D. Reconciliation of tourism demand with tourism supply

5.27. As long as the description of tourism is confined to demand, it is sufficient to use the COICOP classification for expenditure, possibly adapted to a certain extent to accommodate Balance of Payments needs as well.

5.28. However, the attempt to set up a System of Tourism Statistics (STS) and reconcile the tourism supply and demand perspectives requires that information be obtained on both, with in a unique classification, permitting information from different sources to be compared and consistency to be checked.

5.29. It is recommended that this unique classification be aligned with the Central Product Classification (CPC), the international classification of goods and services based primarily on the physical nature and main use of products. CPC is used in all macroeconomic frameworks covering the production, supply and use of products in an economy, and is also referred to by all countries in setting up their National Accounts.

5.30. IRTS 2008 proposes the use of tourism statistics classifications that are directly derived from CPC Ver.2 for classifying products (goods and services) and from the ISIC, Rev.4 for classifying productive activities, so as to enable international comparisons among countries.

5.31. These tourism statistics classifications provide groupings of products and activities, based, respectively, on CPC Ver.2 and ISIC, Rev.4, so as to (a) best reflect the importance of specific products and activities for the analysis of tourism expenditure and also (b) present the categories of the major providers of these products (goods and services) to visitors. These are called tourism characteristic products and tourism characteristic activities, respectively.

5.32. While tourism expenditure could include any consumption goods, services and valuables, as noted in paragraph 4.15 above and explained in the IRTS 2008, para. 4.4, the detailed international comparability of tourism expenditure and supply will be limited to tourism characteristic products and related activities (IRTS 2008, para. 5.9). Tourism characteristic products are those that satisfy one or both of the following criteria (IRTS 2008, para. 5.10):

(a) Tourism expenditure on the product should represent a significant share of total tourism expenditure (share of expenditure/demand condition);

(b) Tourism expenditure on the product should represent a significant share of the supply of the product in the economy (share of supply condition). This criterion implies that a tourism characteristic product would cease to be supplied in meaningful quantities in the absence of visitors.

5.33. Annex 2 of IRTS 2008, entitled “List of consumption products grouped by purpose, according to their categorization as internationally comparable tourism characteristic products”, covers products potentially belonging to these categories (enumerated in para. 5.8 above), according to the classification of demand by purpose. The aim of this list is twofold:

(a) To identify those products that should be considered for international comparability purposes;

(b) To pinpoint other products grouped under the same COICOP functions that might be considered relevant for analysis by some countries. It should be mentioned that the list of “other products” included in this last category could have been expanded: the intention in including only some of them was to encourage countries to consider developing their own lists of country specific tourism characteristics products and tourism connected products.

5.34. In tourism statistics, the “accommodation services” classification encompassed, beyond those items traditionally regarded as such, items associated with the provision of shelter that likewise pertain to production but are related to residential property rental or leasing services and transactions involving timeshare property (CPC division 72). These items include:

72111 Rental or leasing services involving own or leased residential property
72123 Trade services of timeshare properties
72211 Residential property management services on a fee or contract basis except of timeshare ownership properties
72221 Residential building sales on a fee or contract basis, except of timeshare ownership properties
72223 Sale of timeshare properties on a fee or contract basis
85521 Reservation services for accommodation
85522 Timeshare exchange services

5.35. It should be mentioned, although this is a TSA issue, that tourism statistics also include the production of accommodation services on own account principally associated with the ownership of vacation homes, even though these services are not considered to be within the scope of CPC Ver.2.

5.36. As mentioned in IRTS 2008, (paras. 5.37-5.43), it is not possible at present to establish a standard list of tourism-related goods acquired for and during trips that would be meaningful worldwide. Consequently, each country must determine which consumption goods and valuables qualify as tourism characteristic products to be recorded as countriespecific tourism characteristic goods.

5.37. There are two categories of goods that might be relevant in some countries but that are not identified as such in CPC Ver.2 (countries would need to identify them if they are included as tourism characteristic products), namely:

• Valuables (IRTS 2008, paras. 4.4 and 4.36 (h)), defined as produced goods of considerable unit value that are not used primarily for purposes of production or consumption but that are held as stores of value over time; they comprise, inter alia, precious metals and stones, jewellery and works of art. Countries where tourism expenditure on such goods is relevant should consider including them in their list of countriespecific tourism characteristic (or connected) products.

• Handicrafts (IRTS 2008, para. 5.38), defined as goods produced following traditional techniques which are often vehicles of local culture and are identified essentially by how they are produced, their design and their link to the traditional cultures of local communities. As such, they are usually not directly identifiable in the international CPC classification of products, in which mode of production is not a classification criterion. As a consequence, unless their supply within a specific category of goods is significant enough to justify the creation of a special category within the national classification of goods derived for CPC, or unless a CPC category can be further segmented into “handicrafts and others”, countries...
might not be able to incorporate specific handicrafts (or all handicrafts) into the system as countryspecific tourism characteristic products. For the purpose of the STS, it might nonetheless be relevant to mention this category.

It should be noted that the 12 categories of tourism characteristics consumption products (see IRTS 2008, figure 5.1) are also those used in the TSA tables. While categories 1-10 are used for international comparability purposes and are thus standardized, categories 11 and 12 need to be defined and developed by individual countries. Countries having identified products in those categories should enumerate the corresponding CPC Ver.2 categories, to enable possible comparisons with the classifications of other countries.