

International Seminar on Trade in Services & Tourism Statistics for Selected Asia Pacific Countries

**Tourism Supply: Service Providers
Agenda Items 18/19**

**Romulo A. Virola
UNWTO Consultant**

**Jakarta, Indonesia
07-10 October 2013**



Tourism Supply: Service Providers

OUTLINE OF PRESENTATION

- I. Tour Operators
- II. Non-tourism industries and their linkage to tourism



Tourism Supply: Service Providers

I. Tour Operators

- Tour operators combine two or more travel services and sell them through travel agencies or directly to final consumers as a single product called package tour for a single price.
- Example: transport, accommodation, meals, entertainment, sightseeing
- Usually operate in their own name or on their own behalf



Tourism Supply: Service Providers

I. Tour Operators

- Tour operators usually buy the services on the package in advance and at discounted prices.
- In most cases, the visitor is not aware of the costs of the different components of the package and has no direct contact with the providers of the services prior to departure.



Tourism Supply: Service Providers

I. Tour Operators

- In the compilation of tourism statistics, a package tour should not be viewed as a product per se but as the sum of its components.
- Thus, the principal output of tour operators is the gross margin earned, i.e. the difference between what the tour operator charges for the package tour and the costs of the components including the commission paid to travel agencies selling the package.



Tourism Supply: Service Providers

II. Non-Tourism Industries and Tourism

A. Tourism and Production & Trade of Handicrafts

- In many countries, some handicrafts cannot be identified in CPC Ver. 2 and their production cannot be associated with any of the ISIC Rev. 4 categories.
- Visitor expenditures on handicrafts can be significant



Tourism Supply: Service Providers

II. Non-Tourism Industries and Tourism

A. Tourism and Production & Trade of Handicrafts

- Not all purchases of handicrafts are tourism expenditure (bought in usual environment)
- Some purchases of handicrafts are tourism expenditure (bought by nonresident visitors on an inbound trip)
- Needs to reconcile supply and demand side estimates



Tourism Supply: Service Providers

II. Non-Tourism Industries and Tourism

B. Tourism and the Meetings Industry

- Attending meetings, conferences, and conventions is an increasingly important purpose for travel
- Considered a tourism activity when done outside the usual environment (IRTS 2008 para 3.20)
- Meetings industry not necessarily a tourism industry



Tourism Supply: Service Providers

II. Non-Tourism Industries and Tourism

B. Tourism and the Meetings Industry

- Characteristic output of meetings industry is not mostly consumed by visitors but by conveners of conferences, conventions.
- Service provided by Meetings industry is classified under CPC 85961, Convention assistance and organization services; while the activity is ISIC 8231, Organization of conventions



Tourism Supply: Service Providers

II. Non-Tourism Industries and Tourism

B. Tourism and the Meetings Industry

- UNWTO has promoted some approaches to the meetings industry but still part of its research.
- IRTS 2008 encourages countries to analyze separately this category of visitors and their consumption



Overview of the Compilation Guide on Tourism Expenditure

Thank you!

Maraming Salamat Po!

