



International Recommendations for Tourism Statistics 2008 Compilation Guide

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**Madrid
Statistics and Tourism Satellite Account Programme**

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Introduction (PENDING)

List of abbreviations and acronyms

API	Advanced Passenger Information
BOP	Balance of Payments
BPM6	Balance of Payments and International Position Manual, sixth edition
CATI	Computer Assisted Telephone Interview
CB	Central Bank
COICOP	Classification of Individual Consumption by Purpose
CG	Compilation Guide
CPC	Central Product Classification
CTO	Caribbean Tourism Organization
ECLAC	Economic Commission for Latin America and the Caribbean
FDI	Foreign Direct Investment
GATS	General Agreement on Trade in Services
GDP	Gross Domestic Product
ICLS	International Conference of Labour Statisticians
ILO	International Labour Organization
IMF	International Monetary Fund
IRTS 2008	International Recommendations for Tourism Statistics 2008
ISCO	International Standard Classification of Occupations
ISIC	International Standard Industrial Classification of all Economic Activities
IUOTO	International Union of Official Travel Organizations
n.e.c.	Not elsewhere classified
n.i.e.	Not included elsewhere
NSO	National Statistics Office
NSS	National Statistical System
NTA	National Tourism Administration
OECD	Organization for Economic Cooperation and Development
PATA	Pacific Asia Travel Association
RTS 1993	Recommendations on Tourism Statistics (1993)
SDMX	Statistical Data and Metadata Exchange
SEEA	System of environmental and economic accounts
SICTA	Standard International Classification of Tourism Activities
SNA	System of National Accounts
STS	System of Tourism Statistics
TBoP	Tourism Balance of Payments
TSA	Tourism Satellite Account
TSA:RMF 2008	Tourism Satellite Account: Recommended Methodological Framework, 2008
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	World Tourism Organization
VAT	Value Added Tax
WTO	World Trade Organization

Acknowledgments (PENDING)

Presentation of IRTS 2008 *Compilation Guide*

In February 2008, the UN Statistical Commission adopted the *International Recommendations for Tourism Statistics 2008 (IRTS 2008)* and requested that UNWTO develop a programme of technical assistance for countries to promote the use of *IRTS 2008*. That programme was to include the preparation of a *compilation guide*, which is presented in this document.

This *Compilation Guide* is intended to serve as the basic supporting document for world-wide implementation of *IRTS 2008*. It is designed to support the production of a set of basic data and indicators in each country, providing guidance as to the information to be delivered for UNWTO's more comprehensive general statistical publication, the *Compendium of Tourism Statistics*, thereby contributing to the international comparability of tourism statistics. The *Compendium* has also been updated in line with this objective and focus.

This *Compilation Guide* includes comments and explanations on the different concepts introduced and used in *IRTS 2008*, orientation on the issues behind these recommendations, guidance on how to compile the recommended variables and aggregates and examples of how some countries have solved some of the problems here mentioned in implementing the recommendations. Some of their solutions can be considered best practices; others, while geared to particular national circumstances, may nevertheless be interesting as illustrations of how countries can overcome obstacles encountered in the compilation process.

Although the *Compilation Guide* is structured so as to accompany each chapter of *IRTS 2008*, readers should be aware that its first three chapters do not correspond strictly to *IRTS 2008* chapters 1 to 3. Each chapter provides extensive explanations and country examples of typical compilation issues, as follows:

- Chapter 1 discusses how the *System of Tourism Statistics (STS)* has been designed, describing the basic information framework developed to promote the international comparability of tourism statistics. STS was conceptualized in [IRTS 2008](#) (paras. 1.36 and 1.37,).
- Chapter 2 provides a general overview of the demand-oriented conceptual framework of *IRTS 2008* and refers to related observation issues.
- Chapter 3 describes issues that arise in measuring visitor flows and observing their characteristics, processes countries can follow in doing so and the basic data and indicators requested by UNWTO for the *Compendium of Tourism Statistics*.
- Chapter 4 focuses on tourism expenditure, describing the issues that arise in measuring it, some of the measurement instruments available and the basic expenditure data and indicators requested by UNWTO for the *Compendium*.
- Chapter 5 discusses the classifications used in tourism statistics and the issues involved in defining and using them, particularly in respect of products and activities.
- Chapter 6, on the measurement of tourism supply, is confined in this edition to all forms of accommodation and related products. Its coverage in future editions will extend to other important industries, as countries share their experience in measuring a wider range of tourism-related activities. A list of related information requested by UNWTO is provided here as well.

