



International Recommendations on Tourism Statistics (IRTS)

The provisional draft

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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
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
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
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 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
WTO	World Trade Organization
WTTC	World Travel and Tourism Council

Chapter 1 Development and needs of tourism statistics

- 1.1. Tourism is a demand side phenomenon and is generally defined as the activities of persons, identified as visitors although by extension, the term “tourism” is also often used to globally designate visitors. A visitor is someone who is traveling (under certain conditions see para. 2.2.), for pleasure, business, health, education or other purposes (see para. 3.13.). Tourism comprises the activities of all these categories of visitors. This scope is much wider than the common perception of tourists as including only those traveling for personal reasons.
- 1.2. The notion of activities encompasses all that visitors do in preparation for a trip or while on a trip. It is not restricted to what could be considered as “typical” tourism activities such as sightseeing, sunbathing, visiting sites, practicing or watching sports, etc. (see para. 3.15.). 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.
- 1.3. Tourism can also be approached from the supply side as a set of productive activities that cater mainly to visitors, or whose main output represents an important share of consumption by visitors. This approach will be developed in chapter 6.
- 1.4. The goal of tourism statistics is to provide a consistent picture of both aspects of tourism in terms of regularly compiled sets of data.

A. Background

- 1.5. 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”.
- 1.6. 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.
- 1.7. 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.

- 1.8. 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 the other national and international statistical systems; second, to take steps towards the incorporation of tourism into the analytical framework of national accounts.
- 1.9. 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 as a seminal contribution.
- 1.10. 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 OECD Manual on Tourism Economic Accounts (see para. 1.16.). 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 (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.
- 1.11. 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 addressed to set up the basic foundations of a System of Tourism Statistics in terms of concepts, definitions, classifications and indicators.
- 1.12. The Recommendations recognized that the “development of the set of definitions and classifications included also 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;
 - 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.
- 1.13. Since the Ottawa Conference, not only have many of the initiatives presented in the Recommendations begun to materialize but a number of countries also initiated or further refined and implemented the development of a Tourism Satellite Account (TSA). Within the private sector, the World Travel and Tourism Council (WTTC) also developed its own initiatives guided by similar objectives.
- 1.14. 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.
- 1.15. 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 1993 Recommendations on Tourism Statistics and set up a Steering Committee of 36 countries and concerned international organizations to monitor the elaboration of a common conceptual framework integrated to the system of national accounts, the Tourism Satellite Account, that would give credibility to the measurement of tourism and provide comparability with that of other economic and social activities.
- 1.16. 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 framework of the Tourism Economic Accounts (TEA) started in 1991; the TEA constituted a useful instrument for policy orientation. Based on this development, OECD was providing ongoing guidance to member countries on how to develop comparable international accounts, using national accounting principles and adopting an approach favoring 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.
- 1.17. 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.

- 1.18. The UNWTO Enzo Paci World Conference on the Measurement of the Economic Impact of Tourism, held in Nice, in June 1999 was the opportunity for the UNWTO to present the work it had developed since 1993 under 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.
- 1.19. Nevertheless, the setting up of the TSA conceptual framework, based on a structural link of tourism definitions and concepts with those used in the System of National Accounts 1993 (1993 SNA), and as a consequence with 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.
- 1.20. 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 update was postponed to a later date.

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

- 1.21. Progressively, at the level of international organizations, tourism was beginning to be 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 role that had previously being recognized in the fostering of global competitiveness of international trade, wealth creation and regional development. The role of the UNWTO in the context of this increased interest has been particularly outstanding. This role was recognized by the international community, and in 2004, 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.

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, 58th session, 2003*

- 1.22. In the context of the update and review of most of the 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 ver. 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 (see para. 1.20.) was decided.
- 1.23. The revision process of the 1993 Recommendations on Tourism Statistics benefited first of all from the work carried on 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 (see para. 1.26.).
- 1.24. 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. The provisional draft of IRTS was a subject of worldwide consultation during May-June 2007. It was further reviewed and endorsed by the United Nations Expert Group which met on 25-28 June 2007.
- 1.25. A number of issues resulted from these different fora of discussion, that were addressed as follows:

- The need of inter-institutional networking: see paras. 1.31. to 1.33.;
- The definition of visitor: see paras. 2.2., 2.34. and 2.40.;
- The clarification of the notions of economy of reference, country of residence and place of usual residence: see paras. 2.4. to 2.7.;
- The concept of the usual environment and its measurement: see paras. 2.10. to 2.12. and paras. 2.41. to 2.45.;
- The clarification of the notions of tourism trips and visits and their attributes: see paras. 2.18. to 2.23.;
- The treatment of same-day and overnight visitors: see para. 2.26.;
- The treatment of transit visitors: see para. 2.50.;
- The clarification of the specific characteristics of a visitor for business purposes: see paras. 2.56., 3.15./1. and 3.18.;
- The establishment of clearer distinctions between the different purposes of tourism trips: see paras. 3.10. to 3.21.;
- The classification of the different forms of accommodation: see paras. 3.33. to 3.38. and 6.18. to 6.27.;
- The definition of tourism expenditure: see paras. 4.2. to 4.8.;
- The issue of tourism supply: see chapter 5;
- The net treatment of package tours: see paras. 6.37. to 6.46.;
- The issue of tourism employment (definitions, measures, data collection): see chapter 7;
- The reconciliation of demand and supply as a TSA concern: see paras. 8.6. to 8.9.;
- Tourism and Balance of Payments: see paras. 8.9. to 8.22.;
- Tourism statistics at a sub-national level: see paras. 8.22. to 8.45.;
- The linkage with sustainability concerns and analyses: see paras. 8.46. to 8.59.;

1.26. In addition to the discussions on these issues, the concepts, definitions and classifications set forth in the present *Recommendations* have also 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 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;
 - expressed in simple terms but be conceptually precise; and
 - measurable within the constraints of statistical observation of visitors and of the activities serving them.

- 1.27. 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 follow the present *Recommendations* in their compilation of both demand and supply side tourism statistics to ensure a better information base for analysis of all aspects of tourism and its contribution to the economy and society in general.
- 1.28. Concepts, definitions, classifications and indicators contained in the present *International Recommendations on Tourism Statistics* should be viewed as a foundation of the System of Tourism Statistics, and be used for coordination, reconciliation and interpretation of all the information produced by all stakeholders in the area of tourism. 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 compilation of the Tourism Satellite Accounts (TSA). In fact, the TSA provides the internal reconciliation framework for most tourism statistics as well as with the other economic statistics. From this perspective, it should be seen as an instrument to assist countries in the identification of data gaps, lack of coverage in tourism-related statistical sources and to guide them during the update or revision of existing data sources and eventually, as well as in the development of new sources.
- 1.29. The compilation of tourism statistics should be based on the Basic Principles of Official Statistics approved by the UNSC (11/15 April 1994) that are quoted in Box 1.2 that follows.

Box 1.2 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>

- 1.30. The present *Recommendations* coupled with those principles, provide the foundations for the establishment and maintenance of a credible System of Tourism Statistics and therefore the compliance with these principles and recommendations should be understood as a necessary condition to maintain users' confidence in tourism statistics and, particularly, to help guarantee the integrity and confidentiality of the individual data and to ensure public access to and transparency of available statistics.
- 1.31. The measurement of key variables in tourism statistics (such as trips, visitors, expenditure and supply, employment) 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.
- 1.32. This explains why, in order to ensure sustainability of improvements and expansion of their national System of Tourism Statistics, countries should promote the establishment of an inter-institutional network or platform that includes, at the very least the NTA, the NSO, and the Central Bank (CB). Furthermore, the presence of other governmental and private tourism organizations (such as immigration authorities, representatives of the private sector, universities and economic research centers) could also be relevant.
- 1.33. The NTAs should play an especially active role in this process and contribute to ensuring the stability of the basic core of technical officials with the appropriate training.

C. Differences with the previous 1993 Recommendations on Tourism Statistics

- 1.34. The table that follows summarizes the main differences between the present *Recommendations* and the previous 1993 *Recommendations on Tourism Statistics*.

Topics	REC 93	New treatment
Introduction of definition of tourism trips and visits	Trips and visits are not defined Confusion in the notions of trips and visits (see para. 39 and 40)	Para 2.18. The term trip refers to the displacement by an individual leaving his/her usual environment until he/she returns: it thus refers to a round-trip carried on by those individuals that qualify as visitors. A trip may be made up of various visits to different places. A trip is characterized by its main destination.
New definition of visitors: 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	Para 2.2 Visitors are travellers taking tourism trips outside their usual environment for less than a year and for a main purpose other than being employed by a resident entity in the place visited
Travel party/group	Not mentioned	New observation unit/s
Exclusion of vacation homes from usual environment	Nothing is said	Vacation homes are explicitly excluded from the usual environment
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.
Modification in the definition of forms of tourism	Para 11 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. Ambiguity: what happens with trips involving at the same time visits within and outside the country of reference?	Para 2.31. In relation to an economy of reference it is recommended to distinguish the following three basic forms of tourism: a) Domestic tourism , which includes the activities of resident visitors within the economy of reference either as part of a domestic or an international trip; b) Inbound tourism , which includes the activities of non-resident visitors within the economy of reference either as part of a domestic or an international trip (from the perspective of his/her country of residence). c) Outbound tourism , which includes the activities or resident visitors outside the economy of reference, either as part of a domestic or an international trip.
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 main purpose 1. Business and professional 2. Personal 2.1. Holidays, leisure and recreation 2.2. Visit to friends and relatives 2.3. Education and training 2.4. Health care 2.5. Religion/pilgrimages 2.6. Shopping 2.7. Transit 2.8. Other

Topics	REC 93	New treatment
Main purpose/secondary purpose/s	Not mentioned	Besides the main purpose, the identification of secondary purpose/s is relevant for tourism initiatives by NTAs
Revision of the classification of forms of accommodation	<p>1. Collective tourism establishments</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. Private tourism accommodation</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>	The update of the Classification of forms of accommodation included in the "Recommendations on tourism statistics / 1993" will be considered in due time once the UN Companion Guide for ISIC and CPC is finalized and subsequently, an agreement is reached for launching an international consultation process including both NSOs and NTAs as well as international organizations (intergovernmental and sectorial).
Revision of the classifications of products and productive activities	<p>No product classification</p> <p>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-specific products are defined from the 5-digit CPC (ver 2) category to which they belong; goods can be included; strict relationship with acquisition by visitors</p> <p>Tourism-characteristic activities (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. Tourism industries must directly serve visitors</p>
Review of the definition of tourism expenditure and tourism consumption	<p>(para 84) 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>(para 85) 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>	Para 4.2. Tourism expenditure refers to the acquisition of goods and services by visitors or by others for their benefit through a monetary transaction, for the direct satisfaction of their needs and wants for and during their trips and stay at destination.
Clarification of the relationship with payment by visitors	Ambiguous formulation using terms of payments, outlays, foreign exchange receipts and foreign currency expenditure	Tourism expenditure is based on the principle of acquisition

Topics	REC 93	New treatment
Treatment of consumer goods and valuables of high unit value	Excluded	Para 4.4. Those beyond the custom threshold are excluded from tourism expenditure
Clarification of the relationship between forms of tourism and categories of tourism expenditure (tourism consumption)	No clarification	<p>Para 4.15 Applying the three basic forms of tourism, the categories of tourism expenditure can be defined as follows:</p> <p>a) Domestic tourism expenditure is the tourism expenditure of resident visitors within the economy of reference either as part of a domestic or an international trip;</p> <p>b) Inbound tourism expenditure is the tourism expenditure of non-resident visitors within the economy of reference either as part of a domestic or an international trip (from the perspective of his/her country of residence);</p> <p>c) Outbound tourism expenditure is the tourism expenditure of resident visitors outside the economy of reference either as part of a domestic or an international trip.</p>
Link with Balance of Payments	Not mentioned	Special section
Inclusion of tourism employment	Not included	Special chapter 7
Reference to wider scope: the TSA, subnational statistics, tourism and the environment	Not mentioned	Special chapter 8 on tourism relationship with other macroeconomic frameworks

D. Content of the document

- 1.35. The purpose of the IRTS is to provide a common reference framework for countries to use in the compilation of their tourism statistics. Its main objective is to develop a system of definitions, concepts and classifications that are internally consistent, and that facilitate the link to existing observation procedures and conceptual frameworks. In addition, general guidance with respect to data sources and data compilation methods is also provided.
- 1.36. The *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 give precisions on 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.
- 1.37. Chapter 3 will be dedicated to the characterization of visitors and of tourism trips that are fundamental to a more analytical approach to the flows of visitors.
- 1.38. Chapter 4 will introduce the activity of visitors from the point of view of their expenditure and will emphasize the conceptual delimitation of this expenditure, and its relationship with the different economies concerned by the visits.
- 1.39. Chapter 5 will describe the product dimension of this expenditure, as well as the determination of productive activities that are most concerned by this expenditure, the tourism-characteristic activities.
- 1.40. Chapter 6 will introduce the notion of tourism industries as the establishments, which 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.
- 1.41. Employment is a crucial aspect of the analysis of the importance of tourism in an economy. Chapter 7 is dedicated to it and describes the basic employment concepts and definitions in tourism industries.
- 1.42. The intention of chapter 8 is to introduce briefly some additional concerns of extensions of tourism statistics such as the TSA, the observation of tourism at sub-national levels, the issue of sustainability of tourism or the link with the measurement of external transactions (the Balance of Payments).
- 1.43. 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.

E. UNWTO future implementation program on tourism statistics

- 1.44. Most chapters include some mentions of measurement issues. A Compilation guide will complement this framework, and give indications to countries on how to implement these *Recommendations*.
- 1.45. Besides the Compilation guide which will have to be periodically updated, the UNWTO is requested to prepare, in cooperation with UNSD, an implementation program that should include different type of other initiatives such as:
- capacity building programmes at sub-regional level
 - technical assistance missions
 - participation in collective Workshops or Seminars organized by other international or regional organizations
 - complementary technical documents
- 1.46. This program will cover specific issues such as determining the scope of visitors in specific circumstances, measuring the activities of visitors and their economic effects, estimating supply and will consider detailed recommendations on data sources, compilation methods, data dissemination policies, data quality and metadata on tourism statistics, as well as institutional arrangements for the development and improvement of a national System of Tourism Statistics. In the specific case of employment (see chapter 7), guidance can be jointly defined by the ILO and the UNWTO.

