

# **Tourism Satellite Account: Recommended Methodological Framework**

Commission of the European Communities  
Organisation for Economic Co-operation and Development  
World Tourism Organization  
United Nations



## FOREWORD

***(It will be further updated including mention to the cooperative effort of the Inter-agency Coordination Group on Tourism Statistics – IACG on TS)***

(old) The recommendations contained in the present publication represent an update of a common conceptual framework for the design of the tourism satellite account that had been initially established in 2000 by an Intersecretariat Working Group convened by the United Nations Statistics Division (UNSD), with the participation of the Statistical Office of the European Communities (EUROSTAT), the Organisation for Economic Cooperation and Development (OECD) and the World Tourism Organization (UNWTO). The updating process was undertaken by the UNWTO under the scrutiny of the Inter-agency Coordination Group on Tourism Statistics (IACG on TS), and a permanent follow-up of the process by the chief statisticians of the participating agencies.

(old) The fundamental structure of the tourism satellite account recommendations is based on the general balance existing within an economy between the demand for products generated by tourism and their supply by the tourism industries and other industries. The idea behind the construction of a tourism satellite account is to analyze in detail all the aspects of demand for goods and services which might be directly associated with the activity of visitors; to observe the operational interface with the supply of such goods and services within the same economy of reference; and to describe how this supply interacts with other economic activities. The present *Recommendations* provide a framework for constructing a tourism satellite account and more generally should permit greater internal consistency of their tourism statistics with the rest of the statistical system of the country as well as increased international comparability of these data.



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## ACKNOWLEDGEMENTS

***(It will be further updated to mention the cooperative effort of the Inter-agency Coordination Group on Tourism Statistics – IACG on TS – underlining the role of chief statisticians and technicians of the participating agencies)***

The Tourism Satellite Account: Recommended Methodological Framework is the result of considerable efforts dating from the late 1970s.

Since the end of the 1970s, France has been using the term “satellite accounts” as a way of designating those accounting practices in specific horizontal areas that are not completely identifiable in the System of National Accounts but nonetheless could be considered as “satellite sub-systems” of that System because of their conceptual proximity and the sharing of structural data. France also developed operative plans for the quantification of tourism’s economic contributions.

In 1982, the World Tourism Organization (UNWTO) entrusted José Quevedo (Spain), at that time responsible of Spain’s national accounts, with the preparation of a document illustrating how tourism could be described following the recommendations on national accounts existing at that time, the System of National Accounts, 1968. The document submitted at the fifth session of the UNWTO General Assembly held in New Delhi in 1983, 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 basic reference for most UNWTO activities in working towards the international harmonization of concepts and statistics on tourism.

The Tourism Committee of the Organisation for Economic Cooperation and Development (OECD) also worked on the advance recognition of the scope, nature and roles of tourism in the OECD economies. In the development of its Manual on Tourism Economic Accounts (TEA) in 1991, OECD examined several of the thornier problems related to the measurement of tourism.

Special mention should be made of the presentation by Statistics Canada during the International Conference on Travel and Tourism Statistics, held jointly with UNWTO in Ottawa in 1991 of a scheme to establish a credible and comparable means for assessing tourism productive activities in relation to other industries in a domestic economy, and to develop a framework for relating other relevant data these regarding tourism activities in an organized and consistent manner. The scheme was based on a project to examine the feasibility of applying the principles of satellite accounting to tourism.

## **List of abbreviations and acronyms**

<b>BOP</b>	Balance of payments
<b>BPM5</b>	Balance of Payments Manual 5
<b>BPM6</b>	Balance of Payments Manual 6
<b>CPC, Ver. 2.0</b>	Central Product Classification, Version 2.0
<b>GDP</b>	Gross domestic product
<b>COFOG</b>	Classification of the Functions of Government
<b>COICOP</b>	Classification of Individual Consumption by Purpose
<b>Eurostat</b>	Statistical Office of the European Communities
<b>FISIM</b>	Financial intermediation services indirectly measured
<b>ILO</b>	International Labour Organization
<b>IMF</b>	International Monetary Fund
<b>IRTS</b>	International Recommendations on Tourism Statistics (2008)
<b>ISIC, Rev.4</b>	International Standard Industrial Classification of all Economic Activities, Revision 4
<b>IUOTO</b>	International Union of Official Travel Organizations
<b>NPISH</b>	Non-profit institutions serving households
<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>SICTA</b>	Standard International Classification of Tourism Activities
<b>1993 SNA</b>	System of National Accounts, 1993
<b>1993 SNA Rev.1</b>	System of National Accounts, 1993 rev. 1
<b>STS</b>	System of Tourism Statistics
<b>TEA</b>	Tourism economic accounts (OECD)
<b>TSA</b>	Tourism satellite account
<b>TSA-RMF</b>	Tourism Satellite Account – Recommended Methodological Framework
<b>UNWTO</b>	United Nations World Tourism Organization



## **Chapter 1 Introduction**

### **A. Tourism statistics and tourism satellite account: an overview**

- 1.1. Tourism is a demand side phenomenon defined as the activities of travelers, taking trips outside their usual environment for less than a year for a main purpose other than being employed by a resident entity in the economy visited. These travelers are called visitors (IRTS para. 2.2.),
- 1.2. (old 1.1) Tourism is an activity which has grown substantially since World War II as an economic and social phenomenon. This situation has fostered the interest in measuring the economic contributions of tourism and in evaluating its interdependence with other social and economic activities. As a consequence, (old 1.3) a number of countries and international organizations have been involved in the development of concepts, frameworks, databases and techniques to make this measurement possible.
- 1.3. (new) To respond to this requirement, many countries developed their own tourism statistics and the UNWTO as a response to these needs and in order to foster international comparability, developed successive sets of recommendations in 1978, 1993, the latest in date being the 2008 International Recommendations on Tourism Statistics (IRTS), to which the present *Recommendations* are attached.
- 1.4. (new) The purpose of the IRTS is to provide the basic *concepts* and *definitions* concerning the different aspects of tourism such as those of same-day visitors and tourists as different from travelers; the different forms of tourism; the different purposes of visit that can be considered as tourism; the notion of tourism expenditure, and the different categories thereof according to the economy in which this expenditure occurs; the different *classifications* that can be used in the analysis of tourism; the appropriate *indicators* to measure different set of characteristics of visitors and their activities; the delimitation of the tourism industries as well as the classifications of goods and services and of productive activities that are suitable for the proper description of the tourism phenomenon from an economic point of view.
- 1.5. (old 1.4) On the basis of these recommendations, countries have been encouraged to develop their tourism statistics according to the following guidelines:
  - They should be statistical in character and be produced on a regular basis, that is, not only as one-time estimations but as ongoing statistical processes, combining the compilation of benchmark estimations with more flexible uses of indicators to enhance the usefulness of the results;

- Estimates must be based on reliable statistical sources, where visitors and producers of the goods and services they consume are both observed, using independent procedures;
  - Data should be comparable over time within the same country, comparable among countries and comparable with other fields of economic activities;
  - Data should be internally consistent and presented within macroeconomic frameworks recognized at the international level.
- 1.6. In order to go further in the analysis of tourism and its relationship with the rest of the economy, it has been decided that not only tourism statistics concepts, definitions, classifications and indicators should be consistent with National Accounts conceptual framework but also the accounting rules, accounts and tables used for that purpose. This process was developed along two main directions: first, to propose modifications to the definitions and classifications used in tourism statistics 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. The term “satellite” refer specifically to this endeavor.
- 1.7. (old 1.9) The System of National Accounts, 1993 (1993 SNA)<sup>1</sup> provides concepts, definitions, classifications, accounting rules, accounts and tables that constitute a comprehensive, integrated framework for the estimation of production, consumption, capital investment, income, stocks and flows of financial and non- financial wealth and other related economic variables.
- 1.8. (old 1.10) It includes a specific framework to represent the interface of any demand of goods and services with the supply of these goods and services within an economy called the supply and use tables that will be the reference for the description and measurement of tourism in these *Recommendations*.
- 1.9. (old 1.11) What makes tourism special is not so much what is acquired but the temporary situation in which the consumer finds himself/herself: he/she is taking a trip or visit to a place outside his/her usual environment for less than a year and for a purpose other than being employed there, and these are the characteristics that identify him/her as different from any other consumer.
- 1.10. (old 1.12) These specific characteristics of the visitor cannot be made explicit within the core of the System of National Accounts, where transactors are classified according to (relatively) permanent characteristics, one of them being their country of residence.

- 1.11. (old 1.13) In order to deal with such situations, the 1993 SNA suggests the use of so-called satellite accounts, annexed to its core, and which to a greater or lesser extent share its basic concepts, definitions, classifications, and accounting rules<sup>2</sup>.
- 1.12. (old 1.14) As a consequence, the fundamentals of the tourism satellite account (TSA) are based on the general balance existing within an economy between the demand of goods and services generated by tourism and their supply by domestic providers including imports. The idea behind the construction of the TSA is to analyze in detail all the aspects of demand for goods and services which might be associated with tourism within the economy, to establish the actual interface with the supply of such goods and services within the same economy of reference, and to describe how this supply (from domestic or imported origin) interacts with other economic activities.
- 1.13. (new) Because the IRTS (see IRTS paras. 1.22. and 1.23.) already provides a basic conceptual consistency with other statistical frameworks such as the System of National Accounts (SNA93 rev 1) and the Balance of Payments (BPM6), the *Tourism Satellite Account: Recommended Methodological Framework* (TSA-RMF) builds upon this consistency and provides an additional resource to link tourism statistics to the standard tables of the 1993 SNA from a functional perspective. As this instrument increases the consistency among the different data sources that are used, because of more stringent conditions imposed on them, it is then possible to estimate a series of variables that are required to establish more accurately the economic contributions of tourism and its links to the rest of a national economy on an annual basis.
- 1.14. This notional link between both tourism statistics international standards provide the foundations for the establishment and maintenance of a national System of Tourism Statistics (STS) (see IRTS paras. 1.28. to 1.30.).
- 1.15. (old 1.20) The complete TSA will provide:
- Macroeconomic aggregates that describe the size and the economic contributions of tourism, such as tourism gross value added and tourism gross domestic product (GDP), consistent with similar aggregates for the total economy, and for other productive activities and functional areas of interest;
  - Detailed data on tourism consumption, a new more extended concept associated with the consumption activity of visitors, and a description on how this consumption is met by domestic supply and imports, integrated within tables derived from general supply and use tables of the national accounts, both at current and constant prices;

- Detailed production accounts of the tourism industries, including data on employment, linkages with other productive activities and capital formation;
  - Basic information required for the development of models to measure the economic contributions of tourism (at the national and supranational levels), for the preparation of tourism market oriented analysis (the link between the TSA and the measurement of the economic impacts of tourism is explained in Annex 4);
  - A link between economic data and other non-monetary information on tourism, such as number of trips, duration of stay, purpose of trip, modes of transport etc.
- 1.16. The TSA is mainly descriptive in nature and does not include any measurement of the indirect and induced effects of visitor expenditure on the economic system as a whole. This means that tourism's contributions on the economy is not fully reflected in the TSA tables and must therefore be measured and analysed by other means. This can be done by TSA-based input-output tables or computable general equilibrium models which allow for comprehensive tourism impact analysis (see Annex 4).
- 1.17. (old 1.21) The TSA-RMF is to be seen from two different perspectives:
- As a new statistical tool, that adds some supplementary concepts, definitions, aggregates, classifications and tables to the IRTS, compatible with international national accounting guidelines, and provides additional elements for valid comparisons between regions, countries or groups of countries, and also makes these estimates comparable with other internationally recognized macro-economic aggregates and compilations;
  - As the framework to guide countries in the further development of their system of tourism statistics, the main objective being the completion of the TSA, which could be viewed as a synthesis of such a system.
- 1.18. (old 1.17) The design of functionally oriented satellite accounts might provide for an extension of the production boundary of the 1993 SNA, a reclassification of transactions and transactors, or both. However, in designing the TSA, a decision was made to focus, for the time being, on reclassification within the production boundary of the 1993 SNA, in order to come up with aggregate measurements for tourism comparable with other aggregate measurements compiled within the 1993 SNA conceptual framework.
- 1.19. (old 1.22) These *Recommendations* should consequently be understood as the first step in a process of methodological development whose operational character is to be a synthesis shared with national accounts. Its progressive



implementation by countries depends on the development achieved in the corresponding implementation of the 1993 SNA. When the time comes and experience has developed, it will be necessary to review the present document.

- 1.20. (old 1.23) Such changes may include implementation of new developments in relation to the proposed classifications of products and productive activities, new boundaries assigned to the productive activities attached to tourism, new fields of application (national tourism indicators, balance of payments analysis, regional and sub-annual level analysis, link between tourism and the environment), an increased scope so as to include for instance financial aspects or specific modules (employment, government revenues).
- 1.21. (old 1.24) The TSA-RMF limits the discussion in a number of areas in order to simplify the presentation of the results of complex deliberations by tourism statisticians. However, a series of Compilation Guides are to be released and permanently updated to attend specific needs of compilers and of different categories of users.
- 1.22. (old 1.25) It should be explicitly mentioned that there is no obligation for countries to produce a TSA. Rather, its compilation is to be understood as an important step in a process that aims to further develop the tourism statistics system in a country. Those countries that have implemented a TSA or have included a TSA within their system of national accounts have experienced the relevance of such instrument for statistical purposes as well as for the macroeconomic analysis of tourism.
- 1.23. (new) Finally, 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.

## **B. Historical background**

- 1.24. (old 1.26.) The *Tourism Satellite Account: Recommended Methodological Framework* is the culmination of many years of efforts by numerous institutions, countries and individuals with the objective of placing the measurement of tourism as an economic phenomenon within the mainstream of macroeconomic statistics. Its history and development is strongly related to that of tourism statistics standards (see IRTS paras. 1.5. to 1.8.) so that will only be mentioned here the special milestones that were particularly important for the TSA as such.
- 1.25. (old 1.31) 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*<sup>3</sup>. 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 general guideline for most UNWTO activities concerning the international harmonization of tourism concepts and statistics.

- 1.26. (old 1.33.) The OECD Tourism Committee worked on advance recognition of the scope, nature and roles which tourism performs in the OECD economies, and demonstrated the usefulness of such information for policy-making. Since 1985, OECD had been working on the integration of tourism within broader statistical instruments, such as the SNA. In the development of the Manual on Tourism Economic Accounts (TEA)<sup>4</sup>, OECD examined several of the thornier problems related to the measurement of tourism, including the reconciliation of supply and consumption, and the treatment of package tours.

### **B.1. 1991: The Ottawa International Conference on Travel and Tourism Statistics**

- 1.27. (old 1.27.) The International Conference on Travel and Tourism Statistics, held by the United Nations World Tourism Organization (UNWTO) in Ottawa from 24 to 28 June 1991<sup>5</sup> was the culmination of the great efforts made in the second half of the 1970s and more specifically in the 1980s, not only by international organizations (especially the United Nations, the UNWTO and the Organisation for Economic Cooperation and Development (OECD)) but also by a number of countries, among which, in addition to Canada, France deserves special mention as a pioneer in the measurement of the economic contributions of tourism.
- 1.28. (old 1.32.) Based on earlier international work on tourism statistics, the UNWTO presented a set of statistical definitions on domestic and international tourism as well as a classification of tourism productive activities, all of them related to other international statistics. Moreover, attention was drawn to the need for a system of tourism information more deeply integrated with the System of National Accounts - a tourism satellite account.
- 1.29. (old 1.34.) Special mention should be made of the presentation by Statistics Canada during this Conference of a scheme to establish a credible and comparable means for assessing tourism productive activities in relation to other industries in a domestic economy, develop a framework for relating other relevant data regarding tourism productive activities in an organized and consistent manner, and ensure a “friendly” access to the database by potential users. This scheme was the result of a project to examine the feasibility of applying the principles of satellite accounting to the tourism industry, which was part of the work of the Canadian National Task Force on Tourism Data (1984-1986). The report on the proposed tourism satellite account was released in May 1987, when the UNWTO was beginning to develop its ideas on international guidelines for a tourism satellite account.

## **B.2. 1991-1999: From the Ottawa Conference to the adoption of the 2000 Tourism Satellite Account: Recommended Methodological Framework<sup>6</sup>**

- 1.30. (old 1.35.) Since the Ottawa Conference, not only had many of the initiatives presented begun to materialize but also the number of countries developing a TSA had increased. In addition to Governments, the private sector had also developed its own initiatives among which the work developed by the World Travel and Tourism Council (WTTC), relying heavily on modeling techniques, is worth mentioning.
- 1.31. (old 1.36.) In 1994, the United Nations and the UNWTO released the Recommendations on Tourism Statistics<sup>7</sup> that comprised (a) the recommendations on tourism statistics<sup>8</sup> proposed by the UNWTO as a follow-up to the Ottawa Conference, and (b) the Standard International Classification of Tourism Activities (SICTA)<sup>9</sup>, a provisional classification to guide countries: Both of them had being previously adopted by the UN Statistical Commission at its twenty-seventh session<sup>10</sup>.
- 1.32. (old 1.37.) Within the OECD, data collection and analysis of the tourism economic accounts (TEA) started in 1991. It constituted a useful instrument for policy orientation. The OECD provided permanent guidance to member countries on how to develop comparable international accounts, using national accounting principles and adopting an integrated approach favoring linkages of tourism 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.
- 1.33. (old 1.38.) The Statistical Office of the European Communities (Eurostat) developed also programs and carried out studies on tourism statistics in the European Union. It prepared a Community methodology<sup>11</sup> on tourism statistics, compatible with the *Recommendations on Tourism Statistics*, adapted to the specific needs and context of the member States of the European Union (EU).
- 1.34. (old 1.39.) Canada stands out among the countries that have developed tourism satellite accounts during this period. In July 1994, the first results of the TSA developed by Statistics Canada<sup>12</sup> were published. Other countries, such as the Dominican Republic (which applied an initial version of this conceptual framework and later adapted it as the versions were modified), France, New Zealand, Mexico, Poland, Norway, Singapore, Sweden and the United States of America, either published their TSAs or developed a rigorous pilot exercise. The large majority are member countries of OECD that have benefited from the work carried out by the OECD Tourism Committee during these years for the development of their systems.

- 1.35. (new) In June 1999, the UNWTO convened the Enzo Paci World Conference on the Measurement of the Economic Impact of Tourism<sup>13</sup> that met in Nice (France) where the UNWTO unveiled the results of the project on which it had been working since the Ottawa Conference with the help of countries and international organizations member of the Steering Committee, and which was called the “Tourism Satellite Account (TSA): The Conceptual Framework<sup>14</sup>”. This framework was approved in principle by the Conference, which recommended its use as a platform to achieve consensus with other international organizations for a unique proposal to be submitted to the United Nations Statistical Commission (UNSC) for adoption.
- 1.36. (old 1.41.) In September 1999, a UNWTO–OECD-Eurostat intersecretariat working group was created with the object of establishing a common conceptual framework for the development of the methodological design of the TSA, in accordance with the resolutions of the Enzo Paci World Conference
- 1.37. (old 1.42.) An agreement was reached and (old 1.43.) at its thirty-first session, the UNSC endorsed<sup>15</sup> the draft document, as amended, which constitutes the content of the Recommended Methodological Framework (2000 TSA-RMF). As a result of this process, each of the organizations agreed to be now in a position to promote TSA implementation in their respective member countries.

### **B.3 From the 2000 TSA-RMF to the 2008 updated document**

- 1.38. (new) The response of countries to this new tourism statistics international standard deserves to be highlighted. In 2001, already 44 countries were involved to a certain degree in setting up a TSA. This number burgeoned to more than 70 in 2007. All parts of the world and different types of countries are involved.
- 1.39. (new) Two World Conferences coorganized by the UNWTO and the corresponding host countries, in Vancouver in 2001 and Iguazu Falls in 2005 debated on the importance for policy makers and other stakeholders of a TSA as a means to improve their knowledge of tourism in its relationship with other economic activities and thus to enhance their capabilities to take better decisions.
- 1.40. (new) During this period, the UNWTO was obtaining its membership as part of the UN system, and as part of the Coordination Committee of Statistical Activities, liaising with the other international organizations in order to foster convergence with other statistical systems and this coordination gained increasing importance.
- 1.41. (new) Most international statistical standards, to which tourism statistics and the TSA were intrinsically linked initiated their process of review: the international classifications of products (CPC) and economic activities (ISIC), the Balance of

Payments and International Investment Position Manual, the System of National Accounts, the Manual on Statistics of International Trade in Services, etc. so that the opportunity was given to participate in those updates and reviews and by the same token, update the tourism statistics standard as well as the TSA standard (see Annex 1).

- 1.42. (new) This process involved not only the Inter Agency Coordination Group on Tourism Statistics, but also the member countries, that were consulted directly through an electronic forum as well as through the UNWTO Statistical Committee meeting, the International Workshop on Tourism Statistics (July 2006) and the United Nations Expert Group meeting on Tourism Statistics that was convened by the UNSD and UNWTO in June 2007.
- 1.43. (new) The 2000 TSA represented implicitly a major revision of the 1993 *Recommendations on Tourism Statistics*, because the structural consistency with the other frameworks (principally the SNA93) compelled to use much more precise definitions in particular of the forms of tourism, types of tourism consumption and classifications of tourism products and productive activities.
- 1.44. (new) The present version is basically an update of the former one that takes into account the new *International Recommendations on Tourism Statistics* (2008), the updates of other macroeconomic related frameworks, and the experience of member countries in implementing the TSA standard. It benefited from the clarification made of the differences between tourism expenditure (a tourism statistics variable) and the more inclusive notion of tourism consumption; from the work done by tourism experts in participating in the updates of the international standards and obtaining an improvement of the international classifications of productive activities and products particularly significant for the description and analysis of tourism; from the progresses in the understanding of the relevance of tourism employment; from the increased understanding of the meaning and usefulness of the tables and of tourism aggregates.
- 1.45. The figure that follows identifies the main changes that have occurred between the 2000 TSA-RMF and the present updated document. Are not mentioned those that are the direct consequences of the changes in IRTS.

