



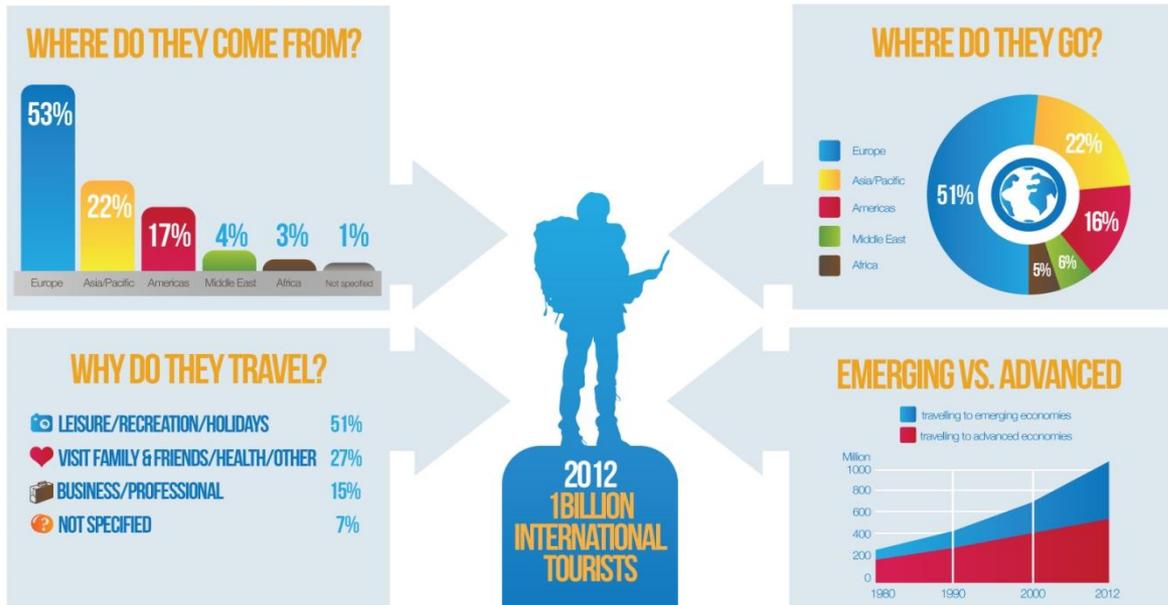
Tourism Satellite Account Development

There is no doubt about the importance of tourism



TURNING ONE BILLION TOURISTS INTO ONE BILLION OPPORTUNITIES

In 2012, a record one billion tourists crossed international borders in a single year. Another five to six billion are estimated to travel in their own countries every year.



But what do we know about its monetary value?

Introduction



Understanding tourism and its economic impact is a complex process

Need for

The traditional physical flows of visitors and accommodation data

Tourism expenditure data , information about establishments that produce the goods and services, and employment to name a few.

Other requirements:

International consensus on concepts definitions and classifications

System comparable to other economic sectors and industries

Introduction



- A collaborative effort between the UNWTO, and other international organizations such as the Organization for Economic Co-operation and Development (OECD), the United Nations, and the IMF led to the “twin” manuals:
 - Recommendations for Tourism Statistics 2008 (RTS2008)
 - TSA Recommended Methodological Framework 2008 (TSA RMF2008),



see : www.unwto.org

Introduction



- **UN standard: Pillars of tourism measurement: System of Tourism Statistics (STS)**
 - Tourism statistics: credible comparable data for a holistic understanding of tourism
 - Tourism Satellite Account: tourism as an economic sector comparable to other economic activities and the basis for economic impact analysis

What is tourism?



- Discussion point : What is Tourism?

Definition of Visitors



- Tourism refers to the activity of visitors
- A visitor is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited.
- The main aim of tourism statistics : distinguish/identify visitors from other subsets of travellers

Definition of visitors



- **Usual environment**
 - The direct vicinity of home, work, study and other place visited
 - Geographical boundaries
 - Frequency of visits