Chapter 2 The demand perspective: Basic concepts and definitions

A. Travel and tourism

- 2.1. In general, travel is understood as the displacement of persons 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). Travel has economic, environmental and social impacts that occur mainly in the places visited by the traveler.
- 2.2. Tourism (see paras. [1.1.](#) and [1.3.](#)) is more limited than travel and covers specific types of trips: those that take the traveler outside his/her usual environment (see paras. [2.10.](#) to [2.12.](#)) for less than a year and for the main purpose other than being employed by a resident entity in the economy visited (see paras. [2.27.](#) to [2.31.](#)). Individuals when taking such trips are called visitors. Visitors are further subdivided into two categories: tourists or overnight visitors, if the trip involves an overnight, and same-day visitors or excursionists, if the trip does not involve an overnight stay. “Tourism” is therefore a subset of “Travel”. This distinction is crucial for the compilation of data on flows of travelers and visitors and for the credibility of tourism statistics.

B. Definitions

- 2.3. The delimitation and analysis of tourism requires to consider the following definitions:

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

- 2.4. The term “reference country” or “country of reference” refers to the country for which the measurement is done. Economy of reference and economic territory of the country of reference are defined in the same way as in the Balance of Payments and in the System of National Accounts.

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)

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

Box 2.2 Definition of 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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- 2.6. In tourism statistics, the country of residence of a household is defined in exactly the same way as in the Balance of Payments and in the System of National Accounts. All exceptions and special cases considered in these conceptual 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 international visitors and the expenditures of travelers.
- 2.7. Within the context of the study of domestic tourism and of the measurement of tourism activity at a sub-national level, **it is recommended** to classify non-resident in a given country according to their place of usual residence, as defined in accordance with the practices in household surveys. Once defined his/her country of residence, 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. Nevertheless determining the place of usual residence, and thus the primary home of a household is not always straight forward particularly for retirees as some individuals might stay large periods of time in more than one place and thus have strong links with more than one economy (see Box 2.2). This issue will be addressed in the 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*. A minimum duration of 6 months may be used as one of the criteria for determining usual residence.”

*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

- 2.8. The country of residence of a traveler is different from his/her nationality. His/her nationality is that of the government issuing his/her passport (or other identification document), even if s/he 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 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.
- 2.9. Nationality is indicated in the person's passport (or other identification document), while 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). For tourism statistics purposes, travelers are considered either as international or as domestic travelers to the country of reference on the basis of their country of residence, not their nationality. A holder of a national passport residing abroad is an international traveler for tourism statistics.

B.4 The usual environment of an individual

- 2.10. The usual environment of an individual is a key concept of tourism statistics. It refers to the geographical boundaries within which an individual displaces himself/herself within his/her regular routine of life.
- 2.11. It is a characteristic attached exclusively to individuals that complements 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).
- 2.12. The purpose of introducing the concept of usual environment is to exclude from visitors those travelers commuting regularly (every day or week) between their place of usual residence and place of work or study, or visiting frequently places within their current routine of life, for instance homes of friends or relatives, shopping centers, religious, health care or any other facilities that might be at a substantial distance away but nevertheless are regularly and frequently visited.

- 2.13. 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 within his/her current routine of life, even when this place is located far away from the place of usual residence (see Box 2.3). Second homes (see paras. 2.14. and 2.15.) used as vacation homes are explicitly excluded from the usual environment, regardless of the distance to the place of usual residence, the frequency of the visits or the length of stay because they are visited to break away from the regular routine of life.

B.5 Vacation homes

- 2.14. For each household, there is a dwelling that is considered statistically as its primary home and whose location defines the country of residence and place of usual residence of this household and of all its members. All other/s dwellings (of its property or on which it has a medium or long-term lease) are to be considered as second homes.
- 2.15. Relevant for tourism statistics, second home/s will have one or more of the following characteristics:
- It is part of the usual environment of one or more of the members of the household, but it is not the primary residence of the household as such;
 - It is a vacation home, that is, it is visited by the members of the household for purposes of recreation, vacation or leisure on a regular basis.
 - It is visited occasionally by one or more members of the household for work or study purposes, but it is not part of his/her usual environment because the visit is not frequent enough.
- 2.16. In tourism statistics, the term, second homes refers to those dwellings used as vacation homes.
- 2.17. Vacation homes owned under a timeshare arrangement present specific issues both in terms of their classification and measurement. Their treatment in tourism statistics will be developed in the Compilation guide.

B.6 Tourism trips and visits

- 2.18. The term trip refers to the displacement by an individual leaving his/her usual environment (see definition para. 2.10.) 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.
- 2.19. In principle, the main destination of a trip is defined as the place which visitation is central to the decision to take the trip. However, if no such place can be identified by the visitor, 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 visitor 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.

- 2.20. An international trip is one which main destination is outside the country of residence of the traveler. A domestic trip is one which 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.
- 2.21. The term visit refers to the stay (overnight or same-day) in a place visited during a trip. The stay need not 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.
- 2.22. In tourism statistics, the term tourism trip refers to a trip for not more than twelve months, and for a main purpose other than being employed by a resident entity in the place of destination. In other words, *tourism trips* are *trips* taken by visitors and both terms are sometimes used indistinctly in these *Recommendations*.
- 2.23. A single trip might include more than one visit or stay to or in places. As a consequence, visits to places within a broader geographic domain cannot be added to determine the number of trips to this domain (see also duration of a trip paras. [3.24.](#) to [3.28.](#)). This issue is particularly relevant when trying to relate the measurement of trips at the national level and that of visits measured at sub-national level (see [Chapter 8](#) para [8.22.](#) to [8.45.](#)).
- 2.24. Observing 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. For 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 in each leg.
- 2.25. This is also the case with trips involving over-the-border visits in which the same individual might make more than one international visit to a country in the period and 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.
- 2.26. 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.7 Tourism and being employed by a resident entity in the place visited

- 2.27. Any trip by a traveler the main purpose of which is to work for a resident entity in the country (or place) visited and receive compensation for the labor input provided should be excluded from tourism trips even though it is outside his/her usual environment and for less than 12 months (see para. 2.2.). This refers only to the main purpose: if the work and the payment received is only incidental to the trip, this condition does not hold.
- 2.28. Being employed is to be based on the existence of an employer-employee relationship. This existence goes beyond that of a formal work contract between a provider of the labor force and a producer (businesses, government and NPISH) corresponding to a resident/non-resident transaction and will be based on the same criteria exposed in Box 2.4 and used in the Balance of Payments compilation and labor force statistics to determine the cases in which the payment for labor input 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.[...]

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- 2.29. As a consequence, and applying this criterion, to be excluded from visitors are:
- Short-term workers (seasonal and others) employed under a short-term contract to work in an economic territory other than that of their residence (the case is more current in agriculture, construction, hotels, restaurants and other services), whether their work contract is with a resident or with a non-resident entity;
 - Border workers (or otherwise classified workers) crossing the (national or administrative) border on a regular basis (daily or weekly) in order to work in a country different from that of their residence or place different from that of usual residence.
- 2.30. On the contrary, and applying these criteria, the following travelers crossing the international (or administrative borders) for work or business purposes outside their usual environment will be considered as visitors:

- Employees of non-resident producers (businesses, government and NPISH) coming for a short period of time (less than a year) to provide a service such as the installation of equipment, repair, consultancy, etc. in which there is no employee-employer relationship with a resident entity;
- Invited lecturers or performers, even when partially remunerated by an entity of the economy visited ([see para. 2.26.](#));
- Businessmen entering in business negotiation with local entities, including buying and selling.

C. Forms of tourism

2.31. In relation to an economy of reference **it is recommended** to distinguish the following three basic forms of tourism:

- d) **Domestic tourism**, which includes the activities of resident visitors within the economy of reference either as part of a domestic or an international trip;
- e) **Inbound tourism**, which includes the activities of non-resident visitors within the economy of reference either as part of a domestic or an international trip (from the perspective of his/her country of residence);
- f) **Outbound tourism**, which includes the activities or resident visitors outside the economy of reference, either as part of a domestic or an international trip.

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, it refers to the activities and expenditure of both residents and non-residents within the country of reference.

2.32. The three basic forms of tourism set forth in [para. 2.31.](#) can be combined in various ways to derive other forms of tourism. **It is recommended** that countries use the following definitions:

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

visitors within the economy of reference as part of a domestic or an international trip (from the perspective of their country of residence).

D. International and domestic visitors

2.33. International and domestic visitors are basic concepts of tourism statistics. Since traditionally international tourism is the main area of interest the definition of international visitors is provided first.

D.1 International visitors

2.34. An international traveler qualifies as an international visitor if the following criteria are satisfied:

- a) The place of destination within the country visited is outside the traveler's usual environment (see paras. 2.10. to 2.12.);
- b) The stay, or intention of stay, in the country visited should last no more than twelve months, beyond which this place in the country visited would become part of his/her usual environment; this criterion is to be applied without exceptions and also covers long-term students and patients, even though their stay might be interrupted by short stays in their country of origin or elsewhere;
- c) The main purpose of the trip is other than being employed by a resident entity in the country visited (see para. 2.27.);
- d) The traveler does not belong to armed forces on maneuver.

2.35. The cases of nomads and refugees are particular. For nomads, by convention, all places they visit are part of their usual environment so that beyond the difficulty in certain cases to determine 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).

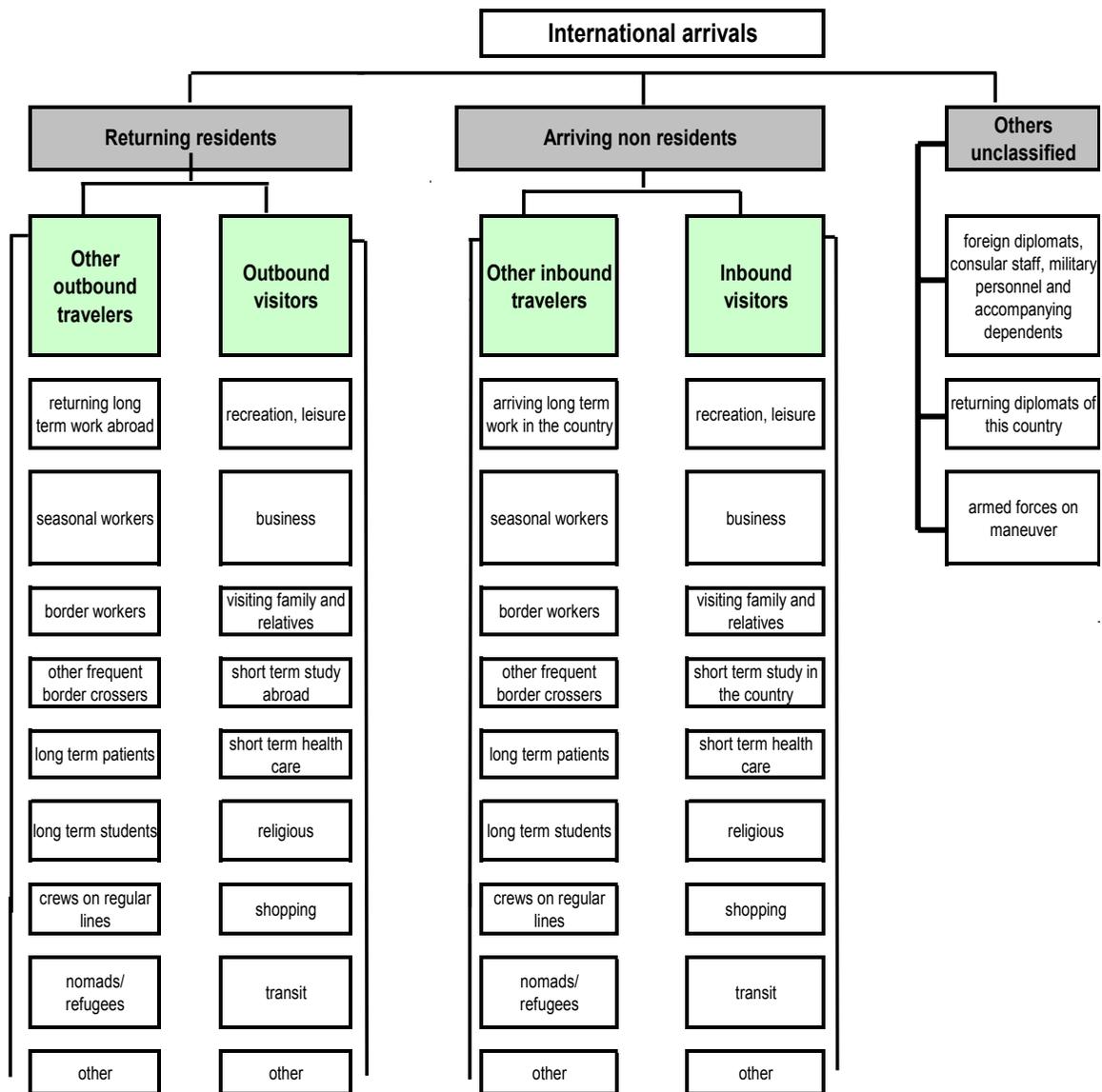
2.36. Although being non residents, diplomats, consular staff, military personnel (other than locally engaged staff) as well as accompanying or joining dependents, are deemed not to enter the economic territory of the country in which they are stationed and thus are excluded from the universe of international travelers to this country.

2.37. From the perspective of the country of reference, international visitors are either inbound visitors (non resident travelers paying a tourism visit to the country of reference) or outbound visitors (resident travelers paying a tourism visit to a country other than the country of reference).

2.38. Figure 2.1 below illustrates the different categories of visitors and other travelers that can be identified at national borders.

Figure 2.1

Relationship between international arrivals and different categories of travelers and visitors



D.2 Domestic visitors

- 2.39. 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](#).

- 2.40. Consequently, transposing the criteria exposed previously (see para. 2.33.) to the case of domestic visitors, generates the following formulation: for any resident traveller 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 frequent trips (see paras. 2.12. and 2.13.). Nevertheless, trips to vacation homes are always considered as tourism trips;
 - 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; this criterion is to be applied without exceptions and also covers long-term students and patients, even though their stay might be interrupted by short stays in their place of origin or elsewhere;
 - c) The main purpose of the visit should be other than being employed by a resident entity in the place visited.