TOPICS	2000 TSA-RMF	Updated document
Analysis of tourism according to characteristics of trips and visitors	Its importance is not stressed	Although the 10 tables refer to aggregate measurements, the importance of detailed calculations and results is stressed (para. 4.2.)
Definition of visitor consumption and its various scopes	The total consumption expenditure made by a visitor or on behalf of a visitor for or during his/her trip and stay at destination	Two concepts: tourism expenditure and tourism consumption: <b>Tourism expenditure:</b> 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 wants and needs for and during their stay at destination. (paras 2.22. to 2.23.) <b>Tourism consumption</b> refers to the acquisition of goods and services by visitors or by others for their benefit for the direct satisfaction of their wants and needs for and during their stay at destination. (paras. 2.24. to 2.26.).
	Visitors final consumption in cash	Roughly similar to Tourism expenditure
	Visitors final consumption expenditure in cash and kind: tourism consumption	Roughly similar to Tourism consumption: the difference with tourism expenditure is made explicit (para. 2.26.)
Difference between an activity (a pure process of production) and an industry (a grouping of establishments)	Differences not clearly stated. Ambiguous terminology	Clear difference between Tourism industries grouping establishments which main activity is a tourism characteristic activity. and activities. (paras. 3.15. to 3.18.)
Connected industries	Included (TSA-RMF para 4.23)	Considered as a contradiction because of the definition of connected in SNA93. (para. 3.14.) Nevertheless, flexibility is introduced by means of "other country specific tourism activities" (see IRTS)
Valuables	Excluded (TSA-RMF para 2.47.)	Included when their value is under the customs threshold (consistency with BPM6 treatment) see IRTS)
Tourism single purpose consumer durables	Always included (TSA-RMF para 2.52.)	When purchased on trips, only those consumer durables which value is under the customs threshold (consistency with BPM6 treatment) are included in tourism expenditure Otherwise (before a trip or outside the context of a trip), no threshold (para. 2.39. to 2.43.)
Time sharing arrangements	Mentioned in the General Guidelines (volume 1, TD No2 para 3.76 to 3.93)	Treatment mentioned in the updated TSA:RMF (paras. 3.26. to 3.30).

<b>TOPICS</b>	<b>2000 TSA-RMF</b>	<b>Updated document</b>
The Meetings Industry	Not mentioned	Treatment recognized as part of the updated TSA-RMF (paras 3.35. to 3.45.).
Treatment of goods and margins on goods	Ambiguity as a result of lack of consensus on the treatment of goods purchased by visitors and the value added generated in their production. Margins appear in tables 1 to 6 as different products.	Retail trade activities are associated to goods purchased by visitors and those associated to tourism characteristic goods are considered as tourism characteristic (ITRS). The value added in the production of goods is not part of tourism gross value added but is to be considered within the indirect effects. (para. 4.32. and Annex 2) The treatment of transport and trade margins in the tables is similar to that of the Supply and Use tables in the 1993 SNA (a column included as element of the value of supply)
Outbound tourism consumption and the consumption of outbound visitors	Table 3 only covers outbound tourism consumption (visitor final consumption expenditure in cash)	Table 3 covers all tourism expenditure of outbound visitors, both its component within the economy of reference (part of domestic tourism expenditure) and its component outside this economy (outbound tourism expenditure) (para 4.46.)
Table 4 presents internal tourism consumption	Table 4 presents inbound tourism consumption in cash and its global adjustment	Table 4 presents internal tourism expenditure and the detail of the 4 categories of adjustments to obtain internal tourism consumption (paras. 4.48. to 4.52.).
Table 6 reconciles supply and demand	The reconciliation is not clear as all the components of demand are not included	Besides internal tourism consumption, the remaining part of demand is also presented so that total supply is equal to total demand
Table 9 shows tourism collective consumption	Tourism collective consumption is presented ambiguously according to function	Tourism collective consumption is only part of the expenditure of government in favor of tourism ( paras. 2.44. to 2.52.) Tourism collective consumption is presented according to CPC rev 2
The TSA and imputation analysis	Ambiguity on the relationship between TSA and impact analysis (para 1.19, and others)	Clarification: the TSA does not measure economic impact but provides part of the basic information needed for such measurement (annex 4)
The TSA and regional analysis	Not mentioned	The present TSA framework focuses on the national level. Experiences are presently being developed in various countries adapting the TSA to other geographical levels (Annex 6)

### **C. Content and structure of the 2008 updated Tourism Satellite Account: Recommended Methodological Framework**

- 1.46. (old 1.44) Present Chapter 1 provides a general introduction to the recommendations. It explains the particularity of the TSA as related to the other tourism statistics standard (IRTS), highlights the usefulness of the application of this new statistical instrument and presents a short history of the process leading up to the release of the present *Recommendations*.
- 1.47. (old 1.45.) Chapter 2, “The demand perspective: concepts and definitions”, summarizes most of the concepts that have been introduced in IRTS (chapter 2 to 4), and introduces the notion of tourism consumption that extends that of tourism expenditure of the IRTS. Special issues are also discussed such as tourism consumption that is also intermediate consumption of producing units in SNA 1993, services provided within households for their own benefit, housing services on own account or free of charge. Additionally the notion of tourism single purpose consumer durables is introduced.
- 1.48. (old 1.46.) The remaining paragraphs of chapter 2 specify the contents of the three components that make up total tourism demand, generated by a focus on the visitor. Internal tourism consumption is the central aggregate used to measure the extent of direct “visitor demand” within the country of reference. However, tourism demand can be imagined as a broader concept. In the present recommendations, it is suggested that tourism consumption could be complemented by other components of demand, such as tourism collective consumption and tourism gross fixed capital formation, to form an extended demand aggregate called “Total tourism demand”.
- 1.49. (old 1.47.) Chapter 3, “The supply perspective: concepts and definitions”, summarizes much of what has been said on the topic in IRTS (chapters 5 and 6). It underlines some specific aspects that will be important when setting up the tables, in particular the case of reservation services and of services associated to vacation ownership under all of its forms. It also mentions some important variables that characterize the tourism industries such as gross value added, employment and gross fixed capital formation.
- 1.50. (old 1.48.) Chapter 4, “Tables, accounts and aggregates” is the center of the TSA methodological design and includes a set of 10 tables. The tables proposed therein use a given aggregation of tourism characteristic products and industries, and are presented in their general sequence of compilation.
- 1.51. (old 1.49.) Several paragraphs in chapter 4 refer specifically to the procedure to be used in elaboration of the tables in order on the one hand to illustrate the coherence established in chapters 2 and 3 between concepts, definitions and classifications, and on the other to emphasize those aspects which are considered to be the most relevant.



- 1.52. Various annexes complement the present *Recommendations*: Annex 1 present the relationship between the Tourism Satellite Accounts and the central framework of the System of National Accounts, an important issue that is in the background of most of the conceptual decisions: Annex 2 describes the treatment of goods and of retail trade activities in the TSA, a treatment that is linked to their presentation in the Supply and Use tables of the 1993 SNA; Annex 3 presents some proposal for lists of products and codes that might be helpful: the list of tourism single purpose consumer durables, the list of tourism-specific capital goods and the CPC codes corresponding to Tourism Collective Consumption; Annex 4 provides some introductory information on the measurement of the economic impacts of tourism on the basis of a TSA, and finally Annex 5 introduces to the OECD Tourism Employment module.
- 1.53. (new) Annex 4 is an introduction to impact measurements and is completely new as compared to the previous version of the TSA. The TSA does not provide a measurement of the impacts of tourism in an economy and restricts its scope to what are usually called the direct effects. Nevertheless, it provides much of the basic information that is required to develop such types of exercises. This annex explains the differences, presents the scope of what an impact analysis is and provides some indication on how a TSA can be helpful.

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**Notes:**

<sup>1</sup> Commission of the European Communities, International Monetary Fund, Organization for Economic Cooperation and Development, United Nations and World Bank, System of National Accounts, 1993 (Brussels/Luxembourg, New York, Paris, Washington, D.C., 1993)

<sup>2</sup> See *ibid.*, chap. XXI

<sup>3</sup> *Ibid.*, Sales No. 69.XVII.3

<sup>4</sup> Paris, Organisation for Economic Cooperation and Development, 1991

<sup>5</sup> See “Resolutions of the International Conference on Travel and Tourism Statistics” (World Tourism Organization, 1991).

<sup>6</sup> United Nations Publications, Sales No E.01.XVII.9

<sup>7</sup> United Nations publications, Sales No. E.94.XVII.6

<sup>8</sup> *Ibid.*, Part One

<sup>9</sup> *Ibid.*, Part Two

<sup>10</sup> Official Records of the Economic and Social Council, Supplement No. 6 (E/1993/26), para. 154

<sup>11</sup> See Official Journal of the European Communities, No L 291 (6 December 1995)

<sup>12</sup> Look for the reference of the first TSA compiled by Canada

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<sup>13</sup> See World Tourism Organization, Measurement of the Economic Impact of Tourism (CD-ROM)

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<sup>15</sup> See Official Records of the Economic and Social Council, 2000, Supplement No. 4 (E/2000/24), para. 18

## **Chapter 2      The demand perspective: concepts and definitions**

- 2.1. (new) Travel relates to the displacement of persons between different geographic locations, for any type of purpose and for less than a year. Those who travel are usually called travelers. Travel can happen within a country or region or involve more than one country (we then speak of international travel). Travel has an economic impact mainly in the places visited by the traveler, and has become an important field of economic observation. The expenditure of international travelers outside their country of residence is the purpose of the “travel” item of the Balance of Payments
- 2.2. (old 2.1) Generally speaking, tourism is more limited than travel as it refers to specific types of trips: those that take the traveler outside his/her usual environment for less than a year and for a purpose other than being employed by a resident entity in the place visited. Individuals when taking such trips are called visitors. “Tourism” is therefore a subset of “Travel” both in an international context and in a domestic one. This distinction is crucial for the compilation of data relating to flows of travelers and of visitors and to relate tourism statistics to the Balance of Payments.
- 2.3. (new) The notion of activities mentioned in the previous paragraph encompasses all that visitors do 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. The TSA will be focusing on the economic aspects of those activities, mostly expenditure by visitors or on their behalf. Being a visitor is a transient situation, related to a specific trip. Once the trip is over, the individual loses his/her condition of being a visitor.
- 2.4. The TSA focuses mainly on the consumption activity of visitors but it is also interested in other types of transactions, such as Gross Fixed Capital Formation (see paras. 2. 53. to 2.60.) and the consumption by general government of tourism collective services, concepts that will be described later on (see paras. 2.43. to 2.51. )

### **A.      Visitors**

- 2.5. (old 2.4) The persons referred to in the definition of tourism are termed “visitors”.
- 2.6. (old 2.5) Most of the economic activities associated to visitors occur while they are outside their usual environment and have effects on local or national economies different from that of their usual environment. Nevertheless, the TSA also includes consumption activity by potential visitors in anticipation of trips (such as purchases of camping luggage or travel insurance), as well as the acquisition of some goods at any moment in time because of their almost exclusive use while traveling (see tourism single purpose consumer durables

paras. 2.38. to 2.42.) that usually happens within the usual environment. Vacation homes may also generate tourism consumption even in the absence of visitors traveling to stay there (see para.3.25.).

### **A.1. Usual environment**

- 2.7. (old 2.6 to 2.9) The concept of usual environment is defined by the IRTS, (see IRTS para. 2.10. to 2.12.) as the geographical boundaries within which an individual displaces himself/herself within his/her regular routine of life. It is fundamental to the definition of tourism and differs from that of residence, as used in the 1993 SNA and the BPM6<sup>1</sup> and from that of place of usual residence used in household statistics<sup>2</sup>.
- 2.8. (old 2.11) The notions of country of residence and place of usual residence (see IRTS 2.4. to 2.7.) are attached to households, while in tourism statistics the usual environment is a characteristic attached to individuals. Two individuals, members of the same household, necessarily have the same country of residence and place of usual residence within a country but their usual environments might differ to some extent.
- 2.9. (new) The notions of country of residence and of place of usual residence within a country are used in the context of tourism statistics, alongside with that of usual environment that determines the fact of being a visitor to a given location. In tourism statistics, visitors are classified according to their country of residence in the case of international visitors, according to their place of usual residence in the case of domestic visitors (see IRTS paras. 2.5. and 2.6.).

### **A.2. Vacation homes**

- 2.10. (old 2.14) For each household, there is a dwelling that is considered statistically as the primary home and that determines the country of residence and the place of usual residence of this household. All other dwellings (rented medium or long term or owned) occupied by a household are considered second homes (see IRTS paras. 2.13. to 2.16.).
- 2.11. According to IRTS, second homes used as vacation homes (second homes visited mainly for recreation purposes) are explicitly excluded from the usual environment, regardless of how close they are to the usual place of residence, the frequency of the visits and the length of stay, as they are visited mainly for the purpose of “changing surroundings”.
- 2.12. (old 2.17) A vacation home may be located either in the same national economy as the usual residence of the household or in a different national economy. The Balance of Payments Manual and the SNA are the reference to determine the treatment to be given to a vacation home owned in a different economy.

### **A.3. Duration of a trip/visit/stay**

- 2.13. (old 2.19) There are two classes of visitors: tourists (or overnight visitors), who stay one or more nights in the place visited; and same-day visitors (or excursionists), who do not overnight in the place visited (see IRTS paras. 3.24. to 3.29.).
- 2.14. (old 2.20) Most same-day visitors are usually domestic visitors, but there are also cases of international same-day visitors in particular in small countries or when border crossings are made easy. For some countries, consumption by same-day visitors may constitute an important component of tourism consumption.
- 2.15. (old 2.21) Persons in transit represent a specific category of travelers, related both to international and domestic travelers as well as to same-day or overnight travelers. Persons are considered as being in transit when their visit to the locality or country of reference happens on their way to another destination. They include individuals who are in transit in a country while remaining in a “transit” zone, so that they do not actually enter legally the country (a situation normally associated with visitors arriving by air), as well as travelers crossing a location or the territory of a country en route to a different destination (most notably traveling by road or rail) (see IRTS para. 2.50.). To be considered as a visitor, a traveler in transit must enter the legal and the economic territory of the country of reference.
- 2.16. (new) Yachters and cruise passengers constitute a specific category of transit visitors. All passengers on board yachts or cruise ships that enter the territorial waters of a country are considered transit visitors, whether they disembark finally from the ship, land for a short period of time and reembarc on this cruise ship or a different one (hop in, hop out system) or stay on board. As they are visitors, their expenditure is considered part of tourism expenditure (see IRTS para. 2.52.).

### **A.4. Purpose of the visit**

- 2.17. (old 2.22) Colloquially, tourists are individuals who take trips for less than a year for leisure, recreation and holidays. Nevertheless, the definitions of visitors and tourists used in tourism statistics are much broader, and include all individuals who take trips outside their current routine of life to visit a place for a purpose other than being employed by a resident entity in that place. As a consequence, a business or commercial traveler may or may not be a tourist, according to the place where he/she is deemed to be employed. In order to use information coming from Entry/Departure cards or surveys at the border, it will be necessary to inquire with some detail on the purpose of visit, particularly if the traveler indicates work or business as his/her main purpose of trip (see IRTS paras. 2.27. and 2.28.).

- 2.18. (old 2.23) Based on the main purpose of their visit, trips made by tourists and same-day visitors may be classified in the following categories (IRTS paras. 3.14. to 3.21.):
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 treatment;
    - 2.5. Religion/pilgrimages;
    - 2.6. Shopping
    - 2.7. Transit
    - 2.8. Other.
- 2.19. (new) Although, in the tables proposed in the TSA-RMF for international comparisons, the classification by purpose is not required, countries are encouraged to use such a classification in their analytical work as average daily expenditure is highly correlated with the purpose of the trip.

#### **A.5. Classification of visitors**

- 2.20. (old 2.24) For analytical purposes, countries may wish to further disaggregate and typify their markets, based on additional characteristics of visitors and their trips, either by taking each characteristic individually or (and this is much better) using cross-classification of characteristics. Visitors might be also grouped according to their main type of accommodation, main means of transport used, etc. The possibility of using these criteria will obviously depend on the availability and reliability of detailed information.
- 2.21. (old 2.25) A classification is particularly relevant that groups visitors according to their country of residence (see IRTS paras. 2.33. to 2.40.), and that separates in particular:
- **International visitors**, whose country of residence is different from the country visited; these international visitors also include nationals having their residence abroad, who may represent an important segment of the market, that some countries might wish to identify and treat separately ;
  - **Domestic visitors**, whose country of residence is the country visited; they may be nationals of this country or foreigners. They might be classified according to their place of usual residence.

## **B. Tourism expenditure and tourism consumption**

### **B.1. Definition and scope of tourism expenditure**

2.22. (old 2.28) Tourism statistics use the concept of **tourism expenditure** to associate goods and services to the consumption activity of visitors. IRTS (see IRTS para. 4.2.) defines it as follows: "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 by the visitors out of their own resources, as well as expenses related to the trip that are paid for or reimbursed by others..." Its link to that of tourism consumption is further explained as follows: "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. They will be included in the more inclusive concept of tourism consumption that will be used in the TSA".

2.23. (new) Tourism expenditure includes (see IRTS para. 4.6.):

- Monetary expenditure on goods and services (including valuables) paid by the visitor out of his/her own pocket;
- Direct expenditure by the visitor refunded by a third party, either a producer (businesses, governments and non profit institutions serving households (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 by producers, such as: subsidized transport, accommodation or other services provided by producers to their employees and their family; payment due by employees and their family to spend holidays in the holiday residences of producers; supplementary payments due by individuals invited by producers to attend sports or any other cultural events.

### **B.2. Definition and scope of tourism consumption**

2.24. (new) The concept of tourism consumption that will be used in the TSA goes beyond the restrictions imposed on tourism expenditure that relates it to transactions that correspond to a monetary outlay by the beneficiary. Besides tourism expenditure, it also includes transactions which value has to be imputed

as well as social transfers in kind. The definition is the following: **Tourism consumption** refers to the acquisition of goods and services by visitors or by others for their benefit for the direct satisfaction of their needs and wants, for and during their trips and stay at destination.

2.25. (new) Beyond acquisitions already included in tourism expenditure, it includes, for instance:

- The imputed value of barter transactions (e.g. exchange of homes for vacation purposes);
- The imputed value of provision of goods (vegetables, fruits, game, fish, etc.) on own account from the vacation home or resulting from recreation activities (hunting, fishing, etc.);
- The value of services (either market or for own final use) associated to vacation accommodation on own account (second homes for vacation purposes, and all other forms of non traditional vacation ownership);
- The value of Financial Intermediation Services Indirectly Measured (FISIM)<sup>3</sup> included in the interests paid by visitors on tourism expenditure;
- The cost for producers (businesses, governments and non profit institutions serving households (NPISH)) of expenditures by employees on business trips that do not involve a monetary disbursement by the employee (tickets directly provided, hotel bills directly paid, etc.) (see para. 2.33.);
- The net cost, for producers, of additional services provided to their employees and their family as visitors beyond those already included in tourism expenditures such as: cost of free or subsidized transportation, cost of accommodation in vacation centers, etc.
- Part of the value of what SNA93 qualifies as government consumption expenditure on individual non-market services on products such as education, social services, health, museums, recreation services, etc. that can be considered as benefiting visitors and that SNA93 describes as social transfers in kind (see SNA93 para 8.99 to 8.106.);
- The value of tourism single purpose consumer durables purchased by households outside the context of a trip (see paras. 2.39. to 2.43.).

2.26. (new) For the purpose of the setting up of the TSA-RMF framework, and its further compilation, the following characteristics need to be highlighted:



- By contrast with tourism expenditure, tourism consumption does not restrict to monetary transactions: it also encompasses barter transactions, transactions on own account (of which accommodation services provided by owner occupied vacation homes represent an important part), remuneration in kind, and other forms of transfers in kind by producers as well as transactions that are described as social transfers in kind according to the 1993 SNA (see para. 2.25.);
- The scope of expenditures made by others for the benefit of visitors is broader than what is recognized in the concept of acquisition by households or individuals of the National Accounts, as it also encompasses all expenditures made by producers that benefit their employees or their guests, even that part that the 1993 SNA considers within the intermediate consumption of these producers (see IRTS para. 2.23.);
- On the one hand, all acquisition of individual goods and services that the 1993 SNA considers as consumption goods or services can potentially be part of tourism consumption (IRTS para. 5.10.); it also includes the acquisition of valuables which value is under the customs threshold. On the other hand, tourism consumption excludes all expenditure that does not correspond to the acquisition of a good or service such as transfer payment, taxes other than taxes on goods and services included in the purchasers' price, interest, etc. (see IRTS para. 4.7.);
- The 1993 SNA considers as part of the Gross Fixed Capital Formation of households the acquisition of dwellings (main and others) as well as all major repairs attached to these assets: tourism statistics and the TSA will follow similar rules (see IRTS para. 4.5.): as a consequence, these expenditures are to be excluded from tourism consumption. Expenditures associated with the acquisition and major repairs of innovative forms of vacation ownership such as timeshare, fractionals, etc. will be the matter of specific recommendations that will be detailed in the Compilation Guide.
- Tourism consumption happens when the ownership of the good is transferred or when the service is provided to and consumed by the purchaser. This moment can be different from the moment in which the payment is made or is due; payments can happen before the acquisition (an anticipated payments), or after (use of credit cards, loans, etc.);
- Generally speaking, tourism consumption includes acquisition for and during trips: within acquisition made before a trip, tourism consumption only includes acquisition of services related to the trip itself, as well as of goods of small unit value intended to be used on the trip or brought along as gifts (see IRTS para. 4.10.): all acquisition while on trips of consumption goods and of valuables except those beyond the customs threshold and of

services are included in tourism consumption (see IRTS para. 4.11.). Additionally, tourism single purpose consumer durables acquired outside the context of a trip or for a trip are also included without restriction on their value.

