Overview of the Compilation Guide on Tourism Expenditure

Agenda Item 08

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Overview of the Compilation Guide on Tourism Expenditure

OUTLINE OF PRESENTATION

I. Introduction
III. Measuring Flows of Visitors: Some Concepts
IV. Some Measurement Issues
V. Main Data Sources
VI. Importance of Institutional Arrangements
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I. Introduction

• Tourism impacts on the economy, the natural and built environment, the population of places visited, and the visitors themselves

• Fosters global competitiveness of international trade, wealth creation, and regional development

• Could be key to poverty alleviation and sustainable development

• Tourism has a wide spectrum of stakeholders
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I. Introduction

- Need for a holistic approach to tourism development, management, and monitoring
- Need for quality tourism statistics
- But tourism is complex due to the cross-cutting nature of the tourism “industry”
- Collaboration of UNWTO and national and international partners
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I. Introduction

Recent Major Efforts to Improve Tourism Statistics

- TSA: Methodological Framework 2008
- UNWTO Capacity Building Programmes for
  - Africa English Speaking countries (2008-2010)
  - Asia Pacific countries (2010-2012)
  - CIS countries & Georgia (2011-2012)
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I. Introduction

- Some Seminar Participants attended past UNWTO Capacity Building Programmes and possibly other related activities
- Seminar participants include both statisticians and non statisticians
- An Overview of the Compilation Guide on Tourism Expenditure (not on the TSA)
- Tourism expenditure is a measure of the contribution of tourism to the economy


- A Framework for compiling tourism (also travel) statistics by countries
  - General guidance on data sources and data compilation methods

- An internally consistent system of definitions, concepts, classifications, and indicators
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• Guidance from the IRTS 2008/ Draft IRTS 2008 Compilation Guide

- Focus is on economic perspective
- Focuses on activities of visitors and their measurement in monetary and nonmonetary terms
- Feeds into/Links with the compilation of the TSA, BOP, labour statistics, SITS, household & migration statistics


- Applicable to compilation of tourism statistics by both developed and developing economies
- Applicable for analysis of tourism at national and subnational levels


- Promotes & strengthens international comparability of tourism statistics
- Encourages countries to compile both demand and supply side tourism statistics
- Each country to adopt only those recommendations/guidelines suited to their situation


- Compilation Guide serves as basic supporting document for the world-wide implementation of IRTS 2008

- Supports production of country data & indicators for the UNWTO Compendium of Tourism Statistics
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- Guidance for inbound/outbound tourism

- Establishing universe of nonresident travellers on an inbound trip and of residents returning from an outbound trip
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- Guidance for inbound/outbound tourism
  - Identifying within these universes who will qualify as visitors
  - Establishing main characteristics of international travellers’ trips
    - Duration
    - Main purpose
    - Modes of transport
    - Types of accommodation used
    - Other characteristics
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III. Measuring Flows of Visitors: Some Concepts

- Some Tourism Concepts
  - Travel & Tourism
  - Visitors
  - Residence: Nationality vs Country of Residence
  - Usual Environment
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III. Measuring Flows of Visitors: Some Concepts

- Travel & Tourism
  - Tourism as Subset of Travel
    - Travelling to the Office for Work is not Tourism
  - As Percentage of GDP, Contribution of Travel is Greater than that of Tourism (Credibility of Tourism Statistics must be enhanced)
  - Tourism refers to Activities of Visitors
III. Measuring Flows of Visitors: Some Concepts

- Visitors

- Characteristics of Visitors (Criteria for a Traveller to be considered a Visitor)
  - Place/Country of destination (must be outside usual environment)
  - Duration (must be less than a year)
  - Major Purpose (for business, leisure or other personal purpose but not for employment)
III. Measuring Flows of Visitors: Some Concepts

- Visitors

  - Visitors can work and get paid in place visited, but work should not be major purpose of visit and there should be no employee-employer relationship (payment received is only incidental to the trip)

  - Activities of visitors may or may not involve a market transaction
III. Measuring Flows of Visitors: Some Concepts

- Visitors
  - Categories of Visitors
    - Same day visitors (Excursionists)
    - Tourists (Overnight Visitors)
  - So, Tourism refers not just to activities of tourists, but of visitors
III. Measuring Flows of Visitors: Some Concepts

