it would not be possible to fully understand statistical data. There is a bidirectional relationship between metadata and quality. On the one hand, metadata describe the quality of statistics. On the other hand, metadata are themselves a quality component, which improves the accessibility and interpretability of statistical data.
- 9.8. *Users and uses of metadata.* There are many types of user and uses for any given set of data. The wide range of possible users and uses means that a broad spectrum of metadata requirements has to be addressed. As a minimum segmentation, the following two levels of metadata **are recommended** (i) *structural metadata* presented as an integral part of the data tables and (ii) *reference metadata* providing details on the content and quality of data that may accompany the tables or be presented separately via the Internet or in occasional publications.
- 9.9. *Metadata and international comparability of data.* Metadata provide a mechanism for comparing national practices in the compilation of statistics. This may help and encourage countries to implement international standards and to adopt best practices. Better harmonization of approaches adopted by different countries will improve general quality and coverage of key statistical series.
- 9.10. Countries **are encouraged** to accord to development of metadata a high priority and to consider their dissemination an integral part of dissemination of tourism statistics. The UNWTO has developed a project for the development of Metadata that document tourism statistics that is to be found on the Website: [www.world-tourism.org/statistics/metadata/metadata.pdf](http://www.world-tourism.org/statistics/metadata/metadata.pdf). The different metadata developed by countries are also available on the website. Countries **are encouraged** to cooperate with the UNWTO in this project and implement such recommendations in their statistical practices.

## C. Dissemination

- 9.11. Data dissemination is one of the key activities in which the compilers of tourism statistics are involved. It is a way of providing the policy makers, business community and other users with the statistical information that meets their needs. Providing respondents with the aggregate results that derive from the data they have initially provided is also a way of motivating the participation of respondents in statistical surveys.
- 9.12. *Data dissemination timetable.* In producing statistical information there is usually a trade-off between the timeliness with which the information is prepared and the accuracy and level of detail of the published data. A crucial element, therefore, in the well established relations between producers of tourism statistics and the user community is devising an appropriate compilation and release schedule that at the same time is realistic for compilers and useful for users. Countries **are encouraged** to announce in advance the precise dates at which particular data series will be released. The advance release calendar should be posted at the beginning of each year on the websites of the agencies responsible for the dissemination of tourism statistics.
- 9.13. Timeliness of release of initial monthly, quarterly and annual tourism data varies greatly from country to country, mainly reflecting different perspectives on the timeliness-reliability-accuracy trade-off. In keeping with sound statistical practices, countries **are encouraged** to disseminate data internationally as soon as they become available for national users. It should be recalled that the following time line are considered as a minimum requirement: for annual data – 18 months; for quarterly data – 3 months; for monthly data – 45 days. **It is recommended** that monthly and quarterly data refer to a discrete month or quarter. Most countries use a separate system for compilation of annual tourism statistics. In this case the data for the fourth quarter (respectively twelfth month) need to be published in their own right, and not derived as a difference between the annual totals and the sum of the first three quarters (or eleven months).
- 9.14. *Dissemination of metadata.* Provision of an adequate metadata and quality assessment of tourism statistics is as important to users as provision of the data themselves. Countries **are encouraged** to disseminate metadata following the recommended structure<sup>15</sup> that considers: (i) coverage, periodicity and timeliness of data; (ii) access by the public; (iii) integrity; (iv) data quality; (v) summary of the applied methodology; and (vi) dissemination formats. **It is recommended** that countries indicate in the metadata all deviations from internationally accepted statistical standards and guidelines.
- 9.15. *Dissemination formats.* Data can be disseminated both electronically (on-line or on various media) and in paper publications. Countries should assess data users capabilities and choose the dissemination format that suits their users' needs and circumstances best. For example, press releases of tourism statistics have to be disseminated in ways that facilitate re-dissemination by mass media; more

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<sup>15</sup> UNWTO – Metadata General Guidelines for Documenting Tourism Statistics - 2005



comprehensive or detailed statistics have to be disseminated in paper and/or in electronic formats. If resources permit, current statistics and longer time series can be organized and accessed through the electronic databases maintained by the compiling agency. In addition to statistics routinely disseminated, tourism data can be made available on request. For some specific purposes customized tabulations of data (non-standard activity classification, specific types of units etc.) can be provided. **It is recommended** that countries make well known to users the availability of additional statistics and the procedures for obtaining them. **It is recommended** that countries make well known to users the availability of additional statistics and the procedures for obtaining them. The UNWTO is to study the country experiences and available means of dissemination, including possible use of SDMX<sup>16</sup>, in order to develop a guidance on the good practices in this area.

- 9.16. *Data revisions.* Revisions are an essential part of data compilation. They occur as a consequence from the trade-off between the timeliness of published data and their reliability, accuracy and comprehensiveness. To address this trade-off the responsible agencies **are encouraged** to compile and disseminate the provisional data that are revised when new and more accurate information becomes available. Although, in general, repeated revisions may be perceived as reflecting negatively on the reliability of official tourism data, the attempt to avoid them by producing accurate but very untimely data will result in failing to satisfy the users' needs. It is important to emphasize that the revisions of tourism statistics are conducted for the benefit of users, namely, to provide them with data that are as timely and accurate as possible.
- 9.17. *Revision policy.* To deal with the issues surrounding revisions of tourism statistics, countries **are encouraged** to develop a well-designed revision policy, that should be carefully managed and coordinated with other areas of statistics. The development of such a policy should aim at providing users with the necessary information to cope with revisions in a more systematic manner. The absence of coordination and planning of revisions is considered a quality problem by users. Essential features of a well-established revision policy are its predetermine schedule, reasonable stability from year to year, openness, advance notice of reasons for the revision and its effects, easy access of users to sufficiently long time series of revised data as well as adequate documentation of revisions included in the statistical publications and databases.
- 9.18. **It is recommended** that such revision policy contain provision that revisions to correct errors (statistical or data processing errors) are done as soon as they are detected. In some cases the compiling agency may decide to carry out a special revision for reasons of reassessing the data coverage and/or data compilation methods, which could lead to significant changes in the historical time series. **It is recommended** that such revisions be announced in advance and reasons for such revisions as well as assessment of their possible impact on the available data should be given.

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<sup>16</sup> The Statistical Data and Metadata Exchange Initiative (SDMX) has been developed as an Inter-agency cooperative project

- 9.19. *Statistical confidentiality.* One of the most important policy concerns relevant to data dissemination is preservation of statistical confidentiality. Statistical confidentiality is necessary in order to gain and keep the trust of both respondents to statistical surveys and users of the statistical information. The sixth United Nations Fundamental Principle of Official Statistics (see Box 9.1. below) stipulates that individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons or not, are to be strictly confidential and used exclusively for statistical purposes.
- 9.20. Legal provisions governing statistical confidentiality at national level are set out in the countries Statistical Laws or other supplementary government regulations. National definitions of confidentiality and rules for microdata access may differ, but they should be consistent with this fundamental principle. This is especially relevant for countries where the distinction between statistical and non-statistical use of microdata does not have a long tradition, or are not laid down clearly in legislation. **It is recommended** that the protection of confidentiality be mandatory for all agencies involved in collection, processing and dissemination of tourism data.
- 9.21. *Confidential data and methods of protecting confidentiality.* Data should be considered confidential when they allow statistical units to be identified either directly or indirectly and thereby disclosing individual information. To determine whether a statistical unit is identifiable, account shall be taken of all means that might reasonably be used by a third party to identify it. There are two forms of confidentiality of tourism data – primary and secondary. Tourism data are *primary confidential* if their dissemination would permit the identification of the data for a particular statistical unit. Data which are not primary confidential, but whose dissemination, when combined with other data, permits the identification of a unit is *secondary confidential*.
- 9.22. The most common practices to protect the disclosure of primary confidential data include *aggregation and suppression*. Aggregation consists in combining primary confidential data with another data. Only the aggregate is the object of dissemination. Suppression means removing records from a database that contains confidential data. In cases when countries prefer suppression as a method for protecting confidentiality of tourism data, **it is recommended** that any data deemed confidential be reported in full detail at the next higher level of applicable classification that adequately protect confidentiality. **It is recommended** that in respecting confidentiality countries adopt the following commonly accepted rules – (i) a tabulation cell should comprise at least 3 units; and (ii) for cells with large numbers, the three units with the largest values should not together dominate the cell value, i.e. should not account for more than 70 per cent of it. In individual cases this rule may be relaxed by requesting the permission of the dominating respondent(s) to authorize the statistical office to disclose the data. This last solution should be used in fields such as international transport, in which the national providers are usually very few.
- 9.23. *Statistical Disclosure Control.* Countries **are encouraged** to apply the statistical disclosure control techniques to reduce the risk of disclosing information on individual reporters. Such techniques (or methods) are only related to the dissemination step and are usually based on restricting the amount of data or modifying the data release.

Disclosure controls attempt to find an optimal balance between the improvement in confidentiality protection and the reduction in data quality. Different types of data pose different types of confidentiality problems and inevitably require different solutions.

- 9.24. *Internationalization of confidentiality.* The issue of confidentiality has not only a national dimension. It is also becoming an international issue, for the following reasons – (i) increase of data dissemination over the internet; (ii) internationalization of users of statistical data (including international organization); and (iii) high interest in cross-country comparisons. As a result, there is a growing demand for countries data at very detailed level, even in some cases – demand of countries microdata. Data collected and disseminated by international organizations depend to a large degree on the quality and completeness of the data supplied by the countries. This flow of data can be impeded by the national confidentiality rules that made it impossible for countries to transmit some of the data requested. In this connection, **it is recommended** that countries do not impose the confidentiality rules more strict than the rules indicated applied at national level.

#### **D. Interagency Cooperation**

- 9.25. It is recognized that tourism statistics compilers operating in different countries encounter different legal frameworks and regulations which define their missions. This may create both opportunities and challenges in development of interagency cooperation.
- 9.26. Depending on country legislation and organization of government a number of various agencies might be involved in compilation and dissemination of tourism statistics including national tourism administrations, immigration authorities, tourism associations, national statistical offices, central banks, etc. All these agencies may have their own priorities and pursue their own missions. However, to the extent they are involved in compilation and dissemination of tourism statistics they must follow the United Nations Fundamental Principles of Official Statistics that are recalled in Box 9.1 below.
- 9.27. **It is recommended** that these agencies establish and maintain necessary working arrangements with each other to ensure the highest possible quality of tourism statistics as well as to ensure sustainability of improvements of their national Systems of Tourism Statistics. These arrangements should be established according to the methods usually used in a given country to ensure collaboration between entities. Such arrangements should be documented and should specify for what kind of tourism statistics (data series) each agency is responsible, the methods used for the exchange of information and for the preservation of confidentiality, in particular when the private sector or the tax administration are involved.

### **Box 9.1 Fundamental Principles of Official Statistics**

*Principle 1.* Official statistics provide an indispensable element in the information system of a democratic society, serving the Government, the economy and the public with data about the economic, demographic, social and environmental situation. To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical agencies to honor citizens' entitlement to public information.

*Principle 2.* To retain trust in official statistics, the statistical agencies need to decide according to strictly professional considerations, including scientific principles and professional ethics, on the methods and procedures for the collection, processing, storage and presentation of statistical data.

*Principle 3.* To facilitate a correct interpretation of the data, the statistical agencies are to present information according to scientific standards on the sources, methods and procedures of the statistics.

*Principle 4.* The statistical agencies are entitled to comment on erroneous interpretation and misuse of statistics.

