International Recommendations on Tourism Statistics (IRTS)
The provisional draft

Summary of Comments provided by NSOs
Prepared by UNSD/TSB (15 June 2007)

Explanatory note
This note is structured as follows:
1. Overall comments.
2. Comments provided organized by Chapters of IRTS.

Comments have been received from 22 countries (Austria, Belarus, Chile, Colombia, Czech Republic, Estonia, Finland, Hong Kong, Province of China, India, Italy, Latvia, Malaysia, Mexico, Mongolia, Nigeria, Panama, Poland, Romania, Saint Vincent and the Grenadines, Spain, United States of America, and Vietnam) and 2 International Organizations (International Labor Organization, World Trade Organization). Some of the comments or suggestions have been reworded or translated (from Spanish in the case of Colombia, Mexico and Panama), for editorial reasons.
1. OVERALL COMMENTS

The Ministry of Statistics and Analysis of the Republic of **Belarus** (Minstat), the **Czech Republic** Statistical Office, Statistics **Estonia**, the **United States** Bureau of Labor Statistics, the US Bureau of the Census, the US Department of Homeland Security are satisfied with the general contents of the publication, and have no additional comments or suggestions to the Provisional draft of International Recommendations on Tourism Statistics (IRTS). The framework presented in the Provisional draft appears to the Ministry of Tourism of **India** to be quite comprehensive and in sufficient details. In general terms, the Department of Statistics of **Malaysia** agrees with the new treatments in the provisional draft of IRTS. The new recommendations were incorporated with sufficient clarity. Also, according to the National Statistical Office of **Colombia**, the Provisional draft on IRTS clarifies and deepens conceptual aspects regarding tourism and the classifications used, with the purpose of homogenize and facilitate measurements based on the experiences of countries that are more developed in statistics and the Tourism Satellite Account. Colombia recognizes the advance that these new recommendations, which will be of great usefulness for the future, represent. In general, Statistics **Finland** appreciates the effort of the World Tourism Organization (UNWTO) and the United Nations Statistics Division (UNSD) in drafting updated IRTS. Finland highly respects the attempt to describe the phenomenon of tourism in a comprehensive way, in which items like tourism-related employment and measuring tourism and the environment are considered. When investigated in the same context the aim of ensuring consistency with other international standards of the domains closely linked with tourism statistics can be best reached, e.g. Balance of Payments (BOP) Statistics, Statistics on International Trade in Services and National Accounts, as well as Tourism Satellite Account (TSA). To INEGI, the National Statistical Office of **Mexico**, though the IRTS is a set of recommendations mainly oriented to the Tourism Secretariats or the organization in charge of generating tourism statistics, it is important that in this period of revision of the international manuals, the international areas that elaborate the TSA, in many cases the statistical offices, point out the chiaroscuro of the subject. The National Statistical Office of **Panama** considers that the update of basic concepts, definitions and classifications presented in the IRTS is very important, since it allows unifying criterions and clarifying doubts one could have regarding the production of tourism statistics. According to **Nigeria**, the document is good, but a uniform questionnaire needs to be designed.
Also, a handbook has to be produced to be used by member countries. After reviewing the Provisional draft on IRTS, the National Statistical Office of **Chile** notes that the draft includes more detailed description of variables such as visitors, forms of tourism, trips, expenditure, products and activities, and the services to visitors. It also appreciates clarifications of statistical requirements in the relationship between the tourism and National Account and Balance of Payments. Chile recognizes that the scope of the recommendations would allow countries, like Chile, to improve their tourism statistics at their own pace. In the Chile’s case, improvements are needed in order to include new observation units, adopt the new classifications of trips and mode of transportation. It seems important to implement surveys to collect information on expenditure and employment at the detailed level recommended, which be used in National Accounts. The Central Bank has the responsibility of National Accounts in Chile. From the point of view of the supply, the National Statistical Office of Chile (INE) publishes detailed monthly and annual information on the accommodation services. Although, INE gathers information on food serving services no estimation on the share of tourism of these establishment have been made. This is another area where improvements are needed. Measuring tourism at sub-national level is also important for countries where tourism of some region of their territory is an important activity as source of income and strategic instrument for their development. The recommendations have only a brief description of the subject. INE with the National Tourism Service at its request has had, in the past, a couple of experiences in measuring the visitors to villages or town with beaches. The surveys were directed to households which in many cases were vacation second-houses. Unfortunately, the surveys are costly and Chile has many of those locations and also ski resorts, lakes, deserts and glaciers locations where tourism at sub-national level would need to be measured. Finally, **Mongolia** highlights that contribution of the tourism sector to the total Mongolian economy is not in high, but it should be noted that it comprises approximately 0.2 percent of the GDP in 2006. Despite the low percentage share of GDP, the government of Mongolia gives high importance to develop tourism sector which will make significant contribution to the country development by implementing various projects and programs. Concrete and high quality statistical data is required for the assessment and monitoring for the implementation of those projects and programs. In Mongolia, the estimation of value added has been made regularly by involving enterprises which is engaged with tourist camp and tour operating. However, value added estimation of the sectors such as transportation, hotel and restaurants has been made separately. Statistical data on tourism sector is based on the annual data.
of income, expenditure and number of employees which is collected from the enterprises and entities engaged with the tourism activities and semi-annual data which includes the number of inbound and outbound tourists, countries, purpose of the travel for the monthly bulletin from the General Authority of Border Protection. In this data, information about domestic tourists is not included at all that means data on tourism statistic is not in line with internationally accepted standards.

