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Items for discussion and decision: tourism statistics

Tourism statistics

Joint report of the Secretary-General and the World Tourism Organization

Summary

The present report is submitted to the Statistical Commission in accordance with a request of the Commission at its thirty-fifth session.^a It contains a description of activities undertaken in response to the actions of the Commission at that session with regard to the revision of international recommendations for tourism statistics. The draft version of the *International Recommendations on Tourism Statistics 2008* is before the Commission as a background document for consideration and adoption.

The Commission may wish to discuss the points for action set out in paragraph 25 of the present report.

^a *Official Records of the Economic and Social Council, 2004, Supplement No. 4 and corrigendum (E/2004/24 and Corr.1), chap. III, para. 6 (d) and (e).*

* E/CN.3/2008/1.



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I. Introduction

1. The Statistical Commission has before it the joint report of the United Nations World Tourism Organization (UNWTO) and the United Nations Statistics Division, summarizing the activities they have carried out in response to the decisions taken by the Statistical Commission at its thirty-fifth session in the area of tourism statistics. At its thirty-fifth session, the Commission:

(a) Noted with satisfaction the progress achieved in the area of tourism statistics and acknowledged the work done by the UNWTO in developing standards, promoting implementation of standards and disseminating tourism statistics;

(b) Acknowledged the efforts of UNWTO to improve the international comparability and quality of data on tourism and the assistance provided in training and capacity-building in new areas such as tourism satellite accounts;

(c) Noted the need for an international exchange of experiences in the compilation of tourism statistics and asked UNWTO to facilitate an exchange of best practices;

(d) Noted the intention of UNWTO to undertake consultations with countries regarding existing recommendations on tourism statistics and to explore the need for their updating, and emphasized that the consistency of a possible revision of standards on tourism statistics with the ongoing updates of the 1993 system of national accounts and the *Balance of Payments Manual* had to be ensured;

(e) Stressed the need for stronger coordination in the field of tourism statistics and in the periodic revision of international recommendations, but recognized that different views had been expressed on the means to achieve it: some delegates had recommended the creation of an inter-secretariat working group composed of UNWTO, the Organization for Economic Cooperation and Development (OECD) and the Statistical Office of the European Communities (Eurostat), while UNWTO had felt that this aim could be more appropriately addressed in the framework of the Committee for the Coordination of Statistical Activities, inasmuch as other relevant international and regional organizations were also represented on that Committee;

(f) Requested the Statistics Division to facilitate the finding of an appropriate forum of coordination, to be decided on at the next meeting of the Committee for the Coordination of Statistical Activities.

2. The organization of the revision process since the thirty-fifth session of the Statistical Commission is described in section II. Section III presents an overview of the revised recommendations for tourism statistics that are before the Commission for its consideration and, if approved, for adoption. A background document, entitled *International Recommendations on Tourism Statistics 2008* contains the full text of the draft revised recommendations endorsed by the United Nations Expert Group on Tourism Statistics. Section III also provides an outline of the implementation programme for those recommendations. Section IV contains a brief description of the 2008 version of the *Tourism Satellite Account: Recommended Methodological Framework*. Points for discussion are set out in section V.

II. Organization of the revision process since the thirty-fifth session of the Commission

3. In implementing the Commission's decisions, UNWTO began a process of consultation with the members of its Committee on Statistics and other countries on a draft list of issues and the scope of the revision of the *Recommendations on Tourism Statistics* published in 1993, taking into account country experiences and the Commission's recommendations contained in *Tourism Satellite Account: Recommended Methodological Framework* and approved in 2004. At the same time, the Statistics Division began to organize the revision process and to develop its views on the scope and content of the future revised recommendations. Below is a brief description of revision process leading to the preparation of the draft *International Recommendations on Tourism Statistics 2008*.