*Principle 5.* Data for statistical purposes may be drawn from all types of sources, be they statistical surveys or administrative records. Statistical agencies are to choose the source with regard to quality, timeliness, costs and the burden on respondents.

*Principle 6.* Individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes.

*Principle 7.* The laws, regulations and measures under which the statistical systems operate are to be made public.

*Principle 8.* Coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system.

*Principle 9.* The use by statistical agencies in each country of international concepts, classifications and methods promotes the consistency and efficiency of statistical systems at all official levels.

*Principle 10.* Bilateral and multilateral cooperation in statistics contributes to the improvement of systems of official statistics in all countries.

*United Nations Statistics Division – Development of National Statistical Systems, Fundamental Principles of Official Statistics:  
<http://unstats.un.org/unsd/methods/statorg/FP-English.htm>*

9.28. **It is recommended** that joint data collection programs be promoted. For example, joint collection of data items relevant to tourism statistics, balance of payment statistics and to statistics on international trade in services. Such joint collections will lead to increased efficiency on the side of data compilers and reduction of reporting burden on the respondents side. Interagency cooperation may help to identify new ways to give different uses to already collected data by its recompilation to satisfy needs of other areas of statistics.

9.29. The development and maintenance of such close working relationships is essential to ensure that all agencies are aware of changes in policies and procedures that might affect the compilation of tourism statistics. **It is recommended** that all agencies active in tourism statistics periodically review their compilation and dissemination practices to ensure that the disseminated statistics are of high quality and are available to users in a timely fashion.

- 9.30. **It is recommended** that national statistical offices monitor the compilation and dissemination of tourism statistics to periodically assess compliance with the international recommendations on tourism statistics and other relevant statistical requirements. **It is further recommended that** national statistical offices provide assistance to other agencies active in compilation of tourism statistics on applicable statistical standards and methods.

#### **E. Implementation program and updating policy**

- 9.31. The UNWTO, in cooperation with UNSD, is to develop an implementation program that will include initiatives such as capacity building programs at sub-regional level, technical assistance missions, preparation of compilation guidelines and related complementary technical documents to advise countries on how to implement the IRTS.
- 9.32. The Compilation Guide, which will be periodically updated, will complement the IRTS framework, and give indications to countries on how to implement the present *International Recommendations*. Although most chapters of the IRTS include some mention of measurement issues, the practical approaches to addressing these issues have to be developed in more detail in the abovementioned Guide.
- 9.33. It is recognized that the updating process of the IRTS should be envisaged as a recurrent and well organized procedure. While preparation of editorial amendments and clarification beyond dispute is to be done by the UNWTO, issuing interpretations should be a cooperative responsibility of the UNWTO and UNSD. Any proposed changes in IRTS should be developed jointly by UNWTO and UNSD, endorsed by the United Nations Expert Group on Tourism Statistics and be submitted to the United Nations Commission for approval.

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- domestic trip\*
- domestic visitor\*
- dwelling\*
  - principal
  - secondary
- economic activities, productive economic activities
- economic territory\*
- economically active population\*
- economy\*
  - economy of reference\*
- employees\*
- employers\*
- employer-employee relationship\*
- employment in the tourism industries\*
- establishment\*
- excursionist (or same-day visitor)\*
- exit/departure cards
- expenditure
  - location
  - timing
  - tourism expenditure (see tourism)\*
  - valuation
- forms of tourism
- goods
  - goods (durable)
  - goods (for resale)
  - goods (valuables)\*
- gross domestic product of an economy\*
- gross value added of an economy\*
- gross value added of a producer"
- hours worked
- household
  - as a statistical unit
  - household surveys
- inbound tourism\*
  - inbound tourism (as a form of tourism)\*
  - inbound tourism (expenditure)\*
- indicators
  - physical
  - non monetary
- industry (see tourism industry/industries)
- interinstitutional platform
- intermediate consumption\*
- internal tourism\*
  - internal tourism (as a form of tourism)\*
  - internal tourism (expenditure)\*
- international
  - international (comparability)
  - international (organizations)

- international (passenger transport)
- international (recommendations)
- international tourism (as a form of tourism)\*
- international trip\*
- international (visitors)\*
- job\*
- meetings industry
- mirror statistics
- national accounts
  - system of national accounts SNA 1993
  - system of national accounts SNA 1993 (rev 1)
- national tourism\*
  - national tourism (as a form of tourism)\*
  - national tourism (expenditure)\*
- nationality\*
- net valuation
- non-profit institutions serving households (NPISH)
- OECD employment module\*
- other products
- outbound tourism\*
  - outbound tourism (as a form of tourism)\*
  - outbound tourism (expenditure)\*
- output\*
  - principal\*
  - secondary\*
- overnight visitor (see tourist)
- package tours
- place
  - place of usual residence\*
  - place visited
- prices
  - prices (actual)
  - prices (basic)
  - prices (purchasers)
  - prices (imputed)
  - prices (market)
- production\*
- productive activities
- products
  - tourism characteristic products (see tourism)\*
  - tourism connected products (see tourism)\*
  - other products\*
- purpose (of the trip, visit)\*
  - personnel
    - business/professional
- recommendations on tourism statistics
- region
- remuneration of employees
- residence (place of, country of)\*

- residents/non-residents\*
  - visitor\*
- retail trade activities
- same-day visitor (see excursionist)
- satellite accounts\*
- self-employed
  - self-employed jobs\*
  - self-employed with paid employees\*
  - self-employed without employees\*
- share
  - share-of-expenditure condition
  - share-of-supply condition
- stay
- sub-national level
- supply (see tourism industry/industries)
- sustainability
- system of national accounts (see national accounts)
- time-share
- tour operator
- tourism\*
  - tourism characteristic activities (see characteristic productive activity\*)
  - tourism characteristic products (see products – tourism characteristic products\* -)
  - tourism collective consumption
  - tourism connected products
  - tourism consumption\*
  - tourism demand
  - tourism expenditure\*
  - tourism gross fixed capital formation
  - tourism industries\*
  - tourism industry
  - tourism producer expenses\*
  - tourism producer
  - tourism satellite account\*
  - tourism single purpose consumer durables
  - tourism trip\*
- tourist (or overnight visitor)\*
- transactions
  - market
  - non market
- transfers
  - in cash
  - in kind
- transit
  - transit passenger
  - transit (as a purpose of tourism)
- travel\*
  - travel group\*
  - travel item (see balance of payments)\*
  - travel party\*

traveler\*

trip\*

    destination\*

    duration

    purpose\*

usual environment\*

usual residence (place of)\*

vacation home\*

valuables (see goods)\*

visit\*

visitor\*

work\*

**\*Definition is presented in the glossary of terms**

## Glossary of terms\*

<b>Activity/activities</b>	In tourism statistics, the term <i>activities</i> represents what people do for and during a <i>trip</i> in their capacity as consumers.
<b>Activity (principal)</b>	The ( <i>principal</i> ) <i>activity</i> of a producer unit is the ( <i>productive</i> ) <i>activity</i> whose value added exceeds that of any other ( <i>productive</i> ) <i>activity</i> carried out within the same unit. (SNA1993 para. 5.7.)
<b>Activity (productive)</b>	The ( <i>productive</i> ) <i>activity</i> carried out by a statistical unit is the type of production in which it engages. It has to be understood as a process, i.e. the combination of actions that result in a certain set of products. The classification of activities is determined by their principal output. (ISIC rev 3 para. 24.)
<b>Business and professional purpose (of a trip)</b>	The <i>business and professional purpose of trip</i> comprises the activities of <i>visitors</i> who are traveling to the place visited for business or professional purposes. They may be <i>self-employed</i> or <i>employees</i> of <i>non-resident</i> producers but their visit must not be for a purpose which involves an implicit <i>employer-employee relationship</i> with a <i>resident</i> producer, or as investors or to discuss business. It also includes <i>visitors</i> traveling for meetings, conference, trade fairs, etc. as well as those visiting for on-the-job training. (IRTS para. 3.17.2)
<b>Business visitor</b>	A <i>business visitor</i> is a <i>visitor</i> which main purpose of trip corresponds to the <i>business and professional</i> category of purpose. (IRTS para. 3.17.)
<b>Center of predominant economic interest</b>	A household has a <i>center of predominant economic interest</i> in the <i>economic territory</i> in which household members maintain a dwelling or succession of <i>dwellings</i> treated and used by members as their <i>principal dwelling</i> . (BPM6, para 4.105).
<b>Consumer durable goods</b>	A <i>consumer durable</i> is a good that may be used for purposes of consumption repeatedly or continuously over a period of a year or more. (SNA 1993 para 9.38.)
<b>Country of reference</b>	The <i>country of reference</i> refers to the country for which the measurement is done.
<b>Country of residence</b>	The <i>country of residence</i> of a household is determined according to the <i>center of predominant economic interest</i> of its members. (BPM6 para 4.105). If a person resides (or intends to reside) for more than one year in a given country and has there his/her

\* In this glossary of terms, the definitions of the terms that derive from the SNA or the Manual of Balance of Payments are extracted from the aforementioned documents. Those related specifically to tourism statistics are the definitions presented in the present *International Recommendations*.

As a general warning, it should be noticed that the term "country" can be easily transposed, other things being equal, to a different geographical level, using the terms "region" or "place" instead. (IRTS para. 2.3.).

	center of economic interest (e.g. his/her major source of income), he/she is considered as a resident of this country.
<b>Destination (main destination of a trip)</b>	The <i>main destination</i> of a <i>trip</i> is defined as the place the <i>visit</i> to which is central to the decision to take the <i>trip</i> . (IRTS para. 2.28.)
<b>Domestic tourism</b>	<i>Domestic tourism</i> comprises the activities of <i>resident visitors</i> within the <i>country of reference</i> , either as a <i>domestic trip</i> or part of an <i>international trip</i> . (IRTS para 2.41.)
<b>Domestic tourism expenditure</b>	<i>Domestic tourism expenditure</i> is the <i>tourism expenditure</i> of <i>resident visitors</i> within the <i>economy of reference</i> . (IRTS para.4.16.)
<b>Domestic trip</b>	A <i>domestic trip</i> is a <i>trip</i> whose <i>main destination</i> is within the <i>country of residence</i> of the <i>traveler</i> . (IRTS para 2.29.)
<b>Domestic visitor</b>	From the perspective of the country of reference, a <i>domestic visitor</i> is a resident visitor making trips within the <i>country of reference</i> .
<b>Dwellings</b>	Each household has a <i>principal dwelling</i> (sometimes also designated as main or primary home) usually defined with reference to time spent there (see <a href="#">Box 2.2</a> ), whose location defines the <i>country of residence</i> and place of usual residence of this household and of all its members. All other dwellings (owned by the household or on which it holds a medium or long-term lease) are to be considered as <i>secondary dwellings</i> . (IRTS para. 2.23.).
<b>Economic territory</b>	An <i>economic territory</i> can be any geographic area or jurisdiction for which statistics are required. (BPM6 para 4.3)
<b>Economically active population</b>	The <i>economically active population</i> or labour force comprises all persons of either sex who furnish the supply of labour for the production of goods and services as defined by the System of National Accounts during a specified time-reference period. (ILO, Thirteenth ICLS, para. 6.18.).
<b>Economy</b>	An <i>economy</i> consists of all the institutional units that are <i>resident</i> in a particular <i>economic territory</i> (BPM6 para. 4.11.).
<b>Economy of reference</b>	The <i>economy of reference</i> consists of all the institutional units that are <i>resident</i> in the <i>economic territory</i> of the <i>country of reference</i> .
<b>Employees</b>	<i>Employees</i> are all those workers who hold the type of <i>jobs</i> defined as “paid <i>employment</i> ”. (ILO, Fifteenth ICLS, paras. 20-22).
<b>Employers</b>	<i>Employers</i> are those workers who, working on their own account with one or more partners, hold the type of job defined as a “ <i>self-employment job</i> ” and, in this capacity, on a continuous basis