GENERAL SUGGESTION FROM SPAIN

CURRENT DRAFT: SUGGESTION

Remuneration: compensation

Typical activity/output: principal activity/output

CHAPTER 1 – DEVELOPMENT AND NEEDS OF TOURISM STATISTICS

According to the National Bureau of Statistics of Nigeria (Para 1.4), the goal in addition to what the committee arrived at, should be to provided a consistent picture of both aspects of tourism of regular set of data and to know the impact of tourism to the Growth Domestic Product (GDP) of a nation.

A Background

Nigeria suggests that UNWTO send the compilation guide to each member statistical agencies to help them in the compilation of Tourism Statistics and Tourism Satellite Accounts Statistics. In
addition, efforts have to be intensified on capacity building program because Tourism statistics in many countries is relatively new. The statistical agencies in Africa need technical assistance to enable them develop this area that is growing so rapidly in most countries.

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

According to the Census and Statistics Department of **Hong Kong, Province of China**, from the viewpoint of the national accounts and balance of payments accounts compiler, supports the emphasis that the IRTS places on harmonization of the international guidelines for tourism statistics with other related international statistical guidelines, in particular the System of National Accounts (SNA) and Balance of Payments Manual (BPM). This can greatly facilitate the direct application of tourism data in the compilation of GDP and BOP statistics.

According to **Mexico**, as far as Balance of Payments is concerned, an item that requires evaluation is the consumption and tourism expenses, on one side, seen through the Tourism Statistics and, on the other side, in respect to the Manual of the Balance of Payments, Rev. 5; which should be examined in more detail, as pointed out in the document; its appraisal will be feasible after the conclusion of the revision of the Manual of the Balance of Payments, which is being modified in order to incorporate the recommendations to the SCN 1993 in 2008. In this regard it would be cautious to take into consideration the remaining time for the revision of the SCN 1883 which will be concluded in 2008; as well as the time to fulfill the Manual of the International Monetary Fund Balance of Payments. The registry of the negotiations with foreign countries aids to conceptually characterize the Balance of Payments regarding tourism.

It seems to the Statistical Office of **Saint Vincent and the Grenadines** that the new treatments to the previous 1993 recommendations are appropriate, since it allowed for further clarification of some definitions as well as taking into consideration what are the issues pertaining now with regards to tourism statistics. The efforts made to the document to make it comparable with other statistical framework- SNA, BOP and Trade in Services are timely since these framework are in the process of updating. Also, tourism statistics play an integral part in both the national accounts
to allow for compilation of TSA and in the Balance of Payments and more recently Trade in services statistics. The provision of the various classifications to be used and the compatibility are very helpful and this would allow comparison. As mentioned in the document, further clarifications would be done in a compilation guide. This guide is, from St Vincent & the Grenadines’ point of view as well as Malaysia’s point of view, very important for compliers of the statistics.

The World Trade Organization (WTO) mentioned that on page 6: 8th bullet point: Para 3.15/1, a number is missing.

C Differences with the previous 1993 Recommendations on Tourism Statistics

According to the International Labor Organization (ILO), on p. 11, line four of the first column of the table, one should read: Inclusion of employment in the tourism industries

D Content of the document

According to ILO, on p. 12, second sentence of Para. 1.41, one should read: Chapter 7 is dedicated to it and describes concepts and definitions of employment in the tourism industries, its basic categories, major classifications as well as statistical measures.

E UNWTO future implementation program on tourism statistics

According to ILO, on p. 13, first line of Para. 1.45, one should read: Besides the Compilation guide, which will be periodically updated.

According to India, the compilation guide proposed to complement the framework for implementation of final recommendations needs to give ample illustrative examples of various
situations/cases obtained under different issues and lay clear step-wise guidelines for various measurement aspects. Among others, the guidelines need to address issues related to:

1. place of usual residence [para 2.7];
2. mobility of a visitor [para 2.24];
3. timeshare arrangement [para 2.17 and also para 6.20];
4. identification of nomads/refugees [para 2.35];
5. treatment of different types of visitors under the category ‘Cruise ship passengers [para 2.52];
6. business visitors [para 2.56, pg.26];
7. treatment of the purpose of trip ‘transit’ [para 3.15, point 2.7];
8. notion of ‘secondary purpose of trip’ [para 3.19];
9. categories of duration of trip/visit/stay for overnight as well as same day trips [paras 3.26-3.28];
10. expenditure incurred by travel parties/groups [para 3.41];
11. measurement of trips and their characteristics [para 3.44];
12. valuation of tourism expenditure [para 4.20] and its measurement [para 4.35];
13. passenger transportation service from the supply perspective [para 6.33];
14. gross income of travel agencies and other reservation services agencies from the supply perspective [para 6.4.3];
15. package tour [paras 6.46-6.49];
16. measurement of supply of services of tourism industries [para 6.54];
17. clarification on different measures of employment in tourism industries obtained by expressing it in different terms [para 7.20];
18. measurement of tourism activity at sub-national level and their link to national level [para 8.39].

