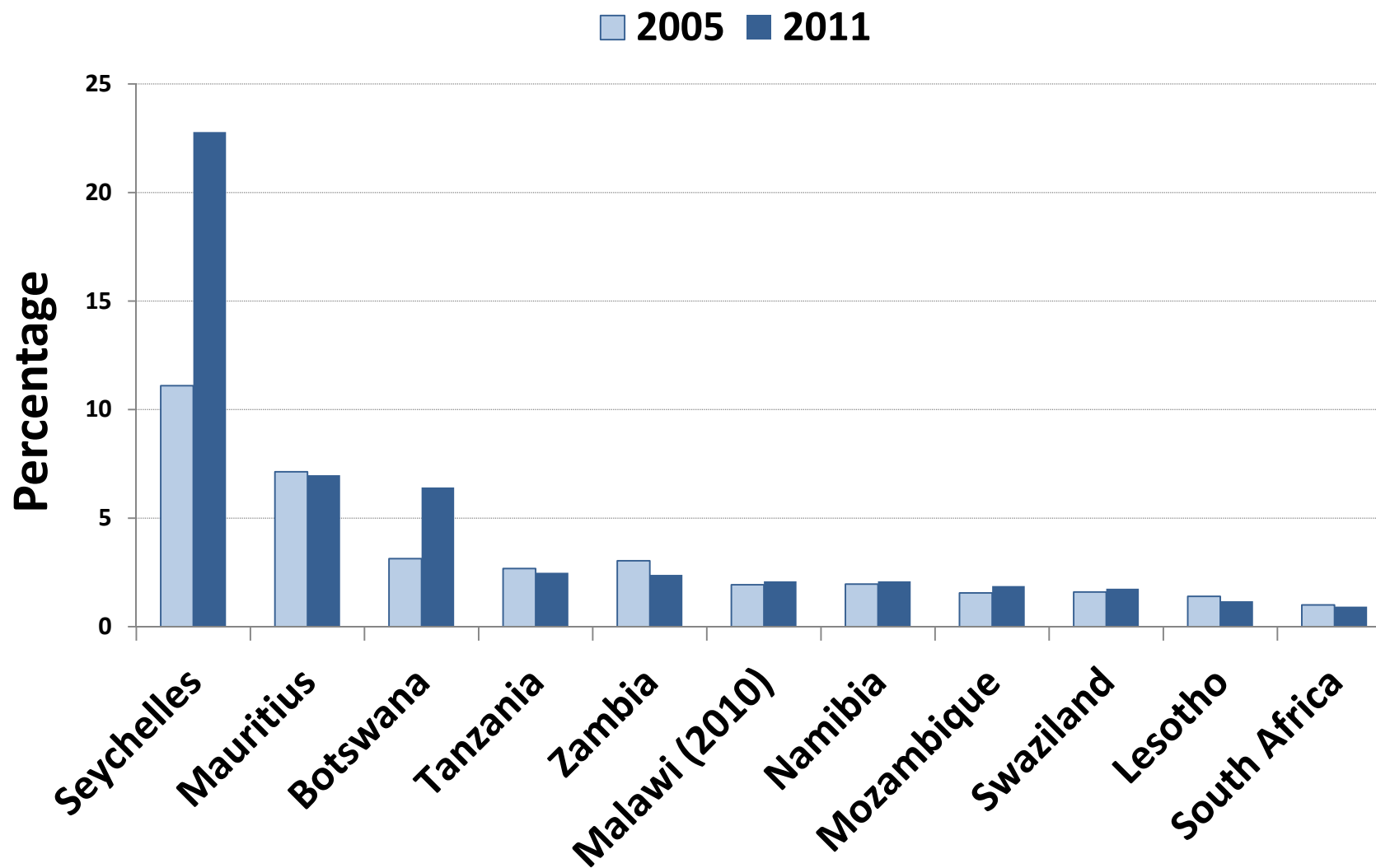


**SADC Workshop on Statistics of
International Trade in Services**

TRAVEL AND TOURISM
(based on UNWTO and WTO)

