B.2.3. Classification of tourism expenditure

4.48.   In order that demand by visitors for specific goods and services may be related to the supply of those goods and services in the economy, information on expenditure needs to be collected in disaggregated form and according to a common classification of goods and services (IRTS 2008, chapt. 4, sect. D). While in industrial statistics and in the National Accounts, products are usually analysed in classifications derived from the Central Product Classification, IRTS 2008 recommends that the collection of tourism expenditure data be carried out such a way as to make understanding and reporting as easy as possible for visitors.

4.49.   IRTS 2008 thus recommends using a classification that allows visitors to group their expenditure according to purpose, namely, the Classification of Individual Consumption According to Purpose (COICOP), which is commonly used for the description of personal consumption in general statistics and household surveys, and has the primary advantage of being linkable to CPC (which, in turn, enables linkage to supplyside classifications) (see Chapter V).

The categories that are most commonly used, and recommended in IRTS 2008, are:

- Package travel, package holidays and package tours
- Accommodation
- Food and drink
- Local transport
- International transport
- Recreation, culture and sporting activities
- Shopping
- Others

4.50.   Measuring tourism expenditure within a consistent framework like the TSA entails both the use of aggregated categories (such as those in COICOP) and more detailed data for certain breakdowns of expenditure in order to enable the link to supply (see Chapter V for further information on classifications). If the intention is to ultimately link the expenditure data to supplyside information (as in the case of the TSA), information from the above categories needs to be further broken down according to CPC, which is the classification used for the list of tourism characteristic products (see chapt. V, sect. C, and IRTS 2008, para. 5.18).

4.51.   Because flows and expenditure are often observed at different moments in time (paras. 3.66 and 4.6), and in order to measure total inbound tourism expenditure, expenditure data need to be assigned to data on flows.

4.52.   With regards to inbound tourism expenditure, BalanceofPayments figures for the "travel" and "passenger transport" items are used extensively as a first approximation. IRTS 2008 (paras. 8.22-8.25) explicitly recommends that tourism statistics allow tourismrelated expenditure to be identified under "travel" and "passenger transport" as a item supplementary to the standard BalanceofPayments component. The supplementary breakdown proposed in BPM6 for this purpose (goods, local transportation services, accommodation service, food serving services and other services) conforms fairly well with that of COICOP, although the differentiation between goods and services may cut across the COICOPbased categories (see paras. 5.9-5.16).

Box IV.4

Trip expenditures imputation: Travel Survey of Residents of Canada

In the Travel Survey of Residents of Canada, trip   expenditures' imputation is conducted for expenditure data to ensure that   every record has a valid expenditure value for all expenditure categories.   All other missing or erroneous values are either corrected or converted to a   "not stated" code. Expenditure values are imputed based on the   average expenditure for this variable from other selected trips with similar   characteristics.

Common characteristics are used since expenditures   vary considerably depending on trip characteristics. Averages are computed   for trips with common characteristics, such as destination, duration, number   of people in the travel party and main reason for trip. Averages are computed   separately for trips from the first and second recall months. There must be   at least three contributing records for each imputation category; this is not   the case, trip characteristics are collapsed to a less specific level, and a   set of averages is calculated for this higher level of trip type.

An additional step in the imputation process is the   distribution of tour package expenditures to specific expenditure categories.   This is accomplished in the same fashion as expenditure imputation. Imputed   expenditures are then reedited to ensure that no outlier values have been   created by the expenditure imputation process. After this procedure, an extra   adjustment is performed for sameday trips with identical trips and high   expenditures.

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Source: Statistics Canada.