According to Mexico, it is important to know the Compilation Guide which is persistently mentioned in the document for those subjects that are not dealt with in depth (second homes and timeshare) regarding the tourism statistics. Even though the Compilation Guide of the Balance of Payments exists, a guide for the Tourism Statistics could be prepared. A Compilation Guide that complements the starting of these Recommendations will contribute to the clear determination of the variables to be quantified.
CHAPTER 2 – THE DEMAND PERSPECTIVE: CONCEPTS AND DEFINITIONS

A  Travel and tourism

According to WTO, more generally, it might be good to clarify Para. 2.1 and Para. 2.2 as regards the definitions of travelers and visitors, tourism being a subset of travel. WTO asks whether a clear definition of travel could be included, and whether terminology could be made consistent with the forthcoming BPM6 (travelers aren't used anymore as expression in BPM6). A table, showing links and differences between travel (both as defined in IRTS and BPM6 -- are these different?), tourism, travelers (non-residents) and visitors, might be useful. Also, when reading 2.2, one could misunderstand the text in that the difference between travel and tourism is just if the trip involves an overnight stay or not. This should be rephrased.

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

As far as terminology is concerned, WTO thinks that one should stick to BPM6, i.e. economic territory (instead of country).

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

Finland doesn’t totally agree with paragraph 2.6, dealing with country of residence. Even if in tourism statistics the country of residence of a household is defined in accordance with Balance of Payments and National accounts, there is at least one exception that does not conform to tourism statistics. In Balance of Payments, despite the length of stay in foreign economy, the country of residence of long-term students and patients remain the same as the country of residence of the
household they belong to. On the other hand, in tourism statistics the maximum length of stay is one year to all visitors, after one year’s period they are considered as residents in the country they reside.

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

According to Finland, compared to the 1993 Recommendations, in the definition of the usual environment attention is paid to a crucial modification relating to second homes. Paragraph 2.13. states that: ‘Second homes used as vacation homes are explicitly excluded from the usual environment, regardless of how close they are to the usual residence, the frequency of the visits and the length of stay, as they are visited mainly for the purpose of ‘changing surroundings’. According to this paragraph, it is not clear whether the maximum length of stay of one year concerns also stays at vacation homes. Defined in this way long stays at vacation homes will raise domestic tourism consumption expenditure on food products and other daily consumer goods, which in fact may be considered more or less as a transfer of daily consumption from one location to another. Of course, sojourns in vacation homes benefit the producers of good and service in the place where second homes are located, but at the national level domestic ‘tourism consumption expenditure’ will probably be overestimated in countries where there a lots of second homes owned by residents.

Mongolia would like to know how to reflect information about individuals who travels all the time, how can their usual environment be defined. In other words, it could be useful to include the idea of 2.35 to this section.

**B.5 Vacation homes**

The Central Statistical Office of Poland agrees with the exclusion of vacation homes from usual environment and modification in the definition of forms of tourism. The usual environment of an individual is a key concept of tourism statistics. This concept exclude from visitors those travelers commuting regular (every day or week) between this 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 centres, religious, health care or any other facilities that might be at a substantial distance away, but nevertheless are regularly and frequently visited. The second home used as vacation homes are excluded from the usual environment, regardless of the distance to the place of usual residence;

According to **Mexico**, as far as conceptual uniformity is concerned, several concepts handled in the document **Tourism Satellite Account: Recommendations on the Conceptual Framework (TSA: RCF)**, are seen molded in its development, opposite to the direct background **Recommendations on Tourism Statistics 1993**, concretely with the incorporation of the special cases, such as: the second houses (B.5 Vacation homes), the travel agencies (D.4 Travel agencies and other reservation services) and the tour operators (D.5 Tour operators). In this occasion, the need of quantifying the second houses for tourism is mentioned, without suggesting the methodology to carry it out, such as to estimate the physical units on one side, and to propose how to determine the attributed value; perhaps this will be carried out in the revision to the recommendations on the conceptual framework of the Tourism Satellite Account. To this effect, the 1993 SCN recommends the imputation of the rent of houses occupied by their owners, by pointing out that “the people who own the houses where they live treat themselves as owners of enterprises not constituted in society, which produce housing services, the same that are emancipated by the home where the owner belongs” and the measurement of these is carried out in the SCNM; that is why, in an implicit way, the quantification of the denominated Second Houses or Vacation Houses recommended in the IRTS are considered. According to the analysis of a feasibility study of the special cases pointed out by the recommendations to the conceptual framework of the Tourism Satellite Account, and of the available information in our country, it is able to carry out a measurement for the second houses in a very short time, since it will be one of the innovations to be taken into consideration in the revision that is being done for the change of base year to 2003 of the SCNM, and therefore, of the Tourism Satellite Account of Mexico. Other topics to develop are the net value of the travel agencies and the tour operators, using information of the Monthly and Annual Poll of Services done by the National Institute of Statistics, Geography and Informatics (INEGI). The shared times is a subject that has been studied very little due to conceptual matters, since it can be considered like a gross capital formation from any property modality (scripted property right, property right in rentals and stock company); however, there is a
point which is directly consumed by the visitors, since they annually make the maintenance payment.

The proposal to exclude secondary homes used for vacation from the concept of usual environment appears to the National Statistical Office of Italy like a relevant conceptual change and it will mean to increase considerably tourism flows in some countries, like Italy, especially the domestic ones. Consequently, it will mean an increase in the number of ‘events’ that will be included in tourism flows (trips/tourists as well as same-day visits/excursionists) and will need to be described (trips characteristics, visitors profile related variables, etc) in the data collection phase. From a methodological point of view, in household surveys some problems could arise in terms of burden on respondents and -consequently-quality of data collected due to the risk of lower response rate. In Italy, the usual environment concept is based on both distance and frequency criteria. Usual environment is the municipality where an individual lives and every place outside his/her own municipality visited at least once a week during a reference period. Consequently trips made in a secondary home located in the municipality where an individual lives are excluded from the tourism flows (regardless the frequency). Otherwise, on the basis of the new criteria proposed in IRTS these trips will need to be included in tourism flows but it does not make sense for two main reasons:

- same origin and destination (the trip begins in a municipality that coincides with the municipality where the place of destination is)
- there is no monetary transaction because the tourism expenditure will be within the same economic territory.

