

A. Introduction (Chapter IV)

4.1. Besides measuring the physical flows of visitors and their characteristics, tourism statistics are especially useful for understanding the economic implications of visitors' activities. Such measurements allow tourism analysis to be linked with other forms of economic analysis, thereby, permitting the integration of tourism policy within a country's general macroeconomic policy framework. One of the key economic dimensions of encompasses tourism as related to visitor expenditure for and while on tourism trips. The present chapter describes the scope and different categories of expenditure associated with movements of nonresident visitors to the country of reference (inbound tourism), movements of resident visitors within the country of reference (domestic tourism) and movements of resident visitors outside the country of reference (outbound tourism).

4.2. Frequent references are made throughout this chapter to the Tourism Satellite Account (TSA) and the System of National Accounts (SNA), to both (a) explain conceptual issues connected with tourism expenditure and its different categories and (b) underline the relationship between the terms "expenditure" (used in the context of surveys and questionnaires) and "consumption" (which includes tourism expenditure and other items, and is used in the TSA context: see [TSA: RMF 2008, para. 2.25](#)).

4.3. The difference between tourism expenditure and tourism consumption is significant. Tourism expenditure is the amount paid by visitors for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips ([IRTS 2008, para. 4.2](#)). Tourism consumption comprises tourism expenditure as well as a number of other nonexpenditure consumption items whose value needs, to be imputed, mainly the use of second (holiday) homes and government subsidies to facilities used by visitors (e.g., museums and exhibitions). Tourism consumption is usually required only for purposes of constructing a TSA. However, tourism expenditure, collected through visitor surveys, is an important component of basic visitor information which is useful for a variety of purposes, such as marketing and policy development. This Compilation guide focuses only on tourism expenditure and not on total tourism consumption.

4.4. Significantly, data on tourism expenditure (and ultimately consumption) are particularly important as they constitute the basis for matching tourism demand and tourism supply. Such matching through use of a TSA, enables measurement of tourism's contribution to an economy.

For a full description of the differences between tourism expenditure and tourism consumption, see [TSA: RMF 2008, paras. 2.25-2.28](#).

4.5. A growing number of countries have developed surveys to measure inbound tourism expenditure. The use of such instruments to also measure the "travel" item in the Balance of Payments has created increasing pressures for the alignment of tourism statistics with the IMF publication *Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6)*, (see also [IRTS 2008, chap. 8 sect. B](#)) and the *Manual on Statistics of International Trade in Services 2010 (MSITS 2010)*. It has also fostered improvements in the international comparability of Balance of Payments measures of the expenditures by travellers outside their country of residence.

4.6. Another important concern is the difference between measuring the *flows* of visitors and measuring the *expenditure* they engage in. While the flows tend to be measured at the point of arrival in the country of reference for inbound tourism and at the point of departure from the country of reference for outbound tourism (see [chapt. III sect. C.1](#)). The reverse is the case for expenditure: it is measured at the point of departure from the country of residence for inbound tourism and at the point of arrival in the country of residence for outbound tourism. The reason is that visitors are best able to answer questions about their expenditure at the moment of conclusion of the trip, and not at the onset, when a large portion of the expenditure is still to be made. In such a dual construction, whereby flows are calculated on the one hand and average expenditure on the other, it becomes necessary to use a common categorization so that the information can be combined at a later stage.

4.7. As noted previously (see [para. 3.5](#) above), countries should understand that the guidance provided here is of a general nature: each country should apply the recommendations that best correspond to its own situation after thoroughly reviewing the particularities of its tourism activity.