Additional information on compilation issues is provided in seven annexes:

- **Annex 1:** Questionnaire proposed by UNWTO to measure flows and expenditure associated with inbound tourism.
- **Annex 2:** List of consumption products grouped by purpose, according to their categorization as internationally comparable tourism characteristic products.
- **Annex 3:** List of tourism characteristic activities (tourism industries) and grouping by main categories according to ISIC Rev. 4 and explanatory notes.
- **Annex 4:** List of tourism characteristic products and grouping by main categories according to CPC Ver. 2 and explanatory notes.
- **Annex 5:** Tourism expenditure vs. tourism consumption: explanation and illustration of differences between the two concepts.
- **Annex 6:** Statistical vocabulary.
- **Annex 7:** Coherence and consistency in tourism statistics: an overview. This annex will provide guidance on two different but related issues not specifically addressed in *IRTS 2008*: checking consistency in data used for tourism statistics (principally those coming from surveys and administrative procedures) and reconciling data derived from different sources.

Annex 7 stresses the importance of coherence and consistency in tourism statistics, necessary conditions for a proper STS. It illustrates methods to satisfy these conditions – in compiling a TSA as well as in other contexts – as the culminating step in such processes and a means to ensure stronger consistency with the National Statistical System.

This *Compilation Guide* is being issued in two different formats:

- As an e-document (main format) with hyperlinks to *IRTS 2008*, other UNWTO documents, country case studies and complementary material as deemed appropriate. It will be regularly updated to reflect new experiences considered useful for the statistics community. It will appear in English but will also include links that in some cases will direct readers to case studies in other languages (one of the UN official languages where possible).
- In PDF format – for printing and probably translation to other languages (except for hyperlinks, case studies and complementary material) – to facilitate dissemination to other interested publics (in particular, users of tourism statistics).

The general guidelines proposed by UNWTO are intended to promote the configuration of national tourism statistical systems with a view to:

- obtaining sets of data that are sufficiently accurate and based on sufficiently homogeneous principles to allow for more advanced international comparability;
- enabling countries to identify their statistical gaps and providing guidance on how to fill them; and
- improving the design and monitoring of tourism policies (especially in the area of marketing).

The application of *IRTS 2008* will be supported by other documents, including *IRTS 2008 Complementary Guidance*, on such issues as the revision of series, the regional dimension, reconciliation in a broader context, visits to vacation homes, prices and prices indexes, etc.). Other supplementary materials may be developed as deemed appropriate.

Chapter 1. The role of the International Recommendations for Tourism Statistics (IRTS 2008)

A. Introduction

- 1.1. This *Compilation Guide* refers to the setting up of a national STS.
- 1.2. The STS should be understood as that part of the National Statistics System (NSS) that provides reliable, consistent and appropriate statistical information on the socio-economic aspects of tourism, integrated with economic and social statistics systems in other fields and at different territorial levels: national (or federal where appropriate), subnational and international.
- 1.3. It should be viewed as the basic framework for coordinating and integrating statistical information on tourism. It incorporates concepts, definitions, classifications, data, indicators, aggregated and tabulated results, so as to provide an exhaustive description of all aspects of the tourism phenomenon (physical, social, economic, etc.) and internationally comparable measurements of its economic contribution.
- 1.4. The development of a national STS is closely linked with the implementation of a Tourism Satellite Account (TSA), which provides the conceptual framework and the organizational structure for integrating most tourism statistics with each other and with other economic statistics (mainly National Accounts and Balance of Payments data). In order for the TSA to be such an integrated framework, the same conditions as those required for the *System of National Accounts (SNA 2008)* should apply: tourism statistics should be coherent (the same concepts, definitions and classifications should apply to all related components) and consistent (measurements related with each component should be commensurate so as to be integrated within a unique analytical framework).
- 1.5. This explains why the new *IRTS 2008* emphasises the fact that the development of a STS is closely linked to the implementation of the other international recommendations regarding tourism statistics: the *Tourism Satellite Account – Recommended Methodological Framework (TSA:RMF 2008)*. This linkage ensures the internal consistency of tourism data and their external consistency with the major systems of macroeconomic information, e.g., the National Accounts, as well as other systems of information linked to them. ([IRTS 2008](#), paras. 1.34. to 1.38.).
- 1.6. It should be noted that the UN Statistical Commission (UNSC), in the final report of its thirty-ninth session (E/2008/24): “[...] affirm[ed] the role of the System of National Accounts as the integrating framework in economic statistics, and recognize[ed] the importance of increasing the coherence of basic economic statistics for enhancing the quality and analytical value of both basic economic statistics and macroeconomic statistics”.
- 1.7. The design of a national STS as part of a National System of Statistics (NSS) should be viewed as the basic framework for coordinating and integrating statistical information on tourism as produced by all types of stakeholders. ([STS: Basic References, section A: The STS and its links with the National Statistical System](#)).