4. The revision process included (a) the creation and work of the Inter-Agency Coordination Group on Tourism Statistics, (b) the holding of the UNWTO electronic forum, (c) the conduct of the International Workshop on Tourism Statistics, (d) the organization of the dedicated meetings of the UNWTO Committee on Statistics and Macroeconomic Analysis of Tourism, (e) a meeting of the United Nations Expert Group to review and endorse the provisional draft of the *International Recommendations on Tourism Statistics 2008* and (f) the conduct of a worldwide consultation with national statistical offices and national tourism administrations.

A. Inter-Agency Coordination Group on Tourism Statistics

5. In accordance with the Commission's request that the Statistics Division facilitate the finding of an appropriate forum for inter-agency coordination, the Division proposed to the Committee for the Coordination of Statistical Activities the establishment of the Inter-Agency Coordination Group on Tourism Statistics. The interested agencies reached agreement at the fourth session of the Committee (New York, 1-3 September 2004).¹ The terms of reference of the Inter-Agency Coordination Group were approved at its first meeting (New York, 3 September 2004), attended by Eurostat, the International Monetary Fund, OECD, the Statistics Division, UNWTO and the World Trade Organization.

6. The Inter-Agency Coordination Group agreed that (a) the scope of its work would include the identification of issues on which coordination was required and the finding of mutually acceptable solutions; (b) all members of the Group involved in the current cycle of revision of the conceptual frameworks relevant to tourism statistics (e.g., the 1993 system of national accounts, the fifth edition of the *Balance of Payments Manual*, the International Standard Industrial Classification of All Economic Activities, the Central Product Classification, the *Manual on Statistics of International Trade in Services*) would give priority to the identification of those areas of the frameworks which might affect tourism statistics and to reviewing them in the quickest way; (c) a technical sub-group would be created so that future Group meetings could be held at both the working and the plenary levels, as necessary; (d) UNWTO would be the convener of the meetings; and (e) membership in the Group was open to any international or regional agency active in tourism statistics

¹ See SA/2004/3.

(under this provision, the International Labour Organization (ILO) later joined the Group).

7. The work of the Group has been focused on the gaps between the 1993 *Recommendations on Tourism Statistics*, the *Tourism Satellite Account: Recommended Methodological Framework* and the related macroeconomic frameworks, as well as on discussing proposals for closing those gaps. It was agreed that the 1993 recommendations had to be updated as soon as possible and input for the revision process should be provided by all members of the Group. From 2004 to 2007 the Group held six plenary and five technical meetings, focusing on a number of conceptual issues identified for either revision or clarification. These included the relationship between the concept of residence and that of usual environment; tourism and travel; the need for clarifying the definition of visitor, and business visitor in particular; and the possibility of a breakdown of the travel item in the updated version of the *Balance of Payments Manual*. The Group's proposals on the treatment of those issues provided valuable input for the revision process.

8. While actively participating in that work, the Inter-Agency Coordination Group, UNWTO and the Statistics Division initiated and conducted a number of other activities which led to preparation of the current draft recommendations. A chronological summary of those activities is provided below.

B. World Tourism Organization electronic forum

9. The main objective of the electronic forum was to ensure that national tourism administrations and national statistical offices were fully consulted and that their views on how to revise the international recommendations were clearly expressed and taken into consideration. The forum was active from April to October 2006. Participants discussed issues initially identified by the Inter-Agency Coordination Group related to both the 1993 recommendations and the *Tourism Satellite Account: Recommended Methodological Framework*. In order to foster more effective participation in the forum, UNWTO launched a questionnaire on national practices regarding the implementation of the 1993 recommendations. The questionnaire covered a number of relevant topics, such as stages of a trip, treatment of cruise passengers, the degree of international comparability of key tourism statistics, national practices in checking consistency between tourism expenditure data and the value of goods and services supplied by tourism industries to visitors. The forum's results confirmed that there was wide support among producers and users of tourism statistics for the revision of the existing recommendations. Twenty-seven contributions were received from the forum participants and presented to the International Workshop on Tourism Statistics.