	(including the reference period) have engaged one or more persons to work for them in their business as “ <i>employee(s)</i> ”. (ILO, Fifteenth ICLS, paras. 20-22).
<b>Employer-employee relationship</b>	An <i>employer-employee relationship</i> exists when there is an agreement, which may be formal or informal, between an enterprise and an individual normally entered into voluntarily by both parties, whereby the individual works for the enterprise in return for remuneration in cash or in kind. (BPM6 para. 11.11.)
<b>Employment in the tourism industries</b>	<i>Employment in the tourism industries</i> comprises all persons above a specific age, who during a specified period, either a week or a day, were engaged in <i>tourism industries</i> in their main or any additional jobs, and who were in the following categories: (i) paid employment or (ii) self-employment. (IRTS para. 7.10.)
<b>Establishment</b>	An <i>establishment</i> is an enterprise, or part of an enterprise which independently engages in one, or predominantly one, kind of economic activity at or from one location or within one geographic area, for which data are available, or can meaningfully be compiled, that allow the calculation of the operating surplus. (ISIC rev 3 para. 105.)
<b>Excursionist (or same-day visitor)</b>	A <i>tourism trip</i> might involve visits without an overnight stay, in which case the visitor is considered an <i>excursionist</i> (or same-day visitor) to those places. (IRTS para. 2.36.)
<b>Gross Domestic Product (of an economy)</b>	The <i>Gross Domestic Product of an economy</i> at market prices represents the value of the final result of the <i>production activity</i> of all <i>resident</i> producer units. It includes the sum of the Gross Value Added of all producers at basic prices plus all taxes less subsidies on products. (SNA 1993 paras. 2.171., 2.172.)
<b>Gross Value Added (of an economy)</b>	The <i>Gross Value Added of an economy</i> at market prices is the sum of the <i>Gross Value Added</i> of all its <i>resident</i> producers.
<b>Gross Value Added (of a producer)</b>	The <i>Gross Value Added of a producer</i> is essentially a balancing item. It can be established following two different approaches: the product approach, as the difference between total output and total intermediate consumption used by the producer in its production process; or the income approach as the sum of the primary incomes generated in its <i>production process</i> . (SNA different parts).
<b>Inbound tourism</b>	<i>Inbound tourism</i> comprises the activities of <i>non-resident visitors</i> within the <i>country of reference</i> either as an <i>international trip</i> or as part of a <i>domestic trip</i> (from the perspective of his/her <i>country of residence</i> ). (IRTS para. 2.41.)
<b>Inbound tourism expenditure</b>	<i>Inbound tourism expenditure</i> is the <i>tourism expenditure</i> of <i>non-resident visitors</i> within the <i>economy of reference</i> . (IRTS para. 4.16.)

<b>Intermediate consumption</b>	<i>Intermediate consumption</i> consists of the value of the goods and services consumed as inputs by a <i>production process</i> , excluding fixed capital assets whose consumption is recorded as consumption of fixed capital. (SNA1993 para. 6.147.).
<b>Internal tourism</b>	<i>Internal tourism</i> comprises domestic tourism and inbound tourism, that is, the activities of resident and non-resident visitors within the country of reference as part of a domestic or an international trip. (IRTS para. 2.42.).
<b>Internal tourism expenditure</b>	<i>Internal tourism expenditure</i> comprises all tourism expenditure of visitors, both resident and non-resident, within the economy of reference. It is the sum of <i>domestic tourism expenditure</i> and <i>inbound tourism expenditure</i> . It includes acquisition of goods and services imported into the country of reference and sold to visitors. This indicator provides the most comprehensive measurement of tourism expenditure in the economy of reference. (IRTS para.4.21.).
<b>International tourism</b>	<i>International tourism</i> comprises <i>inbound tourism</i> and <i>outbound tourism</i> , that is, the activities of resident visitors outside the country of reference either as part of a domestic or an international trip and the activities of non-resident visitors within the country of reference as part of a domestic or an international trip (from the perspective of their country of residence). (IRTS para 2.42.).
<b>International trip</b>	An <i>international trip</i> is one whose <i>main destination</i> is outside the <i>country of residence</i> of the <i>traveler</i> . (IRTS para. 2.29.).
<b>International visitor</b>	From the perspective of the <i>country of reference</i> , an <i>international visitor</i> is either an inbound visitor (non resident visitor making trips to the country of reference) or an outbound visitor (resident visitor making trips to a country other than the country of reference). (IRTS para. 2.43.).
<b>Job</b>	A <i>job</i> is defined as an explicit or implicit contract between a person and an institutional unit to perform work on return for compensation for a defined period or until further notice. (SNA 1993 para. 17.8.).
<b>National tourism</b>	<i>National tourism</i> comprises <i>domestic tourism</i> and <i>outbound tourism</i> , that is, the activities of resident visitors within and outside the country of reference either as part of a domestic or an international trip. (IRTS para. 2.42.).
<b>National tourism expenditure</b>	<i>National tourism expenditure</i> comprises all tourism expenditure of resident visitors, within and outside the economy of reference. It is the sum of <i>domestic tourism expenditure</i> and <i>outbound tourism expenditure</i> . (IRTS para. 4.21.).
<b>Nationality</b>	The <i>nationality</i> of a <i>visitor</i> is the country of his/her citizenship.



<b>OECD Employment Module</b>	The <i>OECD Employment Module</i> has been developed by the OECD as a conceptual and methodological framework to present a set of key employment variables consistently with the <i>Tourism Satellite Account</i> framework.
<b>Outbound tourism</b>	<i>Outbound tourism</i> comprises the activities of resident visitors outside the country of reference either as an <i>international trip</i> or as part of a <i>domestic trip</i> . (IRTS para. 2.41.).
<b>Outbound tourism expenditure</b>	<i>Outbound tourism expenditure</i> is the <i>tourism expenditure</i> of <i>resident visitors</i> outside the <i>economy of reference</i> . (IRTS para. 4.16).
<b>Output</b>	The output consists only of those goods and services that are produced within an establishment that become available for use outside that establishment. (SNA 1993 para. 6.38.).
<b>Output (principal)</b>	The <i>principal output</i> of a ( <i>productive</i> ) <i>activity</i> should be determined by reference to the value added of the goods sold or services rendered. (ISIC rev.3 para. 114.).
<b>Output (secondary)</b>	A <i>secondary output</i> of a ( <i>productive</i> ) <i>activity</i> is an output that is not principal. (SNA).
<b>Place of usual residence</b>	The <i>place of usual residence</i> is the geographical place where the enumerated person usually resides, and is defined by the location of his/her <i>principal dwelling</i> . (Principles and recommendations for population and housing censuses of the United Nations, paras. 2.20. to 2.24.).
<b>Production (process)</b>	Production is an activity carried out under the control and responsibility of an institutional unit that uses inputs of labor, capital and goods and services to produce goods and services. An activity takes place when resources such as equipment, labor, production techniques, information networks or products are combined, leading to the creation of specific goods and services. (ESA95 paras. 2.103 and 3.07.).
<b>Purpose of trip (main)</b>	The <i>main purpose</i> of a <i>tourism trip</i> to a country is defined as the purpose in the absence of which the <i>trip</i> would not have taken place. (IRTS para. 3.10.). Classification of tourism trips according to the main purpose refer to nine categories. (IRTS para. 3.14.).
<b>Residents/non-residents</b>	The <i>residents</i> of a country are individuals whose <i>center of predominant economic interest</i> is located on its <i>economic territory</i> . (BPM6 para. 4.105.). For a country, the <i>non-residents</i> are individuals whose <i>center of predominant economic interest</i> is located outside its <i>economic territory</i> .
<b>Resident/non-resident visitor</b>	A <i>resident visitor</i> is a visitor traveling within his/her country of residence. This is also referred to as a <i>domestic visitor</i> .

	<i>A non-resident visitor</i> is a visitor who resides in a country other than the one he/she is visiting. This is also referred to as an <i>international visitor</i> .
<b>Satellite Accounts</b>	<i>Satellite accounts</i> or systems generally stress the need to expand the analytical capacity of national accounting for selected areas of social and economic concern in a flexible manner, without overburdening or disrupting the central system of National Accounts. (SNA1993 para.21.4.)
<b>Self-employed jobs</b>	<i>Self-employed jobs</i> are those jobs where remuneration is directly dependent upon the profits (or the potential of profits) derived from the goods or services produced. (ILO, Fifteenth ICLS, paras. 20-33).
<b>Self-employed with paid employees</b>	<i>Self-employed with paid employees</i> are classified as <i>employers</i> . (ILO, Fifteenth ICLS, paras. 20-33).
<b>Self-employed without employees</b>	<i>Self-employed without employees</i> are classified as <i>own-account Workers</i> . (ILO, Fifteenth ICLS, paras. 20-33).
<b>Tourism</b>	<i>Tourism</i> refers to the activity of <i>visitors</i> while on <i>trips</i> or related to <i>trips</i> . (IRTS para. 2.5.).
<b>Tourism characteristic products</b>	<i>Characteristic products</i> of a given field comprise the products that are typical of the field, and for which there is interest in studying the way they are produced. (SNA 1993 para. 21.61.). <i>Tourism</i> is one of those fields (see IRTS paras. 5.16., 5.37. and Annex 4).
<b>Tourism characteristic activities</b>	<i>Tourism characteristic products</i> are related to the activities that produce them, the <i>tourism characteristic activities</i> . As a consequence, the selection of these characteristic products and activities (those that principally produce them) are inter-related, though not equivalent, because there is no strict one-to-one relationship between products and the activities producing them. (IRTS paras. 5.13., 5.17. and Annex 3).
<b>Tourism consumption</b>	This concept is used in the <i>Tourism Satellite Account</i> framework and is an extension of the concept of <i>tourism expenditure</i> . Besides <i>tourism expenditure</i> , it also includes tourism social transfers in kind, estimated values of expenditure made by other transactors for the benefit of visitors, consumption of goods and services produced on own account by visitors, barter transactions, as well as the acquisition of tourism single purpose consumer durables outside the context of a <i>trip</i> .
<b>Tourism expenditure</b>	<i>Tourism expenditure</i> comprises the amount paid for the acquisition of goods and services for and during their <i>trips</i> by visitors or by others for their benefit through a monetary transaction, for own use or to give away. (IRTS para. 4.2.).
<b>Tourism industries</b>	The <i>tourism industries</i> comprise all <i>establishments</i> which

	<i>principal activity is a tourism-characteristic activity.</i> (IRTS para.6.17.). The term tourism industries is equivalent to <i>tourism characteristic activities</i> and are sometimes used synonymously in the present IRTS.
<b>Tourism producers expenses</b>	<i>Tourism producers expenses</i> refers to those components of <i>tourism consumption</i> that the 1993 SNA treats as intermediate consumption of resident producers (business, government and NPISH).
<b>Tourism Satellite Account</b>	The <i>Tourism Satellite Account</i> is the second international standard on tourism statistics that has been developed in order to present economic data relative to tourism within a framework of internal and external consistency with the rest of the statistical system through its link to the System of National Accounts. It is the basic reconciliation framework of tourism statistics.
<b>Tourism trip</b>	A <i>tourism trip</i> refers to a <i>trip</i> that does not involve any stay in a place for more than twelve months outside the usual environment, and for a main purpose other than being employed by a resident entity in any of the places visited. The same type of definition holds for <i>tourism visits</i> . In other words, <i>tourism trips</i> are <i>trips</i> taken by visitors and both terms are sometimes used synonymously in the IRTS. (IRTS para. 2.32.).
<b>Tourist (or overnight visitor)</b>	A tourism trip might include overnight stays in some of the places visited, and the visitor is then considered to be a <i>tourist</i> (or overnight visitor) to those places. (IRTS para. 2.36.)
<b>Travel</b>	<i>Travel</i> is understood as the activity of persons while they move between different geographic locations, for any purpose and any duration. (IRTS para. 2.4.).
<b>Travel group</b>	A <i>travel group</i> is made of individuals or <i>travel parties</i> traveling together but where each individual or party is separately responsible for the expenditure not included in the common part. (IRTS para. 3.3.).
<b>Travel item (in Balance of Payments)</b>	<i>Travel</i> is an item of the Goods and Services Account of the Balance of Payments: travel credits comprise goods and services for own use or to give away acquired from an <i>economy</i> by <i>non-residents</i> during visits to that economy; travel debits comprise goods and services for own use or to give away acquired from other <i>economies</i> by <i>residents</i> during visits to other economies.
<b>Travel party</b>	A <i>travel party</i> is defined as visitors from the same household traveling together on a trip and whose expenditures are pooled. (IRTS para. 3.2.).
<b>Traveler</b>	Those who <i>travel</i> are referred to as <i>travelers</i> . (IRTS para. 2.4.).