Italy highlights that in Italy, mainly in Southern regions as well as in some metropolitan areas (e.g. Rome), secondary homes for vacation are often located in the same municipality where people live. Italy suggests to exclude secondary homes used for vacation from usual environment with the exception of those ones located in the same place where the individuals live that are, therefore, part of their own usual environment.
B.6 Tourism trips and visits

The Central Statistical Bureau of Latvia found it useful that, in point 2.19, a main destination criterion is defined. It is, to its point of view, important to use the distance criterion because in Latvia there are many cases when tourists visit different countries during the trip. Previously there had been different opinions how to determine but now it is possible to apply WTO recommended methodology for international comparisons.

Malaysia remarks that, in Para 2.22, no mention is made of trip outside usual environment.

As the National Institute of Statistics of Romania recalls, a concept used in tourism statistics is the trip. 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 can be made up of various visits to different places. A trip is characterized by its main destination. The main destination of a trip represents the place which visitation is central to decision to take the trip. It will be necessary to build up a new classification of tourism related to the purposes of the trips (the information on the purpose of the trips is a key issue for characterizing tourism expenditure) breakdown in two categories: business and professional, and personal purposes. In the last category, it will be necessary to present new purposes of the trips: educations and training, shopping and transit;

Finland agrees with the recognition of the widened scope of types of accommodation where different forms of acquisition or leasehold of holiday accommodation have been taken into account. The formerly strict division into two main categories ‘collective tourism establishments’ and ‘private tourism accommodation’, adapted also in the tourism statistics of the European Union, has been experienced unapt to cover the wide range of rental tourism accommodation in Finland, especially those offered by intermediaries.

In order to identify the main destination of a trip, Italy suggests adding a third criterion. It should be used only in case the two criteria already mentioned at Para. 2.19 are not applicable. This criterion should be based on the subjective perception of the main destination, i.e. the destination mostly interesting, attracting, enchanting, etc. It is useful to identify the main destination in case of trips with many stops along a nonlinear path (e.g. cruises) for which there is neither a place
where most of the time is spent nor the farthest from the place of origin. Also, the statement ‘The stay need not to be overnight to qualify as a visit‘ in Para 2.21 is not clear; it probably needs a language revision ….‘The stay does not need to be overnight to be qualified as visit’. Finally, an incoherence seems to arise in comparing statements at point 2.21 and statement at point 3.26: at point 2.21 ‘The term visit refers to stay (overnight or same –day) in a place…’ whereas at point 3.26 it is mentioned -in brackets- the term ‘visits’ with reference to same –day trips only ‘trips or visits that do not involve an overnight have to be considered same-day trips (visits) irrespective….’ Italy suggests to delete the bracket to avoid confusion.

According to Mongolia, in paragraph 2.22, “ the term tourism trip refers to a trip for not more than twelve months”: this definition may need clarification which describes that 12 months is the total number of the different trip.

B.7 Tourism and being employed by a resident entity in the place visited

As far as WTO understands, in Para. 2.30, employees of non-resident producers and service sellers (businessmen) are included in the definition of visitors. Intra-corporate transferees are excluded (employed with resident entity). However, self-employed are not mentioned. These would have to be included similar to employees of non-resident producers. Also, there seems to be a contradiction between 2.29 and 2.30 as far as short-term workers are concerned who are excluded even so they may have contracts with non-resident entities.

According to Italy, it is not clear if short-term workers are ‘always’ excluded (due to their working status regardless the fact that the work contract is with a resident or not resident entity) or they are excluded only in case they work in an economic territory other than that of their residence. However, the exclusion of short-term workers (seasonal or others) could be difficult because it presumes a preliminary assessment about the working status of an individual in order to identify if he/she is a short-term worker. Furthermore, Italy underlines the ambiguity about the duration of a short-term contract. How long is a short-term contract? Also, the criterion of including or excluding as visitors employees based on the non residential or residential of the
paying entity is not so clear to Italy, especially if one considers that the accommodation suppliers (i.e. the respondents) would have to separate their guests according to the residential status of the employing entity. Moreover, Italy stresses that there is an ambiguity among the two previous definitions “short-term workers” and “employees of non resident producers”. The two cases could be not well distinguished (for example: when a worker, with a contract with a non-resident entity, is to be considered as short-term worker, so to be excluded as visitor, or a employee, so to be included? In the definitions “short term” is not clearly-defined).

C. **Forms of tourism**

The General Statistics Office of Vietnam remarks that, with the modification in the definition of form of tourism, domestic tourism includes the activities of resident visitors with the economy of reference either as part of a domestic or an international trip. In case a visitor from their economy arrives to the economy of reference as inbound visitor and then he/she makes to round trip in given country, is he / she considered as a domestic visitor or not?

D.1 **International visitors**

According to WTO, short-term workers are missing in figure 2.1 in other out- and inbound travelers. WTO also asks whether others unclassified are all excluded from visitors as it understands from figure 2.1. Finally, Para 3.15 seems to WTO to include some of these categories under visitors (business and professional) under the condition not stationed on duty in country visited.

D.2 **Domestic visitors**

The General Statistics Office of Vietnam made a remark concerning the distinction between the number of domestic visitors and the number of domestic trips. Under the technical manual on
domestic statistics by UNWTO, the number of visitors is counted by accommodation’s collection. Therefore, it seems that a double counting may appear if a group of visitors stays in two or more accommodations. Unlike inbound or outbound visitors, the number of visitors are identified from immigration office.