E. Measuring flows of visitors

E.1 Criteria for use in the definition of the usual environment

- 2.41. Because the measurement of flows of visitors, and all other variables attached to them, 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.
- 2.42. Although some countries leave it to the informant to decide whether a trip taken qualifies as a tourism trip, National Statistics Offices are encouraged to establish boundaries and statistical criteria, in order to be able to validate the results that derive from the use of the concept of usual environment in measurement, and to ensure comparability between informants, within the country, and overtime.
- 2.43. Differences between density of population, transportation accessibility, cultural behaviours, vicinity to national borders, etc., either between countries or even sometimes within a country, do not allow to provide a unique world-wide statistical determination of the usual environment of an individual. Nevertheless, it is suggested that it should be based on the combination of the following criteria:
- a) Frequency of the displacements
 - b) Distance from the usual place of residence expressed in terms of km (miles) or duration of the displacement (number of hours)
 - c) Duration of stay

d) The crossing of administrative or national borders

2.44. Nevertheless, **it is recommended** to combine the crossing of administrative borders with distance traveled to establish the limits of the usual environment due to the following reasons:

- a) administrative units might have very different sizes even within a country;
- b) metropolitan areas may stretch over administrative borders though they represent a compact geographical area;
- c) the place of usual residence of some individuals might lie very close or far away from the administrative borders.

E.2 Flows of inbound visitors

2.45. Inbound tourism constitutes for most countries their main focus of interest when trying to measure tourism and its economic implications in particular because such tourism creates globally, for the whole economy, an additional demand on goods and services and infrastructure. On the contrary, the measurement of the activity of resident visitors in the country of reference and abroad (and the corresponding expenditure) is often given less priority.

2.46. The interest in measuring flows on inbound travelers, and identifying some of their subsets is also shared by Balance of Payments compilers. **It is recommended** that countries promote joint efforts of National Tourism Administrations, National Statistics Offices, BOP compilers and border control authorities.

2.47. **It is recommended** to perform the measurement of inbound tourism at the border, using such administrative means of control as Entry/Departure cards, or by running a program of systematic surveys of travelers at the border (or in its vicinity), mostly at the moment the non-residents leave the country. It is further recommended to combine in an integrated manner both categories of instruments (administrative controls and surveys). 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** to combine surveys to travelers at the places of accommodation for visitors with other sources such as surveys at popular tourism sites or other tourism destinations especially to measure and characterize private tourism accommodation (paid and non-paid) and same-day visitors.

2.48. Usually, what is measured is the flow of non-residents entering the country. The main aim for tourism statistics is to identify travelers, and then to separate out visitors and other subset of travelers. In this process, some categories of non-residents are specifically relevant for compilers and analysis:

- *Nationals residing abroad*
- *Transit passengers*
- *Crews on public or private modes of transport*

- *Cruise passengers and yachters*
- *Frequent border crossers*

- 2.49. *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 with 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.
- 2.50. *Transit passengers*: In principle, only those persons making a stop and entering the legal and economic territory should be considered as visitors. All transit passengers identified as visitors but not spending a night in the country visited should be considered within a specific category of excursionists if relevant, while all transit passengers identified as visitors and spending at least a night in the country visited should be considered within a specific category of tourists.
- 2.51. *Regular as well as occasional crews* on public modes of transport 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 a private mode of transport, on a yacht or non regular line) should be considered as visitors.
- 2.52. For some countries, *cruise ship passengers or yachters* represent a significant tourism market, and they require a specific analysis and representation. As a principle, **it is recommended** to include them as visitors, whether they disembark or not, as soon as the vessel carrying them docks in official moorings. If their stay in the national waters includes an overnight, they should be considered as tourists, otherwise, they should be considered as excursionists. Cruise ship passengers and yachters, when observed, should always be treated separately, within the totals of same-day visitors and tourists respectively. The Compilation guide will provide indications on how to treat the different types of visitors related to this category.
- 2.53. *Frequent border-crossers*: for countries having a land border and where for many reasons including family visits, work opportunities, shopping for own account, or for business, 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, the notion of usual environment should 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.
- 2.54. Besides these subsets of travellers, some other categories may require additional criteria to the main purpose of the trip ([see para 3.10.](#)) in order to be identified as visitors. It is the case of those declaring to be coming for “Education and training” or “Business and professional” purposes.

- 2.55. *Students: it is recommended* that those taking short-term courses (less than an academic year) be considered as visitors, whereas those taking long-term courses (more than one academic year) are within their usual environment in their place of study and have to be excluded from visitors, although still being considered as non-residents. The identification of such a situation might require the use of specific questions because immigration authorities might provide students with only a renewable one-year visa. Additionally, 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.
- 2.56. *Business visitors:* identifying separately business visitors from other travelers coming for work purpose that 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, 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 and the Compilation guide will include some recommendations on how to face the issue statistically.
- 2.57. Besides from the compilation of tourism statistics, the measurement of specific subsets of travelers is of special interest to other users as is the case of GATS negotiators: more precisely, the estimate of the flow component of GATS mode 4 (the number of persons crossing borders) is closely linked to information collected at the borders: (both administrative controls – 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.*”

The GATS mode 4 is generally understood to cover the following persons: contractual service suppliers, either self-employed or employees of a foreign service supplier entering the host country to supply a service and foreign employees of a foreign supplier established in the host country (intra-corporate transferees). It also covers services sellers and persons responsible for setting up commercial presence.

E.3 Flows of outbound visitors

- 2.58. The flows of outbound visitors can also be measured in a similar way using an E/D card, or a specific survey at the border. It is also possible to obtain information on outbound visitors from household surveys because they belong to resident households. In this case, the survey of outbound trips is done at the same time as that of domestic trips.

E.4 Flows of domestic visitors

- 2.59. Because there are no international borders to cross, the observation of the flows of domestic tourism requires the use of surveys and eventually counting traffic flows at administrative borders or other types of procedure in order to establish a universe. This may explain why many countries have left this measurement for a further stage. Nevertheless, for many countries, the economic contribution of domestic tourism, as a TSA exercise has frequently shown, is more important than that of inbound tourism.
- 2.60. Household surveys based on a stratified sample using spatial, demographics, and socio-economic criteria are the most efficient and suitable instruments for measuring domestic tourism activity and related expenditure.
- 2.61. Sample size is a relevant issue regarding 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 tourism activity over the national territory and the high degree of heterogeneity of the population in terms of its tourism behavior.
- 2.62. From a general household survey perspective, it is possible to observe round trips taken by visitors (see para. 2.18.) and not only visits as is the case when observing visitors during their trips, at certain points of their displacement. This provides a more global vision of the tourism behavior from the point of view of the visitor.

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 characterized by the visitor's socio-economic characteristics, or by specific features of the trip, such as its purpose, its duration, the place of stay, the origin, the destination, etc. International and national comparability of these characteristics requires the use of common classifications.

A. Personal characteristics of the visitor

3.2. Many of the personal characteristics of the visitors are collected through administrative procedures (e.g., Entry/Departure cards, control information collected in collective accommodation establishments, etc.). Others might be collected 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
- Level of income
- Education

3.3. *Gender*: Male/female

3.4. *Age*: Individuals are usually grouped by age groups of 5 years as follows: 19 year or less, 20-24, 25-29, 30-34, ..., 65+. These groupings might be changed to more analytically useful ones by isolating relevant market segments (e.g. seniors aged 65 and over, youth aged 24 and under).

3.5. Regarding *economic activity status*, the basic recommended classification is the following:

Figure 3.1

Classification by economic activity status

1. Economically active
 - 1.1. Employed
 - 1.2. Unemployed
2. Not economically active
 - 2.1. Students
 - 2.2. Homemakers
 - 2.3. Pension or capital income recipients
 - 2.4. Other

- 3.6. The other dimensions (related to *Level of income* and *education*) are country-specific and should adjust to the classifications used in each country in its general-purpose household surveys and population censuses.
- 3.7. The occupation of visitors who are economically active could be classified according to the ILO International Standard Classification of Occupations (ISCO).
- 3.8. Nevertheless, because of the existence of travel parties (see paras. [3.38.](#) to [3.42.](#)) in which expenditure are pooled, it might be difficult in practice to collect information on the level of income and other characteristics of each visitor and associate it with expenditure.

B. Characteristics of tourism trips

- 3.9. Trips associated to different forms of tourism (see paras. [2.31.](#) and [2.32.](#)) may be characterized by:
- Purpose
 - Types of “Tourism product”
 - Duration of trip / visit / stay
 - Origin and destination
 - Modes of transport
 - Types of accommodation
 - The size of the travel party

B.1 Main purpose of a tourism trip

- 3.10. The main purpose of a tourism trip (to a place (or country)) is defined as “the purpose in the absence of which the trip to this place (or country) would not have taken place” and is determined by the main activities in which the visitor has been or will be involved during the trip to this place (or country).
- 3.11. As defined, the main purpose of the trips helps to determine when 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). Part of their trip expenditure might also be covered by third parties. 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. 2.27.](#)).
- 3.12. Information on the purpose of the 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. A classification of trips in major groups **is recommended** below. It elaborates on previous classifications and incorporates new behaviors that have been gaining importance.

Figure 3.2

Classification of tourism related purposes of trips

1. Business and professional
2. Personal
 - 2.1. Holidays, leisure and recreation
 - 2.2. Visit to friends and relatives
 - 2.3. Education and training
 - 2.4. Health care
 - 2.5. Religion/pilgrimages
 - 2.6. Shopping
 - 2.7. Transit
 - 2.8. Other

3.14. The classification of a trip according to its tourism purpose should be related to the types of activities undertaken while on the trip. As a consequence, incentive trips organized by producers (business, government and non profit institutions serving households), in which participants practice a sport, or engage in a recreational activity are included in category 2.1. *Holiday, leisure and recreation*. Similarly, a trip for schooling or training should be classified in category 2.3. *Education and training*, even if it is a job requirement and fully paid by the employer.

3.15. Except in the case of “transit”, each tourism purpose is associated with a main group of activities undertaken during the trip as follows:

1. *Business and professional*: this category includes the activities undertaken by the visitor, under the condition that they do not fall into the categories that are explicitly excluded (see paras. [2.27.](#) to [2.30.](#)), These activities are for example: attending meetings, conferences or congresses, trade fairs and exhibitions; giving lectures, concerts, shows and plays; promoting, purchasing, selling 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; being part of crews on land vehicles, aircraft and ship within non regular transportation services, etc.

2. *Personal*: this category includes all other purposes of tourism trips.

2.1. *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, honey-mooning, fine dining, visiting spas and other establishments specialized in wellbeing (i.e. wellness hotels), fitness except in the context of a medical treatment (in which case the purpose would be 2.4

health care), staying in a vacation home belonging to or leased medium or long term and used by the household, etc.

2.2. *Visit to 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;

2.3. *Education and training*: this category includes, for example, activities such as taking short-term courses (i.e. less than one academic year) ([see para. 2.55.](#)); following particular programs of study (formal or informal) or acquiring specific skills through formal on-the-job training including paid study, language, professional or other special courses, university sabbatical leaves;

2.4. *Health 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, health resorts and other specialized places to receive medical treatments when they are based on medical advice. This category includes only short-term treatments because long-term treatments requiring stays of more than one year are not considered as a tourism activity.

2.5. *Religion/pilgrimage*: this category includes, for example, attending religious meetings and events, pilgrimages, etc.

2.6. *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);

2.7. *Transit*: this category includes, for example, stopping at a place without any specific purpose of visit to that place other than being en route to another destination. This special case will be described in the Compilation guide;

2.8. *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..

3.16. Some countries might find it difficult to implement these details and wish, more simply, to use the one digit breakdown, and identify only the *business and professional* purpose on the one hand, and the *personal purposes* on the other. This split between “business” and “personal” would at least satisfy the minimal requirements for the compilation of the Balance of Payments Accounts.

3.17. 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.

- 3.18. 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 paras. 5.35. and 5.36.) Also regarding the holidays, leisure and recreation purpose, visiting vacation homes (see paras. 2.14. to 2.17.) could be specified as a separate sub-category.
- 3.19. Besides the activities associated with the main purpose of the trip, visitors may undertake additional activities considered as secondary, whose identification may be relevant for planning, promotion and other analytical purposes, in particular in order to know how visitors are responding to a major diversification of activities that are proposed.
- 3.20. The notion of main purpose of a visit within a trip might be different from that of the trip itself or of other parts of the trip. For example, a visitor could arrive in a country for the main purpose of attending a conference, but make visits for recreation purposes in other parts of the country or beyond the duration of the conference. As another example, 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 seasonal worker) could pay tourism visits to places within this country. These visits as well as the purpose and expenditure associated with these specific visits might be taken into consideration in tourism statistics at the sub-national level.

B.2 Types of “Tourism product”

- 3.21. A “tourism product” represents a combination of different aspects (places visited, modes of transport, forms 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. Therefore, this notion of “tourism product” is not related to the concept of product used in economic statistics. The terminology “tourism product” corresponds to the language used by professionals in the tourism business.
- 3.22. 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 by tourism stakeholders as a marketing issue.
- 3.23. 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

- 3.24. The volume of tourism can be characterized, not only by the number of trips (often denominated visitors), but also by the number of overnights. For this reason, the duration of a trip is an important parameter in tourism statistics because it provides information on this particular element. It is also valuable for the estimation of tourism

expenditure globally and related to a specific observation because the two are highly correlated.

- 3.25. 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 duration of displacements. This 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.
- 3.26. 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 in the last day of the stay or trip. Trips or visits that do not involve an overnight have to be considered same-day trips (visits) irrespective of the number of hours spent in the place or on the trip.
- 3.27. Overnight trips should be grouped by classes according to the number of overnights. Each country should determine the categories that are relevant in its own context. Long time stays (4 nights and more) should be separated from short time stays (less than 4 nights). In the case of international tourism, long time 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. In some countries, in particular in the case of domestic tourism, it will be relevant to identify, within short time stays, short and long weekends, involving 1, 2 or even 3 nights. In others, in which the tourism of retirees visiting their vacation homes is important, some categories of very long stays might need to be established.
- 3.28. When same-day trips are classified according to categories of duration, these should be expressed in hours.

B.4 Origin and destination

- 3.29. For inbound tourism, it is essential to classify all arrivals by country of residence rather than by nationality (see paras. [2.5.](#) and [2.6.](#) and paras. [2.8.](#) and [2.9.](#)). 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).
- 3.30. 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*.
- 3.31. For sub-national analysis of domestic tourism, ([see Chapter 8](#)) it is also essential to characterize trips according to the place of usual residence and the destination of the visitor. 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

- 3.32. The modes of transport usually refer to the main mode used by the visitor to travel to the country or place visited. It is usually established on the basis of the main distance covered, or on the one used to cross the borders of the country visited. A similar kind of classification can be used when countries wish to describe trips according to modes of transportation used within the country or place visited. This type of standard classification was developed by UNWTO and has been traditionally used in tourism statistics.

