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 imrpts; purchaser price
- Direct, indirect and induced
The basic structure of the TSA: the proposed tables

| Tables 1-4 | 1-4 Tourism Consumption |
| Table 5    | 5 Production            |
| Table 6    | 6 Demand meets Supply   |
| Table 7    | 7 Employment in Tourism industries |
| Table 8    | 8 Tourism Gross Fixed Capital Formation |
| Table 9    | 9 Tourism Collective Consumption |
| Table 10   | 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.