E Measuring flows of visitors

According to Malaysia, the recommendations should also give some explanation on the valuation of monetary transaction by international visitor/tourist (inbound/outbound).

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

Regarding usual environment criteria in points 2.43 and 2.44, Latvia noted that new methods are introduced for re-evaluating existing criteria allowing establish more specific requirements.

E.2 Flows of inbound visitors

According to Latvia, since 1996, there is border survey used for inbound visitor flow determination, but in future borders will not exist with European Union (EU) countries due to Schengen agreement and it will require introducing new methods in place of previous ones. Latvia is concerning if surveys done in hotels or any other accommodation can provide required information. It is a reason of seeking new ways of data collection. There is need of specific practical recommendations and experiences regarding this data collection method.

According to Romania, when one analyzes the flows of inbound tourism it is necessary to define the transit passengers: 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;

Looking at the IRTS from a GATS point of view, **WTO** is interested in receiving information on GATS mode 2 and 4-related movements. Box 2.6 defines these persons, especially for mode 4 (self-employed, employees of a foreign service supplier, intra-corporate transferees, services sellers). Here, an employee of a foreign service supplier is not employed by a resident entity but by a non-resident entity (i.e. established outside the compiling economy).

**Nigeria** needs more explanation (Para 2.52), especially on cruise ship that are in the national water overnight so the compilation guide is quite necessary for one to grab the explanations on the issues.

### E.3 Flows of outbound visitors

According to **Nigeria**, much emphasis were placed on household survey there is need here to point out that in some countries household survey questionnaires do not contain flows of out visitors. Nigeria suggests that countries should be directed to include them.

### CHAPTER 3 – THE DEMAND PERSPECTIVE: CHARACTERIZATION OF VISITOR AND TOURISM TRIPS

According to **St Vincent & the Grenadines**, the new definitions of a visitor and the different forms of tourism and the type of tourism expenditure are very useful for both compilers of tourism statistics and national accounts for the same agency and also for those if different agencies are responsible for each set of data.
A Personal characteristics of the visitor

According to Statistics Finland, the differences between the concepts of international travelers (in Balance of Payments) and inbound/outbound visitors (in tourism statistics) are not quite clearly presented under subtitle A.2. Not taking into account a few misspellings, and a wrong term in the heading of paragraph 3.15, where inside the brackets should be (associated to ‘outbound tourism’) instead of ‘inbound tourism’. The criteria to distinguish visitors from international traveler are not given enough space in this chapter. A more detailed list of the characteristics of travels to be excluded from tourism should be presented here, like the one in paragraph 3.21 relating to being excluded from visitors on the basis of employment in the country of destination.

B.1 Main purpose of a tourism trip

According to Malaysia, during the political and Non-Governmental Organization (NGO) gathering, the attendances could not be specified on the purpose of their visit whether it’s for social, business or other visits. Moreover, under the classification of the purpose of visit, is it possible to have a detailed breakdown for the category of Business and Professional.

According to WTO, Para 3.15, instead of listing out examples, could include a general definition of Business and Professional purpose (e.g. covers self-employed, employees of non-resident producers, investors, businessmen, etc. -- the examples are subcategories of these main groups). Also, WTO wonders whether it would be of use to specify the GATS mode 4 categories as an example in Para 3.18 for countries which have an interest in this information.

Italy expresses doubts about the inclusion of Health care category (Para 2.4) when the activity is based on medical advices. Problems would arise for the related expenditure as it could be difficult split the expenditure for the trip and the expenditure for health assistance, health services, etc. that –maybe- it is not properly tourism expenditure. Moreover, considering that hospitals, clinics, health and social institutions, etc are not tourist establishments, it is difficult to understand what kind of accommodation is used during these trips. Also, Italy suggests to clarify to which form of tourism (inbound, outbound, domestic) the inclusion of Transit category (Para 2.7) is applied. In our opinion ‘transit’ should not be applicable to domestic tourism flows.
In paragraph 3.15, Mongolia would like to clarifications on the differences between professional sport activities and amator sport activities /regional, continental, world championship and Olympic games. Also, in paragraph 3.15-2.1 “Holiday, leisure and recreation” Mongolia recommendeds to include “home stay”.

B.6 Types of accommodation

According to the Institute for Tourism and Leisure Studies of Austria, when assessing the impact of tourism, many countries often (have to) rely on statistics gathered from accommodation suppliers. The registration of guests at commercial accommodation establishments is relatively easy to organize, does not leave wide margins for mistakes and generates valuable information on the number of nights in such establishments, as well as, length of stay and occupancy ratios. And since practically all continental European countries are using data compiled at commercial accommodation establishments they provide a great base for comparisons in Europe. The definitions in use in this context are therefore important both from the demand and from the supply side point of view. But the recommendations the UNWTO gave in this respect in the past were unfortunately not satisfactory (see previous comment from STATISTICS AUSTRIA).

