

# **Tourism Statistics: Challenges and Good Practices**

**Regional Workshop for the CIS countries**

## **Tourism statistics as a case study of integrated economic statistics: from basic statistics to the TSA**

**Linking the IRTS 2008 and the TSA-RMF 2008**

**Item 15**

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# A System of Tourism Statistics - structuring the observation of tourism



## IRTS 2008 (Chapter 8) - future extensions:

- Tourism Satellite Account: tourism statistics is linked with macroeconomic analysis.
- The link between inbound and outbound tourism and the balance of payments is highlighted.
- The need for measurements of tourism at the sub-national level is stressed.
- The issue of sustainability of tourism and its measurement.

## A System of Tourism Statistics - structuring the observation of tourism:

- Non-monetary indicators:
  - ✓ Characterizations of visitors and trips
  - ✓ Characterization of their demand for goods and services
  - ✓ Characterization of “tourism industries”
- That might be related to value indicators (but not necessarily)
- Classifications

# The role of Satellite Accounts in general



## IRTS 2008 (para 8.2-8.9):

- A Satellite Account is an **economic account**:
  - ✓ Its main focus is on economic values, though (i.e. tourism expenditure)
  - ✓ clearly associated with non-monetary variables (physical variables, employment).
  
- It should be
  - ✓ consistent with the content of the subject matter it covers in terms of providing **macroeconomic measurements** and aggregates that are relevant;
  - ✓ providing **explicit links** with the **System of National Accounts**, its main aggregate and detailed accounts;

# Tourism Satellite Accounts (TSA)



- Its main aggregates (TSA-RMF 2008, para 1.15):
  - ✓ Tourism Consumption
  - ✓ Tourism Direct Gross Value Added (TDGVA)
  - ✓ Tourism Direct Gross Domestic Product (TDGDP)
- To be compared with global aggregates:
  - ✓ Total GDP
  - ✓ Total Value Added
  - ✓ Total household final consumption
- Breakdowns are also of interest:
  - ✓ Tourism consumption that are:
    - Resident to resident transactions: Domestic
    - Resident to non-resident transactions: Imports (outbound tourism consumption) or Exports (inbound tourism consumption)
  - ✓ Tourism consumption by products
  - ✓ Activities that are mostly of tourism interest: tourism characteristic activities
- Reconciliation use/supply (TSA-Table 6)
- Reconciliation within the framework of Supply and Use (SUT) Tables of the national system of national accounts

# The consequences of TSA compilation for the System of Tourism Statistics (STS)



- The use of the concept of **residence** instead of that of **nationality** (as in BoP and NA)
- Based on “acquisition” and not “payment” (accrual basis vs. cash basis) (clarification in IRTS 2008)
- The **boundary of production** should be the same as that used in National Accounts (in particular exclusion of the production of services on own account; clarification in TSA-RMF 2008, Annex 2).

# Consequences on tourism consumption/ expenditure



- Tourism expenditure/tourism consumption (TSA-RMF 2008, para 2.21-2.24 and 2.25-2.65), exclusively acquisition of goods and services (IRTS 2008, para 4.6 u. 4.7), but:
  - ✓ exclusion of interests, transfers, etc.
  - ✓ exclusion of shuttle trade
  - ✓ exclusion of financial and non-financial assets (except: valuables)
  - ✓ exclusion of products for resale
  - ✓ exclusion of transfers in cash to charity and individuals (i.e. family)
  - ✓ treatment of durable goods of important unit value (to be included because part of HH final consumption expenditure)
  - ✓ Treatment of valuables
- Clarification of the treatment of operations in kind (included in HH final consumption expenditure)
- Clarification of the treatment of acquisition on behalf of visitors that are not part of HH final consumption expenditure
- Package tours, time shares, etc.
- The coverage of tourism consumption: beyond tourism expenditure in the same way as HH actual consumption goes beyond HH final consumption expenditure (see also TSA-RMF 2008, para 2.26).