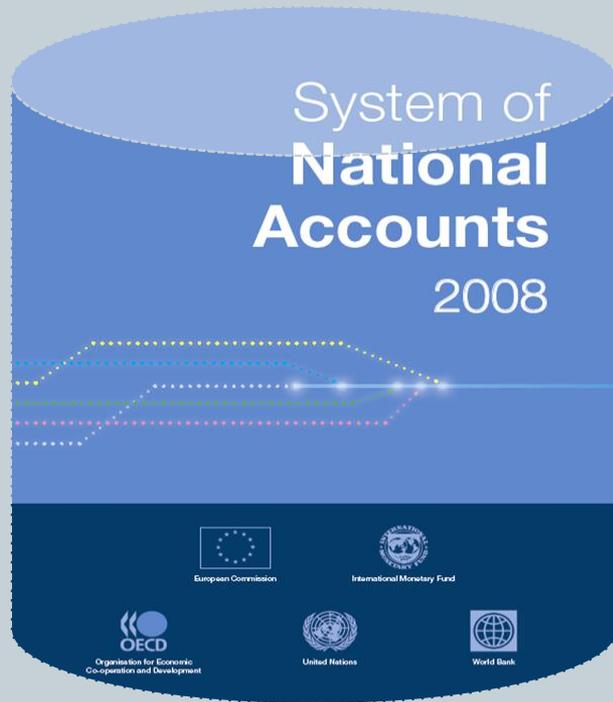
Discussion : Why a Satellite?

Why a satellite?



- Economic activities are classified by ISIC based on the type of goods and services produced
- Tourism: measuring visitors' demand for goods and services produced by different industries/establishment
 - Different approach but following the same general accounting SNA principles
 - Solution: use of satellite accounts that are annexed to the core macro-economic framework the SNA

Introduction



TSA Satellite
to macro-
economic
framework of
the national
accounts



Consistent
with BOP
International
trade in
services

Discussion point



- Why do we need a TSA?

The case for developing a TSA

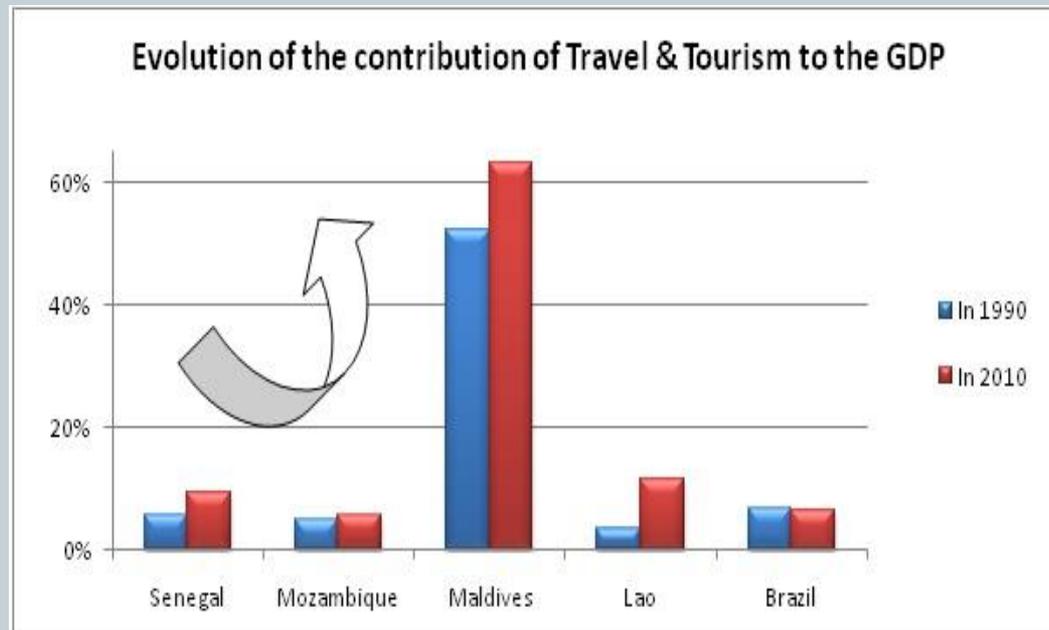


- Evidence based decisions
 - Overview of the economic role that tourism is playing and can play in the economy in terms of generation of value added, employment, personal income, and government income
 - sufficient information for effective evidence based and informed decisions and efficient business operations

The TSA framework



- The complete Tourism Satellite Account provides:
 - Macroeconomic aggregates that describe the size and the direct economic contribution of tourism



Main aggregates



- **Gross value added (GVA) of the tourism industries (GVATI) :**
 - the total GVA of all establishments that belong to the tourism industries, whether or not their output is provided to visitors
- **Discussion point: which industries are tourism industries?**

Tourism industries



- 1.a. Accommodation for visitors
- 1.a. Accommodation services for visitors except in 1.b
- 1.b. Accommodation services associated with all types of vacation home ownership
2. Food and beverage serving industries
3. Railway passenger transport
4. Road passenger transport
5. Water passenger transport
6. Air passenger transport
7. Transport equipment rental
8. Travel agencies and other reservation services industries
9. Cultural industries
10. Sports and recreational industry
11. Retail trade of country specific and tourism characteristic goods
12. Country specific tourism industries

Main aggregates



- **Tourism direct GVA (TDGVA):**
 - the total or that part of GVA of all industries (tourism and other industries) that directly provide goods and services to visitors
- **Tourism direct GDP (TDGDP):**
 - tourism direct GVA plus taxes less subsidies on internal tourism consumption.