- **Residence**: Nationality vs Country of Residence; Place of Usual Residence
  
  - A traveller’s country of residence is the country of his/her predominant centre of economic interest, usually the place of his/her principal dwelling (where predominant amount of time is spent)
  
  - Consistent with SNA & BOP definition of residence
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III. Measuring Flows of Visitors: Some Concepts

- **Residence: Nationality vs Country of Residence; Place of Usual Residence**

  - Concept of residence allows for classification of visitors according to place of origin

  - Country of residence not same as nationality or citizenship
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III. Measuring Flows of Visitors: Some Concepts

- **Residence**: Nationality vs Country of Residence; Place of Usual Residence

- Traveller is usually a national or citizen of the country whose government issues his/her passport, even if he/she resides in another country.

- Concept of citizenship not part of requirements or definitions of tourism statistics
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III. Measuring Flows of Visitors: Some Concepts

- Residence: Nationality vs Country of Residence; Place of Usual Residence
  - International visitors should be classified according to their country of residence, rather than nationality
  - For domestic tourism purposes, the place of usual residence is the geographical area where the enumerated person usually resides (consistent with definition in household surveys)
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III. Measuring Flows of Visitors: Some Concepts

- **Residence: Nationality vs Country of Residence; Place of Usual Residence**

  - UN Principles and Recommendations for population & housing statistics do not specify duration of stay in place of usual residence

  - Countries are free to define the threshold
III. Measuring Flows of Visitors: Some Concepts

- Residence: Nationality vs Country of Residence; Place of Usual Residence

- Most countries apply 6-month criterion to define place of usual residence in the country.
- Different from country of residence in national accounts criterion of one year
- In case of gray areas, first determine country of residence using 1-year criterion, then determine place of usual residence using the 6-month criterion. (para 2.16, IRTS 2008-CG)
III. Measuring Flows of Visitors: Some Concepts

- Usual Environment

- Concept of usual environment is specific to tourism statistics (residence is common to SNA, BOP, tourism statistics)

- A geographical area, not necessarily contiguous, within which an individual conducts his/her regular life routines (IRTS 2008 para 2.21)
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III. Measuring Flows of Visitors: Some Concepts

- Usual Environment
  - Includes (so visits to these places are not part of tourism)
    - Principal dwellings
    - Place of work
    - Place of study (more than a year)
    - Place of medical treatment (more than a year)
III. Measuring Flows of Visitors: Some Concepts

- **Usual Environment**
  - Includes (so visits to these places are not part of tourism)
    - Other places visited “regularly” and “frequently” – each country to define precise meaning
    - All places visited by nomads (by convention)
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III. Measuring Flows of Visitors: Some Concepts

- Usual Environment
  - Excludes vacation homes (so visits to these places are part of tourism, unless these homes are situated in same locality as place of residence and so no administrative border is crossed)
III. Measuring Flows of Visitors: Some Concepts

- **Usual Environment**

- Not been able to develop a unique world-wide statistical and operational definition of an individual’s usual environment owing to differences between and within countries – in population density, transport accessibility, cultural behaviour, proximity to national or administrative borders and other factors (IRTS2008-CG para 2.22)
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III. Measuring Flows of Visitors: Some Concepts

- Usual Environment
  - Thus operational definition of usual environment should be flexible (IRTS2008-CG para 2.23)
  - Main criterion should be the crossing of an administrative border combined if necessary with physical distance travelled or duration of travel, then frequency. (IRTS2008-CG para 2.24 & 2.29)
III. Measuring Flows of Visitors: Some Concepts

- **Usual Environment**
  - Problematic for small island countries where all movements would happen within usual environment, and there would be no domestic tourism
III. Measuring Flows of Visitors: Some Concepts

- Basic Forms of Tourism (Expenditure)
  - Inbound Tourism
  - Domestic Tourism
  - Outbound Tourism

- Other Forms of Tourism Derivable from Basic Forms
  - Internal Tourism
  - National Tourism
  - International Tourism
III. Measuring Flows of Visitors: Some Concepts

- **Domestic Tourism** – comprises the activities of a resident visitor within the country of reference either as part of a domestic tourism trip or part of an outbound tourism trip.
- **Inbound Tourism** – comprises the activities of a nonresident visitor within the country of reference on an inbound tourism trip.
- **Outbound Tourism** – comprises the activities of a resident visitor outside the country of reference, either as part of an outbound tourism trip or as part of a domestic tourism trip.
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III. Measuring Flows of Visitors: Some Concepts