Figure 3.3 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 (i) taxis, limousines and rental of private motor vehicles with driver (ii) rental of man or animal drawn vehicles 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

- 3.33. Overnight visitors require some form 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 forms of accommodation for visitors so that it is of particular interest to tourism authorities to know about the type of short term accommodation visitors use. 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).
- 3.34. Whereas outright purchase of vacation or holiday homes have always been an alternative to using forms of accommodation, more recently, new types of 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 blur the line 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 precisely the form of accommodation or real estate services used.

- 3.35. In the 1993 *Recommendations on Tourism Statistics*, a standard classification of tourism accommodation was provided. Due to the reasons already mentioned, the categories of this classification have to be reviewed, taking into account the newly revised international classifications of activities and products related to Accommodation (to be found in ISIC Rev. 4 - [see annex 1](#) - and CPC Ver. 2 – [see annex 2](#) –) and the need to create more internationally comparable detail for accommodation for tourism purposes compatible with ISIC.
- 3.36. These international classifications now form the basis of the lists of Tourism characteristic activities and Tourism characteristic products for the analysis of the supply of and demand for accommodation services for visitors, described later in these *Recommendations*. This task of revision will be undertaken 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 both national statistical offices and tourism authorities as well as international organizations, intergovernmental and sectorial.
- 3.37. For the time being, the general classifications that have been adopted at international level can be found as Annexes. Accommodation in ISIC Rev. 4, Division 55 is [annex 1](#); and the classification of accommodation services for visitors in CPC Ver. 2 is [annex 2](#).

B.7 The size of the travel party

- 3.38. Often, in particular in the case of trips taken for holidays, leisure and recreation purposes, visitors will travel as part of a party and/or a group.
- 3.39. A *travel party* comprises a number of visitors traveling together and whose expenditure is from a common pool. A typical example is a family taking a vacation together. The data reported in an expenditure survey will usually refer to the party, not to each of the members of the party.
- 3.40. A *travel group* comprises a number of individual visitors or travel parties traveling together but where each individual or party is separately responsible for the expenditure on items that are not included in the package tour. A typical example would be people traveling on the same tour or on the same cruise ship. These individual visitors and parties will share only part of their expenditures. They will report separately on their specific expenditure and report their share of the common expenditures.
- 3.41. Because, in a travel party and in a travel group, the decisions on common expenditure that are taken involve all its members, **it is recommended** to identify separately the different travel groups and travel parties according to size and membership. Within the travel parties in which expenditures are shared, some

countries might find it relevant to use equivalence scales, as is the current practice in 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 in railways or other modes of transport).

C. Measuring the characteristics of tourism trips and visitors

- 3.42. 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 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.
- 3.43. Additionally, the classifications used in the collection of these additional data, for example, forms 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.
- 3.44. The characteristics of trips and visitors are usually established through questions, either on the Entry/Departure cards, or in surveys at the borders, at destination 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 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.
- 3.45. The Entry/Departure cards, or records of entry and departure captured and reconciled by the immigration authorities is often the basic source for establishing the flows of inbound and outbound visitors. These cards usually collect information 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).
- 3.46. 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. In some countries entry and exit cards are reconciled in order to establish the actual length of stay. Some difficulties might arise in this operation due to the existence of unmatched cards 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).

- 3.47. Countries lacking control of all travellers at national borders often use as a substitute surveys of guests at places of collective accommodation. The users of this type of sources without complementary operations to correct coverage shortfalls should bear in mind some limitations: 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 staying at collective accommodation. Second, a visitor to a country might stay in more than one collective accommodation, resulting in an overestimation of the number of visitors and an underestimation of their total length of stay.
- 3.48. The duration of stay is the first criterion (though not the unique one) to be applied in order to determine whether an arrival corresponds to a (potential) resident or a non-resident, and if a non-resident, whether it might correspond to a visitor.
- 3.49. Because of the increased mobility of persons, a specific visit to a country, which expected duration is less than a year does not necessarily imply that the person on this visit is not a resident of that country (from an economic point of view) even though he/she does not have this legal status. In some cases, it is sometimes extremely difficult to determine the main place of residence of certain travellers as they move frequently from one place (or country) to another while none of them is significantly more visited than the others.
- 3.50. 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 (stay during this visit for less than a year; declaration of a home address different from that in the country visited are not sufficient to elucidate the situation...).
- 3.51. Countries in which these situations are frequent (countries with an important "population" of foreign retirees for example) are encouraged to 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 homes (vacation or main...)).
- 3.52. 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 para. 2.34.b), an operation that requires also to regroup their different entries in order to convert visits (what is observed currently at the border) into individuals taking trips.

Chapter 4 The demand perspective: Tourism expenditure

4.1. Tourism, defined as the activities of persons taking certain types of trips can be analyzed from a variety of perspectives, as for instance from its effect on the environment, on local culture, on the landscape, on infrastructure, etc. In the context of basic tourism statistics, the focus is on tourism's effect on the supply of goods and services demanded by visitors as a consequence of the acquisition of goods and services directly by visitors or by others for their benefit. This chapter provides a definition of tourism expenditure, its coverage, scope, and identifies possible sources of data as well as compilation methods.

A. Tourism expenditure

4.2. *Tourism expenditure* refers to the acquisition of goods and services by visitors or by others for their benefit through a monetary transaction, for the direct satisfaction of their needs and wants for and during their trips and stay at destination. It includes those paid for by the visitors out of their own resources, as well as expenses related to the trip that are paid for or reimbursed by others. It excludes some items covered by the concept of consumption used in the System of National Accounts when they need to be estimated using other types of statistical sources or when they do not involve a monetary counterpart. These items are included in the more inclusive concept of tourism consumption used in the TSA.

B. Coverage of tourism expenditure in terms of goods and services

4.3. 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 (all food prepared and without preparation, all manufactures whether locally produced or imported, all personal services, etc.). Additionally, some valuables might also be included.

4.4. However, **it is recommended** to exclude from tourism expenditure all expenditure on all goods, considered as valuables or consumer durables (e.g., computers, cars, caravans, etc.) which value exceeds the custom threshold, and that Balance of Payments statistics and National Accounts include as imports or exports of goods under general merchandise trade. Nevertheless, because of the importance of the purchase of these goods by visitors in certain countries, **it is recommended** to collect information on this item of expenditure, but to treat this information separately, as a memorandum item, that should not be included in international comparisons of tourism expenditure.

Box 4.1 Goods for resale, valuables and durable goods in BoP Manual 6

10.15 Goods for resale acquired by travelers while on visits are included in general merchandise. Goods for own use or to give away acquired by travelers in excess of customs thresholds are also included in general merchandise. For example, durable goods (such as cars and electronics) and valuables (such as jewelry) may be acquired in this way. This treatment is consistent with international merchandise trade statistics, but care is needed to avoid double counting such goods by including them also under travel.

International Monetary Fund (IMF) Balance of Payments and International Investment Position Manual, Sixth edition (BPM6), Draft – March 2007

4.5. 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. Current maintenance expenses related to second homes such as those usually corresponding to owners should also be excluded, as they correspond to the function of owners as producer of accommodation services and not to that of consumers of such services.

4.6. Tourism expenditure includes:

- Monetary expenditure on goods and services paid by the visitor out of his/her own pocket;
- 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 regarding 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..

4.7. Tourism expenditure refers exclusively to transactions involving goods and services consumed by visitors and not to all types of payments. 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 (FISIM as an indirectly estimated value is not included in tourism expenditure);
- the purchase of financial and non-financial assets, including land, real estate as well as of valuables and durable goods beyond the custom threshold. The

acquisition and current payments associated with timeshares require specific treatment that will be detailed in the Compilation guide;

- 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.

C. 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 separately or as parts of a package are paid for before being “consumed” or after (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) is deemed to occur at the moment of the transfer of ownership or that of the delivery of the service, not that of its payment. Consumption of transport services occur when boarding, consumption of accommodation services occur when arriving and staying in the place of accommodation, consumption of travel agency services occur when the information is provided and the travel services are booked, etc.

C.1 Timing

Box 4.2 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)

- 4.10. 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 goods of small value items made before the trip that are intended to be used on the trip (specific clothes, medicines, etc. to be used on the trip) or brought along as gifts, should be included in tourism expenditure.
- 4.11. The acquisition of all goods and services during a tourism trip are in principle part of tourism expenditure. Included also are goods purchased as gifts to bring along.

Nevertheless, those which value exceeds the custom threshold should be excluded ([see para. 4.4.](#)).

C.2 Location

- 4.12. Although for marketing purposes, it is the value of total trip spending that is relevant, for macro-economic analysis of tourism activity, 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. In most cases, physical location and 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 Box 2.1](#)).
- 4.13. While 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 usual environment of the visitor or in any of 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 other do not have marked preferences, etc.).
- 4.14. The economy concerned 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).

D. Categories of tourism expenditure

- 4.15. Applying the three forms of tourism that have been defined in [para. 2.30](#) to the specific activity of tourism expenditure, 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 either as part of a domestic or an international trip;
 - b) **Inbound tourism expenditure** is the tourism expenditure of non-resident visitors within the economy of reference either as part of a domestic or an international trip (from the perspective of his/her country of residence);

- c) **Outbound tourism expenditure** is the tourism expenditure of resident visitors outside the economy of reference either as part of a domestic or an international trip.
- 4.16. All expenditures attached to a specific trip will not necessarily fall under the same category. Additionally, domestic and inbound tourism expenditure might include goods or services produced abroad or by non-residents but they need to be acquired from within the economy of reference (imported goods and services) to be part of domestic or inbound tourism expenditure.
- 4.17. Inbound tourism expenditure does not include all acquisition of goods and services on trips by inbound visitors but only acquisition that occurs in the economy of reference. Expenditure by inbound visitors occurring within the economy of their country of residence or of any other country other than that of reference has no direct effect on the economy of reference (a non-resident/non-resident transaction), although its measurement might be of interest for policy purposes.
- 4.18. Outbound tourism expenditure does not include all acquisition of goods and services by outbound visitors but only acquisition that occurs outside the economy of reference. Acquisition of goods and services in the economy of residence of outbound visitors is included in domestic tourism expenditure.
- 4.19. In the same way as already defined (see para. 2.32.) 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 aggregate 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.
- 4.20. The valuation of tourism expenditure depends on the form of acquisition of the goods and services concerned. In the case of market transactions, the price to be used is the purchasers' price. This price 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 should also be taken into consideration when relevant as they lower the actual price paid by consumers. (Further indication on valuation will be provided in the Compilation guide).

E. Classification

- 4.21. In order to be able to relate expenditure by visitors with specific industries catering to them, it is necessary to be able to obtain information not only on the global value of tourism expenditure, but also on the detailed items making up this total.
- 4.22. 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 supply side ([see para. 8.6.](#)).
- 4.23. In industrial statistics and in the National Accounts, products are usually analyzed in classifications derived from the UN Central Product Classification (CPC). [Chapter 6](#) on classifications will bring some insight on the use of the CPC classification in tourism statistics.
- 4.24. Because of the difficulties of obtaining from visitors detailed information on the product composition of their expenditure, these *Recommendations* restrict the classification of tourism expenditure to one by means of payments and one by purpose. The classification of expenditure by purpose, when not integrated within the household budget survey, has been developed in most countries on an ad-hoc basis for the breakdown of tourism expenditure.
- 4.25. These classifications are the following:
- *According to the means of payment used:* cash, check, credit card, part of a package, loans, paid by a third party, etc.: this information is 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. Additionally, an increasing number of countries are using information derived from credit cards to estimate the structure of tourism expenditure, as it makes it possible to identify the provider, and thus associate its main category of output to the expense. As a consequence, the extent of the use of credit cards as a means of payment in tourism expenditure (or certain parts of it) needs to be assessed in order to establish an estimation procedure based on credit card use.
 - *According to their purpose:* the most common way of asking 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 linkage to the International Classification of Individual Consumption by Purpose (COICOP), an international classification of products linked to CPC. COICOP is mostly used for the description of personal consumption in general statistics and surveys concerning households. For tourism analysis, the recommended categories 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. Others

F. Measuring tourism expenditure

- 4.26. In the case of *inbound tourism*, measuring tourism expenditure requires the use of a specific survey to inbound visitors, either at the border, or at any other place where they can be observed. National experiences have already been collected, analyzed and compared by the UNWTO in “Tourism as an international traded service: a guide for measuring arrivals and associated expenditures of non-residents”.
- 4.27. These surveys might be on an on-going basis (monthly, quarterly, annually), or on the contrary be conducted only at certain moments in time (high season, low season) or at certain border posts. Some countries might decide to set up such an operation only from time to time, and to derive from such observations pattern of behaviors that are applied in intermediate years using some type of modeling procedure.
- 4.28. In cases of open land borders in which it seems difficult to apply a survey at the border, some countries rely on a combination of statistics collected at places of 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 data coming from credit card records.
- 4.29. In the case of *domestic and outbound tourism*, a tourism specific household survey or a periodic module attached to a general purpose one is often the main source of information regarding domestic tourism expenditure. It can be conducted at the same time as the trips and flows of visitors are measured. 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 to an estimation procedure based on a model. The UNWTO has already made some proposal on this issue in “*Measuring domestic tourism and the use of household surveys*”.
- 4.30. In the measurement of domestic tourism expenditure, it is also important to identify the location of expenditure, 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 displacement (mostly if this happens using a private vehicle that facilitates stops).
- 4.31. 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).

- 4.32. Because most households and individuals do not maintain a systematic record of their expenditure, asking them to report in detail on expenditures related to a specific trip or visit requires special attention and expertise to insure an adequate degree of accuracy, in particular when the visitors are coming on a package tour, and when the expenditure covers a large party. In addition, it should be mentioned that a major challenge to the validity of this approach is recall bias (also called memory effect), that requires for the reference period to be quite short.
- 4.33. In most countries, the information is collected under a reduced number of categories, with a combination of a functional approach (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. Unfortunately, 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.
- 4.34. Surveys should allow, wherever possible, to break down expenditure data in terms of the purpose of the expenditure ([see para 4.25.](#)) and to cross-classify this information with some relevant characteristics either of the visitor (such as country of residence, age, and gender) 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.
- 4.35. Although the Compilation guide will provide further indication on measurement issues, some of them are underlined:
- The importance of identifying clearly the key characteristics of visitors and their trips, in a way that allows the information he/she is providing to be linked with the universe of visitors observed in other statistical procedure and to expand properly the data that has been collected;
 - 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, the economy concerned by each class of expenditure should 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;
 - For visitors travelling 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;
 - The modes of transport used to arrive in, travel within and leave the country should be clearly stated, including those included in package tours; assigning

properly international passenger carriage when more than one carrier is concerned is a challenge for tourism statistics;

- Modeling behaviors of visitors while on trips on the basis of detailed observations made from time to time, when the expenditure in 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;
- The importance of determining clearly not only those expenditure 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, in particular in the case of tourism business expenses.