<b>Trip</b>	The term <i>trip</i> refers to the movement of an individual from the time of leaving his/her <i>usual residence</i> until he/she returns: it thus refers to a round-trip. A trip may be made up of various visits to different places. (IRTS para. 2.27.).
<b>Usual environment</b>	The <i>usual environment</i> of an individual includes the place of usual residence of the household to which he/she belongs, his/her own place of work or study and any other place that he/she visits regularly and frequently, even when this place is located far away from his/her place of <i>usual residence</i> (see <a href="#">Box 2.3</a> ) or in another locality. (IRTS para. 2.22.)
<b>Usual residence</b>	The place of <i>usual residence</i> is the geographical place where the enumerated person usually resides. (Principles and recommendations for population and housing censuses of the United Nations – paras. 2.20 to 2.24).
<b>Vacation home</b>	A <i>vacation home</i> (sometimes also designated as a holiday home) is a <i>secondary dwelling</i> that is visited by the members of the household mostly for purposes of recreation, vacation or any other form of leisure. By definition, they are always excluded from the usual environment of the members of this household. (IRTS para. 2.24.).
<b>Valuables</b>	<i>Valuables</i> are defined as goods of considerable value that are not used primarily for purposes of production or consumption but are held as stores of value over time. (SNA 1993 para.10.7.)
<b>Visit</b>	A <i>visit</i> refers to the stay in a place visited during a <i>trip</i> . (IRTS para. 2.30.).
<b>Visitor</b>	A <i>visitor</i> is a <i>traveler</i> taking <i>trips</i> outside his/her <i>usual environment</i> involving <i>visits</i> each of them for less than a year and for a main <i>purpose</i> other than <i>being employed</i> by a <i>resident</i> entity in the economy (or place) visited. (IRTS para. 2.5.).
<b>Work</b>	<i>Work</i> means any <i>activity</i> which contributes to the production of goods or services within the production boundary of the SNA. (SNA 1993 para.17.9.(b)).

## Annex 1

### Main differences between the 2008 International Recommendations on Tourism Statistics (IRTS 2008) and the previous 1993 Recommendations on Tourism Statistics (REC 93)

The table that follows summarizes the main differences between both Recommendations.

Topics	REC 93	IRTS 2008
1. Introduction of definition of tourism trips and visits	Trips and visits are not defined	In tourism statistics, the term tourism trip refers to a trip that does not involve any stay in a place for more than twelve months outside the usual environment, and for a main purpose other than being employed by a resident entity in any of the places visited. The same type of definition holds for tourism visits. In other words, tourism trips are trips taken by visitors and both terms are sometimes used synonymously in the IRTS..
2. New definition of visitor: clarification regarding exclusion	(para 20.) "visitor" "any person travelling to a place other than that of his/her usual environment for less than 12 months and whose main purpose of trip is other than the exercise of an activity remunerated from within the place visited	Visitor is a traveler taking trips outside his/her usual environment involving visits each of them for less than a year. The main purpose of the trip should be other than being employed by a resident entity in the economy (or place) visited.
3. Travel party/group	Not mentioned	New observation unit/s
4. Exclusion of vacation homes from usual environment	Not mentioned	Vacation homes are explicitly excluded from the usual environment
5. Revision of the scope of visitors: inclusion of all transit visitors	Some transit visitors are excluded, those passengers transferred directly between airports or other terminals.	Are excluded only those that do not enter the legal and economic territory.
6. Modification in the formulation of the definition of the different forms of tourism	In relation to a given country, the following forms of tourism can be distinguished: (a) Domestic tourism, involving residents of the given country traveling only within this country; (b) Inbound tourism, involving non-residents traveling in the given country; (c) Outbound tourism, involving residents traveling in another country.	In relation to an economy of reference it is recommended that the following three basic forms of tourism be distinguished: (a) <b>Domestic tourism</b> , which comprises the activities of resident visitors within the country of reference either as a domestic trip or part of an international trip; (b) <b>Inbound tourism</b> , which comprises the activities of non-resident visitors within the country of reference either as an international trip or as part of a domestic trip (from the perspective of his/her country of residence); (c) <b>Outbound tourism</b> , which comprises the activities of resident visitors outside the country of reference, either as an international trip or as part of a domestic trip.
7. Revision of the classification of tourism related purposes of trips	Classification of tourism trips according to purpose 1. Leisure, recreation and holidays 2. Visiting friends and relatives 3. Business and professional 4. Health treatment 5. Religion/pilgrimages 6. Other	Classification of tourism trips according to the main purpose 1. Personal 1.1. Holidays, leisure and recreation 1.2. Visiting friends and relatives 1.3. Education and training 1.4. Health and medical care 1.5. Religion/pilgrimages 1.6. Shopping 1.7. Transit 1.8. Other 2. Business and professional

Topics	REC 93	IRTS 2008
8. Revision of the classification of forms of accommodation	<p>1. <b>Collective tourism establishments</b></p> <p>1.1 <i>Hotels and similar establishments</i></p> <p>1.1.1. Hotels</p> <p>1.1.2. Similar establishments</p> <p>1.2 <i>Specialized establishments</i></p> <p>1.2.1. Health establishments</p> <p>1.2.2. Work and holiday camps</p> <p>1.2.3. Public means of transport</p> <p>1.2.4. Conference centers</p> <p>1.3 <i>Other collective establishments</i></p> <p>1.3.1. Holiday dwellings</p> <p>1.3.2. Tourist campsites</p> <p>1.3.3. Other collective establishments</p> <p>2. <b>Private tourism accommodation</b></p> <p>2.1 <i>Private tourism accommodation</i></p> <p>2.1.1. Owned dwellings</p> <p>2.1.2. Rented rooms in family homes</p> <p>2.1.3. Dwellings rented from private individuals or professional agencies</p> <p>2.1.4. Accommodation provided without charge by relatives or friends</p> <p>2.1.5. Other private accommodation</p>	<p>The former standard classification of tourism accommodation needs to be revised in due course, once the Companion Guide to ISIC, Rev. 4 and the CPC, Ver. 2 is finalized and agreement is reached for launching an international consultation process including national statistical offices, national tourism authorities as well as international organizations.</p>
9. Revision of the classifications of products and productive activities	<p>No product classification SICTA for activities, defined from ISIC using a subclassification from the 4-digit ISIC (rev 3)</p> <p>Loose relationship with the consumption by visitors</p>	<p>Tourism-characteristic and tourism-connected products are defined in terms of the 5-digit CPC (ver 2) category to which they belong; goods can be included; strict relationship with acquisition by visitors</p> <p>Establishments whose principal output is Tourism-characteristic (tourism industries) are defined on the basis of the 4-digit ISIC (rev 4) category to which they belong; no production of goods is included, only their retail trade as tourism industries must directly serve visitors</p>
10. Review of the definition of tourism expenditure and tourism consumption	<p>Tourism consumption, except when it corresponds to the intermediate consumption of enterprises, will thus conform to the concept of "final consumption" in the system of national accounts, regardless of type of consumer.</p> <p>Tourism expenditure is thus defined as "the total consumption expenditure made by a visitor or on behalf of a visitor for and during his/her trip and stay at destination".</p> <p>Tourism consumption and tourism expenditure seem to be considered as synonyms.</p>	<p>Tourism expenditure refers to the amount paid for the acquisition of goods and services for and during their trips by visitors or by others for their benefit through a monetary transaction, for own use or to give away. It includes expenditures by the visitors out of their own resources, as well as expenses related to the trip that are paid for or reimbursed by others.</p> <p>It excludes the acquisition of those items that need to be estimated using other types of statistical sources (for instance the so-called social transfers in kind that benefit visitors) or when they do not involve a monetary transaction (for instance, the imputation of accommodation services provided by vacation homes to their owners). These will be included in the more inclusive concept of tourism consumption that will be used in the other standard, the Tourism Satellite Account. Other exclusions also apply.</p>
11. Clarification of the relationship with payment by visitors	<p>Ambiguous formulation using terms of payments, outlays, foreign exchange receipts and foreign currency expenditure</p>	<p>Tourism expenditure is based on the principle of acquisition</p>
12. Treatment of consumer durable goods and valuables of high unit value	<p>Excluded</p>	<p>Included if purchased on trips</p>
13. Clarification of the relationship between forms of tourism and categories of tourism expenditure (tourism consumption)	<p>No clarification</p>	<p>Three basic categories of tourism expenditure can be defined as follows:</p> <p>a) <b>Domestic tourism expenditure</b> is the tourism expenditure of resident visitors within the economy of reference;</p>

Topics	REC 93	IRTS 2008
		<p>b) <b>Inbound tourism expenditure</b> is the tourism expenditure of non-resident visitors within the economy of reference;</p> <p>c) <b>Outbound tourism expenditure</b> is the tourism expenditure of resident visitors outside the economy of reference.</p>
14. Employment in the tourism industries	Not mentioned	Special chapter 7
15. Link with Balance of Payments	Not mentioned	Special section in chapter 8
16. Reference to wider scope: the TSA, subnational statistics, tourism and the sustainability	Not mentioned	Special sections in chapter 8