• Internal Tourism – domestic tourism plus inbound tourism
• National Tourism – domestic tourism plus outbound tourism
• International Tourism – inbound tourism plus outbound tourism
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III. Measuring Flows of Visitors: Some Concepts

- Focus has been on inbound tourism but there is increasing realization that for many countries, domestic tourism is bigger than inbound tourism in terms of no. of trips, expenditure, & demand for domestic tourism supply.
- Countries should therefore not give secondary priority to the measurement of domestic tourism variables.
III. Measurement of Tourism Expenditure

• However, most country experiences on the collection of tourism statistics are on inbound tourism
• In general, NTA has limited statistical expertise & NSO has limited conceptual knowledge of tourism
• Need for collaboration and institutional arrangements
IV. Some Measurement Issues

There are measurement issues:

- Terminology & measurement on the demand side are not homogeneous among all forms of tourism
  - For domestic & outbound tourism statistics, “trip” refers to all tourism activity engaged in from the moment the traveller leaves his/her usual environment until he/she returns
  - For inbound tourism, “trip” refers to all tourism activity from the time of arriving in a country to the time of leaving.
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IV. Some Measurement Issues

There are measurement issues:

- At what point should a traveller entering a country be counted? (upon entry or exit?)
  - General practice is at entry (visitor arrival cards)
- But some characteristics (expenditures) are known only (and therefore collected) upon departure (visitor sample survey)
IV. Some Measurement Issues

There are measurement issues:

• Exclusion of nationals residing abroad (non residents) from inbound tourism (when immigration authorities do not require them to fill up arrival/departure cards)

• Classification and capture of frequent border crossers in countries which share common land border
V. Main Data Sources

- Generally, many agencies of government and the private sector compile tourism statistics
  - National Statistics Office
  - National Tourism Authority
  - Central Bank
  - Immigration Authorities
  - Local Government Units
  - Transportation companies
  - Accommodation establishments
  - Tourism associations
V. Main Data Sources

• Thus, tourism statistics should be developed within the general framework of a country’s national statistical system
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V. Main Data Sources

• What tourism statistics do we need/should we collect?

- Number of travellers
- Number of travellers who qualify as visitors
- Number of domestic trips
- Number of domestic trips that qualify as tourism trips
- Expenditures of visitors based on some classifications
V. Main Data Sources

• **Major data sources: Surveys**
  
  • Household surveys (domestic tourism, outbound tourism)
  
  • Survey of inbound visitors (visitor sample survey at international airports)
  
  • MICE survey
V. Main Data Sources

- Major data sources: Surveys
  - Accommodation/Tourism establishment survey
  - General establishment survey
  - Local visitors sample survey
V. Main Data Sources

- IRTS 2008 recommends as far as possible to combine different data sources
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V. Main Data Sources

- Major data sources: Administrative-Based Data
  - Visitor arrival cards/Sea manifests (inbound tourism)
  - Departure cards (outbound tourism)
  - Records from accommodation establishments
  - Records compiled by the Central Bank (BOP)
  - Records of popular tourism destination areas
VI. Importance of Institutional Arrangements

• Typically, there are many tourism data producers in a country
• Danger of inconsistency/incomparability/poor quality of tourism statistics generated
• Danger of duplication/overlapping of efforts/ waste of precious resources
• Similar situations occur at the international level
VI. Importance of Institutional Arrangements

- Need for institutional arrangements/agreements as to who will do what, and when (both at the national and international level)
- Need for the good working relationships between the NTA and the NSO
- Need to strengthen statistical coordination
- Need to identify coordinator
- But coordination is not easy to do!
VI. Importance of Institutional Arrangements

Institutional arrangements should strive towards:

- Use of common concepts, definitions, and classification systems
- Well-organized data/metadata
- Protocols for the exchange of information among the data sources
- Joint data collection programmes to increase efficiency
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VI. Importance of Institutional Arrangements

Institutional arrangements should strive towards:

• Interagency cooperation and collaboration
• Periodic review by all agencies active in tourism statistics of their compilation and dissemination practices to ensure quality and timeliness of tourism statistics
• The NSO assessing compliance with the IRTS and providing assistance to other tourism data producers
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Thank you!
Maraming Salamat Po!