The TSA framework



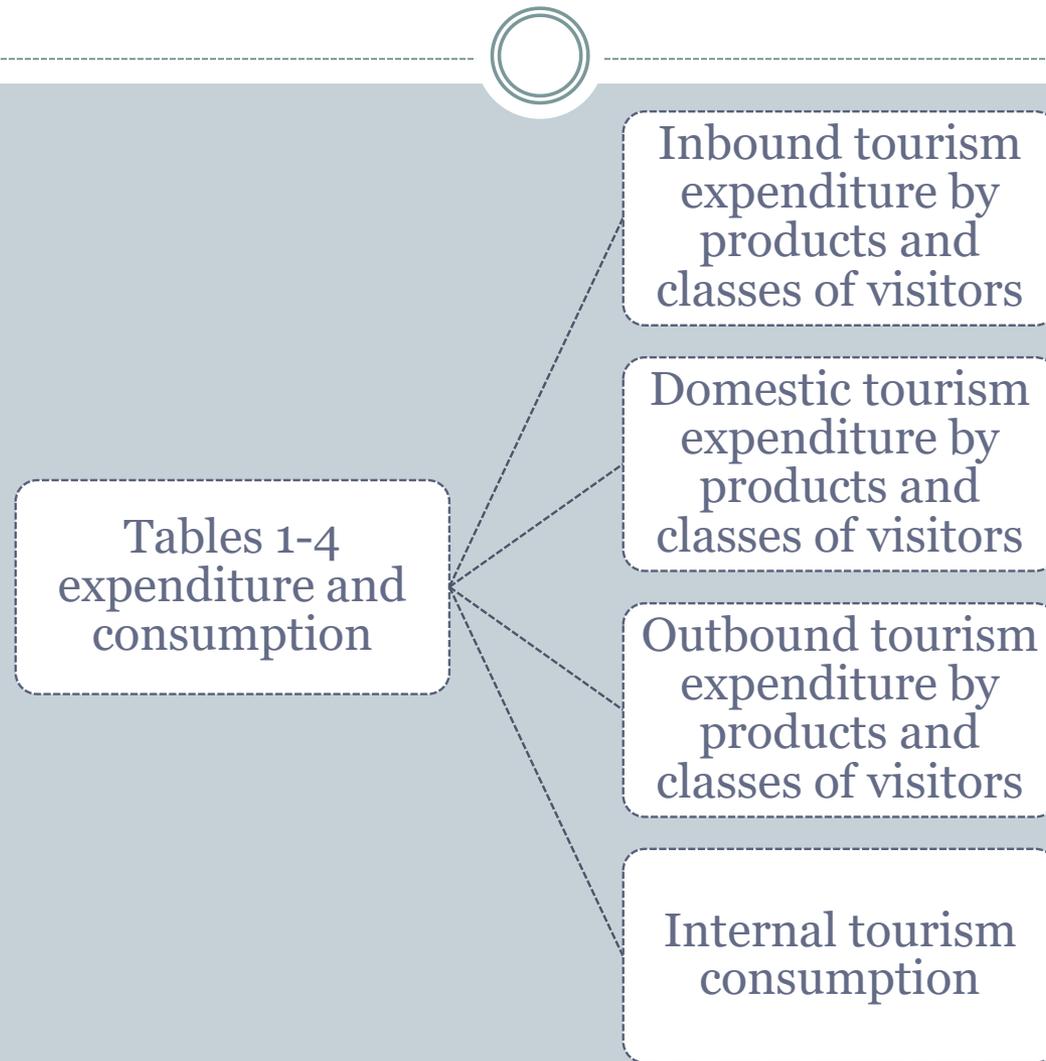
- The tourism satellite account (TSA) is a statistical tool consisting of 10 tables measuring different aspects of *the direct* contribution of tourism
- It does not measure the *indirect and induced effect* of tourism
- Basis for e.g. input output models and general equilibrium models which can be used to simulate the full impacts