## Annex 2

<b>List of products grouped by purpose, according to their categorization as internationally comparable tourism characteristic</b>			
(Products are identified as in CPC Ver. 2 and their correspondence with ISIC Rev. 4, according to the main industry of origin)			
CPC Ver. 2	Description	corresponding activity ISIC Rev. 4	Categorization <sup>(1)</sup>
subclass			
<i>Package travel, package holidays and package tours*</i>			
64122	Inland water transport services of passengers on cruises	5021	X
64232	Coastal and transoceanic water transport services of passengers on cruise ships	5011	X
85524	Reservation services for package tours	7911, 7920	X
85540	Tour operator services	7912	X
85523	Reservation services for cruises	7911, 7920	X
<i>Accommodation</i>			
63111	Room or unit accommodation for visitors, with daily housekeeping services	5510	X
63112	Room or unit accommodation for visitors, without daily housekeeping services	5510	X
63113	Room or unit accommodation services for visitors in timeshare properties	5510	X
63114	Accommodation services for visitors, in rooms with multiple occupancy	5510	X
63120	Campsite services	5520	X
63130	Recreational vacation camp services	5520	X
63210	Room or unit accommodation services for students in student residences	5590	X
63290	All other room or unit accommodation services	5590	X
72111	Renting or leasing services involving own or leased residential property**	6810	X
72123	Trade services of timeshare properties	6810	X
72211	Residential property management services on a fee or contract basis except of time-share ownership properties**	6820	X
72213	Time share (ownership type) property management services on a fee or contract basis	6820	X
72221	Residential building sales on a fee or contract basis except of time share ownership properties**	6820	X
72223	Sale of time share properties on a fee or contract basis	6820	X
85521	Reservation services for accommodation**	7911, 7920	X
85522	Time-share exchange services	7920	X
<i>Food and drink***</i>			
63310	Meal serving services with full restaurant services	5610	X
63320	Meal serving services with limited services	5610	X
63399	Other food serving services	5610, 5629	X
63400	Beverage serving services	5630	X
<i>Local and international transportation****</i>			
64111	Urban and suburban railway transport services of passengers	4921	
64112	Urban and suburban scheduled road transport services of passengers	4921	
64113	Mixed mode urban and suburban transportation services of passengers	4921	
64114	Urban and suburban special purpose scheduled road transport services of passengers	4921	
64115	Taxi services	4922	X
64116	Rental services of passenger cars with operator	4922	X
64117	Road transport services of passengers by man- or animal-drawn vehicles	4922	X
64118	Non-scheduled local bus and coach services	4922	X
64119	Other land transportation services of passengers, n.e.c.	4922	X
64121	Inland water transport services of passengers by ferries	5021	X
64129	All other inland water transport services of passengers	5021	X

1. The absence of cross (x) indicates that the product does not qualify as an internationally comparable tourism characteristic product but to any of the other typologies (see para. 5.16.). Consequently, its categorization corresponds to countries.

\* The value of the components of the package would also be included

\*\* It only refers to vacation homes

\*\*\* It also includes the direct purchase to be consumed or to be prepared

\*\*\*\* It also includes the purchase of goods such as fuel, spareparts, etc.



CPC rev 2	Description	corresponding activity ISIC Rev. 4	Categorization
subclass			
64131	Sightseeing services by rail	4911	X
64132	Sightseeing services by land, except rail	4922	X
64133	Sightseeing services by water	5021	X
64134	Sightseeing services by air	5110	X
64210	Interurban railway transport services of passengers	4911	X
64221	Interurban scheduled road transport services of passengers	4922	X
64222	Interurban special-purpose scheduled road transport services of passengers	4922	X
64223	Non-scheduled long distance bus and coach services	4922	X
64231	Coastal and transoceanic water transport services of passengers by ferries	5011	X
64239	All other coastal and transoceanic water transport services of passengers	5011	X
64241	Domestic scheduled air transport services of passengers	5110	X
64242	Domestic non-scheduled air transport services of passengers	5110	X
64243	International scheduled air transport services of passengers	5110	X
64244	International non-scheduled air transport services of passengers	5110	X
64250	Space transport services of passengers	5110	X
66011	Rental services of buses and coaches with operator	4922	
66021	Rental services of vessels for coastal and transoceanic water transport with operator	5011, 5012	
66022	Rental services of inland water vessels with operator	5011, 5012	
66031	Rental services of passenger aircraft with operator	5110	
67190	Other cargo and baggage handling services	5224	
67309	Other supporting services for railway transport	5221	
67410	Bus station services	5221	
67420	Highway, bridge and tunnel operation services	5221	
67430	Parking lot services	5221	
67440	Towing services for commercial and private vehicles	5221	
67511	Port and waterway operation services (excl. cargo handling), on coastal and transoceanic waters	5222	
67512	Inland waterway operation services (excl. cargo handling)	5222	
67521	Pilotage and berthing services on coastal and transoceanic waters	5222	
67522	Pilotage and berthing services in inland waters	5222	
67531	Vessel salvage and refloating services on coastal and transoceanic waters	5222	
67532	Vessel salvage and refloating services in inland waters	5222	
67610	Air operation services (excl. cargo handling)	5223	
67620	Air traffic control services	5223	
67730	Other supporting services for air transport	5223	
73111	Leasing or rental services concerning cars and light vans without operator	7710	X
73114	Leasing or rental services concerning other land transport equipment without operator	7730	
73115	Leasing or rental services concerning vessels without operator	7730	
73116	Leasing or rental services concerning aircraft without operator	7730	
85511	Reservation services for air transport	7911, 7920	X
85512	Reservation services for rail transportation	7911, 7920	X
85513	Reservation services for bus transportation	7911, 7920	X
85514	Reservation services for vehicle rental	7911, 7920	X
85519	Other transportation arrangement and reservation services n.e.c.	7911, 7920	X
87141	Maintenance and repair services of motor vehicles	4520	
87142	Maintenance and repair services of motorcycles and snowmobiles	4540	
87143	Maintenance and repair services of trailers, semi-trailers and other motor vehicles n.e.c.	4520	
87149	Maintenance and repair services of other transport equipment	3315	

CPC rev 2	Description	corresponding activity ISIC Rev. 4	Categorization
subclass			
<i>Recreation, culture and sporting activities*</i>			
73240	Leasing or rental services concerning pleasure and leisure equipment	7721	
85539	Reservation services for event tickets and other entertainment and recreational services	7920	X
85550	Tourist guide services	7912	X
85562	Visitor information services	7920	X
96151	Motion picture projection services	5914	
96152	Videotape projection services	5914	
96220	Performing arts event production and presentation services	9000	X
96310	Services of performing artists	9000	X
96411	Museum services except for historical sites and buildings	9102	X
96412	Preservation services of historical sites and buildings	9102	X
96421	Botanical and zoological garden services	9103	X
96422	Nature reserve services including wildlife preservation services	9103	X
96511	Sports and recreational sports event promotion services	9319	
96512	Services of sports clubs	9312	
96520	Sports and recreational sports facility operation services	9311	X
96590	Other sports and recreational sports services	9319	X
96620	Support services related to sports and recreation	9319	
96910	Amusement park and similar attraction services	9321	X
96929	Other gambling and betting services	9200	X
96930	Coin-operated amusement machine services	9329	X
96990	Other recreation and amusement services n.e.c.	9329	X
<i>Shopping**</i>			
	Goods purchased by visitors within their shopping activity		
<i>Other</i>			
71134	Credit card services	6492	
71331	Motor vehicle insurance services	6512	
71334	Other property insurance services	6512	
71337	Travel insurance services	6512	
71592	Foreign exchange services	6612	
73260	Leasing and rental services concerning textiles, clothing and footwear	7729	
73290	Leasing or rental services concerning other goods n.e.c.	7729	
83811	Portrait photography services	7420	
83820	Photography processing services	7420	
85953	Document preparation and other specialized office support services	8219	
85961	Convention assistance and organisation services	8230	
85962	Trade show assistance and organisation services	8230	
87290	Maintenance and repair services of other goods n.e.c.	9529	
92330	Upper secondary education services general	8521	
92340	Upper secondary education services, technical and vocational	8522	
92410	Post-secondary non-tertiary education services, general	8521	

\* It also includes goods related to this purpose

\*\* It only includes goods: single purpose consumer durables, souvenirs, handicrafts, and any other goods principally to bring along back home

CPC rev 2	Description	corresponding activity ISIC Rev. 4	Categorization
subclass			
92420	Post-secondary non-tertiary education services, technical and vocational	8522	
92510	First stage tertiary education services	8530	
92520	Second stage tertiary education services	8530	
92911	Cultural education services	8542	
92912	Sports and recreation education services	8541	
92919	Other education and training services, n.e.c.	8549	
92920	Educational support services	8550	
93111	Surgical services for inpatients	8610	
93112	Gynecological and obstetrical services for inpatients	8610	
93113	Psychiatric services for inpatients	8610	
93119	Other services for inpatients	8610	
93121	General medical services	8620	
93122	Specialized medical services	8620	
93123	Dental services	8620	
93191	Deliveries and related services	8690	
93192	Nursing services	8690	
93193	Physiotherapeutic services	8690	
93194	Ambulance services	8690	
93195	Medical laboratory services	8690	
93196	Diagnostic imaging services	8690	
93199	Other human health services n.e.c.	8690	
	Other unidentified services		
	Other unidentified goods		

### Annex 3

List of tourism characteristic activities (tourism industries) and grouping by main categories according to ISIC Rev. 4		
Tourism industries	ISIC Rev. 4	Description
1. Accommodation for visitors	5510 5520 5590 6810 6820	Short term accommodation activities Recreational vehicle parks, trailers park and camping grounds Other accommodation Real estate activities with own or leased property** Real estate activities on a fee or contract basis**
2. Food and beverage serving activities	5610 5629 5630	Restaurants and mobile food service activities Other food services activities Beverage serving activities
3. Railway passenger transport	4911	Passenger rail transport
4. Road passenger transport	4922	Other passenger land transport
5. Water passenger transport	5011 5021	Sea and coastal passenger water transport Inland passenger water transport
6. Air passenger transport	5110	Passenger air transport
7. Transport equipment rental	7710	Renting and leasing of motor vehicles
8. Travel agencies and other reservation service activities	7911 7912 7920	Travel agency activities Tour operator activities Other reservation service activities
9. Cultural activities	9000 9102 9103	Creative, arts and entertainment activities Museum activities and operation of historical sites and buildings Botanical and zoological gardens and nature reserve activities
10. Sports and Recreational activities	7721 9200 9311 9319 9321 9329	Renting and leasing of recreational and sports goods Gambling and betting activities Operation of sports facilities Other sports activities Operation of amusement parks and theme parks Other amusement and recreation activities n.e.c
11. Retail trade of tourism characteristic goods		Duty free shops* Specialized retail trade of souvenirs* Specialized retail trade of handicrafts* Other specialized retail trade of tourism characteristic goods*
12. Other country-specific characteristic activities		

\* Not a 4 digit ISIC

\*\* Part related to second homes and timeshare properties

#### Explanatory notes

These explanatory notes refer exclusively to internationally comparable tourism characteristic activities and follow the same order as in Annex 3 above.

They have been extracted from *Draft ISIC revision 4 structure* (document prepared by UNSD to the thirty seventh session of the UNSC – 7/10 March 2006).

The complete document can be consulted in <http://unstats.un.org/unsd/statcom/doc06/ISIC-Rev4.pdf>

#### **Accommodation for visitors**

**5510 Short term accommodation activities**

This class includes the provision of accommodation, typically on a daily or weekly basis, principally for short stay by visitors. This includes the provision of furnished accommodation in guest rooms and suites, or complete self contained units with kitchens, with or without daily housekeeping services, and may often include a range of additional services such as food and beverage services, parking, laundry services, swimming pools and exercise rooms, recreational facilities and conference and convention facilities.

This class includes accommodation provided by:

- hotels
- resort hotels
- suite / apartment hotels
- motels
- motor hotels
- inns
- guesthouses
- pensions
- bed and breakfast units
- youth hostels
- visitor flats and bungalows
- time-share units
- holiday homes
- chalets, housekeeping cottages and cabins

This class excludes:

- provision of homes and furnished or unfurnished flats or apartments for more permanent use, typically on a monthly or annual basis, see division 68

#### **5520 Camping grounds, recreational vehicle parks and trailer parks**

This class includes:

- provision of accommodation in campgrounds, trailer parks, recreational camps and fishing and hunting camps for short stay visitors
- provision of space and facilities for recreational vehicles

This class also includes accommodation provided by:

- mountain shelters

#### **5590 Other accommodation**

This class includes the provision of temporary or longer-term accommodation in single or shared rooms or dormitories for students, migrant (seasonal) workers and other individuals.