Chapter 5 Economic classifications of products and productive activities for tourism

- 5.1. The aim of this chapter is to provide classifications of products and productive activities for the compilation of consistent and internationally comparable sets of data useful for tourism analysis. The classifications refer to (1) tourism expenditure, and (2) activities associated with the production of tourism-related goods and services. It focuses exclusively on those goods and services directly acquired by visitors; it therefore excludes goods that belong to tourism investment and services provided as support services, such as promotion and administrative services by producers (businesses, government and NPISH). It also excludes products identifiable from the supply side 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.
- 5.2. The detail of these products and productive activities is drawn from and can be related to the Central Product Classification (CPC) and the International Standard Industrial Classification of all economic activities (ISIC). The present chapter takes into account the recent revision 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.
- 5.3. The principles used in the identification of products and productive activities derive from the recommendations that can be found in the 1993 SNA related to the establishment of Satellite Accounts in a functional domain.
- 5.4. Although the use of a classification according to means of payment used or COICOP has been recommended ([see para. 4.25.](#)) in the observation of tourism expenditure, if tourism industries have to be defined, tourism expenditure needs to be classified according to CPC Ver. 2 because the procedure consists in moving from products to industries that produce them and it is through this classification and its link to ISIC that tourism industries can be determined ([see chapter 5](#)). Nevertheless, COICOP is related to CPC Ver. 2, and tables are available to present the links existing between them.
- 5.5. For countries not wishing or not able to enter in this classification and review the expenditure by products of the visitors in their economy and compare it with the products that are here proposed as characteristic, **it is recommended** that they define their tourism characteristic industries on the basis of those identified in these *Recommendations*, and only add, if necessary, those retail trade activities that they consider of specific relevance for visitors to and in their economies.

A. Tourism expenditure and the product dimension

- 5.6. The present set of recommendations focuses the attention not only on demand from visitors or generated by visitors, but also on the supply by the productive activities that 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.

- 5.7. Tourism expenditure can potentially include any consumer good and service that a visitor may purchase (with some restrictions see paras. [4.2.](#) to [4.4.](#)) as well as durables. However, because tourism expenditure is undertaken by individuals away from their usual environment, it exhibits features that differentiate the pattern of goods and services consumed, from that of consumers within the same economy, when they are not visitors. This is due either because certain products proper to the fact of being outside one's usual environment are included (accommodation services for instance) or because it has been observed that the general structure of consumption of individuals is altered when outside their usual routine of life.
- 5.8. The CPC is a classification of products from the perspective of production that does not aim to differentiate products by type of purchaser, so apart from a few exceptions, there is no reason why consumer goods and services specially related to tourism would be identified as a separate category.
- 5.9. Following the 1993 SNA guidelines (see paras. [5.21.](#) and [5.22.](#)) and from a perspective of tourism analysis, goods and services (also referred to as products in the National Accounts terminology) included in tourism expenditure, can first be partitioned into two different categories called *tourism-specific products*, and *other products*.
- 5.10. *Tourism-specific products* do not refer to all goods and services potentially included in tourism expenditure but rather only to those goods and services, the acquisition of which is more relevant for the consumer as a visitor than when in his/her usual environment.
- 5.11. Consumer goods and services purchased by visitors that are not tourism specific are part of the residual category called *other (non tourism-specific) products*. Although slightly different from the SNA recommendation, this approach is considered more appropriate for tourism analysis.
- 5.12. Thus, tourism expenditure includes both the consumption expenditure of *tourism-specific products* and the consumption expenditure of *other products*. The analysis, nevertheless, focuses on *tourism-specific products*.

B. Tourism-specific products

- 5.13. The list of *tourism-specific products* is established, by loosely applying the following criteria:
 - a) That the product is related to the fact of the visitor being outside his/her usual environment (e.g., transport, accommodation, food and recreation services, etc.);

- b) That the product is related to specific activities and purposes that are particularly related to tourism trips (e.g., transport, accommodation, food and recreation services, etc.).
- 5.14. The recommended list of *tourism-specific products* is presented in [Annex 3](#), expressed in terms of the CPC Ver. 2 sub-classes (5 digits) to which they belong. These are categories, and not elemental products. For instance, CPC 67190 *Other cargo and handling services* is listed because of the tips that visitors pay to baggage handlers; the remaining elementary products included in this category are usually purchased by producers and are therefore not relevant for tourism. 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 (non visitors).
- 5.15. The fact that a CPC category is mentioned does not mean that all products belonging to it are tourism-specific but rather that it contains tourism-specific products. Countries might have a different view about the degree to which a category of product is relatively more consumed on tourism trips than in other circumstances. On the other hand, countries might decide, when relevant, to create specific sub-categories of some of the CPC Ver. 2 subclasses that are proposed here, in order to focus more specifically the measurement of this product.
- 5.16. The following explains why certain CPC categories are included in the list of *tourism-specific products*.
- a) CPC 63399 *Other food serving services*. This 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.
- b) 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 para. 6.42.](#)), part of the *rental services of buses and coaches with operator* (66011) (that is purchased by tour operators) has to be assigned to tourism expenditure.
- c) Division 67 *Supporting and auxiliary transport services*. The services that are included 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 modes of transport such as vehicles, vessels and aircrafts.
- d) Division 68, *Postal and courier services*, Division 84 *Telecommunications, etc.*, and some of the components of Division 97 *Other services*, 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 while being away from home.

- e) Division 72, *Real estate services* relates to the corresponding services for vacation homes, time share ownership properties and short term leases of residential property: this category 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).
 - f) 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*).
 - g) Finally, 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.
- 5.17. Tourism expenditure does not only include services: goods might also be purchased and the classification of tourism by purpose recognizes that the acquisition of goods (shopping) might also be the main or secondary purpose of tourism trips (see para. 3.15/2.6).
- 5.18. Some goods, such as handicrafts and other souvenirs, are usually more intensively purchased by visitors rather than by non-visitors in all countries.
- 5.19. The identification of the other goods purchased more intensively while on tourism trips than within the usual environment depends importantly on the relative economic situation and availability of goods when comparing the place of origin of the visitor and the place visited, and it is the reason why they do not appear explicitly in the proposed list of tourism-specific products. In other words, there is no homogeneity among countries in terms of the goods purchased.
- 5.20. **It is recommended** that countries use this list of items (Annex 3) 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. From this list, each country should establish its national list of tourism-specific products, eventually adding other products, as appropriate in their context.

C. From tourism-specific products to tourism-characteristic products and activities

- 5.21. The list of products identified as tourism-specific should be seen as a necessary first step in order to identify those products relevant for tourism analysis. A second step is required as all those goods and services are not of equal interest, neither in terms of their quantitative importance, nor in terms of the relevance for tourism analysis of the process of production from which they result or of the process of distribution through which they are made available to visitors (case of goods).
- 5.22. In line with the 1993 SNA (see Box 5.1), two recommendations follow. First, extract from this list of tourism-specific products, those for which there is a recognized interest in studying the way they are produced, the *tourism-characteristic products*. Second, determine the activities that produce these products as their typical output and identify the *tourism-characteristic activities*. Characteristic products are related to the activities that produce them, *i.e.*, the characteristic activities, so that the selection of characteristic products and characteristic activities (those that typically produce them) are inter-related, though not equivalent, because there is no one-to-one relationship between products and the activities producing them as their typical output. This reflects the fact that the industrial origin of a product (the ISIC activity that produces it) is not a criterion for aggregation of products within a similar CPC category. It is the nature of the product that is taken into consideration in the classification procedure, not its industrial origin. Two products of similar nature but obtained through different production processes (two different ISIC categories) would be classified in the same CPC category.

Box 5.1

Characteristic and connected products

The first step [...] is to define the goods and services that are considered specific to this field. It is convenient to distinguish two types of goods and services in this context: 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

- 5.23. Additionally, to achieve international comparability requires a list of characteristic products that is common to all countries, and, hence, of activities that typically produce them. This will permit to focus on both the analysis of tourism expenditure and the analysis of the producers who cater to visitors, in particular their use of factors of production (e.g., the labor force). The selection process concerns, at the same time, those tourism-specific products that will be considered as tourism characteristic and those producers that are of particular interest in the analysis of tourism from a supply perspective.
- 5.24. Based on the existing concordance between products (identified by their CPC 5-digit code) and productive activities (identified by their ISIC Rev. 4 4-digit code), it is possible to identify for each tourism-specific product, the productive activities (possibly more than one because a unique product might result from different processes of production (see para. 5.22.)) that have this product as their typical output: The table that appears in Annex 3 shows the list of products identified as tourism-specific products with their principal producing activities, on the right, identified by their ISIC Rev. 4 at 4-digit code.
- 5.25. We have thus a list of all activities that produce as their typical output products identified as tourism-specific products: this does not mean that other activities might not also produce these products as a secondary activity, but the activities that have been identified are the main source of domestic supply for these tourism-specific products.
- 5.26. Following the 1993 SNA terminology, those tourism-specific products that are not included in the list of tourism characteristic products are to be considered as *tourism connected products*.

D. Tourism-characteristic products and activities

- 5.27. In order to give a degree of objectivity to the process of selection of tourism-characteristic products and tourism-characteristic activities, the following criterion have been established.
- 5.28. A tourism-specific product will be considered as tourism-characteristic and the activity(ies) producing it as typical output will be considered as a tourism-characteristic activity(ies) if any of the following conditions hold:

- Tourism expenditure on this product represents a significant share of total tourism expenditure (share-of-expenditure condition);
 - Tourism expenditure on this product represents a significant share of the supply of this product in the economy (share-of-supply condition); as most of the supply of this product comes from the activities for which this product is their typical output, this means that tourism expenditure is a relevant share of the supply by the activity(ies) considered as tourism characteristic.
- 5.29. The share-of-expenditure condition has to be applied at the CPC 5 digit level whereas the share-of-supply condition has to be applied at the ISIC 4-digit level. Nevertheless, because there are more CPC subclasses than there are 4-digit ISIC classes, there is a many-to-one relationship. The correspondence between tourism-characteristic products and activities is also shown in [Annex 3](#) in which tourism-characteristic products are identified through the code TCP.
- 5.30. Each country should apply these criteria according to its own economic structure. Nevertheless, for the sake of international comparability, products and productive activities have been selected to represent those that most countries would consider as tourism-characteristic. International comparisons will be based on this list.
- 5.31. Applying the share-of-expenditure condition would lead, for instance, to select products such as *meals serving services with full restaurant services* (CPC 63310) and *meals serving services with limited services* (CPC 63320), *other food serving services* (CPC 63399) and (CPC 63400) *Beverage serving services* as characteristic products and as a consequence, includes the following as characteristic activities: (ISIC 5610) *restaurants and mobile food service activities*, (ISIC 5629) *other food service activities* and (ISIC 5630) *beverage serving activities*, as these industries typically produce them.
- 5.32. Applying the share-of-supply condition to their output would lead for instance to select activities such as 7911 (*travel agency activities*), 7912 (*tour operator activities*), 7920 (*other reservation service activities*) because, although the margin they charge might not represent a significant share of total tourism expenditure (share-of-expenditure condition is not met), visitors are their main customers (share-of-supply condition).
- 5.33. On the other hand, for activities identified at the 4-digit level such as 6492 (*other credit granting*) managing *credit card services* (product 71134) among others, or 6512 (*non life insurance*) underwriting *motor vehicle insurance services* (71331), *other property insurance services* (71334) or *travel insurance* (71337) among other non life insurance services, the consumption by visitors of their total output is usually small (not significant), and even though travel insurance is almost exclusively purchased by visitors, the share of travel insurance in the total output of the 4-digit activity that produces it is small, which justifies its exclusion from tourism-characteristic activities and tourism-characteristic products.

- 5.34. In the case of the typical output of activities providing education and health-care services, tourism expenditure associated to visitors coming specifically for this purpose and to consume these items might represent a more than significant portion of tourism expenditure of these specific visitors, but it is not the case when looking at tourism expenditure at the aggregate level, so these activities should not be considered as tourism characteristic and their typical output should not be considered as characteristic, at least from an international comparability perspective. (see para. 6.39.).
- 5.35. An interesting and challenging issue has to do with the typical output of activity 8230 *Convention and trade show organizers*, associated with products 85961 *Convention assistance and organization services* and 85962 *Trade show assistance and organization services* in the CPC-ISIC equivalence tables. This has to do with the treatment of the so-called Meetings Industry in tourism statistics.
- 5.36. The treatment that has been adopted internationally is to consider that the convention and trade show organizers belonging to activity 8230 do not sell their services directly to those that attend events but rather to the conveners of the events: associations, producers (businesses, government and NPISH), unions, etc. and these conveners are those that provide or “sell” the right to participate in the event to the event-goers through the fee that is charged. Both the fee and the remuneration of the organizers are classified under the CPC products 85961 *Convention assistance and organization services* and 85962 *Trade show assistance and organization services*. But not all the services provided by the organizers are consumed by the event-goers and thus are not all part of tourism expenditure: as a consequence, activity 8230 *Convention and trade show organizers* is not a tourism-characteristic activity.
- 5.37. As a consequence, for tourism statistics, all goods and services consumed by visitors are to be classified in the following categories:
- a) Tourism-specific products
 - i. Tourism characteristic products
 - ii. Tourism connected products
 - b) Other products
- 5.38. Similarly, productive activities will be classified in the following categories
- a) Tourism characteristic activities
 - b) Other productive activities
- 5.39. In the case of goods purchased by visitors and that are part of tourism expenditure, **it is recommended** to associate the retail trade activity by which each of these products are made available to visitors but not the production activity by which they are produced (that could well belong to a different region or even to a different country).
- 5.40. Previously, it had been observed (see paras. 5.18. to 5.20.) that although there were goods that could be considered as tourism-specific by all countries, such as

handicrafts, and souvenirs, other tourism-specific goods were mostly country specific. Countries are encouraged to establish a grouping of all specialized retail trade activities selling goods mostly to visitors to be named “tourism characteristic retail trade activities” on which international comparison could be sought globally, although their national components might be different.