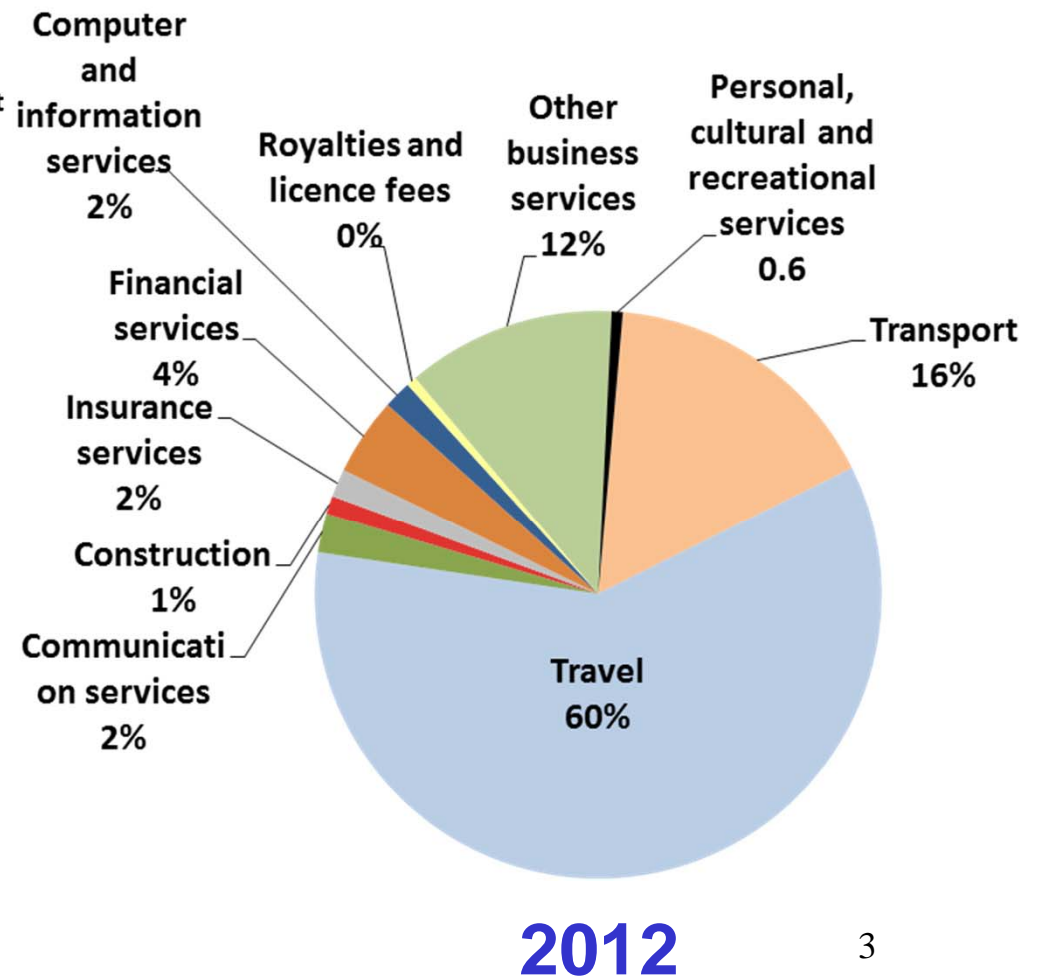
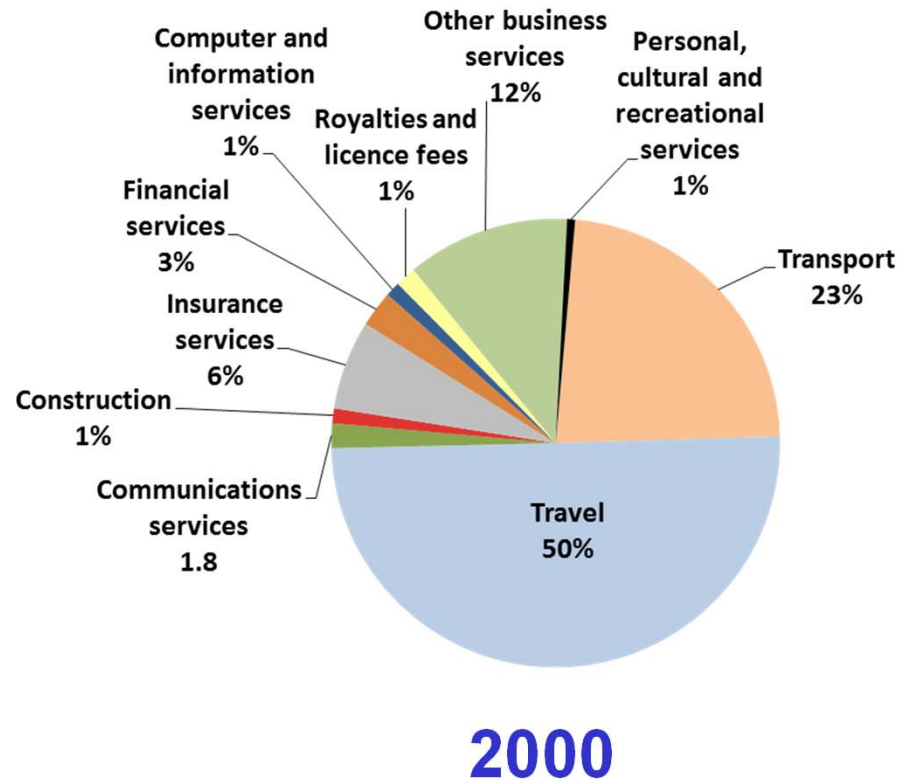
**Gaborone, Botswana
28-31 January 2014**