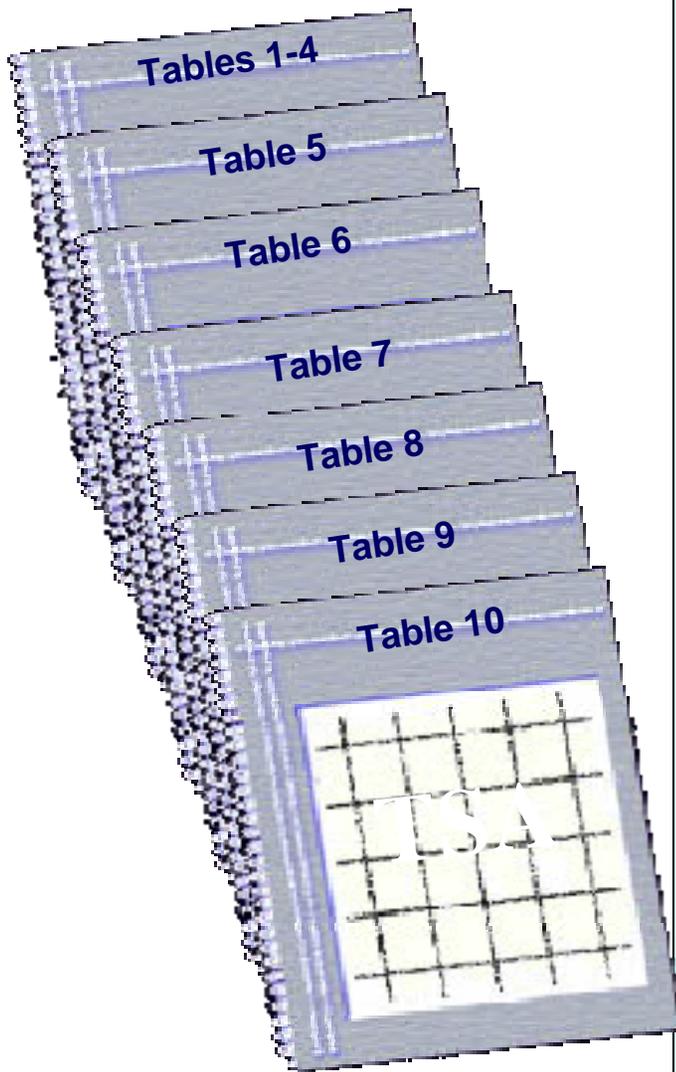


## Main aggregates associated with the TSA

- Tourism expenditure by categories (inbound, outbound, domestic)
- Tourism consumption - related with the concept of HH final consumption
- Gross Value Added of Tourism Industries (GVATI):
  - ✓ Sum of the total GVA of all tourism industries
  - ✓ Regardless, whether output is provided to visitors or not
- Tourism Direct Gross Value Added (TDGVA):
  - ✓ Calculation of “Tourism ratios“ - share of tourism demand on supply by product
  - ✓ “Tourism ratio” by product is applied to the “Gross Value Added (GVA)” of the “symmetrically“ corresponding industry
  - ✓ Applying the “Tourism ratios” the total “Tourism Direct Gross Value Added” (TDGVA) of each industry can be estimated
  - ✓ The sum of the TDGVA by each industry is related to overall GDP, resulting in the share of tourism in total GDP
- Tourism Direct Gross Domestic Product (TDGDP):
  - ✓ Total GDP at basic prices, net taxes and imports
  - ✓ GDP attributable directly to internal tourism consumption
  - ✓ Sum of part of GVA generated by all industries in response to internal tourism consumption (incl. tax and imports; purchaser price)
- Direct, indirect and induced

All these related with measurements within the context of a SNA!

# The basic structure of the TSA: the proposed tables



- 1- 4 Tourism Consumption**
- 5 Production**
- 6 Demand meets Supply**
- 7 Employment in Tourism industries**
- 8 Tourism Gross Fixed Capital Formation**
- 9 Tourism Collective Consumption**
- 10 Physical Indicators**



## Basic steps for the implementation of a TSA

- A good understanding of the TSA framework and proposed tables;
- Description of the country's tourism activity;
- Description of the country's system of tourism statistics (STS);
- Description of the country's system of national accounts and related systems;
- Compilation of an experimental TSA;
- Setting up of a feasibility study considering different alternatives;
- Implementing the decisions and getting results
  - ✓ Pilot estimations to monitor the advance of the project
- Statistical assessment of the quality of the TSA;
- Disseminating the results and proceeding further.



## Conclusions

- The feasibility of having a developed TSA depends on the degree of advance and of the quality of the national accounts of a country;
- It is necessary to have a good knowledge of national accounts to understand how to build a TSA: thus the need for inter-institutional cooperation;
- The TSA conceptual framework which is proposed here is not the only possible design for a TSA: others options were possible, with weaker links to SNA'93 and thus greater freedom in defining the boundary of production - the present option was chosen because credibility was the main objective.