ANNEX 4.A1

Basic Methodological References

This publication makes reference to commonly used variables, which are defined according to international standards.

The main methodological references used for the indicators mentioned in this publication are:

- UN DESA (United Nations Department of Economic and Social Affairs) and UNWTO (United Nations World Tourism Organization) (2008), *International Recommendations on Tourism Statistics 2008*.
- EUROSTAT (Statistical Office of the European Communities), OECD (Organisation for Economic Co-operation and Development), UNSD (United Nations Statistics Division) and UNWTO (2001), *Tourism Satellite Accounts: Recommended Methodological Framework* (TSA-RMF 2008).
- International Monetary Fund (IMF): Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (last updated December 2008).

This note provides the reader with a methodological summary of the main definitions. For more detailed information please refer to the above-mentioned methodological tools.

International recommendations for tourism statistics 2008

Tourism can be regarded as a social, cultural and economic phenomenon related to the movement of people outside their usual place of residence. Tourism refers to the activity of visitors.

A **visitor** is a traveler 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 in the country or place visited.

A **tourist** is a visitor whose trip includes an overnight stay; otherwise, a visitor is classified as a **same-day visitor** (or excursionist).

Three basic forms of tourism can be distinguished:

- **Domestic tourism** comprises the activities of a resident visitor within the country of reference.
- **Inbound tourism** comprises the activities of a non-resident visitor within the country of reference.
- **Outbound tourism** comprises the activities of a resident visitor outside the country of reference.

Measuring the flows of visitors: both arrivals and nights are used to assess the flows of visitors. A distinction is made between arrivals at borders and in accommodation and nights spent in accommodation. As far as overnight tourism is concerned, accommodation statistics are an important statistical source of information on domestic and inbound visitors.

Comment: If same-day visitors are set aside, tourism flows in a particular area can be best measured by the number of nights spent by tourists. This indicator takes into account the duration of the stay. It is thus a more appropriate variable in assessing the level of demand for tourism services and in contributing to the evaluation of tourism expenses.

2008 Tourism Satellite Account: Recommended Methodological Framework (TSA-RMF 2008)

The TSA is a conceptual framework aiming at measuring the weight of tourism from a macroeconomic perspective. It focuses on the description and measurement of tourism in its different components (inbound, domestic and outbound). It also highlights the relationship between consumption by visitors and the supply of goods and services in the economy, principally those from tourism industries. With this instrument, it is possible to estimate tourism GDP, to establish the direct contribution of tourism to the economy and to develop further analyses using the links between the Tourism Satellite Account, the System of National Accounts and the Balance of Payments.

Total tourism consumption

The TSA Framework makes a distinction between tourism expenditure and tourism consumption. Tourism expenditure refers to monetary transactions whereas tourism consumption also includes other transactions: services associated with vacation accommodation on own account, tourism social transfers in kind and other imputed consumption. Nevertheless, the latter transactions have to be separately evaluated. Therefore, the data might refer either to consumption or to expenditure depending on the country.

Three forms of consumption are distinguished:

- **Domestic tourism consumption:** the tourism consumption of a resident visitor within the economy of reference.
- **Inbound tourism consumption:** the tourism consumption of a non-resident visitor within the economy of reference.
- **Internal domestic consumption:** the sum of domestic tourism consumption and inbound tourism consumption. This aggregate is compared to the amount of final consumption in the economy. The ratio is not perfectly correct since tourism consumption includes a part of intermediate consumption (a part of tourism consumption by business visitors is an input for businesses).

Tourism GDP: The GDP of an economy is defined as the sum of the gross value added generated by all industries. Tourism GDP corresponds to the part of GDP generated by all industries in response to internal tourism consumption. A further distinction must be made between direct tourism GDP and indirect tourism GDP. To say it simply, direct tourism GDP is generated by industries directly in contact with visitors while indirect tourism GDP is generated by industries supplying inputs to industries directly in contact with the visitors. The TSA Framework limits its recommendations to the evaluation of direct tourism GDP. The evaluation of indirect tourism GDP would require the use of input-output techniques.

The TSA Framework also mentions other aggregates, particularly the gross value added of tourism industries. This covers tourism industries regardless of whether their output is provided to visitors or not.

2008 IMF: Balance of Payments and International Investment Position Manual

The following four items of the Balance of Payments are used to assess the monetary flows of visitors.

- **International travel receipts** cover goods and services for own use or to give away acquired from an economy by non-residents during travels to that economy. These travelers are considered as visitors or not, depending on their main travel purpose. For instance, border workers are not considered as visitors. Nevertheless, travel receipts can be considered as a "proxy" for tourism inbound expenditure.
- **International travel expenditure** cover goods and services for own use or to give away acquired from other economies by residents during travels to other economies.
- **International passenger transport receipts/International passenger transport expenditure:** passenger services include fares and other expenditure related to the carriage of passengers, taxes levied on passenger services, fares that are a part of package tours, cruise fare, rentals, charters, etc.
  - ❖ Passenger services provided within a territory by residents to non-residents and provided/purchased separately from international transport are excluded from passenger transport; these services are included in travel.
  - ❖ These data are not always available. For a few countries, the passenger transport item is not isolated from the bulk transport item which includes transport of goods.

Other issues

Full-time equivalent tourism employment: this data takes into account both employees and self-employed workers, it is used as a measure of the volume of labour input depending on each individual's working time. Full-time equivalent employment is the number of full-time equivalent jobs, defined as total hours worked divided by average annual hours worked in full-time jobs

Data expressed in dollar terms: for some tables, national currency data had to be converted to dollar data. Average current exchange rates were also utilised for the appropriate time periods.

Countries included for the publication

The OECD member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.

The European Union member countries are: Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden, and the United Kingdom.

The other non-member economies covered in this report are: Albania, Argentina, Brazil, Croatia, Egypt, the Former Yugoslav Republic of Macedonia, India, Indonesia, Montenegro, Serbia and South Africa.

Sources of data

Except where otherwise indicated, the data presented in this publication are based on the data submitted by countries to the OECD secretariat. Other sources include:

- various OECD databases, with respect to tourism or exchange rates data; and
- World Tourism Organization data for some international tourism flows, particularly for non-OECD countries.

Symbols and abbreviations used

. . not available or not applicable.

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