Share of **Hotels and restaurants value added** in total value added in selected SADC countries





Structure of SADC exports of commercial services



OUTLINE

1. Travel in balance of payment statistics

- Concepts and definitions
- Breakdown(s)

2. Travel and Tourism statistics

- Similaritiesand differences
- Bridging gaps: BPM6/EBOPS supplementary item

3. How can tourism statistics help compile travel item?

Travel in balance of payment statistics

Basic concepts and definitions (1/2)

Goods and services acquired by non-residents
in the economy that they visit

Economy A



Economy B

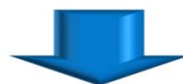


**for own use or to give away
i.e. resale excluded**

Travel in balance of payment statistics

Basic concepts and definitions (2/2)

- **Any length of stay** of visits covered... but no change of residence!
- **One year** guideline
- **Exceptions:**
 - Students
 - Medical patients
 - Diplomats, consular staff, military personnel..



they remain residents of their country of origin

Travel in balance of payment statistics

Breakdown by purpose of travel (1/2)

- **Business travel**

- Border, seasonal and other short-term workers



Workers not resident in economy where employed

- Other business travel

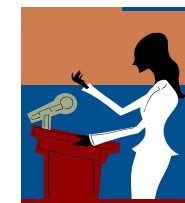


Workers not employed in economy visited, e.g.

Carrier crews stopping off

Employees travelling on behalf of employer (installation work, set up a sales campaign, consultancy)

Self-employed professionals travelling for business purposes



Travel in balance of payment statistics

Breakdown by purpose of travel (2/2)

- **Personal travel**

- Health-related
- Education-related
- Other



**Usually largest
component!**

**Includes holidays, pilgrimages,
visits to friends and relatives...**



Travel in balance of payment statistics

Alternative breakdown by product

“Product based” presentation
(for both business and personal travel):

- goods
- local transportation services
- accommodation services
- food services
- other services

of which:

- health services
- education services

1. Provides closer link to **TOURISM STATISTICS** and supply-use tables

2. Facilitates analysis from **GATS** perspective



Travel in BoP statistics (Primary) Purpose of travel



Only services provided to non residents traveling to compiling country are included in travel (and vice-versa)

If provided "cross-border", or doctor/teacher goes to country of consumer then Other BoP service items

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Travel and Tourism Statistics

Tourism consumption/expenditure and BOP travel often considered similar from statistical point of view



Concepts have a number of differences that compilers (and users) should know!