### B.2.1. Categories of tourism consumption

- 2.27. (old 2.61) The venue of tourism consumption 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.
- 2.28. (old 2.61) Based on the types and categories of tourism and taking into consideration that consumption is an activity of visitors, aggregates for tourism consumption can be derived from the different forms of tourism (see IRTS paras. 4.8. to 4.20.) as follows:

<b>Domestic tourism:</b> includes the activities of resident visitors within the economy of reference either as part of a domestic or an international trip.	<b>Domestic tourism consumption:</b> is the tourism consumption of resident visitors within the economy of reference either as part of a domestic or an international trip;
<b>Inbound tourism:</b> 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);	<b>Inbound tourism consumption:</b> is the tourism consumption 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);
<b>Outbound tourism:</b> includes the activities of resident visitors taking trips outside the economy of reference either as part of a domestic or an international trip.	<b>Outbound tourism consumption:</b> is the tourism consumption of resident visitors outside the economy of reference either as part of a domestic or an international trip.
<b>Internal tourism:</b> includes the activities of both resident and non-resident visitors within the economy of reference. It is the sum of domestic tourism and inbound tourism.	<b>Internal tourism consumption:</b> is the tourism consumption of both resident and non-resident visitors within the economy of reference. It is the sum of domestic tourism consumption and inbound tourism consumption.
<b>National tourism:</b> includes the activities of resident visitors, within and outside the economy of reference. It is the sum of domestic tourism and outbound tourism.	<b>National tourism consumption:</b> is the tourism consumption of resident visitors, within and outside the economy of reference. It is the sum of domestic tourism consumption and outbound tourism consumption.

- 2.29. (old 2.67) The present *Recommendations* will restrict their scope to the activities of visitors within, entering or leaving the country of reference. The implication on a given economy of the increase in the general flows of visitors all over the world will not be considered, as long as such flows are not associated with movements of visitors within, towards or from the country of reference.

### **B.3. Special issues**

- 2.30. (old 2.68) Discussed under this heading are some special issues related to the activities of tourism that have an effect on the definition of tourism consumption. The following issues are considered: tourism consumption as an intermediate consumption of producers (business, government and non profit institutions serving households (NPISH)), services provided within a household for its own final use, services provided by owner-occupied vacation homes and tourism single purpose consumer durables.
- 2.31. (new) The Compilation Guide will provide indications on these issues, and will discuss the implications of their inclusion on the different tourism aggregates.

#### **B.3.1. Tourism consumption as an intermediate consumption of producers (business, government and NPISH)**

- 2.32. (old 2.39) The definition of visitors covers not only individuals who travel for personal reasons but some of those traveling for business purposes as well. The consumption of these visitors could be paid by businesses, by government or by NPISH. In some cases, in particular when the expenditures refer to transportation and accommodation, SNA93 considers them as part of the intermediate consumption of the producing unit that pays for them. As a consequence, this consumption does not fall within household final/actual consumption expenditure although it is part of tourism consumption as it benefits also visitors.
- 2.33. This difference is particularly important when trying to compare aggregates related to tourism consumption with household final consumption, as some components of tourism consumption are not treated in the national accounts as final consumption of any household, either resident or non resident.

#### **B.3.2. Services provided within the household for the benefit of its members**

- 2.34. (old 2.69) The concept of production used in the 1993 SNA does not include any services provided by a household for the benefit of its own members, with two exceptions: the provision of services by owner-occupied dwellings and the production of domestic services by employing paid staff. The TSA adopts these conventions, and does not consider neither as output of the household nor as consumption (or tourism consumption) a household's provision of transport services to itself (e.g., driving the family to a destination outside the usual environment of its members), or the service produced in the preparation of meals (e.g., preparing and serving meals for the family in self-catering lodging on a trip).

- 2.35. As a consequence, countries interested in valuing differently such services, in particular transportation services on own account, to facilitate the comparisons of costs with public transportation or the use of rented vehicles, are encouraged to do it in such a way that allows for the alternative of including or excluding these services for international comparability and for establishing the share of tourism in GDP (see para 4.89).
- 2.36. (old 2.70) Regarding the services rendered by one household to the visiting members of another household free of charge, in accordance with the 1993 SNA and balance of payments principles, no imputed service should be recorded. However, the increase in the consumption of the household due to the purchase of goods and services required to provide those services or the direct purchase of services for the benefit of the visitor (an invitation to a restaurant or a show) should be recorded (when feasible and when such estimations are made in the National Accounts and in the Balance of Payments of the country) as a transfer in kind, and hence as part of tourism consumption.

### **B.3.3. Housing services provided by vacation homes on own account or free of charge**

- 2.37. (old 2.71) For the sake of the homogeneity of treatment between rented dwellings and those occupied on own account, the 1993 SNA recommends imputing a housing service on own account for all dwellings occupied or used by their owners. When this occurs, the housing services are estimated, based either on the characteristics of the dwelling or, when an active and representative rental market exists, on the effective average market rental for similar units.
- 2.38. (old 2.72) This recommendation does not apply only to the main housing unit of a household but to all other housing units of its property and that it retains for its own use; thus, it also applies to vacation homes, either used on own account or provided free of charge to visitors that do not belong to the household. A housing service has to be imputed, both as a production activity for the owner and as part of tourism consumption. The service is part of tourism supply and of tourism consumption irrespective of whether the dwelling is used or not. For conceptual reasons, housing services within the main dwelling of a household provided to visitors are excluded from tourism consumption, as there is no additional output in the economy associated to this service consumed by a visitor.

### **B.3.4 Tourism single purpose consumer durables**

- 2.39. (new) Durable goods are goods that “may be used repeatedly or continuously over a period of a year or more, assuming a normal or average rate of physical usage”<sup>4</sup>. These can have any unit value, but the present analysis will focus on

those of a relatively high unit value acquired by individuals for their personal use. Usually these goods, when acquired by producers, are considered as capital goods that are to be involved in production processes as is the case of vehicles, computers, etc. When acquired by households, they are consumption goods.

- 2.40. (new) From a tourism perspective, two types of consumer durables can be identified: those used almost exclusively for tourism purposes and, those that can serve multiple purposes (that is for both tourism and non-tourism purposes). The former group can include items such as luggage, camping gear, or motor homes while the latter group can include items such as cars or cameras that can be used in the usual environment and on trips.
- 2.41. (new) Because of this difference in their intensity of use in tourism activity, a specific category of goods called tourism single-purpose consumer durables is created within consumer durables. Tourism single-purpose consumer durables are those that are used exclusively, or almost exclusively by individuals while on tourism trips.
- 2.42. (new) Additionally, because their use occurs almost exclusively during trips, it is recommended that the acquisition of tourism single-purpose consumer durables be included in tourism consumption, when the purchase occurs before the trip and even outside the context of a trip
- 2.43. (new) Because of the special treatment given to tourism single-purpose consumer durables, a list of such goods is provided (see Annex 3). However, with the existing variety in country characteristics, in terms of types of activities that individuals might undertake within their usual environment, flexibility is recommended to countries when defining their own list of single-purpose consumer durables.

### **C. Tourism collective consumption**

- 2.44. (new) Governments have two broad economic responsibilities: to provide selected goods and services to the community on a non-market basis and to redistribute income and wealth by means of implicit or explicit transfer payments.
- 2.45. (new) In the case of tourism and along these lines, general government is expected, among other things, to provide legislation and regulation regarding the way visitors should be received and served, and the rules to which visitors should abide; to act for the general promotion of tourism to the country or to a specific region; to develop the instruments that make the evaluation of the tourism policies possible; to maintain order and security so that tourism can occur; to maintain the space, that is in the public domain, etc. It also provides a

certain number of services that have already been mentioned such as education, health, cultural services at prices that are not economically significant and from which visitors might also benefit.

- 2.46. (new) Government is also expected to provide support through different types of incentives, either through the direct provision of services, using instruments to make the intervention of the private sector profitable such as development funds aimed at promoting specific tourism oriented investments, tax incentives to orient investments towards specific geographic areas or domains of activity, or even through direct physical investments in infrastructure, or the development of public enterprises in certain domain of activities such as transport, accommodation, recreation facilities, etc.
- 2.47. (new) Within the categories used in the 1993 SNA in order to analyze and describe the activities deployed by governments, production (combining inputs to obtain outputs) is viewed differently from providing subsidies or current or capital transfers (offering resource sin quid pro quo) or financing (dealing with financial assets and liabilities).
- 2.48. (old 2.77) In a TSA perspective, and for the time being, the provision of individual services on a non-market basis benefiting visitors is already covered under tourism consumption by means of the social transfers in kind. There is also interest in observing the production activity of government that corresponds to the provision of the so-called non-market collective services that have the following characteristics (1993 SNA, para. 9.83.):
- They can be delivered simultaneously to every member of the community or to particular sections of the community, such as those in a particular region or a locality;
  - The use of such services is usually passive and does not require the explicit agreement or active participation of all the individuals concerned;
  - The provision of a collective service to one individual does not reduce the amount available to others in the same community or section of the community; i.e., there is no rivalry in acquisition.
- 2.49. (old 2.79) Because of the characteristics of such services, the 1993 SNA does not assign the value of collective services to household consumption (and it thus cannot be part of tourism consumption) nor to any other transactor. A specific category is created, that of collective consumption expenditure of general government, which is not further assigned to eventual beneficiaries (1993 SNA, para. 9.75.) and constitutes the actual final consumption of general government.

- 2.50. (new) Non-market collective services also include government expenditures that benefit enterprises as much as households. They are services which benefit could be monitored, and which for that reason, are also frequently provided on a market basis as well as other services that genuinely benefit enterprises (1993 SNA para 9.88. and 9.89.) but are provided on a non market basis by governments. Nevertheless, as they are provided free of charge, the logic of the system requires them to be considered as collective (no possibility of intermediate consumption by producers of non-market output), although they are not such by nature. In the case of tourism, promotion and marketing realized by the National Tourism Authority is a good example of these categories of services that benefit mostly businesses.
- 2.51. (old 2.80) Tourism related non-market collective services can be established on the basis of the CPC and the corresponding output and consumption can be measured as well as the GDP generated in the process. Annex 3 presents a list of such products that could be considered as tourism related. The total value of the consumption of these services will be called tourism collective consumption. In the TSA in order to underline the economic importance of the actions undertaken by public authorities to create a favorable environment for the development of tourism, a specific measurement of tourism collective consumption is suggested. In addition, in the present recommendations, tourism collective consumption is considered within the broader notion of tourism demand, although the current approach to this component has an experimental character due to the lack of experience in this field. As a consequence, for the time being the estimate of this aggregate should not be used for international comparisons.
- 2.52. (new) Some of these services in particular those related to promotion provided by general government as collective non-market services might be developed, within a public-private partnership, in which the private sector provides all or part of the funds that are required. In that case, they are not considered as collective non-market services but as services provided by a market producer (which might receive a support from general government under the form of a current transfer) that is considered as an intermediate consumption of the private sector. The total value of these services will also be recorded as a memorandum item.

#### **D. Tourism gross fixed capital formation**

- 2.53. (old 2.81) The 1993 SNA defines gross fixed capital formation as the “total value of a producer’s acquisitions, less disposals, of fixed assets during the accounting period plus certain additions to the value of non-produced assets realized by the productive activity of institutional units. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly or continuously in other processes of production for more than one year” (1993 SNA, para. 10.33).

2.54. (old 2.82) The analysis of stocks and flows of physical investment is particularly important for tourism because no tourism activity is possible on a relevant scale where there is a lack of basic infrastructure in terms of accessibility, accommodation, recreation, health services, centers of interest etc., that determine, to a large extent, the nature and intensity of visitor flows. Nevertheless, the identification of capital goods whose acquisition or production is driven by the needs of visitors presents both conceptual and practical difficulties because the needs of visitors are not so radically different from that of other consumers though their relative importance might be different, the only exception being possibly short term accommodation, the possibility to access sites of specific interest for visitors or the amenities for practicing activities that usually suppose being outside one's usual environment (water or mountain related activities).

2.55. Tourism driven investment can roughly be categorized as follows:

- a) **Tourism specific fixed assets:** these are assets that because of their specific nature and design, participate exclusively or almost exclusively in the production of tourism characteristic goods and services. If tourism did not exist, such assets would be severely impacted in terms of their utility and hence their value as they could not easily be converted to non-tourism applications. Such assets are identified in the list to be found in Annex 3 and classified in broad categories, consistent with the classification of tangible produced fixed assets of the 1993 SNA; it includes for instance railways passenger coaches, cruise ships, sight seeing buses, hotels installations, convention centers, marinas, ski lifts, etc.
- b) **Investment by the tourism industries in non tourism specific fixed assets,** (other than from those identified in a.); these include for instance hotel computer systems or laundry facilities. They are considered tourism-related, not due to the nature of the assets themselves, but due to the use which is made of them, by a provider of services to visitors that belongs to the tourism industries (see para. 3.15. to 3.18.).
- c) **Infrastructure** put in place principally by the public authorities to facilitate tourism in a specific moment in time or which in fact facilitates tourism, although this has not necessarily been the primary nor the unique objective in the decision making process. In some cases, they are needed within the production process of particular tourism services although they are not necessarily economically expressed as part of this production process: There is no possibility of using an aircraft without an airport; no road transportation is possible without roads; except in some specific circumstances, a visitor will usually not stay in a place where there is no basic infrastructure in terms of provision of basic public utilities and other services such as clean water supply, sewage, electricity, telecommunications, health services, etc. Different cases are possible:



- The asset might have been produced or acquired with the purpose of being exclusively or principally used by visitors, such as the development of beach or ski sites especially oriented towards visitors but that will be put freely at the disposition of the users, so that there is no production process associated with their use;
- At the time the investment was made and decided, it might have been done with the view of its exclusive or principal use by visitors in a given moment (case of investments for a special event such as an international sports event (Olympic games, Soccer or Cricket World Cup), an important international meeting, etc.), but a later non tourism use has also been taken into consideration in approving this investment (future use of sport, transport or accommodation facilities by the usual residents; transformation of accommodation for athletes in housing projects, etc.);
- It might be directed generally to all activities, and besides, favor tourism (case of an airport open to all types of traffic, a non toll road, a hospital in an area visited by visitors) because in its absence, tourism would probably be of a lesser intensity.

2.56. Some tourism analyst would like to find a method to assign exclusively to tourism as a purpose the proportion of tourism related investment that will be actually used in the attention of visitors: in this endeavor, it would be necessary to be able to split the benefits or use of the assets over their lifetime between tourism use and non tourism use. This measurement would then be called tourism gross fixed capital formation.

2.57. (new) Because the actual tourism use of a given physical investment only can be validly measured once its economic life is over, some researchers have intended to estimate tourism gross fixed capital formation of a period (the flow of net additional fixed capital or net investment) as a function of the increase of the tourism activity of this given period.

2.58. (new) Nevertheless, usually, and when the investment is important, the decision to invest will have been taken many periods ahead, and on the basis of expected trends of demand. These trends might or might not be verified in practice so that the link between increased capital (gross fixed capital formation) and increased output that can be established ex-post has to be based on assumed capacity utilization ratios in order to wipe out the effect of possible effects of excessive supply. As a consequence, these links cannot be used to establish the total estimated value of gross fixed capital formation.

- 2.59. (old 2.84) As a consequence, the present recommendations consider only the first two perspectives: gross fixed capital formation in tourism-specific capital goods and total gross fixed capital formation by the tourism industries. No attempt is made to elaborate a criterion to allocate the rest of the investment to tourism demand.
- 2.60. (new) Finally, it must be observed that tourism gross fixed capital formation of the compiling economy only relates to those produced fixed assets owned by resident producers, and thus excludes those which operate on the economic territory but are owned by non-residents. This observation is particularly relevant in the case of mobile assets (aircrafts, trains, ferries, cruise ships, autobuses, etc.) that although important for the mobilization of international visitors, are not comprised in the concept of tourism gross fixed capital formation if not owned by residents.
- 2.61. (old 2.85) Until more discussion and research is carried out there is no proposal for a specific aggregate for tourism gross fixed capital formation for the purposes of international comparison. Any of the aggregates noted above may be of interest to countries in compiling their TSAs. Notwithstanding these measurement difficulties, the general concept of tourism gross fixed capital formation is considered within the broader notion of tourism demand.

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### **Notes**

<sup>1</sup> Washington, D.C., International Monetary Fund, March 2007 Provisional Manual 6

<sup>2</sup> International Labour Organisation: Recommendations No 59 of the Seventeenth International Conference of Labour Statisticians

<sup>3</sup> Financial intermediation services indirectly measured refer to services provided by financial intermediaries which are not charged for explicitly, but only implicitly through the difference in interest rates charged to borrowers and lenders. The 1993 SNA recommends allocating the total output of this activity as consumption among the various recipients or users of the services for which no explicit charges are made: this can be the case for visitors (see 1993 SNA, paras. 6.124.-6.131.).

<sup>4</sup> See 1993 SNA para. 9.38.

### **Chapter 3      The supply perspective: concepts and definitions**

- 3.1. (new) One of the most important features of the developments experienced by tourism statistics around the world in the last decades is the recognition of the importance of the analysis of supply to visitors in order to be able to respond to the question: how important is tourism in the economy of reference? How important is it for the different activities serving visitors? How can it be measured in a way that is consistent with the macroeconomic measurements associated to other fields of economic activity?
- 3.2. (new) In response to this increased interest, the *2008 International Recommendations on Tourism Statistics (IRTS)* presents new important developments concerning the identification of tourism specific products, of tourism characteristic products and activities, using internationally approved classifications of products (CPC rev 2.) (to be used both in the analysis of demand and of supply) and of productive activities (ISIC rev 4), and provides guidelines regarding the different variables that can be associated to tourism industries in order to evaluate their performance.
- 3.3. (new) As a consequence, chapters 5 and 6 of the *2008 International Recommendations on Tourism Statistics (IRTS)* are the basic references for classification principles of products, productive activities and industries and the collection of statistics on supply, and the present *Recommendations* will only present a summary of the main issues of specific relevance for the TSA compilation. The Compilation Guide will provide precise indications on how to implement them.

#### **A.      Tourism-specific products**

- 3.4. (old 3.8) **Tourism consumption** refers to the acquisition of goods and services by visitors or by others for their benefit for the direct satisfaction of their needs and wants, for and during their trips and stay at destination. (para 2.25.). Tourism consumption includes potentially all consumption goods and services (see 2.23), as long as their value is below the custom threshold.
- 3.5. (new) Applying loosely the 1993 SNA recommendations concerning the establishment of the list of products specific to a particular domain (SNA 1993 paras. 21.61. and 21.62.), the following categories have been defined to be used in all tourism analyses:
  - *Tourism-specific goods and services* refer to those goods and services, the acquisition of which is more relevant for the consumer as visitor than when in his/her usual environment (IRTS para. 5.10.);

- *Other goods and services* (non tourism-specific) acquired by visitors (IRTS para. 5.11.).
- 3.6. As a consequence, tourism consumption includes both tourism specific goods and services and other goods and services. The main focus of analysis will be on *tourism-specific goods and services* (IRTS para. 5.12.).
- 3.7. The list of recommended tourism-specific products is presented in IRTS Annex 3 expressed in terms of the CPC Ver.2 subclasses (5 digits) to which they belong. These subclasses should be understood as categories of products, not as elemental products. Not all products belonging to a category identified in this list are tourism-specific.
- 3.8. It is recommended that countries use this list of items 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 relevant (IRTS para. 5.20.).
- 3.9. (new) This recommendation referred to tourism expenditure: is equally relevant for tourism consumption, although an additional breakdown is proposed in order to isolate services associated to all forms of vacation property ownership (see paras. 3.21. to 3.23.)

## **B. Tourism characteristic products and activities**

- 3.10. (new) Not all tourism-specific products are equally interesting, 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 (IRTS para. 5.21.). Tourism characteristic products are a subset of the list of tourism specific products, and are products for which there is interest in studying the way they are produced.
- 3.11. (new) The selection of tourism characteristic products and that of tourism characteristic activities are linked, although not equivalent as there is not always a one to one relationship between products and the activities that produce them as typical output, because the classification of productive activities into ISIC categories consider also other criteria besides the type of output.
- 3.12. (new) IRTS specifies the criteria that have to be applied in order to determine when a tourism specific product is to be considered as tourism characteristic and the activity(ies) producing it typically are to be considered as tourism characteristic (see IRTS para. 5.22.).