Practice has shown that the definitions proposed were too technical, too complicated and often misleading resulting in considerable statistical gaps between theory, practice and reality. Given the nature and complexity of accommodation arrangements, the insufficient instructions and the lack of practical relevance, the counting of overnight visitors based on the former distinction between "private tourism accommodations" and "collective tourism establishments" led to great discrepancies (because the term "collective" was often misinterpreted the definitions were not used as intended). In addition correctly measuring, the category "all accommodation establishments" was also not possible for many European countries, which for the most part rely solely on accommodation statistics and therefore cannot include visits to friends and relatives, visits to owned dwellings and similar in their figures. Further the "rule of thumb" considering the smallest size of accommodations to be included resulted in great differences. Since, according to paragraph 1.26, the new definitions and classifications should be of world-wide practical applicability when reviewing the classification the tourism industries needs should be taken more into consideration:
In order to improve the breakdown and meet the tourism industries needs (and resources) the classification of tourism accommodations should for example be based on the fact whether the tourism accommodation is a "commercial" establishment (i.e. paid form of accommodation), or not (as already considered but not further explained in the new recommendations - paragraph 3.33). Changing the breakdown in such way and adding meaningful and reasonable labels (including explanations) would ensure that the definitions proposed are used as intended. In addition, the issues of accommodation providers that are not organized as businesses and accommodation services provided by owners of vacation homes or home-owners and other forms of vacation property, as well as special ways of spending nights which do not require accommodation providers at all, should be addressed more precisely. Clear and unmistakable instructions need to be added on how the various definitions have to be measured.

In order to further facilitate comparison it should be recommended that the statistics always be labeled clearly in respect to the data source, the area covered, the share of hidden tourism, the smallest size of accommodations included and further information relevant for comparison.

Hong Kong supports a more elaborated classification of trips by main purpose. As visitors under different categories have different consumption patterns, the refinement would enhance the quality of the estimation of tourism expenditure.

CHAPTER 4 – THE DEMAND PERSPECTIVE: TOURISM EXPENDITURE

A Tourism expenditure

According to Romania, the “tourism expenditure” is very important, because it tries to measure tourism and its economic effects. “Tourism expenditure” refers to the acquisition of goods and services by visitors or by others, for their benefit as a monetary transaction, for the direct satisfaction of their needs during their trip and stay at destination.
Vietnam made a remark on the review of definition of tourism expenditure and tourism consumption: The tourism expenditure and its structure is defined as the demand side, but according to International Standard Industry Classification (ISIC), it is based on the supply side. Does is the total tourism expenditure equal or unequal to the turnover of units services for visitors?

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

Malaysia totally agrees on treatment of consumer goods and valuables with high unit value, which in Para 4.4 stated that those beyond the custom threshold are excluded from tourism expenditure.

**C.1 Timing**

For Para 4.10, WTO asks whether such a treatment is consistent with BPM6.

It is mentioned in Para 10.1 that goods and services acquired before or during a trip should be included because they are related to the trip. Nevertheless, some goods and services related to the trip could be paid after the trip also (e.g. cartridge extension, payment of instalments in case the trip was acquired by an instalment plan). Italy suggests to include the expenditures after the trip, if related to it of course.

**D Categories of tourism expenditure**

For the three basic forms of tourism, viz. domestic, inbound and outbound tourism, Hong Kong suggests that some guidance on the relevance of domestic tourism to small city economies like Hong Kong be provided. Also, it will be useful if an operational definition of domestic tourism (such as the minimum traveling distance from place of residence, and the necessity of staying overnight) could be provided.
Para 4.15
CURRENT DRAFT:

“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”.

SUGGESTION FROM SPAIN: phrases starting with “either...” are not necessary.

E Classification

Hong Kong supports the classification of tourism expenditure by the International Classification of Individual Consumption by Purpose, because this can greatly facilitate analysis and reconciliation of tourism consumption with personal consumption in the national accounts statistics. However, Hong Kong envisages that there would be significant operational difficulties in collecting the expenditure data under such a refined classification system. Hence, more operational guidelines should be provided on the best or recommended practices in collecting such data.

F Measuring tourism expenditure

Regarding the Para 4.27, Nigeria agrees but not totally in the sense that survey quarterly, monthly or yearly may not give us the proper expenditures of the visitors. Nigeria suggests that a questionnaire be design and kept at the entry points of each country to be filled on daily bases by the immigration, department, customs and hotels. The statistical agency of the country collects and analyze.
A Tourism expenditure and the product dimension

According to Finland, Paragraphs 5.6.-5.7. relates, besides tourism consumption, to estimates required in the compilation of Tourism Satellite Account (e.g. expenditure on tourism made by businesses, government, implicit payments by public authority, a social insurance scheme and non profit organisations). These include provision of medical care and educational services, costs of production of cultural services such as concerts, operas, use of museums and libraries, that exceed the values paid by visitors. These components are mainly used to estimate the economic impacts of tourism. Consequently, visitors are not aware of these costs and they cannot be collected in household or frontier surveys, or surveys conducted to foreign visitors at accommodation establishments. References to these components in this connection, may be rather confusing to a reader not acquainted with the TSA, as they are presented under heading of ‘The demand perspective: Tourism consumption’. The same concerns paragraph 5.8 relating to intermediate consumption of businesses due to costs on business trips of their employees. Furthermore, as regards household and frontier surveys or surveys conducted at accommodation establishments, it is often difficult for employees to know the costs employers have paid for their business trips. In the present Recommendations, no reference is made to any alternative means of acquiring information on costs of business trips to employers, for example by enterprise surveys.