Magnitude of the difference depends on each economy

Travel vs. Tourism

Main "similarities"....

- Transactor based rather than product based: who consumes and how
- Encompass goods and services consumed/acquired
- "Parallel treatment" of credits and debits

inbound tourism

activity of non resident visitors
within the economic territory
of the country of reference

consumption



exports

outbound tourism

activity of resident visitors
outside the economic territory of
the country of reference

consumption

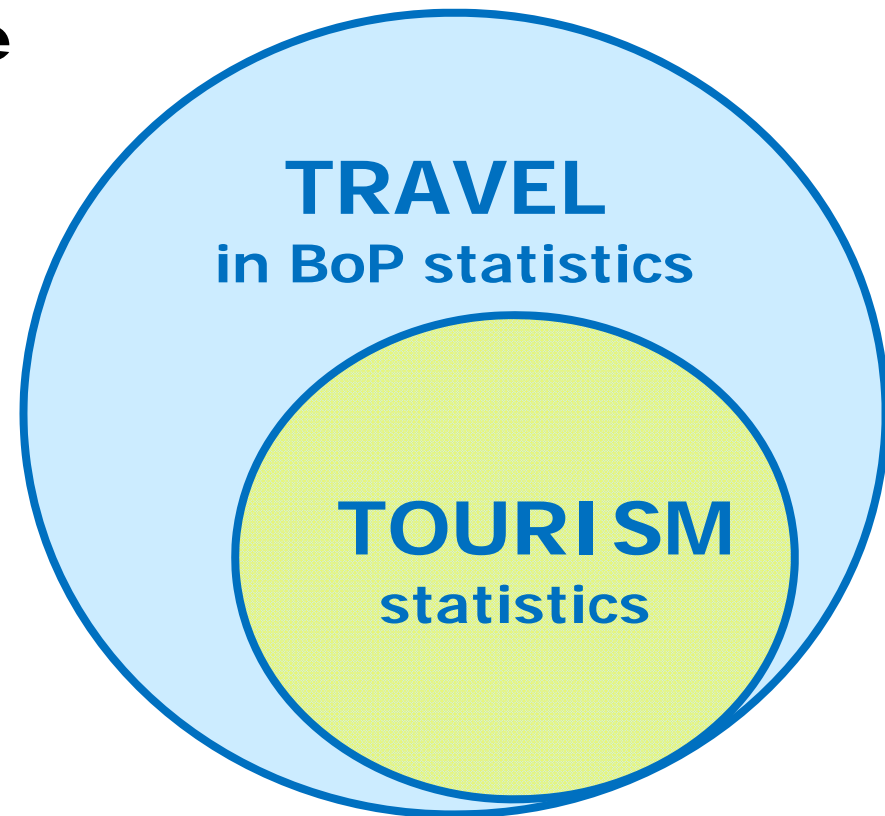


imports

Travel vs. Tourism

Main differences

1. Population covered
2. Type of expenditure covered



Tourism

Population covered: what is a visitor?

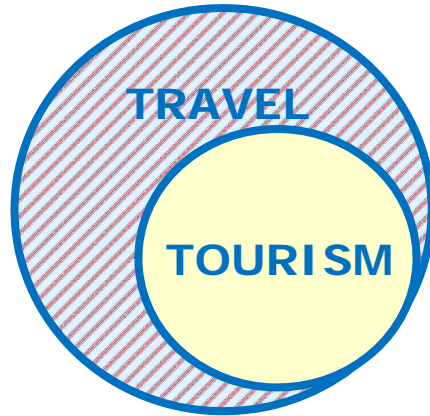
Visitor = traveler taking trip to main destination outside usual environment

- Less than one year
- Any main purpose
 - business
 - leisure
 - other personal purpose

~~Other than to be employed by a resident entity in the country or place visited~~

Travel vs. Tourism

Differences in the population covered



Population covered by tourism statistics is a subset of population covered by BoP travel item