- 3.13. (new) In order to reconcile country relevance and international comparability, the IRTS recommends common lists of tourism characteristic products and tourism characteristic activities (that are to be found in IRTS annexes 4 and 5 classified according to ISIC Rev. 4 and CPC ver. 2, respectively). Countries might complement them defining “country specific characteristic products” and “country specific characteristic activities” from the lists of tourism specific products and the corresponding activities producing them typically (IRTS annex 3), that would constitute in each case a special category.
- 3.14. (new) All other tourism-specific products that are not considered as tourism characteristic will be considered as connected. Because a tourism specific product is included as tourism characteristic if we are interested in the way it is produced, the system does not consider the possibility of having “tourism-connected activities”.

### **C. The tourism industries**

- 3.15. (new) Ideally, the unit of observation should be a homogeneous production unit, that is, a producing unit in which only a single productive activity is carried out. However, in practice, the statistical unit that can be observed in most industrial statistics is of the “establishment” type (or local kind of activity unit in the EU lexicon) (IRTS para. 6.4.).
- 3.16. (new) “The “establishment” is defined operationally as “an enterprise or part of an enterprise which 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, that allow the calculation of the operation surplus”” (IRTS para. 6.5.).
- 3.17. (new) In industrial statistics, establishments are classified according to their main activity that is determined by the activity that generates the most value added. The grouping of those establishments whose main activity is the same tourism characteristic activity will be called a *tourism industry*.
- 3.18. (new) Because establishments might have secondary activities, not all production of tourism characteristic products happens within tourism industries; on the other hand, tourism industries also have outputs that are non-tourism characteristic products.

## **D. Special issues**

### **D.1. Services provided within the household for the benefit of its members**

- 3.19. (old 3.33 rev) The 1993 SNA excludes from its production boundary, the production of services within the household for the benefit of its members, the only exception being the services provided by paid staff and housing services provided on own account by owned dwellings. There is therefore neither a tourism supply nor a tourism consumption of such services to be considered.

### **D.2 Housing services provided by vacation homes on own account or free of charge and other forms of vacation ownership**

#### **D.2.1 Full ownership**

- 3.20. (old 3.34) In the 1993 SNA, a housing service on own account is associated with the ownership of a dwelling occupied by its owner, both as a production activity and as the output and consumption of a specific service. This situation covers both primary and all other homes owned by household for their own use. It covers in particular vacation homes.
- 3.21. (new) The SNA includes the imputation for owner occupied dwellings as a production activity and includes it in the ISIC class 6810 *Real estate activities with own or leased property* and the product obtained and consumed in CPC subclass 72111 *Renting or leasing services involving own or leased residential property*. No specific recommendation exists in the case of fully owned vacation homes. Following the logic of the differentiation between accommodation and real estate presently followed in the setting up of ISIC rev 4. and CPC ver.2 that assigns short term accommodation to accommodation services for visitors and the rest to Real Estate services, countries are encouraged, when feasible, to assign the imputation of owner occupied second homes to ISIC class 5510 *short term accommodation activities* and CPC class 6311 *Room or unit accommodation for visitors*.
- 3.22. (new) These categories are already included in the tourism characteristic products and activities which definition had been based on tourism expenditure. Countries are encouraged to create a specific subcategory for owner occupied second home, both as a product and as an “industry” when the incidence of owner occupied second homes is relevant enough.
- 3.23. (new) The specific activity is of a peculiar kind, because the sole ownership of a second home for tourism purpose on own account generates a tourism service and an equivalent consumption: no visit by any individual to this accommodation unit is necessary to generate the service, because, as for any dwelling on own

account, the flow of the service provided depends only on the existence of the housing unit and its inherent qualities, such as location, configuration, type of construction, size and equipment installed, and not on any quality of the visitor.

- 3.24. (new) In accordance with 1993 SNA, the service provided should be estimated, either on the basis of the market, if there is a significant market for similar types of unit being rented to third parties on a short term basis (the average annual rent should then be used in order to take seasonality into account), or using operating costs, including consumption of fixed capital.
- 3.25. (new) It must be observed that, as there is a production process associated to the ownership of a vacation home, all day to day running expenses currently paid by the owner of properties rented short term should be considered as intermediate consumption of the activity, and thus are not part of tourism consumption. The Compilation Guide will provide guidance on the scope of the estimation and methods that can be used.

#### **D.2.2. Timeshares and other forms of innovative vacation home ownership**

- 3.26. (new) Lastly, there has been an increasing trend in the development of innovative forms of vacation home ownership or similar (though the ownership of a fixed assets is not always involved) that combine the privacy of an owned vacation home with the amenities, services and flexibility offered by collective accommodation as well as reduced costs concerning the periods in which the “property” is not been used by its owner. After the advent of the original timeshare system, in which what was purchased was a “right to use” a given property at a specific moment in time over its lifetime, flexibility was gradually introduced in the system, along different lines, leading to a reduction in the different conditions concerning the ownership of a specific physical asset, the lifetime of the project, or the fixity of the period of use, through the design of different types of administrative and financial constructs.
- 3.27. (new) Besides timeshare, under its different modalities as deeded interests or other types of contractual arrangements including those operating like a club in which the membership gives the right to use any of the properties of the club, or of any other affiliated system, abiding to the rules that have been established, there are also new modalities such as condo hotels, fractionals and private residence clubs, hotel residences, etc., in which there is a clear ownership of real estate, either shared with others (case of fractionals) or individually owned, but within a system that mixes ownership of the property and access to a broad array of services through the payment of specific “management” services, and even provides the possibility to put the asset in a renting system within the structure of a hotel, when not used by its owner.

- 3.28. (new) Consensus has been reached on the treatment of these innovative forms of vacation ownership within the framework of the principles of analysis of National Accounts and of Balance of Payments, a process that was particularly complex, as each specific form needs to be analyzed in details in order to establish the economic rights of the different transactors and the flows associated to these rights.
- 3.29. (new) Nevertheless, as the TSA is restricted, for the time being, to the representation of transactions that have to do with production and goods and services, a relatively homogeneous treatment can be proposed in this context:
- To the physical units that are the object of timeshare arrangements or others, is associated a flow of services, to be classified in all cases as short term accommodation (ISIC 5510 Short term accommodation activities, CPC 63113 Room or unit accommodation services for visitors in timeshare properties);
  - The valuation of the flow of services produced and consumed should be estimated on the basis of rental paid in the market for an equivalent unit;
  - Day to day running expenses including property management services and other current payments such as property taxes should be assigned as costs to the productive activity associated with the use of the property. As a consequence, the payments for management would not be assigned to the visitor as consumer but to the owner of the property or of the “right to use”.
- 3.30. (new) The Compilation Guide will provide guidance on the detailed treatment of the different transactions associated to some of the most prominent new forms of vacation ownership and countries in which this phenomenon is relevant should refer to it.

### **D.3. Travel agencies, tour operators and other providers of reservation services**

- 3.31. (new) A consensus has been achieved with other macroeconomic related frameworks (Balance of Payments, International Trade in Services, National Accounts) on the treatment to be given to reservation services: Whatever the procedure through which a travel agency (or a reservation service activity) generates its income, the total value paid by visitors for a tourism service (or any other service) purchased through their intervention will be split into 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 (IRTS para. 6.41.).



- 3.32. (new) In the case of package tours, these should be “unbundled” and the different services should be considered as purchased separately by the traveler, including that of the tour operator and that of the travel agency selling it (IRTS para. 6.49.).
- 3.33. (old 3.44) This type of treatment will usually require a transformation of the basic statistical information coming from the visitors, from travel agencies and from the activities that use them to market their products in order to generate a data set that conforms to this point of view.
- 3.34. (old 3.45.) This treatment has important consequences for the precise content of domestic tourism consumption, inbound tourism consumption and outbound tourism consumption because the country of residence of the traveler, of the travel agency or provider of reservation services, of the tour operator and of the provider of the tourism service might differ. These consequences will be described in Chapter 4, A.3. Net valuation of reservation services.

#### **D.4 The Meetings Industry**

- 3.35. (new) An increasingly important purpose for which persons travel is to attend meetings, conferences and conventions.
- 3.36. (new) Meetings, conferences and conventions are held by businesses across the spectrum of the economy. Businesses may hold them for their own employees. Membership organizations, professional organizations, political organizations may hold them for their members, educational institutions may hold them, private and public institutions may hold them for their own employees or for others, so it is an activity of any business, in any sector of the economy.
- 3.37. (new) Till recently no special attempt was made neither to isolate the phenomenon nor to estimate the revenues and costs associated with the activity of holding meetings, conferences and conventions. Organizing meetings, conferences and conventions has now become important and the number of businesses who specialize in this activity has increased. Enquiry into the activity of holding such events is of interest to tourism, because attending conferences might be considered as a tourism activity for attendants when they are outside their usual environment (see IRTS 3.15.)
- 3.38. (new) These specialized businesses render a support service to companies and to government, to professional and membership organizations and any organization that holds meetings, conferences and conventions. They also render a service to those whose facilities and services are used when conferences and conventions are held. Conferences and conventions are held in hotels with convention centers, in independent convention and congress centers and also on university campuses both during and outside the academic year.

The growth of the activity of holding conferences and conventions has also spawned the need for the technical and support services that are used to set up and conduct a conference or convention.

- 3.39. (new) It has become necessary to recognize and delineate a place for their activity in the international classifications of products and activities and to determine the nature of the services they provide and how they should be measured. The activity is now recognized as ISIC 823 *Organization of conventions and trade shows* of which 8231 is *Organization of conventions*. It is a service regarded as an administrative and support service to business. The service provided is classified as CPC 855961 *Convention assistance and organization services*. Some businesses that are covered under the general terminology of Meetings, Incentives, Conferences and Exhibitions (MICE) might also provide other specialized services and would be identified under different ISIC activities such as space rental, other types of intermediation, etc..
- 3.40. (new) All these businesses cover a great variety of different specialized activities, some of which can overlap with previously enumerated tourism characteristic activities (when they also cater directly to visitors), such as: Congress Travel agencies and Destination Management Companies, but others would belong to the newly expanded ISIC activity of Organization of Convention and Trade show e.g. Organization of Professional Congress, Convention Bureaus and yet others might belong to other ISIC categories depending on their principal activity. e.g. tourism boards, meetings information and technical specialists, meetings hotels, convention and exhibition centers, etc..
- 3.41. (new) Generally these specialized organizations perform the service of organizing conferences and conventions on a fee or contract basis for those who want to hold a conference or convention. Sometimes they might also both initiate and organize the conference.
- 3.42. (new) In the first case their income would consist of remuneration paid to them for their services by the sponsoring organization and of commissions from the suppliers of the services that they bring together. Often the overall contract price may include the total cost of some or all of the services provided as well as their own commissions and fees.
- 3.43. (new) In the case in which they both initiate and organize the meeting, their income and costs would be the same as that of any business holding a conference or convention.
- 3.44. (new) Holding a conference or convention is costly. Resources to pay for it are raised through admission or convention fees paid by participants, through contributions made by the business or organization holding the conference, through income from rental of space from display booths, through sponsorship revenues and the like. In turn these resources should cover the costs of administration, rental of space for the convention and rental of all technical

services required. Around a convention there are a number of other events that are organized, such as dinners and special tours. Participants might be asked to pay additional fees to attend these additional events.

- 3.45. (new) Because of the approach chosen to measure tourism from a demand perspective based on consumption by visitors, the meetings industry as described previously would not qualify as a tourism industry because its characteristic output is not mostly consumed by visitors but by the conveners of conferences and conventions which are those that provide services to visitors coming to attend the conferences, conventions, etc.

## **E. Variables characterizing the tourism industries**

### **E.1. The Gross Value added**

- 3.46. (old 3.55) As for all economic activities within the conceptual framework of the 1993 SNA, the functioning of the tourism industries in the sphere of production are best described by a set of tables showing the product composition of the outputs, the product composition of the inputs and the remuneration to the factors of production.
- 3.47. (old 3.56) The economic contribution of a productive activity is usually measured by its value added, a measurement which ensures that there is no duplication when different productive activities are compared and aggregated and is grossly independent of the institutional organization of the production processes. The 1993 SNA defines:
- Gross value added as the value of output less the value of intermediate consumption;
  - Net value added as gross value added less consumption of fixed capital (that represents the decline in the value of the produced assets used in the production process as a result of this process).
- 3.48. (old 3.57) Since value added is intended to measure the additional value created by a process of production, it ought to be measured net because the consumption of fixed capital is a cost of production. However, consumption of fixed capital can be difficult to measure in practice, and it may not always be possible to make a satisfactory estimate of its value and hence of net value added (1993 SNA, paras. 6.4. and 6.5.). The present *Recommendations* adopt the gross measurement of value added.
- 3.49. (old 3.58) Value added is a measurement that is related to a production process taken as a whole -that is, a combination of inputs, capital goods, labor and technology- in order to obtain a combination of outputs. It does not represent

goods or services produced but is a measurement of the income generated in the process. Two alternative views of value added as it relates to tourism can be identified:

- Most simply, the gross value added of the tourism industries can be estimated as the sum of the gross value added of each tourism characteristic industry;
- Alternatively, as the TSA establishes a direct link between the demand for goods and services by visitors and their supply by domestic producers, it is possible to establish, in each case, the gross value added generated by the producers as they serve the visitor. The process for undertaking this estimation is considered in more detail in chapter 4.

## **E.2. Employment**

- 3.50. (old 3.59.) Employment is a variable of major importance in the economic analysis of productive activities, and this is also the case for tourism. In general, tourism characteristic activities such as accommodation services, food serving services, recreation services, etc. are relatively labor-intensive, and often employ persons with low level of qualification. There are thus many expectations surrounding the effect of the development of tourism on a country's employment situation as well as on the individuals' derived income.
- 3.51. (old 3.60.) Besides its labor intensity and use of low qualified manpower, the tourism industries present additional peculiarities that have to be taken into consideration where employment is concerned. In many instances, the flow of visitors, particularly in the case of inbound tourism, is not evenly spread over the year. As a consequence, employment in these industries will fluctuate seasonally and often with a higher intensity than elsewhere.
- 3.52. (old 3.61.) The above underlines the importance of measuring employment using a variety of indicators that are complementary and which may not have a similar impact on other activities, including measures such as the number of jobs, full-time equivalent employment and total hours worked (1993 SNA, paras. 17.4.-17.18.) related to a year and/or shorter time periods. Complementarity and consistency among measures of compensation of employees and other measures of employment are also important considerations.
- 3.53. Chapter 7 of the IRTS describes concepts, definitions and basic categories of employment in the tourism industries from statistical rather than an SNA perspective, including variables used in the TSA (Table 7). It also provides an insight into a broader range of indicators on tourism characteristic activities which could eventually be incorporated into the TSA within an expanded employment data integration framework.

- 3.54. In order to improve data collection and analysis in an important area of tourism statistics such as employment, the ILO and the UNWTO have signed an agreement geared towards enhancing production of comprehensive sets of data and relevant statistical indicators to facilitate the international comparability of employment statistics covering tourism characteristic activities in general and the tourism industries in particular.

### **E.3. Gross fixed capital formation**

- 3.55. Gross fixed capital formation is an important component of the description and analysis of the tourism industries. It is relevant to add that, from an industry perspective, not only is gross fixed capital formation an important variable but transactions in non-produced non-financial assets (such as land) and in non-produced intangible assets (such as landing rights or trade mark rights) may also be important in a broader analysis of tourism. These considerations are mentioned in the present recommendations (see 2.52. to 2.60.) but are not given any priority since their links within the TSA has not been widely debated to date.
- 3.56. Gross fixed capital formation of the tourism industries is one of the different perspectives already mentioned in relation to tourism gross fixed capital formation, (see para. 2.53. above): it includes both the gross fixed capital formation of the tourism industries in tourism specific assets and this gross fixed capital formation in other assets, not considered as tourism specific. It is included in table 8 of the TSA (see para. 4.78. below).

## **Chapter 4      Tables, accounts and aggregates**

- 4.1. (old 4.2) The 10 tables which comprise the tourism satellite account are derived from or related to the supply and use tables of the 1993 SNA. They are at the centre of international comparisons of the economic contribution of tourism between economies and of the process of reconciliation of the most relevant economic information related to tourism.
- 4.2. (new) The tables that are proposed here are aggregate tables and are aiming at promoting homogeneity among countries: Individual countries should obtain these tables by aggregation of much more detailed ones, in which, for instance, visitors are classified according to country of residence, purpose of trip, modes of transport, types of accommodation, etc. in a way that allows analysis and contrast of their patterns and levels of consumption.
- 4.3. (old 4.3) The proposed tables, accounts and main aggregates should be developed in two separate stages since most countries will not be able to compile all tables at a time.
- 4.4. (old 4.4) In the first stage, the aim is to compile tables 1, 2, 3, 4, 5, 6 and 10. This is the minimal set of tables required to speak of a system of satellite accounts since accounts that concentrate solely on tourism consumption (tables 1 to 4) or solely on the supply by tourism industries and other industries (table 5) do not qualify as tourism satellite accounts. At a minimum, the TSA must include a detailed presentation of supply and consumption, in terms of goods and services acquired by visitors and of the activities that produce them, as well as an overall confrontation of their corresponding aggregates, which constitute the core of the TSA system.
- 4.5. (old 4.5) Because of the frequent strategic importance of tourism in the development of an employment policy, table 7, employment in the tourism industries, also forms part of the central core of the system.
- 4.6. (old 4.6) In contrast, the compilation of tables 8 (Tourism gross fixed capital formation of tourism industries and other industries) and 9 (Tourism collective consumption, by products and levels of government) requires not only the gathering of data that most countries do not currently have but also the overcoming of many conceptual difficulties as well. As a consequence, the compilation of tables 8 and 9 should only be considered in a further stage of advance of the compilation of a TSA.
- 4.7. (new) Table 10 is also an integral part of the core of the TSA, as tourism economic variables cannot be analyzed separately from the flows of visitors, and other characteristics.

- 4.8. (old 4.7) The 10 tables are illustrative for future compilers of the work to be undertaken, and should be considered as a guide for users to the analytical possibilities available to them. In any case, the dissemination by the UNWTO of the results obtained in member countries that have developed the TSA is based on the data that can be derived from those tables.
- 4.9. (old 4.8) For all tables, both for those elaborated in the first stage and for those corresponding to the second stage, the presentation of results should always be accompanied by clear references to the precise coverage of variables and the methodology used in their estimation.
- 4.10. (old 4.9) The recommended valuation principles are the same as those of the 1993 SNA, that is, production should be valued at basic prices and consumption and use at purchasers' prices. As far as time of recording is concerned, the TSA principles are similar to those of the 1993 SNA and of the Balance of Payments Manual 6, that is, on an accrual basis and not on a cash or "due for payment" basis: this point is particularly important when observing expenditure by visitors that will often report their expenditure within a cash perspective.
- 4.11. (old 4.10) In practice, the valuation and time of recording methods have to be consistent with those used in the general national accounts of the country compiling the TSA. Therefore, depending on individual country practices the methods used may not be identical to the recommendations of the 1993 SNA or to the present *Recommendations*. Consequently, for the purposes of international comparison it is important that the methods of valuation and time of recording are understood by TSA compilers and are reported when disseminating data or methodology.

## **A. Tables and accounts**

### **A.1. General observation**

- 4.12. (old 4.11) The formal differences between the TSA tables and the supply and use tables of the 1993 SNA are mainly due to differences in presentation rather than differences in concept. Consequently, developing a country's TSA requires from the compiler not only a basic set of direct data-collection procedures regarding tourism data but also a transformation and partitioning of the information already existing in the supply and use tables of a country (or used in their compilation) into the tourism orientation embodied in the TSA.
- 4.13. (old 4.12) This process consists of:
- The extraction of data on tourism-specific products and tourism industries from the databases used for the elaboration of make and use matrices of national accounts or the completion of the existing data if the detail that is available is not sufficient;

- (old 4.16) The valuation of reservation services (provided by travel agencies, tour operators and others) in a net form. This requirement derives from the need for a consistent treatment between tourism services acquired directly by visitors and services of the same type acquired through these service providers. This recommendation is similar to that to be found in BPM6 and 1993 SNA rev.1. Subchapter A.3. Net valuation of reservation services will highlight the consequences of such a treatment for the contents and values of the different categories of tourism consumption.
- (new) A dual classification of producers tourism expenses, both as a component of tourism consumption where the balance between supply and use is concerned, and as a cost of production of productive activities when describing these production processes and establishing tourism gross value added and tourism gross domestic product. This dual classification represents a difference between the TSA and the SNA93 approach, as the latter requires a unique classification of transactions in the whole system.

4.14. (old 4.15) Data presented using these transformations will be considered as following the net valuation recording principle.

## A.2. Classifications used

4.15. (old 4.21) In view of the international comparability of data in tables 1 to 7 and 10 (the basic set of tables), the present recommendations refer to the lists of products and activities considered as tourism-characteristics, that have been described in IRTS chapter VI and which lists are proposed in annexes 4 and 5 of IRTS according to ISIC Rev. 4 and CPC ver. 2, respectively. Countries are encouraged to use at least this breakdown, although some might find it useful and meaningful to use more detailed classifications.

### (a) Products

4.16. (old 4.22) Products are classified in three types and are grouped into two different categories: *tourism-specific products* (characteristic and connected) and *other products* (non tourism-specific) all those which are considered of no major direct tourism interest. IRTS Annex .

### (b) Productive units

4.17. (old 4.23) Regarding productive units, the statistical unit used is the establishment that are classified in different types of industries characterized by their main activity. Regarding tourism, they are grouped into two different categories: the *tourism industries* and *other industries* (see para. 3.13. above).