The ten TSA tables



1. Inbound tourism expenditure by products and classes of visitors
2. Domestic tourism expenditure by products and classes of visitors
3. Outbound tourism expenditure by products and classes of visitors
4. Internal tourism consumption
5. Production account of tourism industries and other industries
6. Total domestic supply and internal tourism
7. Employment in tourism industries
8. Tourism gross fixed capital formation of tourism industries and other industries
9. Tourism collective consumption by products and levels of government
10. Non-monetary indicators

The ten TSA tables



Core Tables



Tables 5 & 6 supply
and demand to
derive tourism
contribution to GDP

Production
account of tourism
industries and
other industries

Total domestic
supply and
internal tourism

Other tables



Tourism gross
fixed capital
formation of
tourism
industries and
other industries

Tourism
collective
consumption by
products and
levels of
government

Employment in
tourism
industries

Non-monetary
indicators

Other
tables



Ten tables cont'd



The 10 tables are:

Illustrative of the
work to be
undertaken

Guide for
presenting
Tourism Satellite
Account data

The format should
be tailored to the
local tourism
reality and scope
of available data
of the different
countries

Table 1



- Inbound tourism expenditure by products and classes of visitors
- Main data source: tourism expenditure survey

Table 1



Table 1	Inbound tourism expenditure by products and classes of visitors		
	Tourists	Excursionists	Visitors
	(overnight visitors)	(same-day visitors)	
	(1.1)	(1.2)	(1.3) = (1.1) + (1.2)
Products			
A. Consumption products (*)			
A.1. Tourism characteristic products			
1. Accommodation services for visitors		X	
1.a. Accommodation services for visitors other than 1b		X	
1.b. Accommodation services associated with all types of vacation home ownership		X	
2. Food- and beverage-serving services			
3. Railway passenger transport services not relevant			
4. Road passenger transport services			
5. Water passenger transport services not relevant			
6. Air passenger transport services			
7. Transport equipment rental services			
8. Travel agencies and other reservation services			
9. Cultural services			
10. Sports and recreational services			
11. Country-specific tourism characteristic goods			
12. Country-specific tourism characteristic services			
A.2. Other consumption products (a)			
B.1. Valuables			
Total			

Products



Tourism characteristic products are those that satisfy one or both of the following criteria:



Share-of-expenditure-demand condition : tourism expenditure/demand should cover a major share of total tourism expenditure



share-of-supply condition : tourism expenditure on the product should cover a major share of the supply of the product in the economy

Table 2



- Domestic tourism expenditure: expenditure of a resident visitor within the economy of reference
- Data source: domestic tourism expenditure survey

Table 3



- Outbound tourism expenditure: expenditure of a resident visitor outside the economy of reference
- Main data source: HBS



Table 3



	Tourists (overnight visitors) (3.1)	Excursionists (same-day visitors) (3.2)	Visitors (3.3) = (3.1) + (3.2)
Products			
A. Consumption products (*)			
A.1. Tourism characteristic products			
1. Accommodation services for visitors		X	
1.a. Accommodation services for visitors other than 1b		X	
1.b. Accommodation services associated with all types of vacation home ownership		X	
2. Food- and beverage-serving services			
3. Railway passenger transport services			
4. Road passenger transport services			
5. Water passenger transport services			
6. Air passenger transport services			
7. Transport equipment rental services			
8. Travel agencies and other reservation services			
9. Cultural services			
10. Sports and recreational services			
11. Country-specific tourism characteristic goods			
12. Country-specific tourism characteristic services			
A.2. Other consumption products (a)			
B.1. Valuables			
Total			

Table 4



- **Internal tourism expenditure**
 - expenditure of both resident and non-resident visitors within the economy of reference
 - **domestic tourism expenditure** and **inbound tourism expenditure**
- **Internal tourism consumption**
 - ❖ Domestic and inbound tourism expenditure (from tables 1 and 2) and all additional components that have to be taken into consideration

Tourism consumption



- Tourism expenditure plus imputed consumption and other adjustments e.g.
 - *increased expenditure* on food, utilities, invitations, presents, etc. when receiving visitors
 - barter transactions (e.g. exchange of dwellings for vacation purposes)
 - Reduced tickets for museums , recreation services etc. provided by government that also benefit visitors (social transfers in kind)