Moreover, in paragraph 5.11. the reference to the treatment of valuables in Balance of Payments is no more valid. As it is stated in the Draft of Sixth Edition of BOP Manual (BPM6) in paragraph 10.78. ‘Travel excludes acquisition of valuables (such as jewelry), consumer durable goods (such as cars and electronic goods) and other consumer purchases that are included in general merchandise. If valuables, cars, computers and similar acquisitions are included in tourism consumption the deviations compared to BOP should be given here. Valuables and cars as part of tourism consumption are also referred in paragraph 5.15. (point three) and paragraph 5.20 (C.1 The timing of tourism consumption) and paragraph 5.22.
Finally, regarding paragraph 5.12. which relates to goods and services that are produced on own account, the imputation of market price for using one’s own vacation home in the Tourism Satellite Account is reasonable and in accordance with National Accounts, but in this connection it is dubious to relate consumption of vegetables and fruits grown in one’s own garden. Point two in paragraph 5.40 relates to the same management of estimating market price to services produced on own account (food, services of second homes).

D Tourism-characteristic products and activities

According to Finland, paragraph 5.40 lists market transaction for valuation of tourism consumption on which the expenditure is not available, or which are provided to visitor without pay, or which a visitor has produced on own account. However, it seems quite impossible to get information on tourism consumption on these products. For example, in the first point it is stated that purchasers’ price should include all taxes on products as well as tips. either voluntary or compulsory. How to get information on voluntary tips? Also (point two) goods and services produced on own account (for example food), are quite unrealistic to be valued by market transactions. Except the use of own vacation home that is estimated in the framework of Tourism Satellite Account, the same concerns Government and non-profit institutions serving households, and investments in tourism.

CHAPTER 6 – THE SUPPLY SIDE: CONCEPTS AND DEFINITIONS

In general, from the supply perspective, while acknowledging the difficulties in creating international comparable categories, arising from the differences and peculiarities existing in the several counties, Italy strongly recommends the use of a common classification of the typologies of accommodation in order to obtain more comparable and harmonized statistics. Also, Italy
highlights the importance that the revision of IRTS be carried out in close cooperation with other supranational organizations, namely Eurostat and OECD. As for Eurostat, a close cooperation is needed in order to make IRTS compatible and consistent with the forthcoming legal act on tourism statistics whose revision process is under way.

D.1 Accommodation services

According to Mongolia, in paragraph 6.18-6.26, ”Accomodation service”, 6.27-6.30 “Food serving service”, 6.31-6.36 “Passenger transportation service” serves to the other people except tourists. The production size estimation of these sectors is not certain in the recommendation. It is recommended to include in the recommendation.

D.4 Travel agencies and other reservation services

In a process of TSA implementation, from the Latvia’s point of view, only net valuation is used for travel agency services but, as Latvia’s Travel agency and tour operator survey does not include quantitative information, this is a fact of considering it to include. Some time ago Latvia had a sample questionnaire to travel agencies about net valuation but it did not have the acceptable results and Latvia received responses of such classification non-existence. Regarding IRTS recommendations, Latvia is planning to include new questions in its survey.

D.5 Tour operators

Para 6.48 [Package tour]

CURRENT DRAFT:

“6.48. (old 6.53) 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”.

SUGGESTION FROM SPAIN: We are not sure that there is an agreement on this aspect, neither in the new SNA nor in the new BP methodology. (Has this issue been discussed in the new SNA? We would thank specific reference for this issue).

CHAPTER 7 – EMPLOYMENT IN THE TOURISM INDUSTRIES

According to Mexico, as far as employment in the tourism industry is concerned, one of the elements that are part of the indicators in decision-taking and in the elaboration of public politics is employment, for which international concepts and classifications that could be considered as alternatives to measure this variable, are being exposed. In this sense, difficulties for employment quantification in the tourism sector stand out, given its temporality (sector seasonality) which rebounds in the eventuality of employment. In this regard, the lineaments of the International Labour Organization (ILO), as well as those of the SCN 1993 paragraph 6.18, are being taken into consideration for its international comparability. In particular, the ILO resolution: “Resolution concerning statistics of the economically active population, employment, unemployment and underemployment. Thirteenth International Conference of Labor of Statisticians. Current International Recommendations on Labor Statistics, 2000 Edition, page 24”, and the “System of National Accounts 1993”; as well as the following classifications: The Uniform International Industrial Classification, Rev. 4, the Uniform International Classification of Occupations of ILO (ISCO-88), among others. As in the two former points, the homologation of concepts, definitions and concepts related to employment that Mexico drives at carrying out, allow the Tourism Satellite Account to stay within the framework of the SCN 1993 and its new recommendations, for this reason is able to continue measuring this variable for the Mexico Tourism Satellite Account.

If it is planned to publish the IRTS in more than one colour, ILO suggests that the boxes currently shaded in grey in Figures 7.1 and 7.2 of Chapter 7 be coloured in blue.
Mongolia recommends including clarification about criteria for tourism employee.

Poland highly supports the introduction of special sections in the IRTS (chapters 7 & 8) referring to the tourism employment and linking tourism statistics with Balance of Payments and TSA concepts. This country considers as particularly important the introduction of the definition of tourism trips and visits.

C Classifications

According to Vietnam, in the panel of revision of the classification of tourism related purposes of trips, visitors are classified according to shopping purpose, so it is difficult to identify the usual environment. Moreover, they go to shopping not only for themselves but also for their families so how to measure the expenditure of them (including the total of spending for commodities or not?).

D Measuring employment

According to Nigeria, collection of data on employment through household on employment or measuring employment through household survey rather than by Tourism industries in my country will not be captured because household survey is E.A base. The best is survey of tourism industries. Also effort have to be made to integrate tourism statistics with tourism satellite accounts

CHAPTER 8 – UNDERSTANDING TOURISM IN ITS RELATIONSHIP WITH OTHER MACROECONOMIC FRAMEWORK
This chapter is seen by Nigeria as very important aspect of this document because TSA is prominent in this chapter and have to be used in comparing other macro-economic analysis. There is need for the committee to look into the areas of TSA and ESA as it affect the two.