Tourism industries are grouped in 12 categories, in correspondence with the categories identified for products, each of them constituting the main activities of origin of the products identified and classified above.

(c) *List of tourism characteristic products and tourism industries*

4.18. (old 4.25) The proposed lists of tourism characteristic products and tourism industries that are recommended for the development of the basic set of tables is to be found in figures 4.1 and 4.2. In the case of accommodation services it is recommended to separate those services and activities relating to all forms of vacation home ownership, both from a product perspective and from an industry perspective from the rest of the corresponding categories (see paras. 3.20. to 3.22.).

<p align="center"><b>Figure 4.1.</b> <b>List of tourism characteristic products</b></p>	<p align="center"><b>Figure 4.2.</b> <b>List of tourism industries</b></p>
<p align="center"><b>Products description</b></p>	<p align="center"><b>Industries description</b></p>
<p>1. Accommodation services for visitors 1.a Hotels and other accommodation services for visitors except that included in 1.b 1.b Accommodation services associated with all forms of vacation home ownership</p>	<p>1. Accommodation for visitors 1.a Accommodation for visitors except that included in 1.b 1.b. Accommodation for visitors associated with all forms of vacation home ownership</p>
<p>2. Restaurants and similar services</p>	<p>2. Restaurants and similar</p>
<p>3. Railway passenger transport services</p>	<p>3. Railway passenger transport</p>
<p>4. Road passenger transport services</p>	<p>4. Road passenger transport</p>
<p>5. Water passenger transport services</p>	<p>5. Water passenger transport</p>
<p>6. Air passenger transport services</p>	<p>6. Air passenger transport</p>
<p>7. Transport equipment rental</p>	<p>7. Transport equipment rental</p>
<p>8. Travel agencies and similar</p>	<p>8. Travel agencies and similar</p>
<p>9. Cultural services</p>	<p>9. Cultural services</p>
<p>10. Sports and recreational services</p>	<p>10. Sports and recreational services</p>
<p>11. Tourism characteristic goods</p>	<p>11. Retail trade of tourism characteristic goods</p>
<p>12. Other country specific characteristic products</p>	<p>12. Other country specific characteristic industries</p>

### **A.3. Net valuation of reservation services**

- 4.19. (old 4.13) Of the three transformations of basic information that have been mentioned, two of them (different classifications for products and industries and dual classification of producers tourism expenses) have only a formal effect on the standard national accounts tables. This means that breakdowns by products and industries of totals are modified but not the total values themselves. However, this is not the case for the net valuation of reservations services, which have implications for the values and classifications of flows within the different categories of tourism consumption. It is thus necessary to give a more thorough description of these implications. The case of tour operators and package tours will be presented first and the case of other reservation services, secondly.

#### **A.3.1. Net valuation of package tours**

- 4.20. (new) The net valuation of package tours is based on the principle that all services bundled together in a package and bought under this form from a tour operator are deemed to be consumed separately by the purchaser of the package, including the services of the tour operator and that of the travel agency that makes this package available to consumers.

- 4.21. (old 4.16) This treatment has the following consequences for the measurement of tourism consumption:

- (a) *Case of a resident visitor, intending to take a trip within the economy of reference and purchasing a package tour produced by a resident tour operator directly or through a resident travel agency.*

In this case, the package tour is purchased by a resident from a resident provider (the tour operator) who, himself has also usually purchased the services sold in package from residents. The breakdown of the package has no consequence for the total value assigned to domestic tourism consumption as all its individual components are part of domestic tourism consumption.

- (b) *Case of a resident visitor, intending to take a trip outside the economy of reference, and purchasing a package tour produced by a resident tour operator directly or through a resident travel agency.*

In a gross system of valuation this expenditure as a whole is part of domestic tourism consumption (a resident/resident transaction). Nevertheless, within a net system of valuation two different situations have to be considered:

- Some services (international transportation: transportation within the country of origin, accommodation and other services within the country of origin before departure abroad and after returning to the country) within the package are provided by resident producers. These expenses, along with the service of the tour operator and that of the travel agency that sold it, are assigned to domestic tourism consumption (resident/resident transactions) and are broken down into their product components;
  - Some services within the package are provided by non-resident producers that might be resident of the country visited or of any other country (case of international transportation for instance). These services are part of outbound tourism consumption for the country of reference;
- (c) *Case of a resident visitor, intending to take a trip outside the economic territory of the country of reference, purchasing a package tour produced by a non-resident tour operator directly outside the country or through a resident travel agency,*

In a gross system of valuation the value of the expenditure is considered as a whole as part of outbound tourism consumption (a resident/non resident transaction). Nevertheless, in a net system of valuation two different situations have again to be considered:

- Some services within the package are provided by resident producers. These expenses, along with the (eventual) service of the travel agency, are assigned to domestic tourism consumption (resident/resident transactions) and are broken down into their product components;
  - Some services within the package are provided by non-resident producers. These services, along with that of the tour operator, are part of outbound tourism consumption;
- (d) *Case of a non-resident visitor, intending to take a trip to the country of reference, purchasing a package tour produced in his/her country of origin directly or through a travel agency before departure in his place of origin,*

In a gross system of valuation, two different situations might occur, whether the tour operator is resident or non-resident in the country of reference (country visited). After observing that the service proper to the travel agency itself is outside the scope of the TSA from the point of view of the country of reference (a transaction between two non-residents), if the tour operator is a non-resident then nothing is reported in the TSA, but if the tour operator is a resident of the country of reference then the total

amount of its sale is recorded as inbound tourism consumption in a gross system of valuation. Within a net system of reporting, the analysis is somewhat more complex:

- The services (including eventually that of the tour operator) sold through the package provided by producers that are resident in the country of reference are to be considered within inbound tourism consumption (a purchase in the economy by a non-resident visitor: a resident/non-resident transaction);
- The services (including eventually that of the tour operator) sold through the package provided by producers that are non-resident in the country of reference are outside the scope of the TSA since they refer to services provided by non-residents to a non-resident.

4.22. (old 4.17) As a consequence of these adjustments, not only is the breakdown by products modified by the net valuation system but the global value of domestic tourism consumption, outbound tourism consumption and inbound tourism consumption are also modified; this is because of the difference of residence between tour operators producing and selling package tours and the tourism services that they (implicitly) retail. Figure 4.3. summarizes the findings.

**Figure 4.3.**

**Summary presentation of the aggregate effects of using a net valuation of package tours on domestic tourism consumption, outbound tourism consumption and inbound tourism consumption**

Characteristics of the visitor	Residence of the tour operator	Classification in a gross valuation of package tours	Classification in a net valuation of package tours
Resident visitor intending to take a trip within the country of reference	The country of reference	The package, as an aggregated product, is part of <b>Domestic Tourism Consumption;</b>	All the components of the package, including the service of the tour operator, are part of <b>Domestic Tourism Consumption;</b>
Resident visitor intending to take a trip outside the country of reference	The country of reference	The package, as an aggregated product, is part of <b>Domestic Tourism Consumption;</b>	The domestically produced components, including the services of the tour operator and of the travel agency which sold the package are part of <b>Domestic Tourism Consumption;</b> The other non domestically produced components are part of <b>Outbound Tourism Consumption;</b>

Characteristics of the visitor	Residence of the tour operator	Classification in a gross valuation of package tours	Classification in a net valuation of package tours
Resident visitor intending to take a trip outside the country of reference	Other than the country of reference	The package, as an aggregated product, is part of <b>Outbound Tourism Consumption</b> ;	The domestically produced components, including the services of the travel agency which sold the package are part of <b>Domestic Tourism Consumption</b> ; The other non domestically produced components, including the service of the tour operator are part of <b>Outbound Tourism Consumption</b> ;
Non resident visitor intending to take a trip within the country of reference	The country of reference	The package, as an aggregated product, is part of <b>Inbound Tourism Consumption</b>	The domestically produced components, including the services of the tour operator are part of <b>Inbound Tourism Consumption</b> ; The other non-domestically produced components, including the services of the travel agency which sold the package <b>are excluded</b> from the measurement concerning the country of reference;
Non resident visitor intending to take a trip to the country of reference	Other than the country of reference	The package, as an aggregated product, is excluded from the measurement concerning the country of reference;	The domestically produced components, are part of <b>Inbound Tourism Consumption</b> ; The other non domestically produced components, including the service of the tour operator and the services of the travel agency which sold the package <b>are excluded</b> from the measurement concerning the country of reference;

### A.3.2. Net valuation of other reservation services

4.23. (old 4.18) The net valuation that results from the extraction of the value of the reservation services from the costs of the services in which they are embedded have the following consequences:

- (a) In the case of a resident visitor, taking a trip within the economy of reference, this breakdown has no consequence for the total value assigned to tourism consumption: its only effect is a different product breakdown of domestic tourism consumption as a reservation service and the specific service that was purchased;
- (b) In the case of a resident visitor, taking a trip outside the economy of reference and who purchases a service before departure through a travel agency or other reservation services provider in his/her country of residence, two different cases have to be considered:
  - The service sold is provided by a resident producer. In this case, dividing the value paid by visitors between the value of the service and the value of the reservation service still consists in assigning the

total value to domestic consumption since both are provided by residents. We are in a similar case as the previous one: the total value of the expense is assigned to domestic tourism consumption and is broken down into its components;

- The service sold is provided by a non-resident producer. In this case, the value paid by the visitor has to be divided between the value of the services (a resident/non-resident transaction) included in outbound tourism consumption and the value of the reservation service (a resident/resident transaction) that is part of domestic tourism consumption. The total value of consumption is not modified by this new treatment, but the parts corresponding to domestic tourism consumption and outbound tourism consumption are altered: domestic tourism consumption is increased by the value of the reservation services, while outbound tourism consumption is decreased by the same amount;
- (c) In the case of a resident visitor, taking a trip outside the economy of reference and who purchases a service before departure through a travel agency or other reservation services provider outside his/her country of residence, on internet or through any other procedure, two different cases have to be considered:
- The service sold is provided by a resident producer. In this case, the value paid by visitors has to be divided between the value of the service (a resident/resident transaction), included in domestic tourism consumption and the value of the reservation service (a resident/non resident transaction), included in outbound tourism consumption;
  - The service sold is provided by a non-resident producer. In this case, the value paid by visitors has to be divided between the value of the service (a non-resident/resident transaction), included in outbound tourism consumption and the value of the reservation service (a resident/resident transaction), included in domestic tourism consumption;
- (d) In the case of a non-resident visitor taking a trip that will take him/her to the economy of reference and who purchases a service through a travel agency or other reservation services provider before departure, in his country of origin, two different situations might also occur.
- The service sold through the travel agency or other reservation provider is provided by a resident producer: although the service proper to the travel agency itself is outside the scope of the TSA (a non-resident/non-resident transaction), this is not the case of the tourism service “retailed”, which is part of inbound tourism

consumption. The net value of the service (once the cost of the reservation service has been deducted) is part of inbound tourism consumption, but this value is now smaller than before this operation, as the payments made by the producer to non resident travel agencies have to be deducted;

- The service sold through the travel agency is provided by a non-resident producer. In this case, the service (a non-resident/non-resident transaction) is also outside the scope of the TSA of the country of reference.

4.24. (old 4.19) As a consequence of these adjustments, not only is the breakdown by products modified but the global value of domestic tourism consumption, outbound tourism consumption and inbound tourism consumption are altered because of the different countries of residence of the reservation service providers, the producers of the services and the visitors. Figure 4.4. summarizes the findings.

**Figure 4.4.**  
**Summary presentation of the aggregated effects of extracting reservation services from the value of tourism services**

Characteristics of the visitor	Residence of the reservation services provider	Classification in a gross valuation	Classification in an adjusted valuation
Resident visitor traveling within the country of reference	The country of reference	The service purchased, as an aggregated product, is part of <b>Domestic Tourism Consumption</b> ; The reservation services are part of the intermediate consumption for the production of this service	The value of the (tourism) service purchased is diminished by the value of the reservation services. All the components of the service, including the reservation services are part of <b>Domestic Tourism Consumption</b> ;
Resident visitor taking trips outside the country of reference	The country of reference	The service purchased, as an aggregated product, is part of <b>Domestic Tourism Consumption</b> if domestically produced, part of <b>Outbound tourism consumption</b> if not; The reservation services are part of the intermediate consumption for the production of a domestically produced service, or an export if not;	The net value of domestically produced components, including the reservation services are part of <b>Domestic Tourism Consumption</b> ; The net value of other non domestically produced components are part of <b>Outbound Tourism Consumption</b> ;

Characteristics of the visitor	Residence of the reservation services provider	Classification in a gross valuation	Classification in an adjusted valuation
Resident visitor taking trips outside the country of reference	Other than the country of reference	The service purchased, as an aggregated product, is part of <b>Domestic Tourism Consumption</b> if domestically produced, part of <b>Outbound tourism consumption</b> if not; The reservation services are part of imports and of the intermediate consumption for the production of a domestically produced service and part of the value of the imported services if not;	The net value of domestically produced components are part of <b>Domestic Tourism Consumption</b> ; The net value of other non domestically produced components as well as the reservation services are part of <b>Outbound Tourism Consumption</b> ;
Non resident visitor taking trips to the country of reference	Other than the country of reference	The service purchased, as an aggregated product, is excluded from the measurement concerning the country of reference if not domestically produced, part of <b>Inbound tourism consumption</b> if not; The reservation services if imported, are part of the intermediate consumption for the production of a domestically produced service, or excluded from the measurement concerning the country of reference if not;	The net value of domestically produced services, are part of <b>Inbound Tourism Consumption</b> ; The other non domestically produced components, including the services of the travel agency are excluded from the measurement concerning the country of reference;

#### A.4. The valuation of goods

- 4.25. (old 4.90) Although services make up an important part of visitor purchases, namely transport, accommodation and food services, visitors also purchase goods for and during their trip, and in certain cases the purchase of goods might be the purpose of the trip itself, as in the case of a shopping trip to factory outlets or to special duty-free zones.
- 4.26. (old 4.91) As noted previously, tourism consumption is valued using the total purchaser's price of goods. This is the full price paid by the visitor or others on his behalf for the purchase, eventually net of VAT or sales tax refunded to non resident visitors as they leave the country.



- 4.27. (old 4.92) In most cases, the producers of the goods are neither those who sell their production to the final consumer nor those who finally serve them: there exists a chain of transport providers, wholesale traders and finally retailers, through which the product is made available to a visitor. The product might have been produced in a nearby location or in a different economy.
- 4.28. (old 4.93) The whole chain participates in the supply of the product to the visitor, from the producer of the good and those who transport it and trade it in different forms to the last link of the chain, the retailer, who sells the good to the visitor. The producer is usually totally unaware of whom the end line purchaser is.
- 4.29. (old 4.94) Importantly, it is possible, within a National Accounts context, to break down the value of the goods at purchaser's price into the basic value of the good, the net taxes on products and the corresponding trade and transport margins. If a supply and use table following the 1993 SNA recommendations is available, it should be possible to make the complete decomposition, and thus the measurement of tourism consumption following those rules should not be limited by data considerations.
- 4.30. The TSA will follow the type of presentation to be found in the 1993 SNA supply and use table. A specific column, in the block concerning supply, will include trade and transport margins: they only apply to goods, that is, tourism characteristic goods and other goods (that might represent one or more rows...). For all other rows, the value of the cell in the corresponding column is 0 as services do not carry trade and transport margins.
- 4.31. The total sum of these trade and transport margins is attributable in principle to the activity of retail trade of tourism characteristic goods for the retail trade margins attributable to goods considered as tourism characteristic, and to other non tourism industries for the remaining margins. This value is assigned to these industries following the same procedure as that used in the SNA.
- 4.32. The tourism share will be established only on the margins produced by the retail trade of tourism characteristic goods (industry 11). The remaining value of goods purchased by visitors does not generate shares and does not generate (direct) tourism gross value added but only indirect effects. (see Annex 2).

#### **A.5. The tables**

- 4.33. (old 4.26) Tables 1 to 6 are established following the net valuation principle.
- 4.34. (old 4.27) The first three tables, tables 1 to 3, will focus on tourism expenditure that should be observable from surveys to visitors and is a basic variable of tourism statistics. Then, table 4 will lead to the estimation of total internal tourism consumption via the combination of domestic and inbound tourism expenditure and all additional components that have to be considered to obtain internal

tourism consumption since these adjustments are not easily attributable to the different types of tourism. The key aggregate derived from table 4 is internal tourism consumption, which is the value to be compared to domestic supply for the calculation of the economic contribution of tourism in the economy of reference.

- 4.35. (old 4.28) Table 5 is the supply table of the national economy, which presents tourism characteristic products and tourism industries at a level of detail, which for the time being seems reasonable to achieve and is relevant for analysis and international comparisons. The column *other industries* will show the aggregated value corresponding to all other non tourism industries. Countries should provide the breakdown they consider relevant in order to improve the understanding of these data.
- 4.36. (old 4.29) Table 6 presents an overall reconciliation of internal tourism consumption with domestic supply, from which tourism gross value added and tourism GDP, that is, the GDP generated by internal tourism consumption can be derived. This table is the core of the TSA: without its compilation, even with partial data, the term TSA applied to the compilation of the other tables would be misused.
- 4.37. (old 4.30) Table 7 refers to employment in the tourism industries; it is included, in recognition of its central importance for the description and understanding of tourism in an economy.
- 4.38. (old 4.31) As noted above (see para. 4.6.), the compilation of tables 8 and 9 concerning tourism gross fixed capital formation and tourism collective consumption, has a lower priority and can be left aside in a first stage. Although few countries have the necessary information to compile them, these tables should be estimated in a future stage because of their importance for the analysis of tourism instruments and policies and their relationship with the economic performance of tourism.
- 4.39. (old 4.32) Table 10 presents a limited number of non-monetary indicators, principally in terms of physical units, that are required to assist the estimation and support the interpretation of the monetary information presented in the other basic tables 1 to 7. Countries are encouraged to develop more indicators of this type, as those are only given for indicative purposes.
- 4.40. It should be mentioned (see paras. 1.16. and 4.100.) that because the TSA does not include indirect and induced effects of tourism consumption to the economic system as a whole, tourism's contributions on the economy is not fully reflected in the TSA tables and must therefore be measured and analyzed by other means.

- 4.41. (old 4.33) Most tables that are presented here can be established at both current prices and constant prices, in domestic currency and, for international tourism, in foreign currencies. Constant price valuations can only validly be applied on entries relating to products, both market and non-market. Computations at constant prices should be performed following 1993 SNA principles and some further indications will be provided in the Compilation Guide.

### **Tables 1, 2, and 3**

#### **Tourism expenditure, by products and forms of tourism**

- 4.42. (old 4.34) Tables 1 to 3 describe the most important component of tourism consumption: tourism expenditure that visitors are usually able to report in an expenditure survey. This includes not only what visitors pay for out of their own budget or pocket, but also the expenditure made by producers (businesses, governments and non profit institutions serving households (NPISH)) or others for their benefit (transportation, accommodation, etc...), amounts that visitors are usually able to report fairly well even though they might not always have the precise information and might require the use of estimations procedures. It excludes in particular the estimation of social transfers in kind, except when they correspond to refunds of expenditure made initially by the visitor (case of some health services...) as well as expenditure, actual or imputed, associated to all forms of vacation ownership.
- 4.43. (part of old 4.34) Table 1 focuses on inbound tourism, table 2 on domestic tourism and table 3 on outbound tourism.
- 4.44. (old 4.35) Tables 1 to 3 share classifications, breakdown and principles of valuation: in particular, they follow the net valuation principle (as explained in para. 4.13.) Tourism expenditure is classified internationally according to the visitors concerned, same-day or tourists, a breakdown that allows the quick identification of the scope of the data, as many countries tend to give a lower priority to the estimation of the expenditure of same-day visitors, and recognizes the fact that their structure of consumption is very different, in particular because same-day visitors usually do not consume accommodation services. (old 4.37) If possible and meaningful, it is also recommended to create an additional breakdown for transit passengers (and cruise ship passengers and yachters) in recognition of their specificities. Countries are encouraged to classify visitors according to other criteria such as the mode of transport used, purpose of visit, type of accommodation, used separately or according to a cross-classification of the different criteria.
- 4.45. (old 4.36) In the case of table 2 that presents domestic tourism expenditure, the breakdown is more complex. It must be recalled (see para. 2.29.) that domestic tourism expenditure not only includes the expenditure in the economy of visitors on domestic trips, but also that of visitors on international trips (purchases from resident providers of goods and services acquired for or during the trip) before

leaving the country of reference. These two different sets of visitors, along with their corresponding expenditure, should be shown separately as they refer to different universes of visitors.

- 4.46. (new) Table 3 presents the expenditure of visitors on trips which destination is outside the economy of reference or on specific visits belonging to domestic trips that include a visit outside the economy of reference. It presents separately the expenditure in the economy of origin of the visitor that is part of domestic tourism expenditure (already reported in table 2) from that belonging to outbound tourism expenditure because it happens in another economy, the sum of which is of interest for marketing purposes in order to establish the total expenditure of taking trips or visits outside the economy of reference.
- 4.47. (old 4.38) In all three tables, two additional lines relate these values to the number of trips and overnights, as a means to insist on the structural link between monetary data and non-monetary indicators. Although the change in number of trips and overnights is not strictly a volume indicator in the national accounts sense, it is important to follow the amounts of average expenditure per trip or per night as a first approximation to validate the significance of the data.