Table 4



	Internal tourism expenditure			Other components of tourism consumption (**)	Internal tourism consumption
	Inbound	Domestic	Internal		
	tourism expenditure	tourism expenditure	tourism expenditure		
	(1.3)	(2.9)	(4.1) = (1.3) + (2.9)	(4.2)	(4.3) = (4.1) + (4.2)
Products					
A. Consumption products (*)					
A.1. Tourism characteristic products					
1. Accommodation services for visitors					
1.a. Accommodation services for visitors other than 1b					
1.b. Accommodation services associated with all types of vacation home ownership					
2. Food- and beverage-serving services					
3. Railway passenger transport services					
4. Road passenger transport services					
5. Water passenger transport services					
6. Air passenger transport services					
7. Transport equipment rental services					
8. Travel agencies and other reservation services					
9. Cultural services					
10. Sports and recreational services					
11. Country-specific tourism characteristic goods					
12. Country-specific tourism characteristic services					
A.2. Other consumption products (a)					
B.1. Valuables					
Total					

Table 5



- Production account of tourism industries and other industries
 - Supply of goods and services in the economy
 - ✦ Tourism characteristic products
 - ✦ Tourism industries

- Data source : SUT
 - (see Excel file)

Table 6



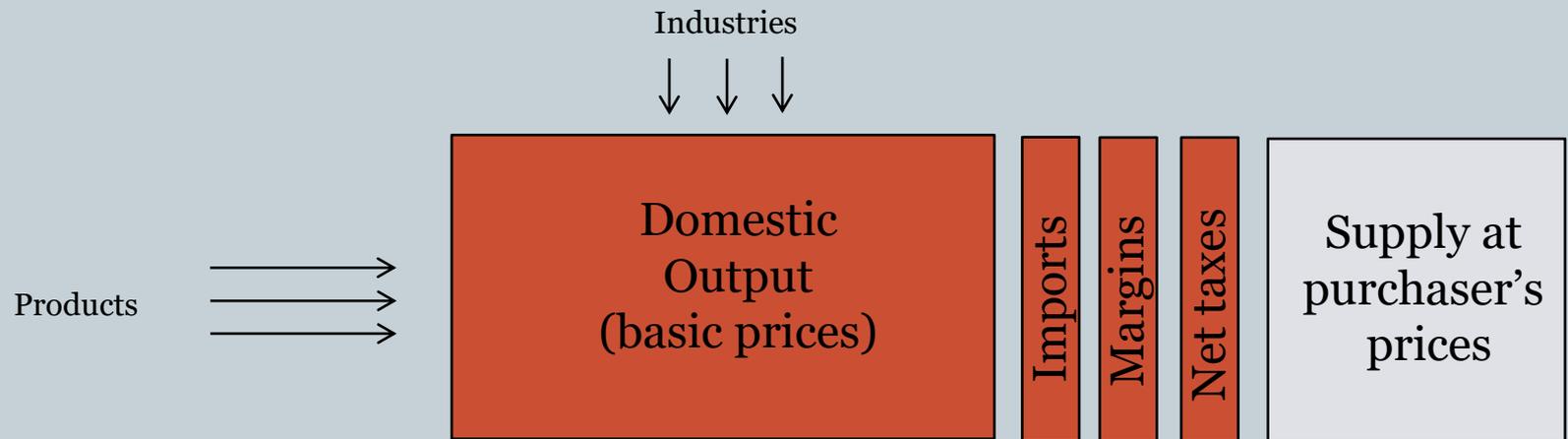
- Total domestic supply and internal tourism
- The core of the TSA confronting and balancing domestic supply and internal tourism consumption using the *SUT as framework*
- Calculation of TDGVA and TDGDP
- Indicators of the direct contribution of tourism to GVA and GDP, can be derived from this table.

○ (see Excel file)