Tourism statistics **exclude**:

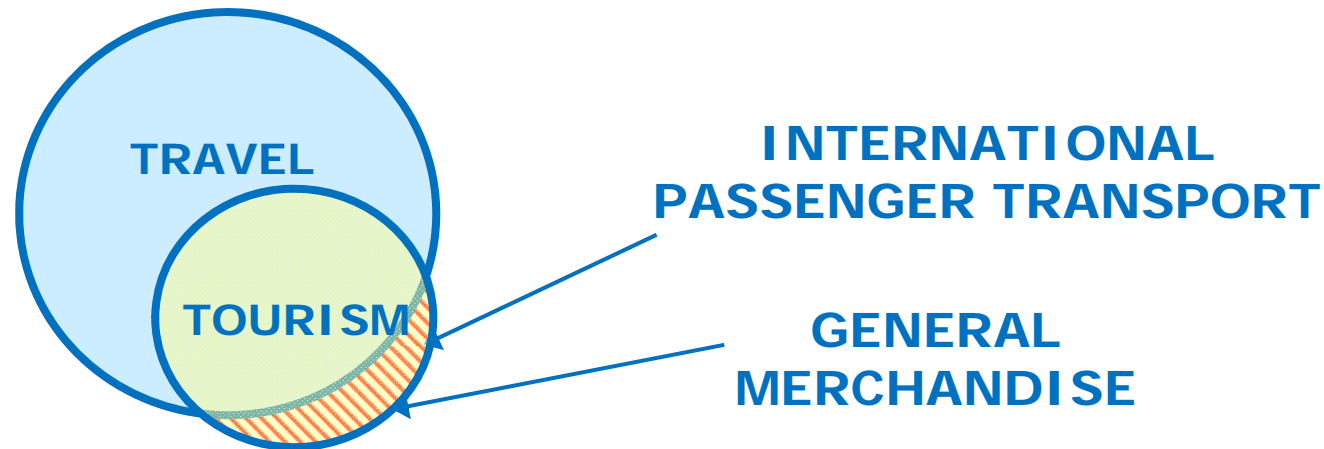
- border/seasonal and other short term workers
- students
- patients



if period of study/treatment > 1 year

Travel vs. Tourism

Differences in the consumption/expenditure covered



Tourism statistics **include:**

- expenditure in international passenger transportation
- purchases of valuables and consumer durables, even above the customs threshold

Travel vs. Tourism

Main differences summarizing

TRAVEL

IN GENERAL!



TOURISM
consumption (or
expenditure)

-

relevant part of
international
**PASSENGER
TRANSPORT**

Linking Travel and Tourism Frameworks

BPM6/EBOPS 2010 supplementary item

Tourism-related services in travel and passenger transport

Includes for inbound/outbound visitors of compiling economy:

- travel expenditure
- international transport

BUT excludes:
related to
border,
seasonal and
other short-
term workers

Estimate of tourism as an internationally traded service

OUTLINE

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3. How can tourism statistics help compile the travel item?

How are tourism statistics compiled?

Mainly combination of:



Depends on availability (and reliability) of:

- Administrative data (from border immigration controls)
 - openness (e.g. zones with free movements)
 - geography (islands, most arrivals by air, by land?)
 - collaboration of immigration authorities-tourism statisticians?
- Resources (frequent survey data needed)
- Historical observations

When frequent detailed observation not available:

Extrapolation of past observed relationships and combination with current counts

Main compilation procedures



Combinations of:

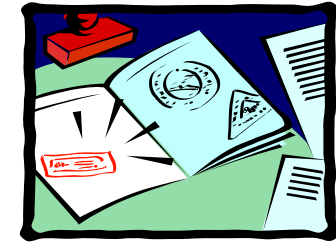
1. **Basic counts**
2. Observation (or estimation) of **categories of visitors**, flows and number of overnights (current or past)
3. Observation (or estimation) of **average daily expenditure** for categories of visitors (current or past)



Adding up expenditure of each category to obtain totals

- **Procedure may differ for different categories of visitors (depends on data available)**
- **If TSA available, consistency of data checked within the macroeconomic framework**

1. Basic counts



Immigration controls at arrival and departure (most frequent)

Possibly additional information available (nationality/residence, age, visa, purpose etc.)