#### **Table 4**

#### **Components of internal tourism consumption by products and types of items**

- 4.48. (old 4.39) Table 4 combines internal tourism expenditure (made of inbound tourism expenditure from table 1 and domestic tourism expenditure from table 2), with the other components of tourism consumption (see para. 2.26. above). Each component is presented in a separate column under the following headings:
- services associated to vacation accommodation on own account: this item includes all imputed accommodation services related to accommodation units on own account and to all other forms of vacation home ownership, as well as expenditure related to their acquisition that are not capitalized as part of the investment as for instance charges for time share exchanges;
  - tourism social transfers in kind (except refunds); this item includes the value of individual non-market services provided by governments and non profit institutions serving households (NPISH) that benefit visitors and exceed the values paid by the visitors themselves: costs of museums, performing arts, short term education, health services provided short term in special establishments, etc.

- other imputed consumption; this item includes all other imputed items not previously included, either corresponding to services benefiting visitors for which the latter do not pay, (costs of vacation halls or camps for producers benefiting their employees, FISIM on purchases related to tourism trips, etc...)
  - tourism single-purpose consumer durables purchased outside the context of a trip or for a trip.
- 4.49. The Compilation guide will provide indication on the specific contents of these items and indicate the possible sources to be used for their estimation, as they will require to use sources different from the surveys to visitors as used for tourism expenditure.
- 4.50. The columns are then added globally to internal tourism expenditure to establish internal tourism consumption because they are not easily attributable separately to each category of tourism consumption .
- 4.51. (old 4.40) The last column refers to internal tourism consumption, which is the aggregate that provides the most extensive measurement of tourism consumption in the economy and is the reference for deriving the aggregates of tourism gross value added and tourism GDP, in the absence of an internationally recognized procedure for the measurement of total tourism demand (including internal tourism consumption, tourism collective consumption and tourism gross fixed capital formation (see paras. 4.124. to 4.126.)) that would be the legitimate aggregate representing the size of the direct effects of tourism consumption on supply.
- 4.52. (old 4.41) Flows are valued in the same form as in the previous tables. The specific treatment of goods in the system is presented in paras. 4.25. to 4.32., as well as in Annex 2.

**Table 5**  
**Production accounts of tourism industries and other industries**

- 4.53. (old 4.43) Table 5 presents the production accounts of SNA within a tourism analysis perspective. That means first of all that tourism industries and tourism characteristic and connected products are highlighted and embedded within a general framework that is suitable for tourism analysis. This production table conforms formally to the format established in the 1993 SNA: output is broken down by product, is valued at basic prices (1993 SNA, para. 3.205 (a)) and occupies the upper part of the table in a first block of rows. Then, intermediate consumption (also called inputs) is presented in a second block and broken down according to the CPC v.2 classification and is valued at purchasers' prices (1993 SNA, para. 6.215). The difference between these two values is called gross value added at basic prices, refers to industries as a whole, and is further broken down in its components (remuneration of employees, net taxes on production, operating surplus and mixed income) in a third block of rows.

- 4.54. (old 4.44) In columns, the production accounts of the tourism industries are presented and grouped according (at least) to the classification that has been proposed internationally. The accounts of *other industries* (non-tourism specific) should be presented under one or more columns. Output is valued at basic prices, and its breakdown by product should correspond to the net valuation principle as defined previously (see para. 4.10. and 4.11.).
- 4.55. (new) The classification of products (characteristic, connected and other products) follows the classification used in table 4.
- 4.56. (old 4.45) It must be pointed out that the transformation from a gross valuation to a net valuation, which has to do with reservation services, does not modify the values of gross value added of each activity even though it may alter the individual values of output, imports, exports and intermediate consumption. This is due to the fact that when reservation services are rerouted to the visitors and considered as directly consumed by them, their value is excluded both from the total value of output and from the value of intermediate consumption of the productive activities that have considered these services as their inputs.
- 4.57. (old 4.47) The following block of rows presents the detailed intermediate consumption of the production processes (classified according to the CPC v.2 classification), and then the gross value added of each industry and its components. Intermediate consumption of the *other industries* (non tourism) might be presented at an aggregated level. Strictly speaking there is no need to have a detailed presentation of intermediate consumption by products if a simplified assumption of direct proportionality of gross value added to the value of output is used, irrespective of its product composition, and if the table is only needed for the global compilation of Tourism Gross Value Added,

**Table 6**  
**Domestic supply and internal tourism consumption, by products**

- 4.58. (old 4.47) Table 6 is the core of the TSA system: it is where the confrontation and reconciliation between supply and internal tourism consumption take place. It provides the basic information that is necessary for the computation of tourism gross value added and tourism GDP and their components. It derives from the Supply and Use tables of the 1993 SNA where again a tourism interpretation is given. Total supply of goods and services in an economy analyzed by products, which includes domestic production, and imports, is compared to tourism consumption, (including valuation adjustments) and conclusions can be derived regarding the gross value added attributable to tourism for each of the industries that serve visitors.
- 4.59. (old 4.48) The rows of table 6 are similar to those of table 5. That is, the first block of rows details output of tourism industries and other industries by products, following the classification into tourism characteristic products, tourism connected

products and other products. Total output of an industry (in column) is obtained as the sum of its outputs by product. The second block of rows shows intermediate consumption by product and a total. The difference between total output (at basic prices) and total input (at purchasers' prices) provides gross value added at basic prices of this industry. The third block of rows presents the components of gross value added at basic prices for each industry.

- 4.60. (old 4.49) There are three blocks of columns: the first block corresponds to the same columns as those of table 5. The second block will lead to total supply and the third block will correspond to uses in two columns: tourism uses (internal tourism consumption) and non tourism uses (rest of demand). The supply by domestic producers is first added over industries to obtain the aggregate value of total output of domestic producers at basic prices, and it is what the first block is about. Then, this column (that also correspond to the total of table 5) is added to the following column, headed "imports", which represents supply within the domestic economy of imported goods and services (besides imported goods, what concerns tourism refers to transport services within the domestic economy provided by non-resident producers, as well as insurance services), to a column recording the value of taxes less subsidies on products concerning domestic output and imports, and a last column representing trade and transport margins (see para. 4.25. to 4.32.) (it applies only for goods), in order to obtain the column headed "Total domestic supply at purchasers' price". This presentation is similar in essence to that followed in the 1993 SNA to determine the supply side of the Supply and Use table. This constitutes the second block.
- 4.61. (old 4.50.) The third block refers to uses, in which only two different columns are considered: tourism use, equal to internal tourism consumption by product and all other components of use, represented by rest of demand. The share of internal tourism consumption to each component of supply will be established for each of them, and globally for each product.
- 4.62. (old 4.51) To each of the columns of the two first blocks of the table, an additional column, called tourism share, is associated in order to present how much of the value of each variable of the column is attributable to internal tourism consumption.
- 4.63. These values of tourism share should be expressed in absolute value and can be established in the following way:
- from direct information coming from producers and suppliers (information on their categories of customers);
  - from visitors themselves (sample surveys of expenditure by product and indication of providers), or
  - from opinions of experts in the field of tourism behavior.

- 4.64. In the case of the rows and cells corresponding to the goods (characteristic or other), as only the activity by which they are made available to visitors generates tourism value added, only the associated retail trade margin generates share (see Annex 2).
- 4.65. (old 4.52.) Taking into account this restriction it is possible, for each industry, to establish the tourism share of output, as the sum of the tourism share corresponding to each product component of its output (except goods, transport of goods and whole sale trade services).
- 4.66. (old 4.52) Then, through different methods involving assumptions concerning the technologies applied to the production processes of the establishments (the simplest of which being the strict proportionality between value of output and value of input, irrespective of the product distribution of output), it is possible to estimate for each industry a tourism share (this time expressed in percentage form) to be applied to the components of intermediate consumption. This tourism share might be uniform for each products of intermediate consumption and thus be equal to that of total output (percentage between value of tourism share to total value), or it might be possible to modulate these shares according to the relative importance of the different components of its output that is been consumed by visitors. From the difference between the values of output attributable to tourism consumption and the values of intermediate consumption attributable to tourism consumption, the gross value added generated in each industry by tourism consumption can be compiled.
- 4.67. (old 4.53) It is important to underline at that stage that because a series of assumptions are used to relate inputs to particular outputs of production processes, the results have a modeled component and thus cannot be considered as being directly observed and reconciled with statistical data. This is due to the fact that value added is strictly associated to the production process that happens within an establishment taken as a whole and cannot be assigned among the outputs of this process. If specific factors of production could be assigned to particular outputs, then it would be possible to split the establishment into different activities, so that two or more establishments would exist within the establishment itself that would no longer be the smallest unit for which cost of production can be isolated.
- 4.68. (old 4.54) As a consequence, for each industry, an estimate of the gross value added (at basic prices), corresponding to internal tourism consumption, can be established.
- 4.69. (old 4.56) Estimates of both tourism gross value added and tourism GDP generated by internal tourism consumption can be derived from table 6. Tourism gross value added is obtained by adding the value added corresponding to internal tourism consumption across all industries. To obtain the GDP generated by internal tourism consumption, it is necessary to add to tourism value added the



taxes less subsidies on products and imports related to tourism products that are compiled in the same way, using the corresponding share for each product (except goods for which the share only relates to retail trade margins).

- 4.70. (old 4.57) Theoretically, these aggregates (tourism gross value added and tourism GDP) should be independent of the detail in which calculations have been made, in particular of the identification of tourism industries. In practice, however, this is not the case because gross value added by product is not directly observable. The more detailed the analysis and the more refined and accurate the assumptions on how tourism consumption affects each productive activity, the more precise the measurement.

### **Table 7**

#### **Employment in the tourism industries**

- 4.71. (old 4.58) Seasonality, high variability in the working conditions, flexibility and the lack of formality of many work contracts in many small producing units are the major challenges for deriving meaningful figures related to employment in the tourism industries. This explains why, although there is no doubt that employment is a crucial variable for the description of the economic contributions of tourism and for the use of the TSA as an advocacy instrument, present statistical limitations for the purposes of international comparisons have been taken into account .
- 4.72. Additionally, and because labor is a factor of production and is generally associated with an establishment in which various outputs are usually produced, relating employment to a specific output or specific portions of different outputs of a given establishment is a complex issue.
- 4.73. (new) Some countries might find it appealing to apply to employment the same tourism share as that used to estimate the tourism gross value added. However, in this case the validity of the assumption of such proportionality might be questioned.
- 4.74. That is why the measurement of employment is limited to employment in the tourism industries and the variables used to express its volume will be the number of jobs and hours worked, which will also be indicators of the intensity of labor force utilization.
- 4.75. (old 4.62.) Table 10 contains an additional variable on the number of establishments for each tourism industry. This makes it possible to compile the average number of jobs classified by sex and status in employment for each establishment.

- 4.76. (old 4.63.) Consequently, the measures proposed here refer to the restrictive quantification of employment according to its statistical meaning (since not all volume of employment found in a given industry corresponds to tourism consumption) and coverage (since there are different levels of employment in non-tourism industries that partly correspond to tourism consumption).
- 4.77. (old 4.60.) Two major breakdowns of the number of jobs and hours worked are proposed: one according to the sex of the person employed, the other according to a simplified status in employment classification, where only employees are singled out from the rest of the labor force.
- 4.78. (new) Because the flow of visitors often presents marked seasonality, this phenomenon also characterizes employment, in particular in industries such as accommodation and food serving services. For this reason, countries are encouraged to measure employment at least twice a year, at peak and low tourism seasons. The *Compilation Guide* will provide assistance for this purpose regarding the number of jobs, hours of work and other characteristics of the labor force: this “core set” of data should provide basic information for understanding and monitoring the changing levels and contribution of tourism activity. Chapter 7 of the IRTS describes concepts and definitions of employment in the tourism industries, its basic categories, major classifications as well as statistical measures and therefore can be consulted to better understand the interrelationships of the TSA data integration framework.

## **Table 8**

### **Tourism gross fixed capital formation of tourism industries and other industries**

- 4.79. The rows in table 8 show a proposed list of gross fixed capital formation items (see Annex 3) related to tourism, and the columns show different blocks. The first block includes the net acquisition of all capital goods by the tourism industries and allows the derivation of the aggregate called: “gross fixed capital formation of the tourism industries”. The first block is followed by a column showing the net acquisitions of tourism-specific capital goods by all other industries. The final column registers the total of each capital good acquired.
- 4.80. Table 8 presents data on the first two analytical perspectives mentioned in paras 2.53. to 2.61., the objective being to present a basic set of data that can be used for deriving different aggregates. However, the present recommendations do not aim at determining the total aggregate called “tourism gross fixed capital formation” as some important components of this aggregate are missing.
- 4.81. The inclusion of non-produced and non-financial assets as a memorandum item is recommended. These assets are not produced and are therefore not part of gross fixed capital formation in the framework of the 1993 SNA. Nevertheless, these assets could represent an important component of non-financial tourism investment. In table 8, there is a differentiation between tourism non-produced

tangible assets (comprising land for the construction of tourism buildings and structures, and land for public and private recreation) and tourism non-produced intangible assets (comprising licensing rights, leasing agreements and other transferable contracts and acquired goodwill).

### **Table 9**

#### **Tourism collective consumption, by CPC products and level of government**

- 4.82. The rows in table 9 show a proposed list of non-market products that are to be considered as tourism collective non-market services in terms of the corresponding CPC categories (see Annex 3).
- 4.83. It must be stressed that the provision of individual non-market services, such as those provided by national parks and museums, are excluded because they are considered within social transfers in-kind included under tourism consumption because their beneficiaries can be identified separately.
- 4.84. Table 9 suggests a compilation of this information by type of service and level of government. Production is measured, as is always the case for non-market services in the 1993 SNA, by using the costs of production, including the consumption of fixed capital as a component of these costs.
- 4.85. An additional column is proposed as a memorandum item in order to collect information on services that benefit the tourism industries but are financed by the industries themselves, and thus do not qualify as tourism collective consumption. In many countries, it is the tourism industries that finance part of tourism promotion, information bureaus etc. These expenditures are important when measurement of the efficiency of policies are to be made.

### **Table 10**

#### **Non-monetary indicators**

- 4.86. (old 4.71.) Table 10 presents a few quantitative indicators, which have been used in some of the previous tables and are important for the interpretation of the monetary information presented. The indicators include number of trips by type of tourism, categories of visitors and duration of the stay; physical indicators regarding forms of accommodation; means of transport used by non-resident visitors traveling towards the economic territory of the country of reference; and number and size of the establishments belonging to tourism characteristic and tourism connected activities.
- 4.87. The 1993 SNA states explicitly that physical indicators are an important component of satellite accounts and therefore should not be viewed as a secondary part of the TSA (1993 SNA, paras. 21.5 and 21.113). However, further

work will be required to improve the link of the provisional list of non-monetary indicators with the monetary tables. This will assist in the ability to use non-monetary indicators as a key element in tourism analysis.

## **B. Aggregates**

- 4.88. (old 4.73.) The aggregates are not the most important feature of the tourism satellite account, whose primary objective is to provide detailed and analytical information on all aspects of tourism: the composition of tourism consumption, the productive activities most concerned by the activities of visitors and their relationships with other productive activities. Nevertheless, aggregates have an important political impact because they provide an eye catching indicator of the quantitative contribution of tourism to the economy in a country (see 4.41).
- 4.89. (old 4.74.) Because of the methodology used for their compilation, the main aggregates that are derived from the tables are comparable with other macro-indicators relating to consumption and value added in a country. If some countries extend the scope of production and consumption beyond the SNA production boundary (see paras. 1.18. and 2.35.), they must recall that the comparability of the aggregates will be affected.
- 4.90. (old 4.75.) The aggregates can be measured in terms of the national currency of the country of reference. The use of international currency would make international comparability more direct, though such conversion requires the use of specific methods of equivalence (the use of the official exchange rate or any other flat rate is to be avoided).
- 4.91. (old 4.76) Aggregates may also be compiled in terms of current prices (i.e., actually prevailing) or constant prices (i.e., relative to the prices prevailing in a base or reference period). The latter presentation is designed to emphasize changes in volume in activities distinct from changes in prices, and facilitates comparison over time. The same general methods used in the compilation of National Accounts at constant prices should be followed. Nevertheless, it might be relevant to generate and use specific price indices in order to take into account that tourism consumption and resident household domestic consumption might include different qualities of products, and combined in different volumes: this issue will be discussed in the Compilation Guide.

### **B.1. Main aggregates**

- 4.92. (old 4.77.) The compilation of the following aggregates, which represent a set of relevant indicators of the contribution of tourism in an economy is recommended:
- Internal tourism expenditure;
  - Internal tourism consumption;

- Gross value added of the tourism industries;
- Tourism gross value added;
- Tourism GDP.

### **B.1.1. Internal tourism expenditure and internal tourism consumption**

- 4.93. (old 4.79.) First and above all, tourism is a demand-side concept, more precisely a consumption concept. The characteristics of the visitor (consumer) determine whether the acquisition of a product is tourism-related or not. It is thus legitimate to give particular relevance to the aggregates that focus on expenditure and consumption. As discussed in chapter 2 (see para. 2.29 above), the forms of tourism and the venues of tourism expenditure and tourism consumption are important aspects to be taken into consideration. Internal tourism expenditure and internal tourism consumption characterize globally the amount of acquisition by visitors within the economy of reference, tourism expenditure being the most immediately measurable one while tourism consumption is the most inclusive one.
- 4.94. (old 4.80.) If the same 1993 SNA principles that guide the compilation of a country's national accounts are applied, it is legitimate to compare these aggregates to the main aggregates of national accounts, particularly to gross national product or gross domestic product, just as total imports, total exports, total household final consumption or the surplus or deficit of the public sector are compared to them.
- 4.95. Aggregates related to acquisition by or for the benefit of visitors (tourism expenditure and tourism consumption) should not be expressed as a share of gross domestic product or of household final consumption at the aggregated level because they differ in coverage. Nevertheless, they can be expressed as a percentage, when taking these values as benchmark. It should be recalled that gross domestic product, at aggregate level, is equal to the sum of final demand net of imports in an economy. Both tourism expenditure and tourism consumption include expenditure by producers for the benefit of visitors that national accounts classify within the intermediate consumption of productive activities and not as part of final demand.

### **B.1.2. Tourism supply**

- 4.96. (old 4.81.) In order to characterize tourism supply, three different indicators are compiled, which are slightly different and complement each other.

(a) *Gross value added of the tourism industries*

- 4.97. (old 4.82.) Gross value added of the tourism industries simply sums the total gross value added of all establishments belonging to tourism industries, regardless of whether all their output is provided to visitors and of the degree of specialization of their production process. It leaves out the effect of the acquisition by visitors or by others for their benefit from other industries.
- 4.98. (old 4.83.) Although gross value added of tourism industries is an indicator often used to measure tourism's economic contribution, it is likely to be an inadequate indicator of the size of tourism in a country. The acquisition by visitors or by others for their benefit of the output of the various tourism industries may range from a large share of total output (e.g., scheduled air passenger transport, accommodation for visitors) to a much more reduced share (e.g., full-service restaurants). As the "tourism character" of a particular output is not mostly defined by its particular nature but by the specific temporal condition of the consumer, there is a larger gap between the output of tourism industries (domestic supply) and internal tourism consumption (domestic demand) than for any other economic phenomenon functionally defined, such as health or education. As an indicator, both of demand and supply, gross value added of the tourism industries might therefore distort the gross value added actually attributable to internal tourism expenditure or consumption in the country of reference.

(b) *Tourism gross value added*

- 4.99. (old 4.85.) Since, through calculations, gross value added can be associated to the value of part of the output of a productive unit, the tourism gross value added can be defined as the (direct) gross value added generated by tourism industries and other industries of the economy that serve directly visitors in response to internal tourism consumption.
- 4.100. The gross value added generated in a productive process does not depend on the use given to the output of this activity. As a consequence, although tourism consumption does not correspond entirely to final consumption expenditure, responding to the demand generated by the part of it that is intermediate consumption generates also valued added. As a consequence, it is total internal tourism consumption that has to be taken into consideration when compiling tourism gross value added.
- 4.101. (old 4.86.) Tourism gross value added includes the proportion of gross value added generated by all industries in the process of provision of goods and services to visitors, would-be visitors (acquisition before a trip) or third parties for their benefit.

- 4.102. (old 4.87.) Comparing this measurement with gross value added of the tourism industries, the latter would include for instance all the gross value added generated by restaurants because these establishments are part of a tourism industry. In contrast, although tourism gross value added would include the gross value added generated by meals served in restaurants to visitors, it would exclude the gross value added corresponding to meals served by these same restaurants to non-visitors. It would also exclude the gross value added generated by restaurants in any other secondary activity, such as catering to local businesses and the rental of space to third parties, and in any other output in as much as it is not delivered to visitors.
- 4.103. (old 4.88.) Importantly, tourism gross value added would also include the gross value added associated with the output of secondary activities of non tourism industries as long as this output is part of tourism consumption. Consequently, tourism gross value added can be seen to be independent of the definition of characteristic industries and products, a characteristic that enhances its usefulness as an internationally comparable measure of the economic contribution of tourism.
- 4.104. As already mentioned, tourism gross value added only measures the direct value added generated by tourism industries and other industries; in addition, it is also short of measuring the total contribution of tourism as it excludes the other components of tourism demand (see B.2.4. Total tourism demand)
- 4.105. (old 4.89.) The calculation of tourism gross value added (and of the following aggregate tourism gross domestic product) presents some particularities in the case of the acquisition of goods by visitors that are discussed in paras. 4.25. to 4.33 and in Annex 2.