- 5.41. Tourism-characteristic activities and products on which international comparability is sought are grouped in 11 categories that are presented in [Annex 4](#) (see also [para. 6.10.](#)) and [Annex 5](#). Category 12 been assigned to those country specific products and activities that derive from the application of the methodology described above by individual countries.
- 5.42. In the case of tourism statistics that are compiled at the sub-national level (see [paras. 8.26.](#) to [8.45.](#)), the determination of *other tourism-characteristic products and activities* might be particularly relevant: for instance, in some regions or places, visitors coming for medical or educational purposes might represent a relevant share of arrivals, and it might then be valid to consider some particular educational or medical activities as characteristic.

Chapter 6 The supply perspective: concepts and definitions

- 6.1. Though tourism is defined as the activities of individuals identified as visitors, supply of goods and services to visitors is of great interest in the knowledge and description of tourism in a country. In order for individuals to take tourism trips to a given country or location, an infrastructure of services must be in place to respond to their specific needs. This means that 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, etc. must be available in the form and in the quantity that visitors demand in order to attract tourism. On the other hand, it is through supply responding to demand that the economic effect of tourism can be traced and measured.
- 6.2. In the present *Recommendations*, tourism supply will be understood as the productive activities providing directly to visitors the goods and services (also referred to as products in the National Accounts terminology) that make up tourism expenditure.
- 6.3. The analysis of tourism supply consists therefore in showing how the conditions are created so that goods and services can be provided to visitors, and in describing the process and costs associated with the production of these goods and services as well as the major indicators used to establish the performance of the producers involved in these productive activities.

A. The establishment as the basic unit

- 6.4. The homogeneous production unit, (a producing unit that carries out a single productive activity in a single location) is the theoretical unit to be used. However, in practice, the statistical unit that can be observed in most industrial statistics is of the “establishment” type.
- 6.5. The establishment (or local kind of activity unit in the EU lexicon) is defined operationally in ISIC Rev 4 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”.
- 6.6. In fact, an establishment may have more than one activity. Whether it does or not (from a statistical point of view), will depend upon whether it has been possible to delineate separate establishments for the different activities carried out within an enterprise that means separately identifying output, inputs and associated costs. Such a situation of multiple activities carried out in a single establishment often happens for establishments that cater to visitors. 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 sleeping facilities, etc.

- 6.7. Each hotel, each restaurant, each travel agency belonging to a chain and operating in a different location will be considered as a different establishment.
- 6.8. In tourism, many establishments operate as unincorporated enterprises, family businesses or even as informal units of production. Whatever their degree of organization, each of these should be considered as separate establishments.

B. Classifications

- 6.9. 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.
- 6.10. As a consequence, it is possible to identify those establishments whose main activity is a tourism-characteristic activity as defined in the previous chapter; the grouping of establishments performing the same tourism-characteristic activity as their main activity will be called a *tourism industry*.
- 6.11. Thus each tourism industry is composed of all establishments whose main activity is a particular tourism-characteristic activity.
- 6.12. As the classification of the establishments is based on their main activity, establishments having a particular tourism-characteristic activity as a secondary activity will not be included in this tourism-characteristic industry. For example, if a travel agency activity is carried out by a supermarket and has not been delineated as a separate establishment, then the secondary activity of 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 tourism industry. The activity will only show up as a product output of the retail trade industry.
- 6.13. By the same token, some establishments belonging to tourism industries have secondary activities that are not tourism-characteristic or have secondary activities belonging to other tourism industries.
- 6.14. 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 serving services.
- 6.15. As a consequence, the output of tourism industries might not consist exclusively of tourism-characteristic products, and the output of other industries may contain some tourism-characteristic products.
- 6.16. This situation results from the fact that establishments that can be observed in practice are not as “pure” as conceptual models would like them to be.

C. Characterization of tourism industries

- 6.17. The kind of characteristics that might be interesting to measure 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/f) and, when possible, in quantity or non-monetary units (g/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 and rest of industries and intermediate consumption by products (if possible) at purchasers prices;
 - c) Total value added at basic prices;
 - d) Total remuneration of employees: wages and salaries (in cash and in kind) and social contributions; globally and for 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 (formal/informal, market/non market, if relevant; by legal form of organization for establishments belonging to formal enterprises, classified by size of employment);
 - 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, in order to highlight seasonality;

D. Selected tourism industries and their typical output

D.1 Accommodation services

- 6.18. 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.

- 6.19. 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 serving services and travel agency services as belonging to tourism industries and the object of the specific responsibility of the national tourism administrations.
- 6.20. These 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 by family, friends or relatives, without charge, or on own-account (owner-occupied vacation homes). The case of time-share properties also falls under this category but is treated differently. This issue will be discussed in the Compilation guide.
- 6.21. The services provided on a commercial basis and the establishments providing them need to be classified in order to obtain information on this component of tourism statistics so as to be able to analyze 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 furnished guest rooms or suites or completely self contained units of one or more rooms with kitchen, with or without daily and other regular housekeeping facilities. They can consist of shared accommodation such as in youth hostels. The services provided may 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. One or more of these characteristics can be chosen for setting up market segments.
- 6.22. Creating internationally comparable categories has proven to be difficult because there is no agreement on the characteristics to be chosen because of their great variety among countries, related in part to the relative cost of labor that makes it more or less expensive to provide specific additional services. In addition the names of establishments providing similar accommodation services differ across countries and languages, and even within countries. Establishments with the same or similar names may not provide identical services and identical services can be provided by establishments with different names. Certain types of establishments exist in some countries and not in others. Finally, an establishment might be providing different categories of services identified in different CPC categories under a unique management (traditional hotel, private residence clubs, timeshare units) and these physical units might shift from one use to another according to the conditions of the market.
- 6.23. Until common groupings of activities can be agreed upon, for international comparison, countries will have 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. If feasible, the different products should also be identified.

- 6.24. For reasons explained above, implicitly, accommodation might sometimes be viewed as a package in which other services such as food serving services, recreation services, spas, swimming pools, 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 as well as on the quantity and value of goods and services other than this package purchased by visitors from other service providers.
- 6.25. Regarding the economic measurement of the output, countries should be particularly aware of the specific taxes and additional charges that might be invoiced to guests, such as special taxes or additional service charges that might not be reported as an income in the accounts of the accommodation units as well as voluntary tips. 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).
- 6.26. There is already a long tradition of using non-monetary indicators to monitor the importance and performance of accommodation establishments. They could be applied to specific categories of producers (businesses, government and NPISH), or to all producers belonging to the industry. They are the following:
- Months operating in the year
 - Number of rooms or accommodation units (gross, net) available for paying guests;
 - Number of bed places (gross, net) available for paying guests;
 - Occupancy rates (gross, net) by rooms or accommodation units;
 - Occupancy rates (gross, net) by bed places;
 - Average length of stay, by category of guests (by country of residence or place of residence (for resident guests)), individual or as part of a package, business/personal).

D.2 Food serving services

- 6.27. A feature of food serving services is the fact that, although they are considered tourism characteristic activities because of the importance of these services for visitors, establishments in these activities also cater importantly to non-visitors. For some of those but also for the industry as a whole, these non-visitors might represent the major share of their customers, permanently or at certain times in 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 establishments classified in that category.
- 6.28. Additionally, special care should be taken to identify properly informal types of providers of food such as street vendors. Although their individual sales might not be

very significant, they represent an important source of income for them and their family.

- 6.29. In most countries, tips are 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 counter part in remuneration of employees).
- 6.30. For formal and organized types of producers, it might be possible to develop non-monetary indicators such as:
- For seated restaurants: total number of clients that can be accommodated per serving
 - Number of meals that can be served daily
 - Number of meals actually served

D.3 Passenger transportation services

- 6.31. Because a tourism trip always includes a displacement away from the usual environment, most passenger transport activities are to be considered as tourism characteristic activities, although countries often consider transportation as a domain of interest on its own. The expenditure on transportation often represents an important share of total tourism expenditure by visitors, particularly in the case of visitors traveling by air.
- 6.32. 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.
- 6.33. 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, a process which might be problematic when more than one carrier is involved: this issue will be discussed in the Compilation guide.
- 6.34. As is the case for accommodation, a displacement does not always entail the acquisition of a service provided by an organized provider of such services: the displacement might have taken place using the visitors own resources: on foot, on his/her own bicycle, on horseback, using one's own vehicle, boat, airplane, motorcycle, etc. or provided free of charge by a third party (family, friend, producers).
- 6.35. Additionally, most displacements 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.

6.36. There is some additional non-monetary information that is associated with the supply of transportation services, that might be of interest:

- **Public transportation:**
 - Number of available seats and capacity utilization
 - Number of passengers arriving on free (or almost free) tickets (frequent flyers programs, or others)
 - Number of passenger-kilometers/miles produced
 - Number of passengers transported
 - Number of crew

- **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

6.37. 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. 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. They play the role of providing information and access to the visitor and are the middleman in the purchase of certain services.

6.38. 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 sell their product to the public.

6.39. In most cases, the value of travel agency services is not 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. 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 between the price they pay and the price they receive. 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 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.

- 6.40. As a consequence, gross incomes of travel agencies 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 agency services;
 - 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.
- 6.41. A consensus has been reached with other macro-economic systems (Balance of Payments, International Trade in Services, National Accounts) on the following treatment: whatever the procedure through which a travel agency (or a reservation service activity) generates its income, 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) and the other corresponding to the net value of the tourism services purchased.
- 6.42. As a consequence, travel agencies and other reservation services agencies are viewed as selling a service directly to the visitor, so that they can legitimately be considered as tourism industries (see paras. [6.10.](#) to [6.16.](#)).
- 6.43. This treatment has important consequences for the precise content of domestic tourism expenditure, inbound tourism expenditure and outbound tourism expenditure, an issue that will be further developed in the Compilation guide.
- 6.44. In addition to the information on their 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.
- 6.45. 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

D.5 Tour operators

- 6.46. Tour operators are businesses that combine two or more travel services (e.g., transport, accommodation, meals, entertainment, sightseeing) 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.
- 6.47. Tour operators usually operate in their own name and on their own behalf. The operator initially acquires from the tourism industries different services, that are combined and offered as a single, complex product to customers either directly or through travel agencies. 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.
- 6.48. 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 it has been agreed that it is not to be considered as a product, per se, but rather as the sum of its components.
- 6.49. All components of a package tour, including the value of the service of the tour operator himself, are to be considered as directly purchased by the visitors. This entails a so-called “net” valuation of package tours, similar to the net treatment of travel agency services.
- 6.50. 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 recognized to travel agencies selling the package tours to the public.

E. Measuring the supply of services of tourism industries

- 6.51. Depending on the degree of development of the survey of services, countries might already observe tourism industries within their general program of survey of service activities, either in an annual program, or in a more frequent one (quarterly or monthly).
- 6.52. Annual surveys will usually provide general economic information on establishments, including number and types, output by product (with a certain product detail), intermediate consumption, so that value added can be derived, employment and remuneration, investment in stock and flow and sometimes non-monetary information, with little, if any, activity-specific questions.
- 6.53. There is a need to ensure that the observation of tourism industries is developed at a relevant degree of breakdown that corresponds to the ISIC 4-digit level or if it is more detailed, that it can be aggregated up to the 4-digit level, and takes into consideration certain specific features that are of particular importance when trying to relate the supply by productive activities and the demand by visitors, and in particular:
- **In the case of accommodation:**
 - Care should be taken that the classifications of forms of accommodation adopted in tourism statistics is also applied in the rest of the statistical system: 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 forms of accommodation;
 - The issue of the measurement of the providers of accommodation for visitors that may not be organized as businesses (bed-and-breakfast, private rooms, 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 *Recommendations*);
 - 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 the case of food 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 an 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.

6.54. The Compilation guide will provide indication on these and other measurement issues as well as regarding the use of international classification of supply side statistics.

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 of tourism 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-specific and non-tourism-specific) acquired by visitors and produced either by tourism industries or other industries cannot be directly observed. The adjustment for the above would 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, (paras. 6.10. to 6.16.) in each country, the tourism industries will include all establishments whose main activity is a tourism-characteristic activity. These tourism industries will usually be common to all countries, except for those establishments which are classified by their main activity as establishments developing *other characteristic activity* which content is country specific. It should therefore be noted that persons engaged in secondary tourism-characteristic activities of an establishment belonging to a non-tourism-characteristic industry will not be included in tourism employment. Consequently, the total number of persons employed in tourism-characteristic activities will be underestimated. On the other hand, this measurement will be over-estimated if persons employed in an establishment belonging to a tourism industry also participate in the establishment's secondary non-tourism-characteristic activities.
- 7.6. Besides data on *persons employed* and the number of *jobs* in the tourism industries, other measures like *hours worked* or *full-time equivalents* are also required in order to gauge the amount of labour assigned to a particular type of tourism characteristic activity. The different concepts and definitions of tourism employment, and their interrelationships are given below.

A. Concepts and definitions

- 7.7. Employment and related topics are comprehensive, complex and dynamic phenomena. 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 standards¹ that comprise a full range of concepts, definitions and classifications which should be referred to and used when collecting employment statistics.
- 7.8. In general terms, a person having a job is considered to be employed and is part of the economically active population; a person may have more than one job.

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. 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, and who were in one of the following categories: (i) paid employment or (ii) self-employment.
- (i) *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.

¹ 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.

(ii) *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 reason².

7.10. *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 produced³.

7.11. *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.

7.12. 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

² 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.

³ 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.

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.