The Supply table

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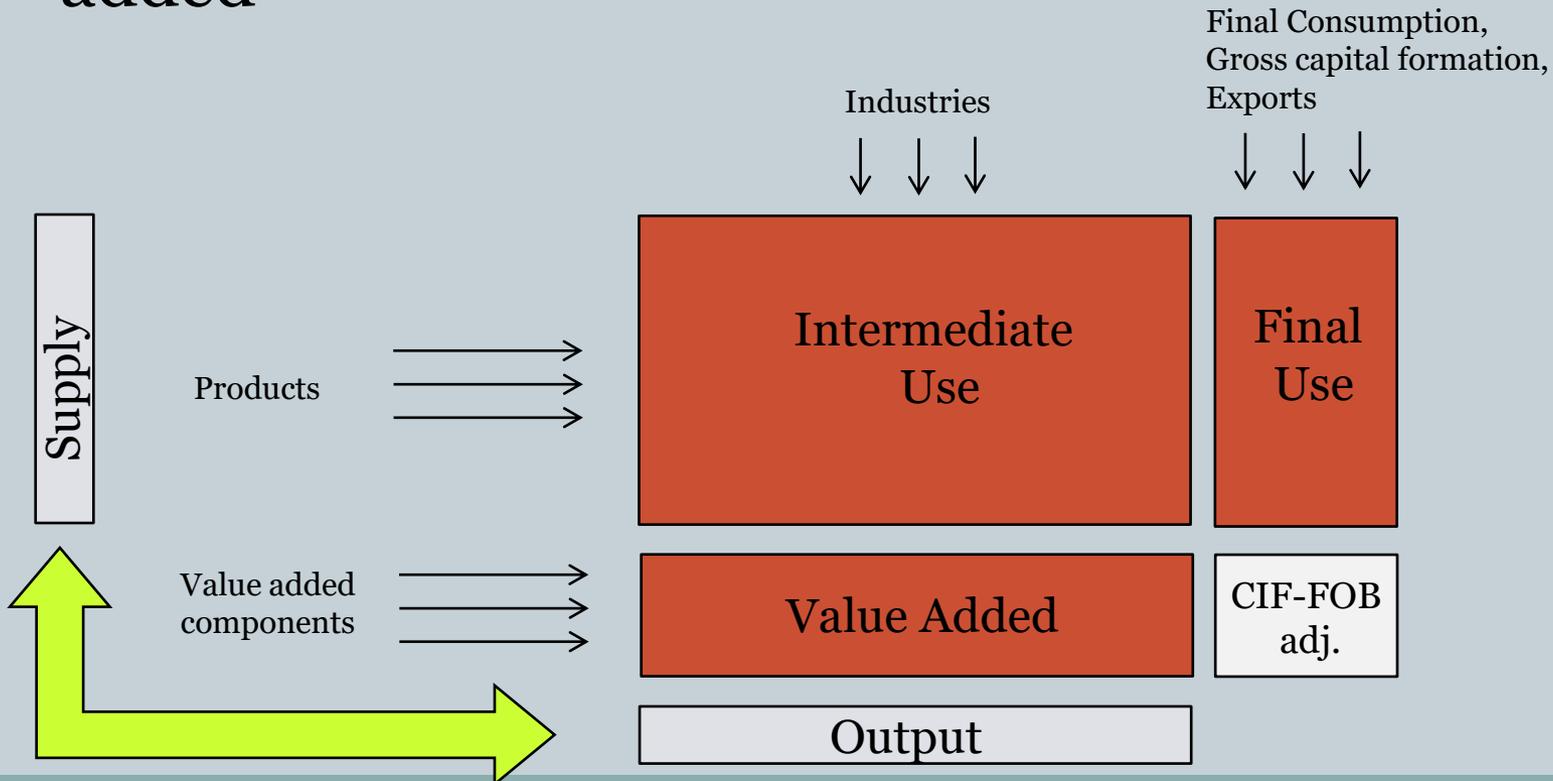
- Output by product and by type of supplier (domestic industries and imports)
- Transformation from basic prices to purchasers' prices