Border counts

- Not based on immigration controls (land borders or free circulation zones)
- Generally less details (continuous with automatic count, based on sample complemented with simple/short questionnaire)

Accommodation establishments

Often incomplete, need for other sources, e.g. household survey

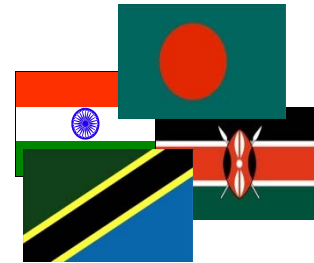
Popular tourism attractions



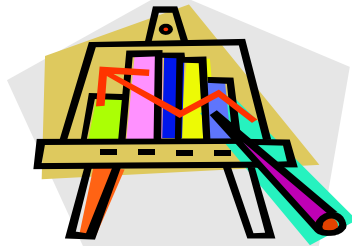
2. Characterization of visitors



- Defining (observable) characteristics of visitors by:
 - Country
 - nationality
 - residence
 - Purpose of visit
 - Socio-economic characteristics
 - Mode of accommodation
 - Length etc.



- Observed on current basis through sample of visitors (at arrival or departure) or at certain intervals in time



Converting data by nationality into data by country of residence

Region of Residence	REGION of Nationality												
	Africa, Asia y Oceania	USA	México	Other North America	Central America	Ecuador	Venezuela	Rest of South America	Spain	Rest of Europe	Total rest of the world	Colombia	TOTAL
Africa, Asia y Oceania	100%										89%	11%	100%
USA		96%	6%	9%	4%		3%	4%		3%	60%	40%	100%
México			94%								86%	14%	100%
Other North America				91%							69%	31%	100%
Central America		3%			96%					3%	78%	22%	100%
Ecuador						100%		1%			85%	15%	100%
Venezuela							97%	1%		2%	86%	14%	100%
Rest of South America													
Spain									100%	2%	72%	28%	100%
Rest of Europe								1%		89%	81%	19%	100%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	72%	28%	100%

3. Characterization of expenditure

- Surveys
- Models
 - Cross-classify characteristics and expenditure per capita per day, e.g.:
Country (region) of residence x form of accommodation x purpose of visit x ... (a three or more dimensional matrix!!!)
 - Calculate according to combination of characteristics



Global extrapolation of a general average (as sometimes done) very dangerous because of great variability of expenditure according to characteristics

Example of differences in characterization

Type of accommodation	Average expenditure per day	
	2004	2006
Hotel	4.040	4.952
Boarding house	1.583	1.954
Bungalow	1.585	1.861
Visiting family and relatives	869	1.163
Other	1.150	1.424

Purpose of visit	Average expenditure per day	
	2004	2006
Holiday	3.250	3.922
Honeymoon	4.350	5.606
Business seminar	3.313	4.401
Visiting family and relatives	878	1.170
Other	2.260	3.645

Measuring tourism consumption



+ International passenger transportation



Balance of payments data often globally added without considering differences

Other imputed values to be added (few countries do so...)

- Vacation second homes and their flow of services to be estimated
- Social transfers in kind benefitting visitors
- Other imputed or estimated transactions

Measuring BoP travel item? (1/2)

Often ITRS used

- **Works well with strong currency control, in particular when residents cannot own and manage foreign currency:**
 - ➔ **current transactions in foreign currency associated to transactions with non residents**
- **But: Only transactions with monetary counterpart, Breakdowns difficult to implement + consistency of estimates?**
 - + Monetary unions, credit cards (limit exchanges into currency the country visited), worldwide packagers**

Today's limitations...

In some cases the difference can be large...