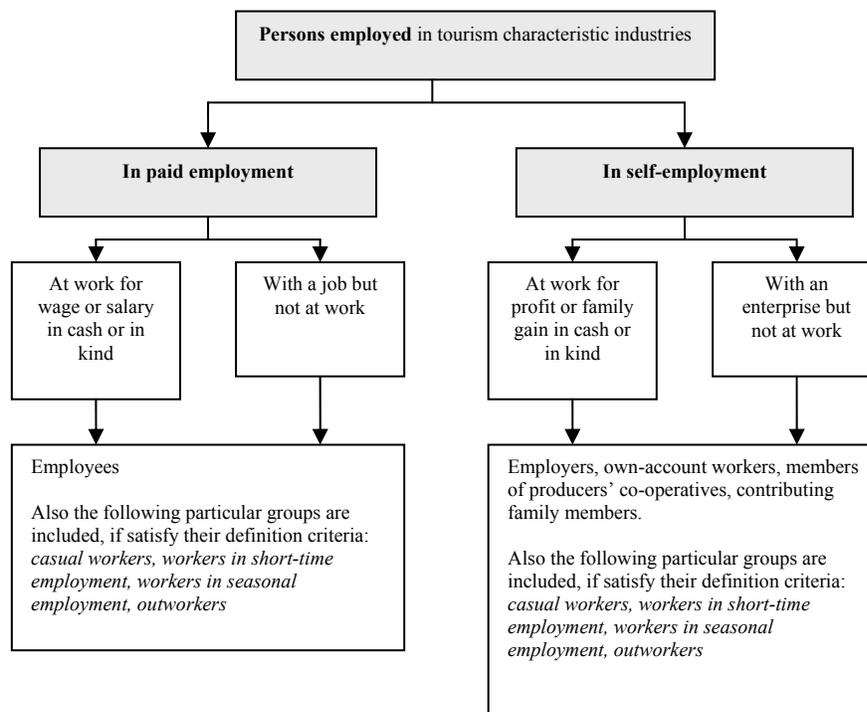
(vii) *Outworkers* are workers who: (a) hold explicit or implicit contracts of employment under which they agree to work for a particular enterprise, or to supply a certain quantity of goods or services to a particular enterprise, by prior arrangement or contract with that enterprise; but (b) whose place 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*

7.13. Figure 7.1 that follows illustrates and summarizes the categories of persons employed in tourism characteristic industries, as defined above.

Figure 7.1 Employment in tourism industries: basic categories of employed persons

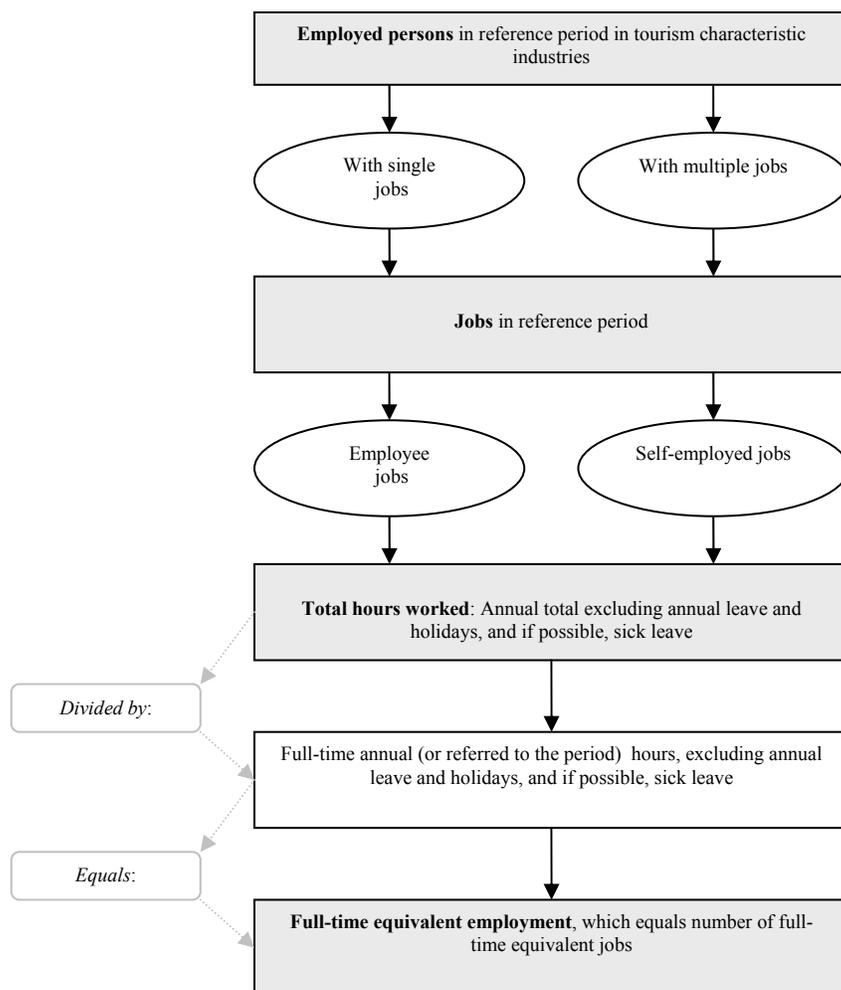


B. Employment as supply and demand of labor

- 7.14. 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.
- 7.15. Establishments need people to perform labor on 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.
- 7.16. Some employed persons may have more than one job, in which case one of the jobs will be a 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.
- 7.17. 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: a 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 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.
- 7.18. The intensity of work may vary from job to job, from 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 worked⁴, the total volume of labor of a given tourism industry for a given period can be obtained.
- 7.19. Figure 7.2 below illustrates the relationship between *employed persons* and *jobs*, and the types of measurement that have been suggested.

⁴ As defined by the 1993 SNA paras. 17.11 to 17.18

Figure 7.2 Relationship between different measures of tourism employment in a given period



7.20. 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. Classifications

7.21. In order to provide information on the composition of jobs in tourism industries and to 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.

7.22. 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.

7.23. For the purpose of international comparisons, the classifications of statistics on employment in 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)⁵.
- (iii) International Standard Classification of Education (ISCED-97).
- (iv) International Classification of Status in Employment (ICSE-93)⁶.

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

- Employment by age group, gender and nationality/country of residence (if relevant);
- Employment by type of establishments (size, formal, informal⁷, 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.

7.25. 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 employers⁸, for each industry and by categories of workers.

⁵ 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.

⁶ _____ "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.

⁷ _____ "Resolution concerning statistics of employment in the informal sector", *Current International Recommendations on Labour Statistics. 2000 Edition*. Geneva, 2000, pp. 32-40.

⁸ 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 compensation 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 costs⁹.
- Mixed income of self-employed persons¹⁰.

D. Measuring employment

- 7.26. The collection of data on employment in 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 tourism employment 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.
- 7.27. 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. Nevertheless, it is often difficult to obtain detail on the specific industry classification of the employer, and the focus is mostly on occupation. Additionally, from the perspective of remuneration, employees often ignore components that do not correspond to the net cash payment they receive.
- 7.28. 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-characteristic).
- 7.29. 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.
- 7.30. Statistics based on *administrative records* (such as social security files, tax reports, employment reports) are usually by-products of administrative processes. They are

⁹ 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.

¹⁰ 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.

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 shortcomings such as limited coverage (the case of informal establishments) and content, inflexible concepts and definitions, incompleteness, inconsistencies and restricted access due to legal or administrative constraints¹¹.

- 7.31. 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.
- 7.32. Although significant progresses have 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 EM¹², 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 Compilation guide will provide a useful road map for collecting information and reconciling data from different sources.

¹¹ 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.
- _____ "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.

¹² Organisation for Economic Co-operation and Development. "OECD Tourism Employment Module". Paris 2000.

Chapter 8 Understanding tourism in its relationship with other macroeconomic frameworks

8.1. Tourism cannot be viewed as an isolated field of economic analysis. The TSA approach is the privileged instrument by which tourism statistics are inserted within the mainstream of macro economic analysis. But it is also important to link tourism to other fields of analysis, and the present chapter intends to indicate some promising fields of study: besides the TSA, the present chapter underlines the importance of the link between the study of inbound and outbound tourism and the compilation of the Balance of Payments particularly because tourism is an increasingly important international traded service. It also underlines the importance of developing measurement of tourism at sub-national level, and indicates some links between the two approaches, the national one and the sub-national ones, that might not totally coincide but bring complementary points of view on the activities associated to 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 a national level and the design of an international standard for this procedure have been on the agenda of tourism statisticians worldwide for more than twenty years.

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 definitions, concepts, classifications, aggregates and tables of the 1993 System of National Accounts 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 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 measurement of international trade in services, and as a consequence, to other macroeconomic frameworks;
- As a structural link to National Accounts aggregates and 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 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 ([see para. 4.2.](#)) 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 proposes 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-specific products and others (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 producing activities following the recommendations of the 1993 SNA. A TSA can thus be considered as the global consistency framework of basic tourism economic statistics.

B. Tourism and Balance of Payments

- 8.9. Balance of Payments focuses on the description of the economic relationship between residents and non-residents. It obviously comprises transactions associated with international tourism.
- 8.10. However, international visitors are not specifically identified in the Balance of Payments framework and their expenditure is not a specific category of the Balance of Payments. The expenditures by international visitors are to be found in three different items of the Balance of Payments:
- The “travel” item
 - The “international passenger carriage” item
 - The “government services n.i.e” item
- 8.11. The “travel” item of the Balance of Payments is mainly concerned about the transactions associated to the displacements of non residents to the economy (travel credit) and of residents outside the economy (travel debit).

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 shown as a supplementary item that combines travel with tourism related services in passenger transport.

International Monetary Fund (IMF) Balance of Payments and International Investment Position Manual, Sixth edition (BPM6), Draft – March 2007

- 8.12. Although important steps have been taken in both systems to reduce the gap between the “travel” item of the Balance of Payments, and inbound/outbound tourism expenditure as measured in tourism statistics, differences still remain, that are due both to a difference in scope of the individuals which transactions are included, and to a difference in the scope of expenditures that are covered.
- 8.13. Besides international visitors, that represent most of the non residents making visits to the country, and of the residents making visits abroad, the “travel” item includes the expenditure of travelers that are not visitors, such as: border workers, seasonal workers, frequent border crossers, students taking a long term course outside their country of residence and long term patients outside their country of residence. It also includes the expenditure of nomads and refugees (if their intended length of stay is shorter than a year).
- 8.14. On this basis, the “travel” item has a broader scope than tourism statistics.

- 8.15. 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, although progress has been made in order to align the treatment of valuables and consumer durables beyond the custom threshold, that are now excluded from both measurements, some differences still remain:
- Expenditure by international visitors on international transportation when representing a resident/non-resident transaction is part of inbound/outbound tourism expenditure but is not included in the “travel” item. It is included under the *international passenger carriage* item of the Balance of Payments. However, not all this item represents the expenditure by inbound or outbound visitors. It includes also the international carriage of passengers to or from the country of reference that are not visitors as well as the international carriage of passengers between other countries; additionally, it includes transportation provided by a non resident producer to residents in an economy, a value that tourism statistics would include in domestic expenditure as it is provided within the economy of reference.
 - 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.
 - Expenditure by foreign diplomats, consular staff, military personnel (other than locally engaged staff) and their dependent when taking trips for personal purpose within the country in which they are stationed are included under *government services n.i.e.* and thus excluded from the *travel* item. Nevertheless, these expenditures are to be included in tourism consumption.
- 8.16. The scheme that follows ([figure 8.1](#)) illustrates the relationship between the records in the Balance of Payments and tourism statistics in terms of inbound visitors and their corresponding expenditure. Similar type of scheme can be established for outbound visitors and their expenditure. It separates the issue of the scope of individuals and the scope of expenditure.
- 8.17. As a first breakdown, Balance of Payments requires from countries to present the travel item separately for business and personal purposes.
- 8.18. This breakdown corresponds to that of business and personal used for classification of tourism trips by purpose though the difference of coverage has to be taken into account:
- The travelers which expenditure (travel coverage) has to be included under *business* are business visitors, and travelers that are seasonal or border workers.
 - The travelers which expenditure (travel coverage) has to be included under *personal* are visitors coming for personal purposes, long term students and long term patients, as well as nomads and refugees.

Figure 8.1 Bridge table between the “travel” item of BoP and inbound/outbound tourism consumption

		Balance of Payments	Tourism Statistics
Definition		<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.</p>	<p><i>Inbound/outbound tourism expenditure</i></p> <p>Tourism expenditure is defined as the acquisition of goods and services by visitors or others for their benefit through a monetary transaction, for the direct satisfaction of their wants and needs, for and during their tourism trips and stay at destination.</p>
Scope			
s p c o p e s t u r e	diplomats, consular staff, military personnel (other than locally engaged staff) and their dependants	no	Non resident Visitors: outside their usual environment, for less than a year, for purpose other than been paid in place visited. no, though tourism visits to specific places are included
	border workers	yes	no
	seasonal workers	yes	no
	frequent border crosser	yes	no
	students	short term and long term	only short term
	patients	short term and long term	only short term
	nomads	yes	no
	refugees and displaced persons	yes	no
s e x p e n d i t u r e	international transport when resident/non resident transaction	no (in international passenger carriage)	yes if by visitors
	acquisition of consumption goods and services	yes	yes if by visitors
	acquisition of valuables	no	no
	acquisition of durables over the custom threshold	no	no
	expenditure of diplomats travelling for personal purpose within country of station	no	yes
	expenditure other than purchase of goods and services	no	no

Note: expressed in terms of travel (credit) and inbound tourism expenditure; a similar type of table can be established for travel (debit) and outbound tourism expenditure

- 8.19. 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) draft ([see Box 8.1](#)) is recommending to present 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 products recommended for tourism expenditure, and improve the consistency of the measurements with TSA as well as supply and use tables.
- 8.20. The travel item of the Balance of Payments, complemented with international passenger carriage, 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. A more refined one is suggested in BPM6 draft identifying tourism-related services in travel and passenger transport as a supplementary item to the standard components of BOP.
- 8.21. Many countries still 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 outgoing travelers, etc. Nevertheless, International Organizations have recognized the importance for countries to work nationally in a coordinated manner in order to foster joint observations procedures at the borders using border surveys of inbound and outbound travelers, These are been 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 could be the basis for a better understanding of the similarities and the differences of the two focuses.

C. Measuring tourism at sub-national levels

- 8.22. 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).
- 8.23. 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 ignore or 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.

- 8.24. As a consequence, regions where tourism is an important source of economic activity and 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.
- 8.25. 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 a 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.

C.1 Adapting the IRTS conceptual framework

- 8.26. Developing the system of 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.
- 8.27. First of all, the development of tourism statistics at the sub-national level 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 ([para. 2.42.](#)), “because of differences between density of population, transportation accessibility and cultural behaviors, it is not possible to give unique criteria of distance, time and administrative border crossings to define the usual environment, either between countries or even sometimes within a country”.
- 8.28. Within a country, these differences might be very sharp, and a definition that has been adopted at national level as generally satisfactory, 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 comparing inter regional flows and a reconciliation of the flows at national level.
- 8.29. An adaptation of the definition of the forms of tourism might also be required.
- 8.30. In fact, within visitors that are residents of the country of reference, it will be useful to separate those that have their place of usual residence within this region from those that come from other regions.

