



# INDICATORS FOR MEASURING COMPETITIVENESS IN TOURISM – A GUIDANCE DOCUMENT

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## The context

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- In the long term, looking to 2060, Global GDP projected to grow at approx 3% per year, with emerging market economies outpacing OECD growth
- Better educated and more productive workforces the main growth drivers, with aging populations a drag on growth
- Similar patterns in tourism, with implications for competitiveness
  - Pressures on costs for labour, commodities, energy, and fragmentation of tourism markets
- The management of tourism policies is becoming more complex, and appropriate policy responses and structural reforms are necessary to return growth to a sustainable path
- For OECD countries, 'business as usual' is not an option even in a growth sector like tourism



## The need for adjustment

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- The global crisis was a wake-up call to policy makers around the world.
- There is a limitation of existing analytical tools, policy frameworks, and governance arrangements to address the significant rise in interconnectedness and complexity.
- Government policies emphasise competitiveness issues
  - improving productivity and quality
  - encouraging innovation
  - Supporting sustainability...

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## Enhancing competitiveness in tourism

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- Mature tourism economies need to regain competitiveness as a new source of growth
- The basis of competitiveness likely to remain strongly driven by economic considerations and the ability to attract jobs and expenditure growth
- Opportunities for enhanced competitiveness in tourism, leading to sustainable growth, in the areas of innovation, enhanced travel facilitation, skills and education
- Active policies also require a good understanding of the determinants of competitiveness – work to better measure competitiveness in tourism

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## The measurement framework proposed an integrated and focused approach

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- A short list of core indicators
- Indicators to cover different perspectives and evidence needs over time:
  - Indicators measuring the tourism performance and impacts
  - Indicators monitoring the ability of a destination to deliver quality and competitive tourism services
  - Indicators monitoring the attractiveness of a destination
  - Indicators describing policy responses and economic opportunities
- A short list of additional indicators
- Link closely with other on-going work

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## The shortlist - 11 core indicators

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- Tourism Direct Gross Domestic Product
- Inbound tourism revenues per visitor by source market
- Overnights in all types of accommodation
- Exports of tourism services
- Labour productivity in tourism services
- Purchasing Power Parity (PPPs) and tourism prices
- Country entry visa requirements
- Natural resources and biodiversity
- Cultural and creative resources
- Visitor Satisfaction
- National Tourism Action Plan

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## Example: Tourism Direct Gross Domestic Product

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- % change in Tourism Direct Gross Domestic Product
- Measures tourism contribution to GDP
- Focus is on direct impacts, domestic and inbound tourism consumption
- Challenge is measuring indirect and induced impacts
- An established measure and protocols that reinforce TSA application

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## Example: Labour productivity in tourism services

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- % change in labour productivity in tourism services
- Productivity is a main component of competitiveness
- Measures the level of productivity and its evolution
- Challenge relates to difficulties of measurement and the size and specificity of tourism

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## Example: Purchasing Power Parity (PPPs) and tourism prices

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- Price level differences across countries expressed as PPPs
- Changing costs are among the most important competitiveness factors
- Challenge is to develop detailed tourism specific item groups
- Further work with OECD statistics Directorate

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## Additional supplementary indicators

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- Market diversification and growth markets
- Employment in tourism by age, education levels and type of contracts
- Consumer price index for tourism
- Air connectivity and inter-modality
- OECD Better Life Index
- Government budget appropriations for tourism
- Company mortality rate
- Use of e-tourism and other innovative services
- Structure of tourism supply chains

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## Measuring Competitiveness – the next steps

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- Application and testing of core indicators
- Statistical/policy work on selected indicators with lead countries (examples and country specific sources)
- Work with data partners (e.g. OECD statistical directorate, countries, international organisations, private sector )
- Work with policy-makers for mainstreaming competitiveness issues on the policy agenda

*For more information, see new OECD Tourism Paper on Indicators for Measuring Competitiveness in Tourism at [www.oecd.org/cfe/tourism](http://www.oecd.org/cfe/tourism)*

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## OECD activities on tourism for 2013-2014

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- Reviewing effective tourism policies for growth
- Monitoring tourism trends and policies, including reforms and short and medium term priorities
- Supporting quality jobs in tourism
- Measuring tourism economic impacts at sub-national level
- Inventory of policies and practices in tourism taxation
- Analysing tourism policy and the creative economy
- Reviewing Iceland environmental performance, including in the field of tourism

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To find out more – [www.oecd.org/cfe/tourism](http://www.oecd.org/cfe/tourism)

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Publications and OECD Tourism Papers:

- Indicators for Measuring Competitiveness in Tourism (2013)
- Tourism Trends & Policies (2008, 2010, 2012)
- Green Innovation in Tourism (2012)
- Food and the Tourism Experience (2012)
- Climate Change and Tourism Policy (2011)
- Italy Tourism Policy Review (2011)
- The Impact of Culture on Tourism (2009)