C. International Workshop on Tourism Statistics

10. The International Workshop on Tourism Statistics was held at UNWTO headquarters in Madrid from 17 to 20 July 2006. It was a major event leading to the preparation of the draft revised recommendations. Representatives of national tourism organizations, national statistical offices and international and regional organizations were invited. The 79 participants represented 33 countries and 7 international and regional organizations. The main tasks of the workshop were

(a) to review current country practices in the compilation of the basic variables of tourism statistics; (b) to review the 1993 recommendations and to advise on where they needed to be revised or updated; (c) to create a network of tourism statisticians working in different institutional environments in order to foster the exchange of experiences and the formulation of good practices in the compilation of such statistics; and (d) to advise on institutional arrangements between different national agencies active in tourism statistics.

11. The workshop concluded, *inter alia*, that the current revision of international recommendations on tourism statistics should be seen as a part of the effort to promote an integrated approach towards national statistics which requires, to the extent possible, the use of harmonized concepts, classifications and standardized data compilation methods in order to maximize efficiency and minimize the reporting burden, and that, in this connection, the application of the Fundamental Principles of Official Statistics was strongly supported.

12. The workshop suggested that the revised recommendations should focus on the identification and definition of variables which (a) could be defined in terms of data sources and data compilation methods, (b) did not create a significant additional reporting burden and (c) could be implemented by most countries to ensure improved cross-country comparability. It was also suggested that the present scope of the recommendations should be modified to allow for necessary updating and restructuring. In this way it should be possible to mention and recognize the relevance of a wide range of issues, including the description of user needs; different classifications and lists of variables relevant to the measurement of the economic contribution of tourism; employment issues; potential data sources and data compilation methods; data dissemination; the need for metadata; the relevance of inter-institutional networking; the description of linkages with the tourism satellite account and indicators of social and environmental impacts; and the checking of consistency between tourism supply and consumption. Special emphasis should be placed on the connections between the recommendations and other international standards, such as the *Balance of Payments Manual*, the system of national accounts, the *Manual on Statistics of International Trade in Services* and international standard classifications.

13. The workshop provided guidance on specific issues, including the broadening of the definitions of visitor and purposes of visit; the exclusion of second homes from usual environment; the use of administrative borders to determine whether a traveller leaves his or her usual environment; conditions under which transit travellers should be treated as visitors; the need for guidance on the compilation of data on tourism supply and tourism employment; the discontinuation of the use of the Standard International Classification of Tourism Activities, replaced by unified lists of tourism products and activities expressed in terms of the Central Product Classification, second revision, and the *Manual on Statistics of International Trade in Services*, fourth revision; the use of tourism expenditure as one of the main concepts of basic tourism statistics, while tourism consumption is to be used in the tourism satellite account, the need for linkages with indicators of environmental impacts of tourism; and the crucial importance of developing a strategic alliance between national agencies involved in the compilation of tourism statistics.

D. World Tourism Organization Committee on Statistics

14. The UNWTO Committee on Statistics, in its capacity as an advisory body to the Executive Council, actively participated in the revision process and provided valuable contributions to the drafting process. The Committee's special session held in Lisbon in March 2007 was particularly productive in terms of finding solutions to a number of conceptual issues, including the definitions of tourism, visitor and main purposes of visit. Prior to that session, 21 contributions were received, and additional comments and suggestions were provided during the session. In addition to work on the draft *International Recommendations on Tourism Statistics 2008*, the Committee also provided significant input into the first draft of the 2008 version of *Tourism Satellite Account: Recommended Methodological Framework*.

E. United Nations Expert Group on Tourism Statistics

15. Inputs provided by all bodies cited above were consolidated by UNWTO and the Statistics Division into the provisional draft *International Recommendations on Tourism Statistics 2008*. That document was presented to the United Nations Expert Group on Tourism Statistics, which met in New York from 25 to 28 June 2007. The Expert Group included representatives of national statistical offices, national tourism organizations and international and regional organizations.