A The TSA approach

Panama made the following recommendations on the development of the Tourism Satellite Account (TSA):

1. To encourage the public and private authorities of each country to give more importance to the implementation and elaboration of the TSA, because these results will be advantageous for the elaboration of the different public politics to develop tourism, and thereby, the national wellbeing.
2. Not to include the expenses associated to remunerated travel, be that they are paid or not paid in the country of destination, because the notion of the leisure or recreational travel would be lost.
3. To delimit some methodological aspects between the boundary of the TSA and the Balance of Payments (BOP), for cases such as expenses of receptive travelers, related to trips to the visited country and the country of origin.
4. To look for a way to finance, at least initially, some polls and basic studies, necessary to elaborate and implement the TSA of countries that do not have the required financing, and according to the explanation in paragraph 1, it is replaced (it is supplanted) by other priorities.
5. To consolidate the sending of experts from the World Tourism Organization (UNWTO) to visit the countries to help implement and elaborate the TSA.
6. To delimit tourism in macro terms, so as to adequately measure its economic relevance, which makes difficult the homogeneous comparisons between countries.

B Tourism and Balance of Payments
Para 8.10
CURRENT DRAFT:

“8.10. (old 8.11) 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”

SUGGESTION FROM SPAIN: It is necessary to introduce a fourth item: The “Other business services” item; because some data needed for the measurement of tourism expenditures are included in this B of P item.

Para. 8.15
WTO thinks that terminology should be made consistent with BPM6 (passenger transport, etc.).

Para 8.18
CURRENT DRAFT:

“The travelers which expenditure ..."

SUGGESTION FROM SPAIN: “The travelers whose expenditure ..."

Par. 8.19
CURRENT DRAFT:
"Par. 8.19 (new) 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”.

COMMENT FROM SPAIN: We are not sure that such a recommendation has been included in the last version of BPM.

C Measuring tourism at sub-national levels

Para 8.23
CURRENT DRAFT:

"8.23. (old 8.17) 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”.

SUGGESTION FROM SPAIN: a more balanced text is needed. On the other hand, in a “regional” perspective, there are some limitations from a statistical point of view: for example, tourism sampling surveys compiled at the destination region have the difficulty of defining the survey frame, which is necessary to gross up those sampling data. Close linked to the former one, another eventual problem is that estimates of tourism made from the perspective of a specific region solely, could be not compatible with data from the rest of the regions. Let us suppose a country with two regions: one a tourism exporter one; the other a tourism importer one. Regional tourism flows should be mutually compatible, because, if not, there will be a lack of reliability of tourism estimates, both for the regions and for the country as a whole. Therefore, both types of work, (to regionalize national data and to gross up and compare independent regional data) are
needed to reach a compensated view of tourism activity in a country. This is the best way to ensure statistical consistency and compatibility.

**St Vincent & the Grenadines** would like to see further deliberation on compiling tourism statistics on a sub national level and this could be done through the compilation guide. For countries such as St Vincent and the Grenadines which is a multi- island state with it’s own peculiarities, broad guidelines should be made available so if the need arises for sub national compilation then some assistance is available. Therefore chapter 8, section C is very important and maybe some more elaboration can be done in this section.

### D  Tourism and sustainability

According to **Mexico**, as far as sustainable development and tourism is concerned, the macroeconomic context mentions the National Accounts System 93 and the Tourism Satellite Account as a base for its understanding, and for the first time the relationship of the environment as a tourism object is evident. This should be welcomed and considered as a substantial advancement for statistics and the Tourism Satellite Account. The sustainable development of geographical areas with natural tourism attractions, allows the local population a better life, and to capitalists the certainty of investments in projects that could be consolidated.

### ANNEXES

The fact that the document highlighted the linkages among the various grouping of statistics, which is very useful, is very important from **St Vincent & the Grenadines**’s point of view.

According to **Vietnam**, some Annex with table forms on tourism statistics like domestic, inbound and outbound tourism tables should be added to the structure of IRTS;
According to **Mexico**, as far as International Classifications are concerned, the IRTS projects the importance of the international homogenization, using as reference the Central Products Classification (CPC, Version 2) and the Uniform International Industrial Classification (CIIU Rev. 4) by integrating a classification that is proper from the country that does the study. The annexes to the document show a list of activities and products related to tourism, which are: housing activities according to CIIU Rev.4, housing services according to CCP, Version 2, list of specific classified tourism products according to CCP Version 2, products characteristic of tourism (PCT) and its correspondence with CIIU Rev. 4, list of activities characteristic of tourism according to CIIU Rev. 4, list of products characteristic of tourism classified according to its primary tourist industry of origin. It is relevant to point out that, in this context, Mexico comes across an important phase when adopting the North America Industrial Classification System (NAICS) 2002, for its economic activities. The conceptual uniformity among manuals allows that the compilation of information be the one required for their later economic analysis. Updating international classifications to a new reality of the need for information, will allow to determine and to enlarge the variables being studied; the inconvenience lies in their future approval. The employment is an indicator which was omitted in the Recommendations of 1993, and nowadays it became important for the formulation of policies related to occupation.

**Mongolia** recommends showing the system of tourism statistics indicators, importance of the indicators estimation data resources by tables. This will provide us with an opportunity to make assessment of tourism statistics and tourism activities./.