(c) *Tourism gross domestic product generated by internal tourism consumption*

- 4.106. (old 4.99.) Following the recommendations of 1993 SNA, the gross value added of producers is established at basic prices. That is, the different outputs of each activity are valued at basic prices, excluding all net taxes on products (i.e., indirect taxes net of subsidies on output), and inputs are valued at purchasers' prices, that is, including distribution margins and all net taxes on products. Nevertheless, as consumption expenditure is valued in the 1993 SNA at purchasers' prices, including all net taxes on products, there is a share of a country's tax on products and imports that relates directly to tourism consumption and that table 6 presents.
- 4.107. (old 4.100.) Since total GDP of an economy is equal to the sum of gross value added generated by all productive activities (at basic prices), plus net taxes on products and imports, it is possible to measure GDP generated by tourism

consumption as the sum of the gross value added (at basic prices) generated by all industries in response to internal tourism consumption plus the amount of net taxes on products and imports included within the value of this expenditure.

4.108. (old 4.101.) Figure 4.5 shows the relationship between the different economic aggregates that characterize the magnitude of tourism from the point of view of supply.

**Figure 4.5**  
**Relationship between the different economic aggregates that characterize the magnitude of tourism from the point of view of supply**

	Gross value added of tourism industries (GVATI)	Tourism gross value added (TGVA)	Tourism gross domestic product (TGDP)
Gross value added (at basic prices) generated by the supply to visitors by the tourism industries	Yes	Yes	Yes
Gross value added (at basic prices) generated by the supply to non-visitors by the tourism industries	Yes	No	No
Gross value added (at basic prices) generated by the supply to visitors by activities not in the tourism industries	No	Yes	Yes
Gross value added (at basic prices) generated by the supply to non-visitors by activities not in the tourism industries	No	No	No
Net taxes on products and imports included in the value of internal tourism consumption (at purchasers' prices)	No	No	Yes

4.109. (old 4.102) It is important to address three issues here:

- From a TSA perspective, the only indicators strictly characterizing tourism supply are tourism gross value added and tourism GDP. Gross value added of the tourism industries is a measure of the supply side of tourism but its lack of direct links to tourism consumption prevents it to be an acceptable measure of tourism supply;
- Tourism gross value added and tourism GDP can provide measures of the economic contribution of tourism in a country in the same sense as the GDP of any productive activity does. However, they do not refer to tourism as a productive activity comparable to other productive activities in 1993



SNA. They are indicators emanating from a reconciliation of tourism consumption and supply, and their values will depend on the scope of measurement of tourism consumption that a country adopts;

- The estimates of tourism gross value added and tourism GDP rely on a number of assumptions and implicit modeling procedures, and thus special care must be taken when using or interpreting these aggregates.

## **B.2. Other aggregates**

4.110. (old 4.103.) In the present section, reference is made to a set of four aggregates whose elaboration, with the exception of the first aggregate (tourism employment), should be the object of the second phase of development of the TSA, as noted above (see para. 4.6.).

4.111. (old 4.104.) In the case of tourism gross fixed capital formation and tourism collective consumption, derived from tables 8 and 9, the limited character of the estimations is not only the result of the numerous methodological problems but is also attributed to a lack of experience in defining operative solutions for the estimation of corresponding data by national statistical offices.

4.112. (old 4.105.) The last aggregate (total tourism demand) is a synthetic measurement, obtained through the aggregation of internal tourism consumption, tourism gross fixed capital formation and tourism collective consumption. This aggregate has analytical interest in the estimation of the economic contributions of tourism in a country.

### **B.2.1. Tourism employment**

4.113. 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.

4.114. The OECD Employment Module (OECD EM) (see Annex 5) provides a statistical framework and methodological guidelines to establish the level and some characteristics of employment in the tourism industries linking up with the TSA. This is done mainly from a supply-side perspective. In other words, the focus is on employment in tourism industries.

- 4.115. The OECD EM establishes a process that links basic employment data with the TSA, by using the EM as an integration framework (micro-macro linkage). This process uses such indicators of the general level of employment as jobs, persons employed or full-time equivalents – with a further distinction for seasonal employment and “jobs on the side” (or secondary/additional jobs) – and a number of relevant key employment variables.
- 4.116. Countries with advanced statistical systems should aim at compiling the OECD EM tables in order to link up with the TSA and enhance the overall analysis of the key employment variables, thereby helping to better understand employment in tourism and achieve a higher cross-country comparability.

### **B.2.2. Tourism gross fixed capital formation**

- 4.117. (old 4.109.) As noted in chapters 2 and 3 above, there are a number of different perspectives on tourism gross fixed capital formation, and different aggregates could be proposed, depending on the focus of analysis.
- 4.118. (old 4.110.) Consequently, the estimation of a tourism gross fixed capital formation aggregate is suggested only as a useful statistical exercise, and for the time being no specific aggregate will be used for international comparisons.

### **B.2.3. Tourism collective consumption**

- 4.119. (old 4.111.) Although collective non-market services have been excluded from tourism consumption, this does not mean that the measurement of the expenditure by public administrations in the tourism-related fields of market promotion, information, planning etc. is not relevant and that it does not have its place in the aggregate measurement concerning the economic contribution of tourism.
- 4.120. (old 4.112.) The public sector plays an important role in the harmonious development of tourism activities in many countries. It establishes the legal framework for the tourism activity. It establishes certain controls on the production of services, and in some cases guarantees the quality of the service that is provided through the provision of licenses and the development of codes of conduct. It sets the legal framework for private investment, and sets norms for the preservation of the environment and the cultural and historical heritage. It studies the flows of visitors and orders certain public initiatives to attract visitors to certain locations at certain moments of the year. It organizes important events and coordinates private initiatives that are involved in serving visitors. In certain cases, it organizes and controls the financing of the required investments for tourism.

- 4.121. (old 4.113.) These functions can be developed at the different levels of government: at the national level, at the regional (subnational) level and even at the level of local entities.
- 4.122. (old 4.114.) The value of these different activities developed by the public administration can be established along the same parameters of the measurement of any other collective non-market services, that is, through their cost of production. The value of consumption is, by convention, equal to the value of production.
- 4.123. (old 4.115.) Nevertheless, it must be recognized that besides its conceptual limitations, only a few countries have tried to apply this scheme so that only partial and limited experience exists in this type of measurement. As a consequence, the estimate of tourism collective consumption is proposed only as a useful statistical exercise and for the time being will not be used for international comparisons.

#### **B.2.4. Total tourism demand**

- 4.124. (old 4.116.) Internal tourism consumption is the central aggregate to qualify the volume of direct visitor acquisition within a country of reference. However, broader notions of tourism demand could be envisaged, and it may thus be reasonable to consider that the internal tourism consumption aggregate could meaningfully be complemented with other components of final demand generated by a focus on visitors. However, it is to be understood that the addition of some components of demand should not be considered as synonymous with the aggregation of demand components to form what some call the "expenditure-based measure of gross domestic product", a measurement that is only meaningful for an economy as a whole, and not for a particular segment of it. Additionally, it should not be forgotten that tourism consumption includes components not considered as final consumption by national accounts, namely those expenditure related to business visitors and others which expenditure are covered by producers.
- 4.125. (old 4.117.) In the present recommendations, an additional aggregate is suggested, "total tourism demand", which consists of the sum of internal tourism consumption, tourism gross fixed capital formation and tourism collective consumption. However, the definition and measurement problems associated with tourism gross fixed capital formation and tourism collective consumption are by extension equally relevant for total tourism demand, and thus a precise definition of total tourism demand cannot yet be made.
- 4.126. (old 4.118.) Therefore, in keeping with previous remarks, the present *Recommendations* postpone the estimation of this aggregate for international comparison until more experience is obtained and methodological research, especially regarding tourism gross fixed capital formation and tourism collective consumption, is undertaken.

**TABLE 1**  
**Inbound tourism expenditure by products and categories of visitors**  
*(net valuation)*

Products	Total inbound tourism expenditure		
	Tourists (1.1)	Same-day visitors (1.2)	Total visitors (1.3) = (1.1) + (1.2)
<b>A. Specific products</b>			
<b>A.1 Characteristic products</b>			
<b>1 – Accommodation services for visitors</b>		X	
1.1 – Hotels and other accommodation services for visitors other than 1.2		X	
1.2 – Accommodation services associated with all forms of vacation home ownership			
<b>2 – Restaurants and similar</b>			
<b>3 – Passenger transport services</b>		X	
3.1 Railway passenger transport services			
3.2 Road passenger transport services			
3.3 Water passenger transport services			
3.4 Air passenger transport services			
3.5 Transport equipment rental			
<b>4 – Travel agencies and similar</b>			
reservation services provided by travel agencies (1)			
reservation services provided by tour operators (2)			
other reservation services			
<b>5 – Cultural services</b>			
<b>6 – Sports and recreational services</b>			
<b>7 – Tourism characteristic goods (3)</b>			
<b>8 – Other country specific tourism characteristic services</b>			
<b>A.2 Connected products</b>			
Services			
Services			
Goods			
<b>B. Non specific products</b>			
Services			
Goods			
<b>TOTAL</b>			
		X	
	number of trips		
	number of overnights		

X does not apply

(1) Corresponds to the services charged of the travel agencies

(2) Corresponds to the services charged of the tour operators

(3) Excluded valuables and tourism single purpose consumer durables goods 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.

TABLE 2

Domestic tourism expenditure by products, by types of trips and categories of visitor  
(net valuation)

Products	Resident visitors						Total domestic tourism expenditure			
	on a domestic trip			on an international trip (expenditure prior to leave the country of reference)			Tourists	Same-day visitors	Total visitors	
	Tourists (2.1)	Same-day visitors (2.2)	Total visitors (2.3) = (2.1) + (2.2)	Tourists (2.4)	Same-day visitors (2.5)	Total visitors (2.6) = (2.4) + (2.5)				Tourists (2.7) = (2.1) + 2.4
<b>A. Specific products</b>										
<b>A.1 Characteristic products</b>										
<b>1 – Accommodation services for visitors</b>		X			X					X
1.1 – Hotels and other accommodation services for visitors other than 1.2		X			X					X
1.2 – Accommodation services associated with all forms of vacation home ownership		X			X					X
<b>2 – Restaurants and similar</b>										
<b>3 – Passenger transport services</b>										
3.1 Railway passenger transport services										
3.2 Road passenger transport services										
3.3 Water passenger transport services										
3.4 Air passenger transport services										
3.5 Transport equipment rental										
<b>4 – Travel agencies and similar</b>										
reservation services provided by travel agencies (1)										
reservation services provided by tour operators (2)										
other reservation services										
<b>5 – Cultural services</b>										
<b>6 – Sports and recreational services</b>										
<b>7 – Tourism characteristic goods (3)</b>										
<b>8 - Other country specific tourism characteristic services</b>										
<b>A.2 Connected products</b>										
Services										
Goods										
<b>B. Non specific products</b>										
Services										
Goods										
<b>TOTAL</b>		X			X					X
number of trips										
number of overnights										

X does not apply

(1) Corresponds to the services charged of the travel agencies

(2) Corresponds to the services charged of the tour operators

(3) Excluded valuables and tourism single purpose consumer durables goods which value exceeds the custom threshold, and that Balance of Payments statistics and National Accounts include as imports or exports of goods under general

**TABLE 3**  
**Outbound tourism expenditure by products, by types of trips and categories of visitors**  
*(net valuation)*

Products	Resident visitors								
	in other economy				on an international trip (expenditure prior to leave the country of reference) (4)				
	Tourists (3.1)	Same-day visitors (3.2)	Total visitors (3.3)=(3.1)+(3.2)	Tourists (2.4)	Same-day visitors (2.5)	Total visitors (2.6) = (2.4) + (2.5)	Tourists (3.4) = (3.1) + (2.4)	Same-day visitors (3.5) = (3.2) + (2.5)	Total visitors (3.6)=(3.4)+(3.5)
<b>A. Specific products</b>									
<b>A.1 Characteristic products</b>									
<b>1 – Accommodation services for visitors</b>		X			X			X	
1.1 – Hotels and other accommodation services for visitors other than 1.2		X			X			X	
1.2 – Accommodation services associated with all forms of vacation home ownership									
<b>2 – Restaurants and similar</b>									
<b>3 – Passenger transport services</b>		X			X			X	
3.1 Railway passenger transport services									
3.2 Road passenger transport services									
3.3 Water passenger transport services									
3.4 Air passenger transport services									
3.5 Transport equipment rental									
<b>4 – Travel agencies and similar</b>									
reservation services provided by travel agencies (1)									
reservation services provided by tour operators (2)									
other reservation services									
<b>5 – Cultural services</b>									
<b>6 – Sports and recreational services</b>									
<b>7 – Tourism characteristic goods (3)</b>									
<b>8 – Other country specific tourism characteristic services</b>									
<b>A.2 Connected products</b>									
Services									
<b>B. Non specific products</b>									
Services									
Goods									
<b>TOTAL</b>									
number of trips									
number of overnights		X			X			X	

X does not apply

(1) Corresponds to the services charged of the travel agencies

(2) Corresponds to the services charged of the tour operators

(3) Excluded valuables and tourism single purpose consumer durables goods which value exceeds the custom threshold, and that Balance of Payments statistics and National Accounts include as imports or exports of goods under g

(4) These columns are identical to those of Table 2

**TABLE 4**  
**Internal tourism consumption by products and types of items**  
*(net valuation)*

Products	Internal Tourism Expenditure			other components of tourism consumer					Internal tourism consumption
	Inbound tourism expenditure (1.3)	Domestic tourism expenditure (2.9)	Internal tourism expenditure (4.1) = (1.3) + (2.9)	Services associated to vacation accommodation on own account 4.2	Social transfers in kind 4.3	Other imputations 4.4	Tourism single purpose consumer durables purchased outside the context of a trip or before a trips 4.5	Total (4.6) = (4.2) + (4.3) + (4.4) + (4.5)	
<b>A. Specific products</b>									
<b>A.1 Characteristic products</b>									
<b>1 – Accommodation services for visitors</b>									
1.1 – Hotels and other accommodation services for visitors other than 1.2									
1.2 – Accommodation services associated with all forms of vacation home ownership									
1.3 – Other accommodation services on own account									
<b>2 – Restaurants and similar</b>									
<b>3 – Passenger transport services</b>									
3.1 Railway passenger transport services									
3.2 Road passenger transport services									
3.3 Water passenger transport services									
3.4 Air passenger transport services									
3.5 Transport equipment rental									
<b>4 – Travel agencies and similar</b>									
reservation services provided by travel agencies (1)									
reservation services provided by tour operators (2)									
other reservation services									
<b>5 – Cultural services</b>									
<b>6 – Sports and recreational services</b>									
<b>7 – Tourism characteristic goods (3)</b>									
<b>8 – Other country specific tourism characteristic services</b>									
<b>A.2 Connected products</b>									
Services									
Services									
Goods									
<b>B. Non specific products</b>									
Services									
Goods									
<b>TOTAL</b>									

(1) Corresponds to the services charged of the travel agencies

(2) Corresponds to the services charged of the tour operators

(3) Excluded valuables and tourism single purpose consumer durables goods which value exceeds the custom threshold, and that Balance of Payments statistics and National Accounts include as imports or exports of goods under general merchandist trade.

TABLE 5  
Production accounts of tourism industries and other industries  
(net valuation)

Products	TOURISM INDUSTRIES										Total output of domestic producers (at basic prices) (5.15) = (5.13) + (5.14)			
	1 - a Accommodation services in 55 (5.1a)	1 - b Accommodation services in 66 (5.1b)	2 - Restaurants and similar (5.2)	3 - Railway passenger transport (5.3)	4 - Road passenger transport (5.4)	5 - Water passenger transport (5.5)	6 - Air passenger transport (5.6)	7 - Transport equipment rental (5.7)	8 - Travel agencies and similar (5.8)	9 - Cultural services (5.9)		10 - Sports and Recreation services (5.10)	11 - Trade of tourism characteristic goods (5.11)	12 - Other country specific characteristic activities (5.12)
<b>A. Specific products</b>														
<b>A.1 Characteristic products</b>														
1 - Accommodation services for visitors														
1.1 - Hotels and other accommodation services for visitors other than home ownership														
1.2 - Accommodation services associated with all forms of vacation														
1.3 - Other accommodation services on own account														
<b>2 - Restaurants and similar</b>														
<b>3 - Passenger transport services</b>														
3.1 Railway passenger transport services														
3.2 Road passenger transport services														
3.3 Water passenger transport services														
3.4 Air passenger transport services														
3.5 Transport equipment rental														
<b>4 - Travel agencies and similar</b>														
reservation services provided by travel agencies (1)														
other reservation services (2)														
<b>5 - Cultural services</b>														
<b>6 - Sports and recreational services</b>														
<b>7 - Tourism characteristic goods (3)</b>														
<b>8 - Other country specific tourism characteristic services</b>														
<b>A.2 Connected products</b>														
Services														
Services														
Goods														
<b>B. Non specific products</b>														
Services														
Goods														
<b>TOTAL OUTPUT (at basic prices)</b>														
0 - Agriculture, forestry and fishery products														
1 - Ores and minerals, electricity, gas and water														
2 - Food products, beverage and tobacco, textiles, apparel and leather products														X
3 - Other transportable goods, except metal products, machinery and equipment														X
4 - Metal products, machinery and equipment														X
5 - Construction and construction services														X
6 - Distributive trade services; lodging; food and beverage services; transport services and utilities distribution services														X
7 - Financial and related services; real estate services; and rental and leasing services														X
8 - Business and production services														X
9 - Community, social and personal services														X
<b>Total intermediate consumption (at purchase price)</b>														
<b>TOTAL GROSS VALUE ADDED OF INDUSTRIES (at basic prices)</b>														
Compensation of employees														
Other taxes less subsidies on production														
Gross mixed income														
Gross operating surplus														

X does not apply

- (1) Corresponds to the services charged of the travel agencies  
(2) Corresponds to the services charged of the tour operators  
(3) Excluded valuables and tourism single purpose consumer durables goods 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.





**TABLE 7**  
**Employment in the tourism industries**

Tourism industries	Number of establishments			Number of jobs						Status in employment						Number of hours worked			
	Male	Female	Total	employees			other			Male	Female	Total	Male	Female	Total				
				Male	Female	Total	Male	Female	Total										
1 -a. Accommodation services in 55																			
1 - b. Accommodation services in 68																			
2 - Restaurants and similar																			
3 - Railways passenger transport																			
4 - Road passenger transport																			
5 - Water passenger transport																			
6 - Air passenger transport																			
7 - Transport equipment rental																			
8 - Travel agencies and similar																			
9 - Cultural services																			
10 - Sports and recreational services																			
11 - Retail trade of tourism characteristic goods																			
12 - Other country specific characteristic activities																			
<b>TOTAL</b>																			

X does not apply

TABLE 8  
Tourism gross fixed capital formation of tourism industries and other industries

	TOURISM INDUSTRIES											Other industries			Total tourism gross fixed capital formation of tourism industries and others			
	1 - a Accommodation services in 55	1 - b Accommodation services in 68	2 - Restaurants and similar	3 - Railway passenger transport	4 - Road passenger transport	5 - Water passenger transport	6 - Air passenger transport	7 - Transport equipment rental	8 - Travel agencies and similar	9 - Cultural services	10 - Sports and Recreational services	11 - Trade of tourism characteristic goods	12 - Other country specific characteristic activities	Total tourism industries		Public administration	Others	Total
<b>A. Produced non-financial assets</b>																		
<b>A1. Tangible fixed assets</b>																		
1. Tourism accommodation		X																
1.1. Short Accommodation for visitors																		
1.2. Vacation homes (full property)																		
1.3 Other forms of vacation home property																		
2. Other buildings and structures		X																
2.1. Restaurants and similar buildings		X																
2.2. Construction or infrastructure for passenger transport by road, rail, water, air		X												(1)				
2.3. Buildings for cultural services and similar		X																
2.4. Constructions for sport, recreation and entertainment		X																
2.5. Other constructions and structures		X																
3. Passenger transport equipment		X																
3.1. Road and rail		X																
3.2. Water		X																
3.3. Air		X																
4. Machinery and equipment		X																
<b>A2. Intangible fixed assets</b>		X																
<b>B. Improvement of land used for tourism purposes</b>																		
<b>TOTAL</b>															(1)	(1)	(1)	(1)

Memorandum items

**C. Non produced non-financial assets**

1. Tangible non produced assets
2. Intangible non produced assets

**TOTAL**

X does not apply

(1) Only that which is for tourism purposes

**TABLE 9**  
**Tourism collective consumption by CPC products and levels of government**

	Products	National level (9.1)	Regional (state) level (9.2)	Local level (9.3)	Total tourism collective consumption (9.4)= (9.1)+(9.2)+(9.3)	Memo (*)
						Intermediate consumption by the tourism industries
<b>85561</b>	Tourism promotion services;					
<b>85562</b>	Visitor information services;					X
<b>83700</b>	Market research and public opinion polling services;					X
<b>91135</b>	Administrative services related to the distributive and catering trade, hotels and restaurants;					
<b>91136**</b>	Administrative services related to tourism affairs;					X
<b>91260**</b>	Police and fire protection services					X
<b>92219**</b>	Other education and training					
<b>92920**</b>	Educational support services					
	Other					
	TOTAL					

X does not apply

(\*) This column reflects the expenditure by the tourism industries in tourism promotion or other services related to the products described, when relevant.