This class includes accommodation provided by:

- student residences
- school dormitories
- workers hostels
- rooming and boarding houses
- railway sleeping cars

#### **6810 Real estate activities with own or leased property**

This class includes:

- buying, selling, renting and operating of self-owned or leased real estate:
  - apartment buildings and dwellings
  - non-residential buildings, including exhibition halls, self-storage facilities, malls and shopping centers
  - land

- providing of homes and furnished or unfurnished flats or apartments for more permanent use, typically on a monthly or annual basis:

This class also includes

- development of building projects for own operation, i.e. for renting of space in these buildings
- subdividing real estate into lots, without land improvement
- operation of residential mobile home sites

This class excludes:

- development of building projects for sale, see 4100
- subdividing and improving of land, see 4290
- operation of hotels, rooming houses, camps, trailer camps and other non-residential or short-stay accommodation places, see 5510, 5520
- operation of suite hotels and similar accommodations, see 5510

## **6820 Real estate activities on a fee or contract basis**

This class includes the provision of real estate activities on a fee or contract basis including real estate related services:

- activities of real estate agents and brokers
- intermediation in buying, selling and renting of real estate on a fee or contract basis
- management of real estate on a fee or contract basis
- appraisal services for real estate
- real estate escrow agents

This class excludes:

- legal activities, see 6910
- facilities support services, see 8110
- management of facilities, such as military bases, prisons and other facilities (except computer facilities management), see 8110

## ***Food and beverage serving activities***

### **5610 Restaurants and mobile food service activities**

This class includes the activity of providing food services to customers, whether they are served while seated or serve themselves from a display of items, whether they eat the prepared meals on the premises, take them out or have them delivered. This includes the preparation and serving of meals for immediate consumption from motorized vehicles or non-motorized carts.

This class includes:

- restaurants
- cafeterias
- fast-food restaurants
- pizza delivery
- take-out eating places
- ice cream truck vendors
- mobile food carts
- food preparation in market stalls

This class also includes:

- restaurant and bar activities connected to transportation, when carried out by separate units

This class excludes:

- concession operation of eating facilities, see 5629

### **5629 Other food service activities**

This class includes industrial catering, i.e. the provision of food services based on contractual arrangements with the customer, for a specific period of time.

Also included is the operation of food concessions at sports and similar facilities. The food is often prepared in a central unit.

This class includes:

- activities of food service contractors (e.g. for transportation companies)
- operation of food concessions at sports and similar facilities
- operation of canteens or cafeterias (e.g. for factories, offices, hospitals or schools) on a concession basis

This class excludes:

- manufacture of perishable food items for resale, see 1079
- retail sale of perishable food items, see division 47

### **5630 Beverage serving activities**

This class includes the activity of preparing and serving beverages for immediate consumption on the premises.

This class includes:

- bars
- taverns
- cocktail lounges
- discotheques (with beverage serving predominant)
- beer parlors and pubs
- coffee shops
- fruit juice bars
- mobile beverage vendors

This class excludes:

- reselling packaged/prepared beverages, see 4711, 4722, 4781, 4799
- operation of discotheques and dance floors without beverage serving, see 9329

## ***Railway passenger transport***

### **4911 Passenger rail transport**

This class includes:

- passenger transport by inter-urban railways
- operation of sleeping cars or dining cars as an integrated operation of railway companies

This class excludes:

- passenger transport by urban and suburban transit systems, see 4921
- passenger terminal activities, see 5221
- operation of sleeping cars or dining cars when operated by separate units, see 5590, 5610

## ***Road passenger transport***

### **4922 Other passenger land transport**

This class includes:

- other passenger road transport:
  - scheduled long-distance bus services
  - charters, excursions and other occasional coach services
  - taxi operation
- operation of teleferics, funiculars, ski and cable lifts if not part of urban or suburban transit systems

This class also includes:

- other rental of private cars with driver
- operation of school buses and buses for transport of employees
- passenger transport by man- or animal-drawn vehicles

This class excludes:

- ambulance transport, see 8690

## ***Water passenger transport***

### **5011 Sea and coastal passenger water transport**

This class includes:

- transport of passengers over seas and coastal waters, whether scheduled or not:
  - operation of excursion, cruise or sightseeing boats
  - operation of ferries, water taxis etc.

This class also includes:

- rental of pleasure boats with crew for sea and coastal water transport (e.g. for fishing cruises)

This class excludes:

- restaurant and bar activities on board ships, when provided by separate units, see 5610, 5630
- operation of "floating casinos", see 9200

### **5021 Inland passenger water transport**

This class includes:

- transport of passenger via rivers, canals, lakes and other inland waterways, including inside harbours and ports

This class also includes:

- rental of pleasure boats with crew for inland water transport

## ***Air passenger transport***

### **5110 Passenger air transport**

This class includes:

- transport of passengers by air over regular routes and on regular schedules
- charter flights for passengers
- scenic and sightseeing flights

This class also includes:

- renting of air-transport equipment with operator for the purpose of passenger transportation
- general aviation activities, such as:
  - transport of passengers by aero clubs for instruction or pleasure

## ***Transport equipment rental***

### **7710 Renting and leasing of motor vehicles**

This class includes:

- renting and operational leasing of the following types of vehicles:
  - passenger cars (without drivers)



- trucks, utility trailers and recreational vehicles

This class excludes:

- renting or leasing of vehicles or trucks with driver, see 4922, 4923
- financial leasing, see 6491

## ***Travel agencies and other reservation service activities***

### **7911 Travel agency activities**

This class includes the activities of agencies, primarily engaged in selling travel, tour, transportation and accommodation services on a wholesale or retail basis to the general public and commercial clients.

### **7912 Tour operator activities**

This class includes the activities of arranging and assembling tours that are sold through travel agencies or directly by tour operators. The tours may include any or all of the following, transportation, accommodation, food, and visits to museums, historical or cultural sites, theatrical, musical or sporting events.

This class also includes the activities of tourist guides.

### **7920 Other reservation service activities**

This class includes the activities of marketing and promoting of services for conventions and visitors by providing information and assistance to organizations to locate accommodation, convention centres and entertainment venues; condominium time-share exchange services; and other travel-related reservation services (including for transportation, hotels, restaurants, car rentals, entertainment and sport). Activities of ticket sales for theatrical, sports and all other amusement and entertainment events are also included.

This class excludes:

- activities of travel agencies and tour operators, see 7911, 7912
- organization and management of events such as meetings, conventions and conferences, see 8230

## ***Cultural activities***

### **9000 Creative, arts and entertainment activities**

This class includes the operation of facilities and provision of services to meet the cultural and entertainment interests of their customers. This includes the production and promotion of, and participation in, live performances, events or exhibits intended for public viewing; the provision of artistic, creative or technical skills for the production of artistic products and live performances.

This class includes:

- production of live theatrical presentations, concerts and opera or dance productions and other stage productions:
  - activities of groups, circuses or companies, orchestras or bands
  - activities of individual artists such as authors, actors, directors, producers, musicians, lecturers or speakers, stage set designers and builders etc.
- operation of concert and theatre halls and other arts facilities
- activities of sculptors, painters, cartoonists, engravers, etchers etc.
- activities of individual writers, for all subjects including fictional writing, technical writing etc.
- activities of independent journalists

- restoring of works of art such as paintings etc.

This class also includes:

- activities of producers or entrepreneurs of arts live events, with or without facilities

This class excludes:

- restoring of stained glass windows, see 2310
- manufacture of statues, other than artistic originals, see 2396
- restoring of organs and other historical musical instruments, see 3319
- restoring of historical sites and buildings, see 4100
- motion picture and video production, see 5911, 5912
- operation of cinemas, see 5914
- activities of personal theatrical or artistic agents or agencies, see 7490
- casting activities, see 7810
- activities of ticket agencies, see 7920
- the operation of museums of all kinds, see 9102
- sports and amusement and recreation activities, see division 93
- restoring of furniture (except museum type restoration), see 9524

## **9102 Museums activities and operation of historical sites and buildings**

This class includes:

- operation of museums of all kinds:
  - art museums, museums of jewellery, furniture, costumes, ceramics, silverware
  - natural history, science and technological museums, historical museums, including military museums
  - other specialized museums
  - open-air museums
- operation of historical sites and buildings

This class excludes:

- renovation and restoration of historical sites and buildings, see section F
- restoration of works of art and museum collection objects, see 9000
- activities of libraries and archives, see 9101

## **9103 Botanical and zoological gardens and nature reserves activities**

This class includes:

- operation of botanical and zoological gardens, including children's zoos
- operation of nature reserves, including wildlife preservation, etc.

This class excludes:

- landscape and gardening services, see 8130
- operation of sport fishing and hunting preserves, see 9319

## ***Sports and recreational activities***

### **7721 Renting and leasing of recreational and sports goods**

This class includes rental of recreational and sports equipment:

- pleasure boats, canoes, sailboats,
- bicycles
- beach chairs and umbrellas
- other sports equipment
- skis

This class excludes:

- rental of video tapes and disks, see 7722
- rental of other personal and household goods n.e.c., see 7729
- renting of leisure and pleasure equipment as an integral part of recreational facilities, see 9329

#### **9200 Gambling and betting activities**

This class includes gambling and betting activities such as:

- sale of lottery tickets
- operation (exploitation) of coin-operated gambling machines
- operation (exploitation) of coin-operated games
- operation of virtual gambling web sites
- bookmaking and other betting operations
- off-track betting
- operation of casinos, including "floating casinos"

#### **9311 Operation of sports facilities**

This class includes:

- the operation of facilities for indoor or outdoor sports events (open, closed or covered, with or without spectator seating):
  - football, hockey, cricket, baseball, jai-alai stadiums
  - racetracks for auto, dog, horse races
  - swimming pools and stadiums
  - track and field stadiums
  - winter sports arenas and stadiums
  - ice-hockey arenas
  - boxing arenas
  - golf courses
  - bowling lanes
  - fitness centers
- organization and operation of outdoor or indoor sports events for professionals or amateurs by organizations with own facilities

This class includes managing and providing the staff to operate these facilities.

This class excludes:

- renting of recreation and sports equipment, see 7721
- park and beach activities, see 9329

#### **9319 Other sports activities**

This class includes:

- activities of producers or promoters of sports events, with or without facilities
- activities of individual own-account sportsmen and athletes, referees, judges, timekeepers etc.
- activities of sports leagues and regulating bodies
- activities related to promotion of sporting events
- activities of racing stables, kennels and garages
- operation of sport fishing and hunting preserves
- support activities for sport or recreational hunting and fishing

This class excludes:

- renting of sports equipment, see 7721
- activities of sport and game schools, see 8541
- activities of sports instructors, teachers, coaches, see 8541
- organization and operation of outdoor or indoor sports events for professionals or amateurs by sports clubs with/without own facilities, see 9311/9312
- park and beach activities, see 9329

**9321 Activities of amusement parks and theme parks**

This class includes activities of amusement parks or theme parks. It includes the operation of a variety of attractions, such as mechanical rides, water rides, games, shows, theme exhibits and picnic grounds.