- 8.31. 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.
- 8.32. Additionally, non-resident travelers that do not qualify as visitors, (and thus are excluded from the scope of observation) might make visits within the country of reference that, within a regional perspective, might 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) for recreation, leisure and other tourism purposes.
- 8.33. This situation is also true for domestic travelers and visitors. The determination of the secondary purpose of the trip ([see para. 3.19.](#)) might convert those classified as other travelers into visitors in a more restrictive geographical perspective, as well as modify the purpose of a visit when considered from a local point of view.
- 8.34. This situation 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 (that does not exist [see para. 3.20.](#)) and the value of expenditure across geographical areas. As a consequence, a difference between the national aggregate and the sum of the regional aggregates should be acceptable, provided there are plausible explanations of these differences.
- 8.35. 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.
- 8.36. 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..
- 8.37. 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 are well renowned) 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.

8.38. It is also the case for forms 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.

C.2 New statistical requirements

8.39. Filling the information gaps is always a key issue for measuring and analyzing tourism activity at a sub-national level. The UNWTO would suggest, 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 and territories 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.

8.40. 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.

8.41. Wherever there is an appreciable tourism activity (in terms of hotel capacity, overnight stays, etc.) specific surveys at destination could supplement surveys developed at the national level. Household surveys directed towards the visitor would serve to determine or specify visitor behavior of particular interest in that region and obtain details of trips, whereas surveys to establishments could provide additional information on industries and in particular focus on industries not recognized as tourism characteristic at national level, but considered as such at regional level.

8.42. These surveys to visitors, performed at places visited or at places of accommodation should be designed in such a way that they are consistent with the national surveys covering similar topics, to make comparisons and consistency checks possible, although additional questions might be required, for instance to identify the specific purposes of a visit to a specific area as different from the general purpose of the trip of which this visit is a part.

8.43. Classifications should take into consideration the particularities of the region but be consistent (that is, obtained by disaggregation of existing ones, or clear re-classification – case of characteristic products and activities as mentioned before) so that comparisons among regions and with the national level might be possible.

8.44. Administrative records may provide data that are valuable both for completing the measurement of basic statistical units (such as overnight stays, trips, and

employment) and for identifying information that is especially relevant to the regions, for instance, on itineraries (by interviewing travel agents). What is more, tourist activity itself increasingly leaves “electronic fingerprints” of various kinds, thereby boosting the number of potentially usable records: the use of toll roads, credit cards, mobile telephones and access to specific tourism websites are some examples of this. At any event, records of this kind may be very useful to specific regions and/or areas, though not to all of them. Nevertheless, in some countries, legal restrictions might exist regarding their use.

- 8.45. Specific indicators for *modeling exercises* should be developed that will serve to estimate the number of visitors and to apportion the number of overnight stays among all the visits they take in the region. This entails the use of a distribution scheme for the various visits part of trips within the region, which should be consistent with the one used at national level to produce the matrix of origin/destination of visitor flows.

D. Tourism and sustainability

- 8.46. Tourism and sustainability are intimately linked, and any measurement of tourism and its effect on an economy cannot set aside this relationship in its three different components: social, economic and environmental. Links with the latter component should be the first priority.
- 8.47. 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 nature might become the main purpose of trip.
- 8.48. 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.
- 8.49. But tourism, as many other activities, might also contribute in creating irreversible damage to the environment, through pressure on fragile ecosystems, through constructions of resorts or roads that destroy the natural sites, 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.
- 8.50. 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.
- 8.51. 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.

- 8.52. In recent years, beyond the measurement of tourism economic contributions 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.
- 8.53. Both types of approaches (macro-accounting and indicators) have their own potentials 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.
- 8.54. The existence of both the TSA: RMF and the System of Environmental and Economic Accounts (SEEA) allows for a country where both standards have been developed, to estimate the mutual links between tourism and 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.
- 8.55. The core of this macro-approach at national level consists in establishing a more complex type of input/output matrices 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 estimations 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 any type of mutual integration. Nevertheless, leaving aside conceptual issues there is increasing evidence that developing each type of accounts is not a straightforward exercise.
- 8.56. 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 to which all stakeholders might be associated, including visitors themselves.
- 8.57. 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

one tool 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.

- 8.58. 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.
- 8.59. For the time being, no worldwide recommendation has been developed on this issue although OECD and Eurostat Member States are already encouraged to develop specific indicators, but it will become a major topic in the coming years, and the exchange of national experience will be high on the agenda.

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Index

(Pending)

Annex 1
ISIC Rev. 4

55 Accommodation

This division includes the provision of short-stay lodging accommodation for visitors and other travellers. Also included are the provision of longer term lodging for students, workers and similar individuals. Some units may provide only lodging while others provide a combination of lodging, meals and/or recreational facilities.

This division excludes activities related to the provision of long-term primary residences in facilities such as apartments typically leased on a monthly or annual basis classified in Real Estate (section L).

551 Short term accommodation activities

See class 5510.

5510 Short term accommodation activities

This class includes the provision of lodging, 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, sometimes with kitchenettes 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 also includes the provision of lodging, typically on a daily or weekly basis, principally for short stays by visitors, of self-contained space consisting of complete furnished rooms or areas for living/dining and sleeping, with cooking facilities or fully equipped kitchens. This may take the form of apartments or flats in small free-standing multi-storied buildings or clusters of buildings, or single storied bungalows, chalets or housekeeping cottages and cabins. Very minimal complementary services, if any, are provided.

This class includes accommodation provided by:

- hotels
- resort hotels
- suite / apartment hotels
- motels
- motor hotels
- inns
- guesthouses
- pensions
- bed and breakfast units
- youth hostels
- children holiday homes
- visitor flats and bungalows
- holiday homes
- 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

552 Recreational vehicle parks, trailer parks and camping grounds

See class 5520.

5520 Recreational vehicle parks, trailer parks and camping grounds

This class includes the provision of space and facilities for recreational vehicles, or in operating trailer parks, campgrounds, recreational camps and fishing and hunting camps for short stay visitors.

This class also includes accommodation provided by:

- mountain shelters

559 Other accommodation

See class 5590.

5590 Other accommodation

This class includes the provision temporary or longer-term lodging 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

Annex 2

CPC Ver. 2. Classification of accommodation services for visitors

631 Accommodation services for visitors

This group includes:

- accommodation services for persons away from their place of residence (i.e. from their permanent principal or secondary residence), for purposes of leisure or business, typically provided on a daily or weekly basis.

6311 Room or unit accommodation services for visitors

This class includes:

- accommodation services consisting of rooms or units, with or without kitchens, for persons away from their place of residence, for purposes of leisure or business, typically provided on a daily or weekly basis.

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, for persons away from their place of residence, typically provided on a daily or weekly basis.

This subclass does not include:

- accommodation services in time-share properties, cf 63113

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, for persons away from their place of residence, typically provided on a daily or weekly basis.

This subclass does not include:

- accommodation services in time-share properties, cf 63113

63113 Room or unit accommodation services, in time-share properties

This subclass includes:

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

63114 Accommodation services for visitors, in rooms for multiple occupancy

This subclass includes:

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

6312 Camp site services

63120 Camp site services

This subclass includes:

- provision of space for a recreational vehicle or tent, for persons away from their place of residence, typically provided on a daily or weekly basis.
- provision of space under protective shelter or plain bivouac facilities for placing tents and/or sleeping bags

6313 Recreational vacation camp services

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.

632 Other accommodation services for visitors and others

This group includes:

- accommodation services for persons also away from their place of residence but for a longer period of time.

This group also includes:

- semi-permanent residence in boarding houses and residential clubs.

6321 Room or unit accommodation services for students in student residences

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:

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

6322 *Room or unit accommodation services for workers in workers hostels or camps*

63220 *Room or unit accommodation services for workers in workers hostels or camps*

This subclass includes:

- accommodation services for workers in worker's hostels or camps usually on a short term or seasonal basis.

6329 *All other room or unit accommodation services*

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

Annex 3

List of tourism specific products classified according to CPC Ver. 2, tourism characteristic products (TCP) and its correspondence in the ISIC Rev. 4

CPC Ver. 2	Tourism specific products	TCP	ISIC Rev. 4
subclass			activity code(s)
64241	Domestic scheduled air transport services of passengers	TCP	5110
64242	Domestic non-scheduled air transport services of passengers	TCP	5110
64243	International scheduled air transport services of passengers	TCP	5110
64244	International non-scheduled air transport services of passengers	TCP	5110
64250	Space transport services of passengers	TCP	5110
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
68113	Post office counter services		5310
68119	Other postal services		5310
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
72111	Renting or leasing services involving own or leased residential property	TCP	6810
72123	Trade services of timeshare properties	TCP	6810
72211	Residential property management services on a fee or contract basis except of time-share ownership properties	TCP	6820
72213	Time share (ownership type) property management services on a fee or contract basis	TCP	6820

Annex 3

List of tourism specific products classified according to CPC Ver. 2, tourism characteristic products (TCP) and its correspondence in the ISIC Rev. 4

CPC Ver. 2	Tourism specific products	TCP	ISIC Rev. 4
subclass			activity code(s)
72221	Residential building sales on a fee or contract basis except of time share ownership properties	TCP	6820
72223	Sale of time share properties on a fee or contract basis	TCP	6820
73111	Leasing or rental services concerning cars and light vans without operator	TCP	7710
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
73240	Leasing or rental services concerning pleasure and leisure equipment	TCP	7721
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
84121	Fixed telephony services- acces and use		6110
84131	Mobile telecommunication services - access and use		6120
84221	Narrow-band access services		6110, 6120, 6130, 6190
84222	Broad band access services		6110, 6120, 6130, 6190
84510	Library services		9101
84520	Archive services		9101
85511	Reservation services for air transport	TCP	7911, 7920
85512	Reservation services for rail transportation	TCP	7911, 7920
85513	Reservation services for bus transportation	TCP	7911, 7920
85514	Reservation services for vehicle rental	TCP	7911, 7920
85519	Other transportation arrangement and reservation services n.e.c	TCP	7911, 7920
85521	Reservation services for accommodation	TCP	7911, 7920
85522	Time-share exchange services	TCP	7920
85523	Reservation services for cruises	TCP	7911, 7920
85524	Reservation services for package tours	TCP	7911, 7920
85539	Reservation services for event tickets and other entertainment and recreational services	TCP	7920
85540	Tour operator services	TCP	7912
85550	Tourist guide services	TCP	7912
85562	Visitor information services	TCP	7920
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
87141	Maintenance and repair services of motor vehicles		4520

Annex 3

List of tourism specific products classified according to CPC Ver. 2, tourism characteristic products (TCP) and its correspondence in the ISIC Rev. 4

CPC Ver. 2	Tourism specific products	TCP	ISIC Rev. 4
subclass			activity code(s)
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
87290	Maintenance and repair services of other goods n.e.c.		9529
92310	Lower secondary education services, general		8521
92320	Lower secondary education services, technical and vocational		8522
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
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
96151	Motion picture projection services		5914
96152	Videotape projection services		5914
96220	Performing arts event production and presentation services	TCP	9000
96310	Services of performing artists	TCP	9000
96411	Museum services except for historical sites and buildings	TCP	9102
96412	Preservation services of historical sites and buildings	TCP	9102
96421	Botanical and zoological garden services	TCP	9103
96422	Nature reserve services including wildlife preservation services	TCP	9103

Annex 3**List of tourism specific products classified according to CPC Ver. 2, tourism characteristic products (TC) and its correspondence in the ISIC Rev. 4**

96511	Sports and recreational sports event promotion services	TCP	9319
96512	Services of sports clubs		9312
96520	Sports and recreational sports facility operation services	TCP	9311
96590	Other sports and recreational sports services	TCP	9319
96620	Support services related to sports and recreation		9319
96910	Amusement park and similar attraction services	TCP	9321
96929	Other gambling and betting services	TCP	9200
96930	Coin-operated amusement machine services	TCP	9329
96990	Other recreation and amusement services n.e.c.	TCP	9329
97130	Other textile cleaning services		9601
97210	Hair dressing and barber's services		9602
97220	Cosmetic treatment, manicuring and pedicuring services		9602
97230	Physical well-being services		9609
97290	Other beauty treatments		9602
97910	Escort services		9609

Annex 4

List of tourism characteristic activities according to ISIC Rev. 4

1.	Accommodation services 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.	Restaurants and similar	5610 5629 5630	Restaurants and mobile food service activities Other food services activities Beverage serving activities
3.	Railway passenger transport services	4911	Passenger rail transport
4.	Road passenger transport services	4922	Other passenger land transport
5.	Water passenger transport services	5011 5021	Sea and coastal passenger water transport Inland passenger water transport
6.	Air passenger transport services	5110	Passenger air transport
7.	Transport equipment rental	7710	Renting and leasing of motor vehicles
8.	Travel agencies and similar	7911 7912 7920	Travel agency activities Tour operator activities Other reservation service activities
9.	Cultural services	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 services	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** Specialized retail trade in leather goods and travel accessories Specialized retail trade of automotive fuel Other specialized retail trade of tourism characteristic goods**
12.	Other country specific characteristic activities		

* part related to second homes and timeshare properties

** not a 4 digit ISIC

Annex 5

List of tourism characteristic products classified according to their main tourism industry of origin

1.	Accommodation services for visitors
	63111 Room or unit accommodation for visitors, with daily housekeeping services 63112 Room or unit accommodation for visitors, without daily housekeeping services 63113 Room o 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 (market) 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
2.	Restaurants and similar
	63310 Meal serving services with full restaurant services 63320 Meal serving services with limited services 63399 Other food serving services 63400 Beverage serving services
3.	Railway passenger transport services
	64131 Sigtseeing services by rail 64210 Interurban railway transport services of passengers
4.	Road passenger transport services
	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
5.	Water passenger transport services
	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

Annex 5

List of tourism characteristic products classified according to their main tourism industry of origin

6.	Air passenger transport services
	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
7.	Transport equipment rental
	73111 Leasing or rental services concerning cars and light vans without operator
8.	Travel agencies and similar
	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
9.	Cultural 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
10.	Sports and Recreational services
	73240 Leasing or rental services concerning pleasure and leisure equipment 96511 Sports and recreational sports event promotion services 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.
11.	Tourism characteristic goods
	Tourism single-purpose consumer durables Souvenirs Handicrafts Other tourism goods
12.	Other country specific tourism characteristic products