16. The Expert Group reviewed the provisional draft and agreed with the proposal of the Statistics Division to include in it a new chapter containing recommendations in several areas not previously covered, such as metadata, quality of data, dissemination of data, inter-agency cooperation, implementation programme and policy for future updates. The Expert Group clarified the statistical treatment of a number of issues and endorsed the draft *International Recommendations*. It was decided that the updated draft should be posted on the websites of the Statistics Division and UNWTO for a worldwide consultation. The Expert Group established an editorial team consisting of its Chairpersons at its various sessions to coordinate the incorporation into the final draft of various amendments, including those received from countries during the worldwide consultation, prior to its submission to the Commission.

17. The Expert Group also discussed the first draft of the 2008 version of the *Tourism Satellite Account: Recommended Methodological Framework* and expressed its support for the inclusion therein of various types of clarifications, including the updated presentation of the tables and references to the *International Recommendations* to ensure consistency between the two sets of recommendations. The Expert Group suggested that the updated draft of the 2008 *Recommended Methodological Framework* should be prepared by UNWTO and posted on the UNWTO website for further consultations.

F. Worldwide consultation with national statistical offices and national tourism administrations

18. To ensure that national statistical offices and national tourism administrations had an opportunity to provide their comments during the preparation of the revised recommendations, UNWTO and the Statistics Division organized two stages of a

worldwide consultation. The first stage was held in May and June 2007, after the Lisbon meeting of the UNWTO Committee on Statistics, and resulted in 33 sets of comments. The second stage was conducted in September and October 2007, after the meeting of the Expert Group, and 18 additional sets of comments were received. Countries' comments confirmed their broad endorsement of the draft recommendations, while also providing a number of concrete proposals to clarify the wording of some recommendations. The comments received were reviewed by the Expert Group editorial team and incorporated into the final version of the draft *International Recommendations on Tourism Statistics 2008*, which is now before the Commission.

III. Overview of the revised recommendations and the implementation programme

A. Overview of the revised recommendations

19. The current draft *International Recommendations for Tourism Statistics* update the 1993 recommendations in the following ways:

(a) By reformulating the definition of visitors to cover all travellers except those taking trips for the purpose of being employed by a resident entity in the place visited and by explicit inclusion of persons in transit entering the legal and economic territory of a country (provided that they do not enter for the purpose of being employed by a resident entity in the place visited);

(b) By clarifying the concepts of trips and visits, and their characteristics (origin, destination, duration and purpose), for which specific definitions are now provided, and in particular identifying the tourism trip as the basic concept with respect to which the tourism statistics are compiled;

(c) By clarifying the treatment of vacation homes that are to be excluded from the usual environment of an individual;

(d) By recognizing the travel party (members of the same household travelling together and sharing expenditure) as a relevant observation unit in tourism statistics;

(e) By modifying the formulation regarding the different forms of tourism to take into consideration the difference between the concepts of economic territory (a geographical reference) and economy of reference (an economic reference);

(f) By modifying the classification of tourism-related purposes of trips to take into consideration the changes undergone in tourism behaviour since 1993, in particular regarding education and training, health and medical care and incentive trips;

(g) With regard to the classification of forms of accommodation, through agreement that the establishment of international recommendations would be pending the development of the United Nations companion guide for the *International Standard Industrial Classification of All Economic Activities* and the Central Production Classification;

(h) Through proposed classifications for characteristic tourism consumption products and characteristic tourism activities and revision of the classification of industries proposed in 1993 in line with the Central Product Classification, second revision, and the International Standard Industrial Classification of All Economic Activities, fourth revision;

(i) By recommending that basic tourism statistics focus on tourism expenditure rather than on tourism consumption and that they be clearly differentiated, tourism consumption being a broader concept for use in the tourism satellite account, covering imputations derived from information beyond the scope of what can be collected directly from visitors (e.g., social transfers in kind and imputed accommodation services provided by second homes on own account);

(j) By including in tourism expenditure and tourism consumption the purchase of consumer durables and items of major unit value acquired on trips;

(k) By clarifying the relationship between forms of tourism and categories of tourism expenditure and tourism consumption;