Year	Outbound tourism expenditure	Travel (debit)	Inbound tourism expenditure	Travel (credit)
2000	1396	2158	2182	2220
2001	1615	2401	2673	2678
2002	1415	2421	2698	2700
2003	1610	2568	2740	3049
2004	2104	2773	3063	2908
2005	2492	2831	3157	2621

Tourism data: exclude international transport

Measuring BoP travel item? (2/2)

Other possibilities of sources:

- Mirror statistics
- Surveys:
 - Tourism businesses
 - Household
 - Border...



Synergies can be exploited!



- ✓ **Collect statistical observations covering visitors + other types of travellers**
- ✓ **Respond to all needs: tourism, BoP, services trade**



Working together with tourism statisticians:
Proposal for inter-institutional platform

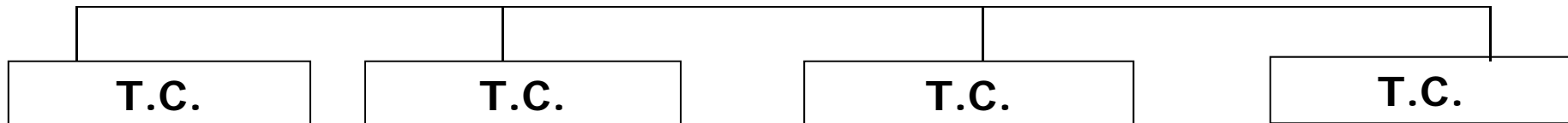
Working Together....



**Council for System of Tourism Statistics (STS)
and Satellite Account (TSA) Development
(political instance)**

Chair: Minister of Tourism or equivalent

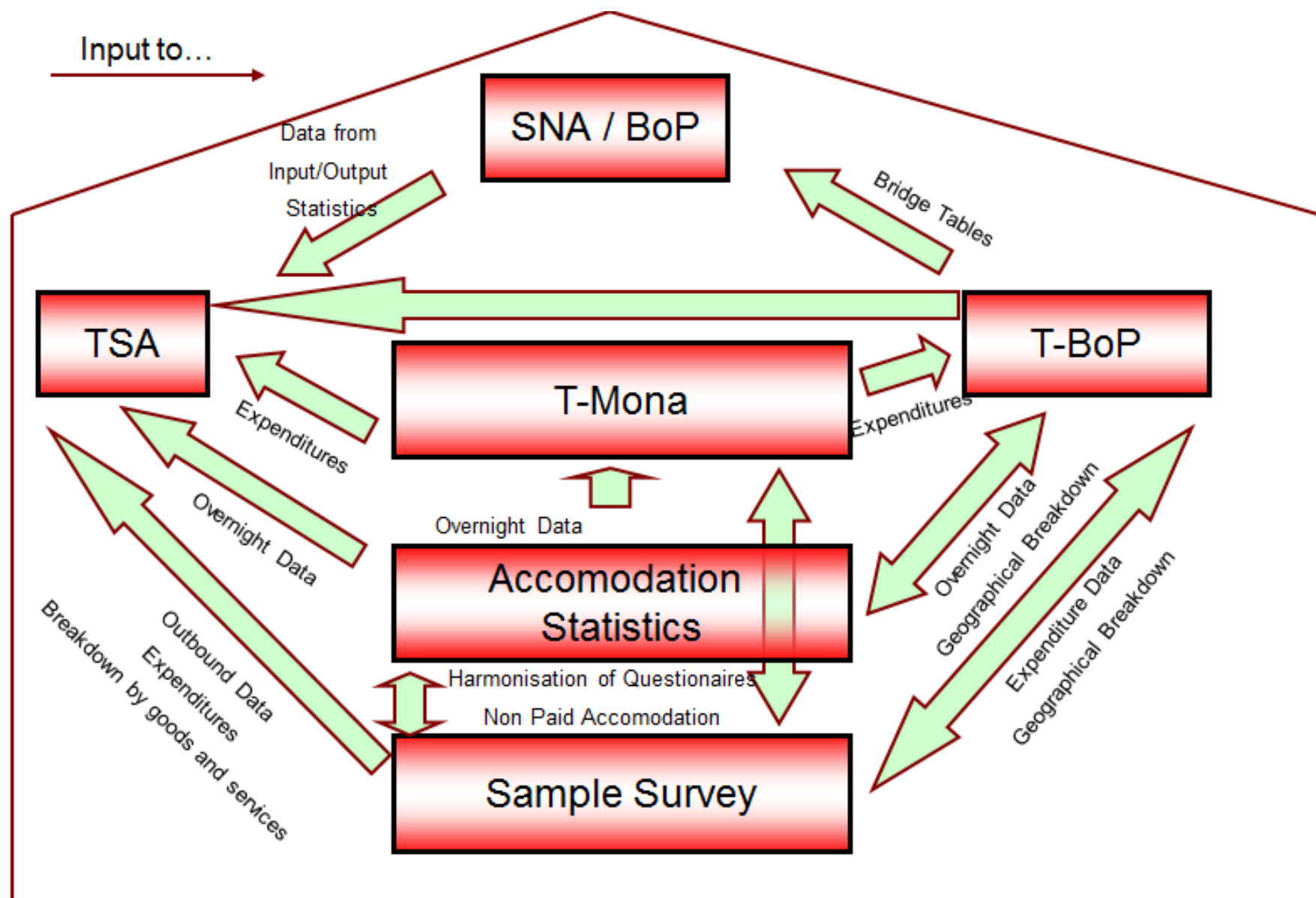
**STS and TSA National Team
(technical instance)**