The Use table

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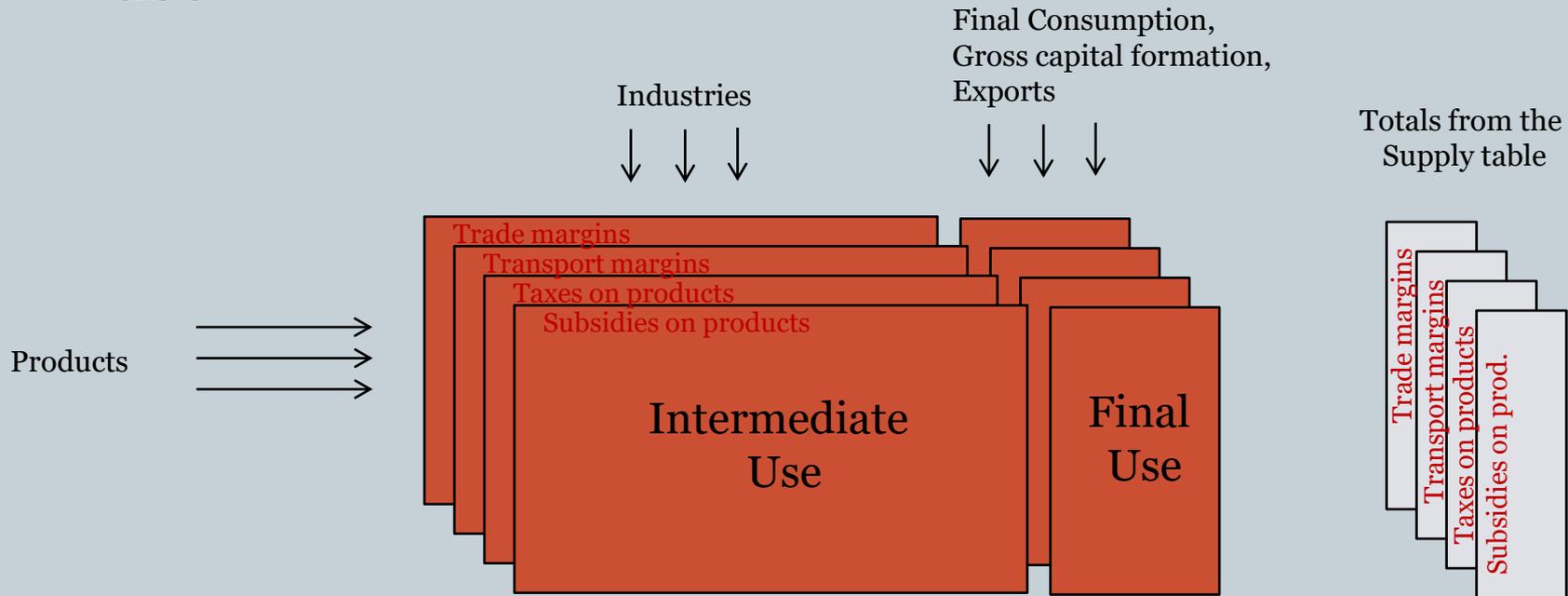
- Three sections: intermediate use, final use, value added



The Valuation tables

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- Necessary bridge to compare total supply and total use



Data requirements SUT



- Output by industry and product
- Intermediate consumption by industry and product
- Import and export of goods and services by product
- Household final consumption expenditure by product
- Government final consumption expenditure by product
- Gross fixed capital formation by product
- Changes in inventories by product
- Taxes less subsidies on products
- Compensation of employees and taxes less subsidies on production

Table 7



- **Employment in tourism industries**
 - Included because of the frequent strategic importance of tourism in the development of an employment policy
 - Countries are encouraged to measure employment at least twice a year

Table 7



	Number of establishments	Number of jobs by status of employment (*)					
		Employees			Self employed		
		male	female	total	male	female	total
1. Accommodation for visitors							
1.a. Accommodation services for visitors other than 1.b							
1.b. Accommodation services associated with all types of vacation home ownership							
2. Food- and beverage-serving industry							
3. Railways passenger transport							
4. Road passenger transport							
5. Water passenger transport							
6. Air passenger transport							
7. Transport equipment rental							
8. Travel agencies and other reservation services industry							
9. Cultural industry							
10. Sports and recreational industry							
11. Retail trade of country-specific tourism characteristic goods							
12. Country specific tourism industries							
Total							