(l) By considering tourism-related employment an integral part of tourism analysis and defining and incorporating into the recommendations variables related to employment in the tourism industry, an effort in which ILO played an important role;

(m) By providing recommendations on data sources and data compilation methods after the introduction of the recommended concepts;

(n) By making explicit the link with balance-of-payments statistics, including emphasizing the recording of expenditure on an accrual basis;

(o) By clarifying the relationship with the tourism satellite account, providing guidance on extensions of tourism statistics to the subnational level and recognizing the need to collect data to address sustainability concerns;

(p) By providing recommendations in several new areas, such as metadata, data quality, dissemination of data, inter-agency cooperation, implementation programme and policy for future updates.

B. Outline of the implementation programme

20. Both UNWTO and the Statistics Division will distribute to national statistical offices and tourism administrations electronic versions of the *International Recommendations on Tourism Statistics 2008* as soon as the text is edited in preparation for printing. UNWTO will develop and begin the implementation of the programme of technical assistance to countries to promote the use of the *International Recommendations 2008*. That programme will include the preparation of a compilation guide to assist implementing countries by providing additional guidance on data sources, compilation methods, data-collection strategy, data quality and dissemination, etc.

21. Taking into account that the *Tourism Satellite Account: Recommended Methodological Framework 2008* is to be completed at the same time as the *International Recommendations on Tourism Statistics 2008*, UNWTO intends to package and distribute them together as a single publication under the tentative title

Principles of and Recommendations on Tourism Statistics and the Tourism Satellite Account. The publication could include additional material if deemed necessary.

IV. Updating of the *Tourism Satellite Account: Recommended Methodological Framework*

22. In parallel with the drafting of the *International Recommendations on Tourism Statistics 2008*, UNWTO and the Inter-Agency Coordination Group, were working on updating the *Tourism Satellite Account: Recommended Methodological Framework*. The process included the incorporation of changes to reflect updated and new recommendations contained in the *International Recommendations 2008*, the revised version of the 1993 system of national accounts and the sixth edition of the *Balance of Payments Manual*. Those changes are, in summary:

(a) The replacement of the concepts of visitor's final consumption in cash and visitors' final consumption in kind by those of tourism expenditure and tourism consumption;

(b) The clarification of the difference between an economic activity and an industry;

(c) The clarification of the definition of a tourism industry as a grouping of establishments that share the same characteristic activity, typically producing a specific set of characteristic tourism products;

(d) The mention of the specific issues related to time-sharing arrangements, package tours, reservation services and the meetings industry;

(e) The clarification of the treatment of goods purchased by visitors and the associated retail trade activities and retail trade margins;

(f) The slight modification of the format of the proposed 10 tables to take into consideration:

(i) The updates in classifications of products, activities and industries;

(ii) The clarification of the definitions of the different categories of tourism expenditure and tourism consumption;

(iii) The clarification of the treatment of goods purchased by visitors, generating a clearer treatment of trade and transport margins on goods in the tables;

(iv) The more homogeneous classification of tourism collective consumption by products instead of functional classification;

(g) The clarification of the relationship of the tourism satellite account with the measurement of the economic importance of tourism and impact analyses: a specific annex deals with the issue.

23. Three different versions of the *Tourism Satellite Account: Recommended Methodological Framework* have been the subject of a worldwide consultation since March 2006, as a result of which 34 contributions have been received and incorporated into its final version, which is available to the Commission members as a room document.

24. UNWTO plans to provide technical assistance to countries in implementation of the *Tourism Satellite Account: Recommended Methodological Framework 2008*, both directly and online. Necessary guidance and descriptions of good practices will be compiled by UNWTO and made available on its website.

V. Points for discussion

25. **The Commission is requested to:**

(a) **Review and adopt the revised *International Recommendations on Tourism Statistics 2008*;**

(b) **Provide guidance for the implementation of the *International Recommendations on Tourism Statistics 2008*;**

(c) **Take note of the updated version of *Tourism Satellite Account: Recommended Methodological Framework 2008*.**