- 1.8. The STS is defined as a set of interconnected statistical components comprising:
- statistical sources;
 - data derived from those sources (e.g., statistics drawn from surveys, administrative records, or statistics of a synthetic nature, like the TSA);
 - the specific tools, methodological references and instruments used at certain stages of the process (concepts, definitions, classifications, databases, etc.); and
 - the instrumental and organizational resources used in the statistical processes.
- 1.9. The STS encompasses in particular the technical aspects of field operations, the creation of the statistical infrastructure, the elaboration of the results, and the integration of the data into a genuine system of information.
- 1.10. The recommendations set out in *IRTS 2008* for the design of national STSs will facilitate international comparisons as well as integration within each country's NSS ([STS: Basic References, section B: National STS and international comparability](#)).
- 1.11. In addition to the basic data covered in *IRTS 2008*, countries might develop supplementary data and indicators relevant for key tourism stakeholders, derived from official and non-official sources and broadly consistent with the concepts and classification used in this *Compilation Guide*, e.g., on tourism satisfaction, tourism “products” (sun and beach, cultural tourism, etc.), attractions visited, etc., as well as other information requested by relevant users (for instance on comparative prices).
- 1.12. Tourism Administrations might be tempted to develop their own sets of information, based for instance on data from immigration authorities (on the flow of foreign travellers), from hotel associations (as a basis for inferring average length of stay in accommodation establishments and certain components of expenditure), and from domestic airlines, bus companies, national railways or toll booths (to estimate the movement of visitors within the economy). They might also wish to use their own definition of tourism (often restricted to personal travel). They might consider such approaches sufficient to provide a general picture of tourism, as a basis for policy-making – without the bother of complying with “sophisticated” international recommendations.
- 1.13. While such approaches may provide an interesting first approximation of tourism's importance in a given country, and while the information collected may be useful to particularize the tourism phenomenon in that country, the resulting statistics could be misleading, or beside the point. For instance, countries often compile statistics on inbound or outbound tourism based on the nationality of travellers rather than on their country of residence. Similarly, countries with histories of migration (inward or outward) might miss the flows of migrant families motivated by tourism. Or as another example, countries might estimate non-resident visitors based on travellers staying at establishments providing accommodation for visitors (even when sorting for foreign nationals only), overlooking the significant number of visitors who might stay with family and relatives. In many countries, this form of accommodation – staying with family and friends – is used most when the economic situation tightens. Indicators based on those flows could thus be highly misleading in terms of levels well as trends.

- 1.14. More importantly, tourism statistics compiled through such methods would lack the needed credibility and international comparability, because their definitions would not be compatible with international standards and recommendations. Nor would such data allow analysis within a consistent national macroeconomic framework (such as Balance of Payments or National Accounts), which would make advocating the importance of tourism more difficult at government level.