Technical Committees (T.C.) can exist on ad-hoc basis

T.C. chairs: specific staff member of one of the entities, or individual chosen for his/her personal capacity

Austria: tourism and travel integration



Travel and tourism statistics: concepts

Main concepts, definitions and classifications for tourism measurement: basic statistics and indicators

International Recommendations for Tourism Statistics (IRTS), 2008, http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf

Conceptual framework for the measurement of tourism in economic terms

Tourism Satellite Account: Recommended Methodological Framework (TSA), 2008

http://unstats.un.org/unsd/publication/SeriesF/SeriesF_80rev1e.pdf

Links and differences between Travel/BoP and Tourism statistics

Manual on Statistics of International Trade in Services, 2010, annex VII, <http://unstats.un.org/unsd/tradeserv/TFSITS/msits2010.htm>



**Start with basic compilation of data (IRTS 2008)
TSA more long term!**

Needs and availability of travel data (1/2)

Exports (CR), 2010, million USD

	Total	Business travel			Personal travel			
		Total	Seasonal and border workers	Other business travel	Total	Health-related expenditure	Education-related expenditure	Other personal travel
	236	237	238	239	240	241	242	243
Angola	944	662		662	282			282
Botswana	575	170		170	405	3	41	362
Congo, DR	11	11		11				
Lesotho	55				55		1	55
Madagascar	587							
Malawi	62	36			26			
Mauritius	2589	902		902	1687			
Mozambique	361	12		12	349	1	4	344
Namibia	873	105		105	769	1	2	766
Seychelles	600	120		120	480			480
South Africa	17864	3084	1556	1529	14779			
Swaziland	164	112			53	7	43	3
Tanzania	2453				2453			2453
Zambia	262	87			175			
Zimbabwe	239							

Needs and availability of travel data (2/2)

Imports (DR), 2010, million USD

	Total	Business travel			Personal travel			
		Total	Seasonal and border workers	Other business travel	Total	Health-related expenditure	Education-related expenditure	Other personal travel
Angola	360	186		186	174			174
Botswana	369	39		39	267	18	59	190
Congo, DR	258	150		150				
Lesotho	529	499	490	9	30		29	1
Madagascar	205							
Malawi	121	79			41			
Mauritius	755	58		58	697			
Mozambique	430	120		120	310	33	25	252
Namibia	277	14		14	263	4	7	252
Seychelles	80	8		8	72	6	21	46
South Africa	9522	2765	87	2678	6757			
Swaziland	226	30			197	15	31	150
Tanzania	1426				1426			1426
Zambia	123	118			5			
Zimbabwe	41							