Table 8



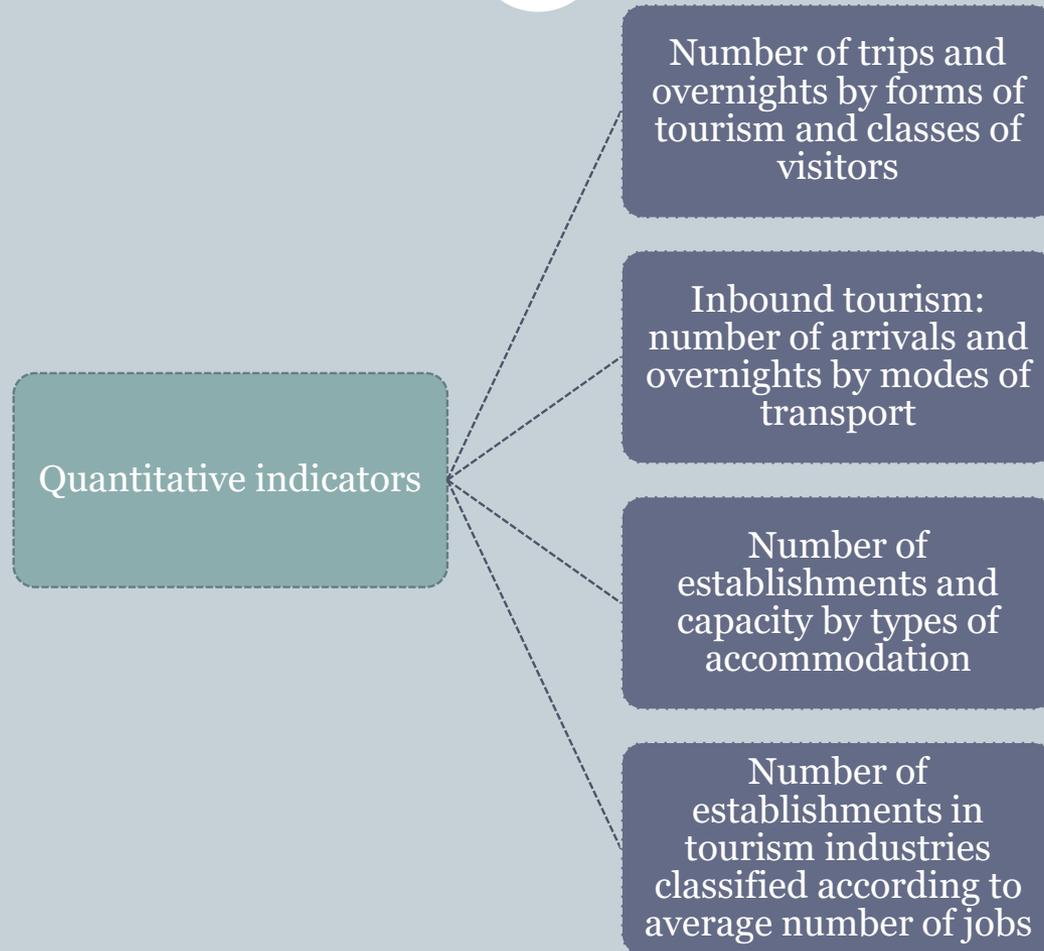
- **GFCF of the tourism industries:**
 - the net acquisition of all capital goods by the tourism industries:
 - the net acquisitions of tourism-specific capital goods by all other industries
 - excluding tourism related infrastructure: countries that are able to estimate all or part of it are encouraged to include it as an additional category

Table 9



- Tourism collective consumption, by product and level of government
 - Government administrative expenditures on the support and control of tourism
- See annex 5 for proposed list of products

Table 10



Stages of TSA implementation



- The tables should be developed in two or more main stages based on the availability of source data
- In the first stage, the aim is to compile tables 1 to 7 and table 10.
- Minimum TSA: tables 1-4, 5 and 6

TSA Status in the Caribbean



- Efforts have been made through CARICOM, OECS, and the Caribbean Tourism Organization (CTO) to provide TA
- The Caribbean Tourism Organization (CTO)/ IADB Regional Tourism Satellite Account Implementation Initiative (RTSAII)
 - Overall purpose : strengthen the countries capabilities to assess the impact of tourism and thus improve policy preparation, formulation and implementation for sustainable economic growth

TSA status



- The RTSAIL pilot countries: Bahamas, Barbados, Jamaica and Trinidad & Tobago
- Learning by doing approach, interaction among countries to share best practices, knowledge and pool resources

TSA Status



- Jamaica and the Bahamas have already met the minimum requirements for compiling TSA and would like to move to measuring the full impact
- Trinidad & Tobago and Barbados are at the beginning stage of compiling the TSA.

TSA Status



- All pilot countries need to improve the methodology currently used, some more than others. The macro frameworks should be updated to reflect the most recent versions and the coverage of the TSA tables needs to be improved

Resources TSA



- TSA development is very resource intensive
 - Core : SUT
 - In terms of *data sources countries are required to several surveys* which can be very costly e.g. regular visitor expenditure surveys, household expenditure surveys, national account surveys, labour force surveys to name a few
 - In addition extensive use of administrative data is required e.g. government budget data from the Ministry of Finance, data from the Port Authorities, Immigration and Ministry of Tourism to name a few

The case for developing a TSA



- Evidence based decisions
 - Overview of the economic role that tourism is playing and can play in the economy in terms of generation of value added, employment, personal income, and government income
 - sufficient information for effective evidence based and informed decisions and efficient business operations

Thank you for contributing!!



**TO THE COMPILATION OF THE TSA
FOR SUSTAINABLE DEVELOPMENT IN THE
REGION**