**9329 Other amusement and recreation activities n.e.c.**

This class includes other amusement and recreation activities (except amusement parks and theme parks) not elsewhere classified:

- activities of recreation parks, beaches, including renting of facilities such as bathhouses, lockers, chairs etc.
- operation of recreational transport facilities, e.g. marinas
- operation of ski hills
- renting of leisure and pleasure equipment as an integral part of recreational facilities
- operation of fairs and shows of a recreational nature
- operation of discotheques and dance floors

This class also includes activities of producers or entrepreneurs of live events other than arts or sports events, with or without facilities.

This class excludes:

- fishing cruises, see 5011, 5021
- the provision of space and facilities for short stay by visitors in recreational parks and forests and campgrounds, see 5520
- beverage serving activities of discotheques, see 5630
- trailer parks, campgrounds, recreational camps, hunting and fishing camps, campsites and campgrounds, see 5520

## Annex 4

<b>List of tourism characteristic products and grouping by main categories according to CPC Ver. 2</b>			
<b>1.</b>	<b>Accommodation services for visitors</b>	<b>6.</b>	<b>Air passenger transport services</b>
	63111 Room or unit accommodation for visitors, with daily housekeeping services 63112 Room or unit accommodation for visitors, without daily housekeeping services 63113 Room or unit accommodation services for visitors in timeshare properties 63114 Accommodation services for visitors, in rooms with multiple occupancy 63120 Campsite services 63130 Recreational vacation camp services 63210 Room or unit accommodation services for students in student residences 63290 All other room or unit accommodation services 72111 Renting or leasing services involving own or leased residential property  72123 Trade services of timeshare properties 72211 Residential property management services on a fee or contract basis except of time-share ownership properties 72213 Time share (ownership type) property management services on a fee or contract basis  72221 Residential building sales on a fee or contract basis except of time share ownership properties 72223 Sale of time share properties on a fee or contract basis		64134 Sightseeing services by air 64241 Domestic scheduled air transport services of passengers 64242 Domestic non-scheduled air transport services of passengers 64243 International scheduled air transport services of passengers 64244 International non-scheduled air transport services of passengers 64250 Space transport services of passengers
		<b>7.</b>	<b>Transport equipment rental</b>
			73111 Leasing or rental services concerning cars and light vans without operator
		<b>8.</b>	<b>Travel agencies and other reservation services</b>
			85511 Reservation services for air transport 85512 Reservation services for rail transportation  85513 Reservation services for bus transportation 85514 Reservation services for vehicle rental 85519 Other transportation arrangement and reservation services n.e.c 85521 Reservation services for accommodation 85522 Time-share exchange services 85523 Reservation services for cruises 85524 Reservation services for package tours 85539 Reservation services for event tickets and other entertainment and recreational services  85540 Tour operator services 85550 Tourist guide services 85562 Visitor information services
<b>2.</b>	<b>Food and beverage serving services</b>		
	63310 Meal serving services with full restaurant services 63320 Meal serving services with limited services 63399 Other food serving services 63400 Beverage serving services		
<b>3.</b>	<b>Railway passenger transport services</b>		
	64131 Sightseeing services by rail 64210 Interurban railway transport services of passengers		
<b>4.</b>	<b>Road passenger transport services</b>	<b>9.</b>	<b>Cultural services</b>
	64115 Taxi services 64116 Rental services of passenger cars with operator 64117 Road transport services of passengers by man- or animal-drawn vehicles 64118 Non-scheduled local bus and coach services 64119 Other land transportation services of passengers, n.e.c. 64132 Sightseeing services by land, except rail 64221 Interurban scheduled road transport services of passengers 64222 Interurban special-purpose scheduled road transport services of passengers 64223 Non-scheduled long distance bus and coach services		96220 Performing arts event production and presentation services 96310 Services of performing artists 96411 Museum services except for historical sites and buildings 96412 Preservation services of historical sites and buildings 96421 Botanical and zoological garden services 96422 Nature reserve services including wildlife preservation services
<b>5.</b>	<b>Water passenger transport services</b>	<b>10.</b>	<b>Sports and Recreational services</b>
	64121 Inland water transport services of passengers by ferries 64122 Inland water transport services of passengers on cruises 64129 All other inland water transport services of passengers 64133 Sightseeing services by water 64231 Coastal and transoceanic water transport services of passengers by ferries 64232 Coastal and transoceanic water transport services of passengers on cruise ships 64239 All other coastal and transoceanic water transport services of passengers		96520 Sports and recreational sports facility operation services 96590 Other sports and recreational sports services 96910 Amusement park and similar attraction services 96929 Other gambling and betting services 96930 Coin-operated amusement machine services 96990 Other recreation and amusement services n.e.c.
		<b>11.</b>	<b>Tourism characteristic goods</b>
			Tourism single-purpose consumer durables Souvenirs Handicrafts Other tourism goods
		<b>12.</b>	<b>Other country-specific tourism characteristic services</b>

### Explanatory notes

These explanatory notes refer exclusively to internationally comparable tourism characteristic products and follow the same order as in Annex 4 above.

They have been extracted from *Central Product Classification / Draft CPC Ver. 2 structure* (document prepared by UNSD to the thirty seventh session of the UNSC – 7/10 March 2006).

The complete document can be consulted in <http://unstats.un.org/unsd/statcom/doc06/CPC-Ver2-Structure.pdf>.

## ***Accommodation services for visitors***

### **63111 Room or unit accommodation services for visitors, with daily housekeeping services**

This subclass includes:

- accommodation services consisting of rooms or units with daily housekeeping services in for example hotels, resort hotels and similar establishments, typically provided on a daily or weekly basis

### **63112 Room or unit accommodation services for visitors, without daily housekeeping services**

This subclass includes:

- accommodation services consisting of rooms or units with housekeeping services provided less than daily in for example pensions, guesthouses, bed and breakfast, apartments, bungalows or housekeeping cottages for persons away from their usual place of residence, typically provided on a daily or weekly basis

### **63113 Room or unit accommodation services for visitors, in time-share properties**

This subclass includes:

- accommodation services in time-share properties, for visitors away from their permanent place of residence

### **63114 Accommodation services for visitors, in rooms for multiple occupancy**

This subclass includes:

- accommodation services for persons away from their usual place of residence, in rooms for multiple occupancy typically provided on a daily or weekly basis, such as for example in youth hostels, mountain shelters or cabins

This subclass does not include:

- accommodation services for students in student residences, cf. 63210
- accommodation services in workers hostels or camps, cf. 63220

### **63120 Camp sites for visitors**

This subclass includes:

- provision of space for a recreational vehicle or tent, for persons away from their permanent place of residence, typically provided on a daily or weekly basis

### **63130 Recreational vacation camp services**

This subclass includes:

- provision of overnight accommodation, combined with food and recreational or training services in a combined package at a camp for adults, youth or children for which an all-inclusive fee is charged

### **63210 Room or unit accommodation services for students in student residences**

This subclass includes:

- room or unit accommodation services for students in student residences attached to schools and universities

This subclass does not include:

- provision of rooms or units to visitors in student residences during the summer holidays, cf. 63111
- provision of rooms and units in student residences to conference participants, cf. 63111

**63290 All other room or unit accommodation services**

This subclass includes:

- room or unit accommodation services for semi-permanent residents in rooming or boarding houses and residential clubs
- sleeping car services

**72111 Renting or leasing services involving own or leased residential property**

This subclass includes:

- renting or leasing services concerning residential properties by owners or leaseholders to others:
  - houses, flats, apartment buildings
  - multiple-use buildings that are primarily residential
  - residential mobile home sites

This subclass does not include:

- accommodation services provided by operating hotels, motels, rooming houses, school dormitories, camp sites and other lodging places, cf. 631

**72123 Trade services of time-share properties**

This subclass includes:

- sale on own account of time-share properties

**72211 Residential property management services on a fee or contract basis except of time-share ownership properties**

This subclass includes:

- management services concerning houses and other residential properties, on a fee or contract basis
- management services concerning multi-apartment apartment buildings (or multiple-use buildings that are primarily residential)
- residential mobile home sites
- rent collection services
- management services concerning dwellings in joint ownership

This subclass does not include:

- time share (ownership type) property management services on a fee or contract basis, cf. 72213

**72213 Time-share property management services on a fee or contract basis**

This subclass includes:

- management services concerning buildings or properties used on a time-share basis

**72221 Residential building sales on a fee or contract basis except of time share ownership properties**

This subclass includes:

- real estate agency and brokerage services related to the sale of houses, flats, apartment buildings and other residential properties, and similar intermediation services involving buying, selling and renting of residential buildings and associated land, on a fee or contract basis

This subclass does not include:

- sale of time share ownership properties on a fee or contract basis, cf. 72223
- sale of land on a fee or contract basis, cf. 72230

**72223 Sale of time-share properties on a fee or contract basis**

This subclass includes:

- real estate agency and brokerage services related to the sale of time-share properties

#### **85522 Time-share exchange services**

This subclass includes:

- exchange and reservation services (often based on points) for owners of time-share units

### ***Food and beverage serving services***

#### **63310 Meal serving services with full restaurant services**

This subclass includes:

- food preparation and related beverage services furnished by restaurants, cafes and similar eating facilities providing full service consisting of waiter service to individual customers seated at tables (including counters or booths) with or without entertainment
- food preparation and related beverage services furnished in hotels or other lodging places or in transport facilities, e.g., in trains or aboard ships. Normally a full service consisting of waiter service to individual customers seated at tables (including counters or booths) is provided.
- dining car services

This subclass does not include:

- serving services of beverages without prepared foods, cf. 63400

#### **63320 Meal serving services with limited services**

This subclass includes:

- meals services in limited- and self-service establishments. These facilities provide seating but not waiter service; included are food preparation and non-waiter food and beverage serving services furnished by eating facilities providing a range of pre-cooked and other food
- canteen services. Provision services of meals and drinks, usually at reduced prices to groups of clearly defined persons who are mostly linked by ties of a professional nature such as sport, factory or office canteens, schools canteens and kitchens, services of university dining halls, messes and canteens for members of the armed forces, etc.
- meal services in fast-food outlets with seating

This subclass does not include:

- the provision of food by facilities without waiter service and not normally offering seating, cf. 63399
- serving services of beverages without prepared foods, cf. 63400

#### **63399 Other food serving services**

This subclass includes:

- other food preparation and related beverages services provided by refreshment stands, fish-and-chips stands, fast-food outlets without seating, take-away facilities, etc.
- services of ice-cream parlours and cake serving places
- services of meals and snacks prepared on the premises dispensed through vending machines
- mobile food services, preparing and serving food and beverages for immediate consumption from motorized vehicle or non-motorized carts

These services are provided without seating or waiter services.

This subclass does not include:

- services of meals and snacks not prepared on the premises dispensed through vending machines, cf. 6242

#### **63400 Beverage serving services**

This subclass includes:



- beverage-serving services, of alcoholic or non-alcoholic beverages, such as provided in bars, beer halls, nightclubs, discotheques and similar facilities, with or without entertainment

This subclass also includes:

- such services provided by bars operated in hotels or other lodging places or in transport facilities, e.g. in trains or aboard ships
- services of meals, snacks and beverages dispensed through vending machines, cf. 6242
- meals services for food and related beverages, cf. 6331, 6332

## ***Railway passenger transport services***

### **64131 Sightseeing services by rail**

This subclass includes:

- sightseeing passenger rail transportation services

### **64210 Interurban railway transport services of passengers**

This subclass includes:

- interurban passenger transportation provided by railway, regardless of the distance covered and the class used
- transport of accompanying vehicles, luggage, animals and other items

This subclass does not include:

- sleeping car services, cf. 63290
- dining car services, cf. 63310

## ***Road passenger transport services***

### **64115 Taxi services**

This subclass includes:

- motorized taxi services, including urban, suburban and interurban

These services are generally rendered on a distance-travelled basis and to a specific destination. Connected reservation services are also included

- non-scheduled airport shuttle services

This subclass does not include:

- man or animal-drawn taxi services, cf. 64117
- water taxi services, cf. 64129
- air taxi services, cf. 64242
- ambulance services, cf. 93194

### **64116 Rental services of passenger cars with operator**

This subclass includes:

- chauffeur-driven hire car services, wherever delivered, except taxi services

These services are generally supplied on a time basis to a limited number of passengers and frequently involve transportation to more than one destination.