\*\* Corresponds only partly to CPC code

**TABLE 10**  
**Non monetary indicators**

a. Number of trips and overnights by type of tourism and categories of visitors

	Inbound tourism (*)		Domestic tourism		Outbound tourism	
	Same-day visitors	Total visitors	Same-day visitors	Total visitors	Same-day visitors	Total visitors
Number of trips or visits (*)						
Number of overnights	X		X		X	

\* for trips involving visits to the economy and outside, count the visits. Otherwise, use the trip as a unit.

c. Number of establishments and capacity by forms of accommodation

	accommodation services in 55		accommodation services in 68	
	Hotels and similar	Others	Second homes	Others
number of establishments				
capacity (rooms)				
capacity (beds)				
capacity utilization (rooms)				
capacity utilization (beds)				

d. Number of establishments in tourism industries classified according to average number of employed persons

Tourism Characteristic activities	Number of establishments in tourism industries classified according to average number of employed persons											TOTAL
	1-4	5-9	10-19	20-49	50-99	100-249	250-499	500-999	>1000			
1 - a. Accommodation services in 55												
1 - b. Accommodation services in 68	X											
2 - Restaurants and similar												
3 - Railways passenger transport												
4 - Road passenger transport												
5 - Water passenger transport												
6 - Air passenger transport												
7 - Transport equipment rental												
8 - Travel agencies and similar												
9 - Cultural services												
10 - Sports and recreational services												
11 - Retail trade of tourism characteristic goods												
12 - Other country specific characteristic activities												
TOTAL												

b. Inbound tourism: Number of arrivals and overnights by modes of transport

	Number of arrivals	Number of overnights
1. Air		
1.1 Scheduled flights		
1.2 Unscheduled flight		
1.3 Private aircraft		
1.4 Other services		
2. Waterway		
2.1 Passenger lines and ferries		
2.2 Cruise ships		
2.3 Yacht		
2.4 Other		
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 private motor vehicle with driver		
(ii) Rental of man or animal drawn vehicle		
3.4 Owned private vehicle		
3.5 Vehicle rental without operator (up to 8 pers.)		
3.6 Other modes of land transport (horse back bicycle, motorcycles, etc.		
3.7 On foot		
TOTAL		

(\*) In the case of inbound tourism, the variable would be "arrivals"



# **Annexes**





## **Annex 1**

### **Relationship between the tourism satellite account and the central framework of the System of National Accounts, 1993**

The System of National Accounts 1993 (1993 SNA) gives great flexibility in the design of functionally oriented satellite accounts, as the objective of such accounts is to focus on specific aspects of an economic domain, "escaping from some constraints of the central framework", (1993 SNA, para. 21.50). As a consequence, for a specific domain, various designs are possible, focusing on different aspects considered of more particular interest, and this is the case for tourism.

It is well known that GDP is considered as the epitome of an aggregate measurement of an economic activity. In developing the framework for the tourism satellite account, the main objective pursued was to provide an aggregate measurement of tourism as a complex economic activity that could be easily compared with the GDP of an economy and the GDP of other productive activities or industries. In effect, one of the major concerns in developing the TSA was to provide a credible measurement of the size of tourism, a variable that was in high demand among Tourism Administration that needed an objective measurement of their domain of responsibility in order to gain recognition.

What follows is not an exhaustive description of the relationship between the TSA and the 1993 SNA but rather a brief summary for the general reader of the main concepts used by the TSA, and when and how they relate to those in the central framework of the 1993 SNA.

#### **Production boundary**

In the description of tourism as a productive economic activity, it was necessary to use the same production boundary and the same definition of a production process and of value added as in the 1993 SNA central framework in order to be able to express the importance of tourism using the same benchmark. No imputation for services provided on own account was thus possible within the restrictive context because they are not considered in the central framework as "economically produced", even though such imputation procedure might present some interest in comparing the relative costs of using individually owned consumer durables instead of hiring the service or renting similar assets from producers. Recognizing this situation for countries in which the individual private automobiles are very widely used for tourism displacement, it is recommended that some special additional estimation of such services be made as an alternative presentation of the accounts, but outside the framework of international comparison and comparison with national estimations of GDP.

## **Consumption**

Regarding the distinction between final consumption and intermediate consumption expenditures, it was necessary to break away from the 1993 SNA central framework recommendations because of the importance of tourism for business purposes that could not be left out, and where producers often directly cover the expenses of their employees. A dual, non homogeneous, classification of the so –called "producers tourism expenses" is proposed in the TSA. These expenses relate to those incurred by producers, that benefit visitors, and classified in the central framework of national accounts as intermediate consumption. They refer to transport and accommodation expenses of employees on business trips, and to all expenses incurred by guests of an entity while on a trip and covered by this entity. For the purpose of the TSA, when considering the activity of visitors, these producers tourism expenses are considered as part of tourism consumption and considered as no different, in essence, from those consumption expenditures that the 1993 SNA considers as final consumption expenditure of households in their capacity as visitors. Nevertheless, when the calculation of the gross value added of productive activities is at stake, then there is a dual classification: on the one hand, these expenditure are intermediate consumption and enter in the calculation of the gross value added of the corresponding industries as a cost of production; on the other hand, these expenditure are part of tourism consumption and as such generate a tourism demand the attention of which generates tourism gross value added.

## **Treatment of reservation services**

When issuing the previous version of the TSA-RMF, the net treatment of reservation services, including those provided by travel agencies and tour operators was suggested, which relationship with those recommended in the SNA93 and in the BPM5 were not clear, as such cases were not explicitly discussed in those frameworks. This generated some uneasiness among compilers. As a result of the Inter Agency collaboration, an agreement has now been reached with those frameworks on a common treatment following the net principle of recording of this services, as is presently described in the *Recommendations*.

## **Treatment of innovative forms of vacation home ownership**

When preparing the General Guidelines for Developing the Tourism Satellite Account<sup>1</sup>, the issue of timesharing arrangements regarding the ownership of vacation homes was discussed, and some solutions were suggested. Further consultations with the private sector and with countries were developed from which new analyses and new suggestions derived. This topic was taken over by the Inter Agency Coordination Group on Tourism Statistics as well as by the group working on the revision of international

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<sup>1</sup> General Guidelines for Developing the Tourism Satellite Account (TSA) volume 1 Measuring Total Tourism Demand Technical Document No 2 Measuring Tourism Demand - UNWTO 2000

classifications and solutions have been encountered that all agencies have committed to implement in their respective frameworks, and that are presented here in their effect on tourism supply and tourism consumption.

### **Treatment of valuables and tourism expenditure or important unit value**

In the previous TSA-RMF, the purchase of valuables while on trips had been excluded from tourism consumption, in order to preserve consistency with the SNA93 that excludes them from consumption. BPM5 did include these expenditures by travelers in the travel item.

For the present *Recommendations*, it was decided to enhance comparability with BPM6 and include the purchase of valuables as tourism consumption, but following the same rule as that established for the Balance of Payments and foreign trade statistics, that is, under the condition that their value is smaller than the customs threshold.

Similar type of condition was also imposed on any purchase, concerning valuables and any other goods, including tourism single-purpose consumer durables while on trips.

### **Groupings of products and of establishments**

The TSA uses groupings of products and establishments that differ from those usually used by countries in their supply and use tables following SNA93, although they are extracted from the internationally approved classifications (CPC rev 2 for products, ISIC rev 4 for activities) since the TSA concentrates its focus mainly on tourism characteristic products and industries. Such a different focus has no effect on totals but only on breakdowns by products or productive activities.

### **Tourism gross value added**

Finally, it is worthwhile to underline that the TSA uses, as a characteristic aggregate of the size of tourism, a value that has the dimension of gross value added but does not correspond to the gross value added generated by a set of producing units developing similar production processes as is the case of such measurements in the central framework of the SNA93. Tourism gross value added is defined as the gross value added generated in the economy in response to internal tourism consumption. Part of this gross value added may be generated by tourism industries, and part of it may also be generated by non-tourism industries. Not all the gross value added of the tourism industries is part of tourism gross value added since these activities may also serve non-visitors in the same way that non-tourism industries may serve visitors and thus generate tourism gross value added.

## Annex 2

### **The treatment of goods and retail trade activities in the 1993 SNA and in the TSA**

Because in tourism statistics, the activity associated with goods purchased by visitors is the retail trade activity by which they are made available to them, while neither the activity producing them, nor other distribution and transport activities through which goods are made available to retailers are taken into consideration because they are not in a direct relationship with the visitors, the treatment to be given to goods and retail trade activities within the TSA framework needs further explanation.

Although tourism consumption is mostly viewed as related to services, (food and beverage provided by food service providers are considered as services) a reason why the Balance of Payments and the System of International Trade in Services include the consumption activity related to tourism within services, visitors do purchase goods, either for their trip or during their trip, and in some cases, shopping might become the main purpose of a trip.

Tourism analysis initially focuses on measuring direct effects that are geographically located either in places visited by visitors, or in their places of origin. The broader effects of tourism on an economy will be part of the measurement of the impact of tourism, which will be discussed in Annex 5, and in this context, the production and other productive activities related to goods acquired by visitors or for their benefit will be taken into consideration.

Because in the 1993 SNA, in the Supply and Use table, production and output are valued at basic prices, as well as imports, whereas uses are valued at purchaser's prices, to the value of each good (that appears in rows) from the supply perspective (at basic prices), it is necessary to add two classes of adjustments: one has to do with the taxes on products which value is excluded from the basic price, but is included in the value at purchasers price, and the other has to do with the transport and distribution margins, that represent the value of transportation, wholesale and retail trade services included in the purchasers price of the good. These adjustments appear in columns, in which each row presents the adjustment corresponding to the product appearing in the row. With this procedure, supply of each product in the economy is valued, from the supply side, at the same price as its use.

From a production perspective, the value of the production of these transport and distribution margins appears as the sum of the output of the different industries that produce these margins and particularly the transport industry (in the case of transport) and the trade services (in the case of wholesale and retail trade services). In the Supply and Use table, the value of these services (that is part of total supply by domestic industries in the Supply table) and corresponds initially to specific rows, are assigned to goods via the columns representing transport and distribution margins and the corresponding cells using the following procedure: In the column(s) of supply representing margins, the intercept with the rows concerning the industries producing these services (transport and whole sale and retail sale trade) will contain the total value

of the services with a negative sign, so that the total value of supply concerning the row will be 0 as there is no specific use for these products as such (independently from the products to which they are attached). On the other hand, these values “transferred” from the distribution and transport activities will be assigned to the corresponding products in the column(s) corresponding to the margin so that the total of the column (transport and trade margins) for the whole economy will be equal to 0.

As a consequence, there will be no double counting of these margins that will first appear as an output of the industries producing them, and then assigned to the goods to which they correspond.

Because of this form of presentation, it is no longer necessary, as was the case in the previous presentation of the tables, to isolate margins as different products within tourism consumption.

## Annex 3

### Proposed list of tourism single-purpose consumer durables, tourism gross fixed capital formation items and of non market products linked to tourism collective consumption

#### Tourism single-purpose consumer durables

The proposed list of tourism single-purpose consumer durables considers the possibility of flexibility.

Countries with and without winter or water activities that can be undertaken from within the usual environment, may, for example, use different lists of single-purpose consumer durables. For this reason, this list contains two different categories of tourism single-purpose consumer durables: those that are common to all countries and, those that a country may wish to include due to its particular characteristics.

To facilitate different lists for different countries, a category of “other recreational and sporting equipment” is proposed, leaving countries to specify their own products within this category, reflecting the country’s typical activities. For example, some countries would include skis, others would include water skis and yet others would include tennis racquets and golf clubs. The inclusion of “other recreational and sporting equipment” would however be common to all countries.

#### List of tourism single-purpose consumer durables according to CPC Ver. 2

Commodity	CPC Ver. 2*	All countries	Optional
Airplanes and Hang gliders	49611, 49622	Yes	
Motorhomes or Recreation Vehicles	49113, 49222	Yes	
Camper vans (e.g., specially equipped for travel purposes)	49222	Yes	
Travel and tent trailers	49222	Yes	
Luggage	29220	Yes	
Camping equipment (tents, sleeping bags, camping stoves, etc).	27160, 27180, 36990	Yes	
Motor boats, outboard engines and trailers for boats	49490, 49229, 43110	Yes	

## List of tourism single-purpose consumer durables according to CPC Ver. 2 (continued)

<b>Other recreational and sporting equipment**:</b>			
Seadoos	49490		yes
Sailboats with or without auxiliary motor, yachts	49410, 38420		yes
Canoes, kayaks, and sailboards, incl. accessories	49490, 38420, 38440		yes
Ski equipment (skis, skiboats, ski jackets and suits, etc.)	29420, 38440		yes
Hunting and sports fishing equipment	29420, 38440		yes
Sea-diving equipment	38420		yes
Waterskis and other water-sport equipment	38420		yes
Climbing/tramping/hiking equipment	29420		yes
Tennis or golf equipment	38440		yes

\* Most of these categories are parts of CPC classes indicated

\*\* To be established and completed by each country according to its own situation. Items included are for illustrative purposes

### Tourism gross fixed capital formation

As proposed, tourism gross fixed capital formation will over the two main components:

- Tourism-specific fixed assets
- Gross fixed capital formation of tourism industries in other non-tourism specific assets.

A memorandum item will include non produced non-financial assets acquired by the tourism industries, both tangible and intangible.

The items will be classified in reference with the 1993 SNA classification definitions and classifications of assets (SNA 1993 Annex to chapter XIII).

As in the case of tourism single-purpose consumer durables, the tourism character of certain types of investment in fixed assets is left to countries to decide, and particularly in those that have developed specific investments for this particular purpose, as for instance the development of golf courses, marinas, ski fields, the setting up of facilities to receive visitors in national parks, etc. mainly oriented to the tourism market.

- I. **Tourism specific fixed assets will include:**
  1. **Accommodation for visitors** classified as follows:
    - 1.1. *Hotels and other accommodation for visitors*, which include: hotels, motels, inns, youth hostels, mountain shelters, camping sites, holiday camps and villages, bed and breakfast, etc.,
    - 1.2. *Vacation homes*, which include: vacation homes and all other non traditional forms of vacation home ownership
  2. **Other non residential buildings and structures** classified as follows:
    - 2.1. *Restaurants and similar buildings for serving food and beverages*, which include: restaurants, cafés, bars and self-service establishments (night-clubs, discotheques etc.).
    - 2.2. *Buildings and infrastructures for the long distance transport of passengers by land, sea and air*, which include: passenger terminals, electric lines for long distance railways specifically for passenger transport, construction of docking and mooring facilities for passenger ferries or cruise ships.
    - 2.3. *Buildings for cultural and similar services mainly for use by visitors*, which include restoration of historical monuments, tourism sites, etc.
    - 2.4. *Constructions for sport, recreation and entertainment*, for leisure activities mainly outside the usual environment, which include: construction of swimming pools or any other amenities for the recreation of guests in hotels or resorts, construction of zoos and attraction parks, ski resorts, marinas, golf courses, etc.
    - 2.5. *Other constructions and structures*.
  3. **Passenger transport equipment** is classified as follows:
    - 3.1. *Land transport*, which includes: (a) road transport (interurban coaches, sightseeing coaches etc.) and (b) railway passenger transport (locomotives, diesel trains, passenger wagons except for commuter trains, etc).
    - 3.2. *Sea transport*, which includes: passenger and vehicle ferries, cruise ships and yachts.



- 3.3. *Air transport*, which includes aeroplanes, gliders and hang-gliders, observation balloons and air-ships, luggage transport vehicles, helicopters etc.
4. **Other machinery and equipment** covers: all capital goods not included in other headings and specifically associated with the provision of services to visitors by the tourism industries, such as equipment for the industrial preparation of food in restaurants, special equipment for passenger terminals, equipment and furniture for hotels and restaurants, sports equipment etc. Consumer durable goods acquired by visitors are excluded.
5. **Improvements of land used for tourism purposes** relate to those undertaken by the private sector, such as the recuperation of land from the sea by the construction of dykes, retaining walls or dams, ecological clearing of forests, etc. in order to permit this land to be used for tourism purposes.
- II. **Other Gross fixed capital formation of the tourism industries** will include all other capital goods acquired by the tourism industries that is not tourism specific: it is the case for instance of computers, vehicles for the transport of staff, trucks or other machinery, etc.
- III. **Other non-financial assets:** this global item corresponds to three different types of assets:
- **Intangible fixed assets:** these refer mainly to computer programmes for the development of databases, bought and/or produced for producers use, specifically designed for services provided to visitors and specialized tourism knowledge; this item might also include originals scripts on which performances of all types can be recorded or embodied, and that might be acquired for the recreation of visitors.
  - **Tangible non-produced assets:** it refers to assets that occur in nature and on which ownership rights might be enforced and transferred. In the present case, it refers to land under structures and recreational land.
  - **Intangible non-produced assets:** Non produced assets are constructs of society, and evidenced by legal or accounting actions, such as the granting of a patent or the conveyance of some economic benefit to a third party. It includes leases and other transferable contracts. In some forms of innovative vacation home ownership, the household might not be the owner of the physical asset but of an intangible non-produced asset related to that physical asset. This point will be explained in the Compilation guide.

## **B. Tourism collective consumption**

Countries might classify government non-market production of collective services related to tourism in the following CPC categories:

- CPC 85561 Tourism promotion services;
- CPC 85562 Visitor information services;
- CPC 83700 Market research and public opinion polling services;
- CPC 91135 Administrative services related to the distributive and catering trade, hotels and restaurants;
- CPC 91136 Administrative services related to tourism affairs;
- Part of:
  - CPC 91260 Police and fire protection services
  - CPC 92219 Other education and training
  - CPC 92920 Educational support services
  - Other

## Annex 4

### Measuring the economic impact of tourism (PENDING)

*(The inclusion of this new Annex was agreed by the Technical Sub-Group of the Inter-agency Coordination Group on Tourism Statistics in order to explain in more detail the relationship between the TSA and analysis about different types of economic contributions of tourism (direct, indirect and induced))*

## Annex 5

### OECD employment module

#### Introduction

The OECD employment module presents a conceptual and methodological framework with a set of key employment variables. The work highlights the importance of employment and human resource issues for the tourism-related industries, and therefore the need to provide comprehensive and reliable employment data for both public and private users. The guidelines are consistent with the concepts and definitions followed in other areas of socio-economic and tourism statistics, notably the 1993 SNA, the ILO standards, the United Nations/WTO Recommendations on Tourism Statistics, the 1999 OECD guidelines on tourism satellite accounts and the present Recommended Methodological Framework. The methodology is intended to be simple and flexible for adoption and adaptation.

#### Objectives

The primary objective of the OECD employment module is to provide a statistical framework and methodological guidelines to establish the level and some characteristics of employment in the tourism industries. This is mainly done from a supply-side perspective. In other words, only the employment in a set of selected characteristic tourism industries is taken into account. Even if the OECD employment module is closely linked to tourism satellite accounts, it should also stand on its own, that is, employment should be seen not only as a factor in the production process but also as a social phenomenon.

One objective is that application of this methodology may improve international comparability of statistics on employment in the tourism industries. This will not be an easy task, because comparability of data on employment in general is already hampered by differences in methods and definitions between countries. Even at the national level, employment statistics and data sources often provide different and fragmented results.

#### The conceptual framework

The OECD employment module establishes a process that links basic employment data with the tourism satellite account, by using the employment module as an integration framework (micro-macro linkage). This process uses indicators of the general level of tourism-related employment, such as jobs, persons employed or full-time equivalents - with a further distinction for seasonal employment and "jobs on the side" - and key employment variables, such as gender, age, education level, nationality, status in employment, working scheme, average seniority, average hours of work, average gross earnings, permanency of jobs and irregular working hours. The tourism satellite account

provides a link between tourism demand and tourism supply. This results in a selection of tourism-related industries, seen from a supply-side. Such a framework provides possibilities for statistical integration and coordination.

### **The way forward**

The employment module can improve national and international comparability of tourism-related employment data considerably. It can function as a benchmark against which other employment data can be set, leading to a better overall picture and increased comparability. However, the connection between the OECD employment module and the TSA should not be seen as the only and perfect road. The OECD employment module also highlights areas where further research could be done. The experience of countries in implementing the employment module and the cooperative work currently being developed by various international organizations should be helpful in clarifying some of these issues.

## **Annex 6**

### **Developing TSA at other geographical levels**

Because of the importance of the reconciliation process underlying the compilation of a TSA, that provides a very rich set of consistent information on tourism, in which indicators related to demand and to supply are reconciled, regions within countries or groupings of countries might be interested in designing TSAs at their geographical level.

The IRTS already mentioned the specific issues related to setting up tourism statistics within a different geographical environment and the need for definitions and concepts to adjust to this new surrounding in particular the usual environment, the definition of the different categories of visitors, etc. and the existence of different procedures to related tourism statistics at other geographical levels with that of national tourism statistics.

Additionally to the previous issues, because the TSA is by nature related to the national accounts of a country with which it shares not only concepts and definitions but also data, establishing a TSA in these new circumstances requires the existence of some type of Regional Macroeconomic Accounts, or at least, the delimitation of the basic macro variables related to that geographical space.

Experiences are presently being developed in various countries in which different types of approaches are tested with different degrees of relationship between the regional experiences and the local ones.

The Compilation Guide will build on some of these experiences to provide indications to countries wishing to enter into this new field of tourism analysis.

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