

# Travel versus International Tourism

Mark Burkhart

International Trade in Goods and Services  
Australian Bureau of Statistics

# Outline

- This presentation will consider
  - Some definitions
    - Travel and Tourism
    - Key differences
  - Flows
    - Travellers and visitors
    - Measuring flows and key data sources
  - Expenditure
    - Travel and Tourism
    - Coverage and sources
  - Breakdowns and treatments
    - Considerations when compiling data

# Travel

- ABS follows the Manual on Statistics of International Trade in Services 2010 (MSITS 2010)
- *Travel* is defined as “...covering goods and services for own use or to be given away, acquired from an economy, by non-residents during visits to that economy”
- Travel measures goods and services acquired by all non-residents, including tourists and persons who are not tourists, such as:
  - Students (any duration)
  - People seeking medical care
  - Seasonal, border and other short term workers

# Tourism

- Definition:
  - Tourism statistics identify tourism as “the activities of travellers taking trips to a main destination outside their usual environment for less than one year for any main purpose (business, leisure and other personal) other than to be employed by a resident entity in the place visited”
  - where usual environment is defined as the geographical area (though not necessarily a contiguous one) within which an individual conducts his or her regular life routines.
- The central statistical entity in tourism statistics is the ‘visitor’.
- International Tourism refers to the activity of visitors outside their country of residence. For the country of reference:
  - Outbound tourism: resident visitors travelling outside the country of reference
  - Inbound tourism: non-resident visitors travelling inside the country of reference

# Travel vs Tourism: key differences

- The specific characteristics of visitors cannot be made explicit within the central framework of national accounts, hence the need for a satellite account
- *Tourism* includes expenditure on items not covered by Travel, such as:
  - International passenger transportation
  - Purchases of valuables or consumer durables over a certain customs threshold
- *Tourism* includes students and patients visiting another country for less than one year only

# Compilation Process

- The estimation of travel and tourism expenditure:

Estimation of flows

X

Estimation of average expenditure

# Flows - Travellers

- The principles adopted by MSITS 2010 to record services transactions between **residents and non-residents** are consistent with those prescribed in the Balance of Payments and International Investment Position Manual (BPM6) and the System of National Accounts 2008 (2008 SNA).
- The residence of an institutional unit is the economic territory with which it has the stronger connection, constituting its centre of predominant economic interest.
- Actual or intended location for one year or more is used as an operational criterion, and is adopted to eliminate uncertainty and facilitate international consistency.

# Flows – Visitors

- The Tourism satellite account focuses on the concept of *visitor* and on measuring his or her demand for services
- A visitor is defined in the international standards as “... a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited.”



# Flows – Visitors

- Visitors can be classified into national and international visitors.
  - National or ‘domestic’ visitors are persons travelling outside their usual environment within their country of residence.
  - International visitors are those persons travelling to a country other than that which they have their usual residence.
- The one year rule for length of stay for an international visitor is consistent with the principle applied in determining residency in the balance of payments.
- Exceptions:
  - International Students;
  - Patients

# Travel vs Tourism: Difference in persons

Source: MSITS 2010

Categories of Persons	Travel	Tourism
Diplomats, consular staff, military personnel (other than locally engaged staff) and their dependants	No	No, (when on official duty)
Border workers	Yes	No
Seasonal workers	Yes	No
Other short term workers (in an employer/employee relationship)	Yes	No
Crews	Yes	Yes except for regular and occasional crews on public modes of transport
Students	Yes	Yes, except for those taking courses of greater than one year duration
Patients	Yes	Yes, except for those receiving long term treatments (greater than one year)
Nomads, refugees, displaced persons	Yes, if less than a year	No

# Measuring Flows – Travellers & Visitors

- Overseas Arrivals and Departures (OADs) data
  - Collected and processed by the Australian Government Department of Immigration and Citizenship (DIAC)
  - Most information is compiled from incoming and outgoing passenger cards
  - Movement based – we count each border crossing
  - Data is separated into resident and non-resident travellers/visitors
- Visa data:
  - also obtained from DIAC
  - At present, it is used for Education Travel Credits, which are a very important component of Trade in Services receipts for Australia
  - Stock figures – especially useful for measuring longer term visitors, such as students
- National Visitors Survey (NVS)
  - Domestic visitor numbers