### **64117 Road transport services of passengers by man- or animal-drawn vehicles**

This subclass includes:

- passenger transportation by man- or animal-drawn vehicles or conveyances such as rickshaws and by pack animals, provided that the services of an operator are provided with the vehicle or animals

This subclass does not include:

- man- or animal-drawn passenger vehicle rental services without the services of a driver, cf. 73114

**64118 Non-scheduled local bus and coach services**

This subclass includes:

- non-scheduled chauffeur-driven hired bus and motor coach services within urban and suburban areas, generally rendered on a time and distance basis, frequently involving transportation to more than one destination

Unlike renting of a bus, which gives the client full control, this service is typically provided on a predetermined route and time-table.

This subclass does not include:

- sightseeing-bus services, cf. 64132
- renting of buses with driver, cf. 66011

**64119 Other land transportation services of passengers, n.e.c.**

This subclass includes:

- cable-operated passenger transportation, e.g. services by funiculars, teleferics, ski lifts and similar services rendered on a scheduled basis
  - other scheduled passenger land transportation by mechanized land vehicle, not elsewhere classified
  - passenger transportation by non-scheduled vehicles with driver, not elsewhere classified
  - transport of accompanying luggage, animals and other items that may be carried at no extra cost
- Incidental services not charged for separately (guides, provision of food, etc.) are included.

This subclass does not include:

sightseeing-bus services, cf. 64132

**64132 Sightseeing services by land, except rail**

This subclass includes:

- sightseeing passenger land transportation services, except by rail:
- sightseeing transportation services by buses

**64221 Interurban scheduled road transport services of passengers**

This subclass includes:

- interurban passenger transportation services over predetermined routes on a predetermined schedule open to any user by motor bus, tramway, trolley bus and similar transport vehicles
- transport of accompanying luggage, animals and other items that may be carried at no extra cost

**64222 Interurban special-purpose scheduled road transport services of passengers**

This subclass includes:

- passenger transportation services over predetermined routes on a predetermined schedule for a specific segment of users by motor bus, tramway, trolley bus and similar
- scheduled interurban shuttle services, e.g. airport shuttles

**64223 Non-scheduled long distance bus and coach services**

This subclass includes:

- chauffeur-driven hired bus and motor coach services interurban and long distance, generally rendered on a time and distance basis, frequently involving transportation to more than one destination

Unlike renting of a bus, which gives the client full control, this service is typically provided on a predetermined route and time-table.

This subclass does not include:

- renting of buses with driver, cf. 66011

### ***Water passenger transport services***

#### **64121 Inland water transport services of passengers by ferries**

This subclass includes:

- passenger transportation on rivers, on canals and on other inland waters by ferries, including hydrofoils and hovercraft, whether on a scheduled or non-scheduled basis
- transportation services of accompanying vehicles, luggage, animals and other items

#### **64122 Inland water transport services of passengers on cruises**

This subclass includes:

- inland water cruises that include transportation, accommodation, food services and other incidental services in an all inclusive fare

This subclass does not include:

- sightseeing and excursion boat services, cf. 64133

#### **64129 All other inland water transport services of passengers**

This subclass includes:

- passenger transportation on rivers, canals and other inland waters on a scheduled or non-scheduled basis by vessels other than ferries, cruise ships, sightseeing and excursion boats
- water taxis

This subclass does not include:

- passenger transportation services by ferries, cf. 64121
- sightseeing boat services, cf. 64133

#### **64133 Sightseeing services by water**

This subclass includes:

- sightseeing passenger water transportation services

#### **64231 Coastal and transoceanic water transport services of passengers by ferries**

This subclass includes:

- coastal and transoceanic passenger transportation by ferries, including hydrofoils and hovercraft, on a scheduled or non-scheduled basis
- transport of accompanying luggage, animals and other items that may be carried at no extra cost

#### **64232 Coastal and transoceanic water transport services of passengers on cruise ships**

This subclass includes:

- the services provided by sea cruises that include transportation, accommodation, food services, recreational and other entertainment services in an all inclusive fare

#### **64239 All other coastal and transoceanic water transport services of passengers**

This subclass includes:

- coastal and transoceanic water transportation of passengers on scheduled or non-scheduled basis, regardless of the class of service, except by ferries and cruise ships
- transportation of passengers from port to port, including on freight ships
- transport of accompanying luggage, animals and other items that may be carried at no additional cost

## ***Air passenger transport services***

### **64134 Sightseeing services by air**

This subclass includes:

- sightseeing passenger air transportation services

### **64241 Domestic scheduled air transport services of passengers**

This subclass includes:

- passenger air transportation on regular domestic routes and on regular schedules supplied in aircraft (including helicopters) of any type
- associated transportation of passenger baggage and other items that may be carried at no extra cost

### **64242 Domestic non-scheduled air transport services of passengers**

This subclass includes:

- passenger air transportation on a non-scheduled basis on domestic routes, supplied in aircraft (including helicopters) of any type
- associated transportation of passenger baggage and other items that may be carried at no extra cost

This subclass does not include:

- sightseeing passenger air transport services, cf. 64134
- rental services of passenger aircraft with crew, cf. 66031

### **64243 International scheduled air transport services of passengers**

This subclass includes:

- passenger air transportation on regular international routes and on regular schedules supplied in aircraft (including helicopters) of any type
- associated transportation of passenger baggage and other items that may be carried at no extra cost

### **64244 International non-scheduled air transport services of passengers**

This subclass includes:

- passenger air transportation on a non-scheduled basis on international routes, supplied in aircraft (including helicopters) of any type
- associated transportation of passenger baggage and other items that may be carried at no extra cost

This subclass does not include:

- sightseeing passenger air transport services, cf. 64134
- rental services of passenger aircraft with crew, cf. 66031

### **64250 Space transport services of passengers**

This subclass includes:

- space transportation services of passengers

## ***Transport equipment rental services***

### **73111 Leasing or rental services concerning cars and light vans without operator**

This subclass does not include:

- leasing, renting or hiring services concerning private cars with driver, cf. 64116

## ***Travel agencies and other reservation services***

### **85511 Reservation services for airline seats**

This subclass includes:

- arranging reservations for airline tickets for:
  - domestic airline ticket reservation
  - international airline ticket reservation

### **85512 Reservation services for rail seats**

This subclass includes:

- arranging reservations for rail seats

### **85513 Reservation services for bus transportation**

This subclass includes:

- reservation services for bus transportation

### **85514 Reservation services for vehicle rental**

This subclass includes:

- arranging reservations for rental cars

### **85519 Other transportation arrangement and reservation services, n.e.c.**

This subclass includes arranging reservations for other services n.e.c., such as:

- reservation services for ferry transportation
- reservation services for airport shuttle transportation
- other transportation reservation services, n.e.c.

### **85521 Reservation services for accommodation**

This subclass includes:

- arranging reservations for accommodation services for:
  - domestic accommodation reservation services
  - international accommodation reservation services
- direct exchange services for other owners of residential property such as homes or apartments/flats

### **85523 Reservation services for cruises**

This subclass includes:

- arranging reservations for cruise bookings for:
  - cruises of one day or less
  - cruises of more than one day

### **85524 Reservation services for package tours**

This subclass includes:

- arranging reservations for package tours for:
  - domestic package tours
  - international package tours

**85539 Reservation services for event tickets, entertainment and recreational services and other reservation services**

This subclass includes:

- arranging reservations for attendance at events, such as theater performances, concerts or sporting events

**85540 Tour operator services**

This subclass includes the services of:

- arranging, assembling, and marketing package tours:
  - pre-packaged tours, domestic and international
  - custom package tours for groups, domestic and international

Such a package usually includes buying and reselling passenger and baggage transportation, accommodation, food and sightseeing services. The resulting package tours may be sold to individuals, to travel agents or other tour operators

**85550 Tourist guide services**

This subclass includes:

- tourist guide services from own account tourist guides

**85562 Visitor information services**

This subclass includes:

- provision of information to visitors or potential visitors regarding destinations, preparing brochures, etc.

***Cultural services***

**96220 Performing arts event production and presentation services**

This subclass includes:

- production and presentation services for:
  - theatre, opera, ballet, musical, concert performances
  - puppet shows
  - circus performances

This subclass does not include:

- production and presentation services for "sound and light" performances or fireworks, cf. 96990

**96310 Services of performing artists**

This subclass includes:

- services of actors, readers, singers, musicians, dancers, stunt people, television personality hosts/presenters and other performing artists
- services of independent models

**96411 Museum services except for historical sites and buildings**

This subclass includes:

- display services of collections of all kinds (art, science and technology, history)
- management and conservation services for the collections
- organization of travelling collection exhibitions

This subclass does not include:

- sale and display services furnished by commercial art galleries, cf. 62299

- services of historical sites and buildings, cf. 96412
- services of botanical and zoological gardens, cf. 96421

**96412 Preservation services of historical sites and buildings**

This subclass includes:

- operation of, and access and visiting services to historical sites, monuments and buildings
- preservation services for historical sites, monuments and buildings

**96421 Botanical and zoological garden services**

This subclass includes:

- operation of, and access and visiting services of botanical and zoological gardens
- conservation and maintenance services of botanical and zoological gardens

This subclass does not include:

- nature reserves services, cf. 96422

**96422 Nature reserve services including wildlife preservation services**

This subclass includes:

- operation of, and access and visiting services to national parks, nature parks and reserves
- supervision services of national parks, nature parks and reserves
- conservation and maintenance services of national parks, nature parks and reserves

***Sports and recreational services***

**96520 Sports and recreational sports facility operation services**

This subclass includes:

- operation of and access services to indoor and outdoor sports and recreational sports facilities, such as stadiums, arenas, rinks, swimming pools, sports fields, tracks, golf courses, bowling alleys, tennis courts, etc.
- services of riding academies

This subclass does not include:

- non-residential property management services on a fee or contract basis, cf. 72212

**96590 Other sports and recreational sports services**

This subclass includes:

- skydiving services
- hang-gliding services
- scuba-diving services

**96910 Amusement park and similar attraction services**

This subclass includes:

- amusement park services
- attractions and fun fair services
- operation services of preserved railways

**96929 Other gambling and betting services**

This subclass includes:

- organization and selling services of lotteries, lottos, off-track betting
- casino and gambling house services
- gambling slot-machine services

**96930 Coin-operated amusement machine services**

**96990 Other recreation and amusement services n.e.c.**

This subclass includes:

- operation of, and access services to ballrooms, dance halls and other recreational facilities
- operation of ski hills
- recreation park and beach services
- production and presentation services for:
  - "sound and light" performances
  - fireworks

This subclass does not include:

- non-residential property management services on a fee or contract basis, cf. 72212
- personal theatrical or artistic agency services, cf. 85999
- motion picture, television and other theatrical casting services, cf. 85999
- operation of and access services to sports and recreational sports facilities, cf. 96520