## Measuring Flows – Travellers & Visitors

- Key Differences:
  - Only Short Term Visitor and Resident Arrivals and Departures are considered:
    - students spending more than 12 months in another country are included in Travel, but not in Tourism
    - Border workers, seasonal workers and other short term workers are also included in Travel, but not in Tourism
  - Visa data is not used for the student component of Tourism

# Expenditure – Travel

- Travel expenditure covers goods and services acquired for own use by persons, acquired from an economy, by non-residents during visits to that economy
- Goods and services may be purchased by the traveller or on their behalf, e.g.
  - Expenses by a business for their travelling employee
  - Tuition and board by a government for a student

# Expenditure – Tourism

- Tourism expenditure covers actual expenditure by the visitor, or on behalf of the visitor, and is defined in the international standards as follows:
  - ‘... the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips. It includes expenditures by visitors themselves as well as expenses that are paid for or reimbursed by others.’

*Source IRTS 2008, para 4.2*

- The ABS bases its tourism expenditure estimates largely on the International Visitor Survey and the National Visitor Survey
- The international visitor consumption total is the sum of the balance of payments transport and travel service items adjusted for conceptual differences between the TSA and balance of payments.
- This is closely related to the BoP memorandum item ‘Tourism related service’ credits and debits, which is the sum of ‘Passenger Transport’ and ‘Travel’ and is recommended by BPM6.

# Coverage of Expenditure – Travel expenditure surveys

- In Australia, travel expenditure is measured by surveys of travellers regarding their expenditure patterns
- Conducted by Tourism Research Australia (TRA), a branch of the Tourism Division of the Australian Government Department of Resources, Energy and Tourism

# Coverage of Expenditure - International Visitors Survey

- Covers Inbound Travel / International Visitor expenditure
- Interviews are conducted of a random sample of departing visitors to Australia, by TRA officers
- Data collected includes:
  - Length of stay in Australia
  - Purpose of visit
  - Country of residence
  - Expenditure by category, e.g. accommodation



# Coverage of Expenditure – National Visitors Survey

- Covers Outbound Travel / Australian Visitor expenditure
- Telephone interviews are conducted of a random sample of Australian residents, who have identified that they have travelled overseas recently, by TRA officers
- Data collected includes:
  - Length of stay in other country or countries
  - Purpose of visit
  - Expenditure by category, e.g. accommodation

# Coverage of Expenditure – Education expenditure

- Because education travel credits are very important to Australia and the IVS data collects only a small sample, and of short term visitors, we use other sources
- Fees data is an administrative data source, provided by Australian Education International, part of the International Education and Science Division of the Australian Government Department of Industry
- Goods and Services expenditure by students is based on the Survey of International Students Studying in Australia, commissioned by the same body

# Breakdowns and Treatments

- Travel
  - Business
    - Acquisition of goods and services by border, seasonal, and other short-term workers
    - Other
  - Personal
    - Health related
    - Education related
    - Other

## Alternative presentation for travel (business and personal)

- Goods
- Local transport services
- Accommodation services
- Food serving services
- Other services (Health; Education)

# Breakdowns and Treatments

- Tourism
  - The TSA distinguished between products and industries that are related to tourism and those that are not.
  - Tourism related products
    - Tourism characteristic: cease to exist in meaningful quantity or for significantly reduced sales in the absence of tourism;
    - Tourism connected: consumed by visitors but are not considered in above.
  - Tourism related industries
    - Tourism characteristic: cease to exist in present form or significantly affected if tourism were to cease;
    - Tourism connected: other than tourism characteristic industries, for which a tourism related product is directly identifiable (primary) to it, and are consumed by visitors in volumes significant to the visitor and producer.

# Considerations when compiling data

- Data is compiled from a variety of source, it is important to consider consistency across source:
  - Availability
  - Fit for purpose?
  - Coverage
  - Quality
  - Timing
- Example: Education travel credits
  - Flow:
    - Quarterly student stock numbers by visa sub-class from DIAC
    - Monthly OADS flow data
  - Expenditure:
    - Weekly per capita expenditure (survey data)
    - Course fees per semester



Thank you!