**B. Setting up an internationally consistent System of Tourism Statistics (STS):
The conceptual framework**

- 1.15. It is worth recalling that UNWTO's first general guidelines on tourism statistics, which still underpin most of its work on the international harmonization of tourism concepts and statistics, were issued at its fifth General Assembly, held in New Delhi in 1983. The Organization's 1993 *Recommendations on Tourism Statistics*, adopted by the United Nations Statistical Commission (UNSC) and published in 1994, represent the first international recommendations to be issued on the subject. A second set of recommendations, *Tourism Satellite Account: Recommended Methodological Framework 2000* was adopted by UNSC in 2000 and published in 2001. These two sets of recommendations established the basic foundation for STS as understood by the international community. They have been followed by numerous contributions from institutions and individuals, each helping to enhance the credibility of the results obtained from measuring tourism's economic importance and other related variables.
- 1.16. The recommendations currently outlined in *IRTS 2008* and in the *Tourism Satellite Account: Recommended Methodological Framework 2008 (TSA:RMF 2008)* constitute the updated reference framework for all national STS. Both are essential reference documents for the harmonization, coordination and integration of statistical information on tourism. Though currently restricted in scope, they could eventually be extended to include, inter alia, the following:
- other components of demand (such as collective consumption and gross fixed capital formation) for the purpose of identifying corresponding supply;
 - analysis of foreign direct investment (FDI) in the tourism industries;
 - the development of a sub-national perspective; and possibly
 - linkage with other statistical systems, such as environmental accounts.
- 1.17. While it is up to each country to develop its own STS, UNWTO recommends adherence to the UNSC Basic Principles of Official Statistics (11/15 April 1994), as indicated in *IRTS 2008* Chapter 9 "Supplementary topics".
- 1.18. In providing guidance on the steps required for credible statistics, those principles should be understood as a necessary condition to maintain users' confidence in tourism statistics and public access to the statistics at a level of detail that allows for extensive use by a variety of users while guaranteeing the integrity, transparency and confidentiality of individual data (e.g., providing access to microdata once the anonymity of individual data has been ensured).
- 1.19. One of the characteristics of tourism is that it cuts across many fields of interest. It can be defined neither by a set of products nor by specific production activities, although some are to be identified as particularly relevant. This is the case of tourism characteristic products and

(productive) activities (see chapters 5 and 6). Rather, tourism is defined by the activity of “visitors”. This means that in setting up an STS, it will be necessary to work in other overlapping subject areas, such as passenger transport, numerous personal service activities, migration, and obviously Balance of Payments (expenditure by international visitors).

- 1.20. The specific role of the TSA within the STS needs to be highlighted. It should be understood as:
- a. The instrument for identifying and measuring the impact of tourism on the national economy, in line with the National Accounts framework, and thus allowing comparisons with other economic domains;
 - b. A reconciliation tool within an integrated STS;
 - c. A systematic effort to achieve total coverage in terms of visitors, their expenditure, the industries serving visitors and a reasoned reconciliation of the different statistical sources, in order to ensure consistency among the data derived from them. In that respect, as already mentioned, setting up a TSA should be viewed as an important step in building a full-fledged STS, since it requires evaluations as to the quality, consistency and limitations of existing tourism statistics which can then be used to design a comprehensive, coherent STS integrated with other parts of the National Statistical System;
 - d. Part of a system of information in which individual sources are interconnected (for instance, annual data are consistent with monthly or quarterly data; demand data match information on supply; specific analyses are consistent with general ones, etc.);
 - e. A macroeconomic tool with which to develop structural relationships with other macroeconomic frameworks, particularly Balance of Payments and National Accounts. This relationship should be conceptual but should also be based on shared analyses of the data and the coordination of overlapping statistical operations, to ensure consistent measurements.
- 1.21. The general guidelines proposed by UNWTO are aimed at promoting the development and formulation of an STS with a view to:
- a. guiding the development of statistics in order to obtain sets of data that are sufficiently accurate to allow more advanced international comparability;
 - b. enabling countries to identify their statistical gaps and providing guidance on how to fill them; and
 - c. fostering more efficient design and monitoring of tourism policies (especially in the area of marketing).
- C. Setting up an internationally consistent System of Tourism Statistics (STS): International comparability of basic data and indicators**
- 1.22. In the UN System, tourism is included under “Economic Statistics”, which cover visitor activity in terms of arrivals, departures, overnight stays, expenditure, main purpose of trip, etc.) associated with the different forms of tourism (inbound, domestic and outbound), the production activity of tourism industries, infrastructure, employment and Tourism Satellite Accounts as a general reconciliation tool.

- 1.23. Following the approval of *IRTS 2008* by the United Nations Statistical Commission, there is a need to define a new information framework to support the international comparability of tourism statistics. As for all statistical systems, however, the basic data and indicators need to be related to corresponding statistical units.

C.1. Identifying the statistical units

- 1.24. Like any statistical system, the *STS* deals with *statistical units* (UN Statistical Papers Series M No. 4, Rev.4 [International Standard Industrial Classification of All Economic Activities \(ISIC\), Rev.4](#), paras. 61 to 63.). Statistical procedures are followed in observing these units, and the information is classified, broken down, aggregated, analysed, etc. To each thematic system of statistics and each subset thereof corresponds a set of relevant statistical units.
- 1.25. *Statistical units* are the entities on which information is sought and statistics compiled. They can be divided into *observation units* and *analytical units*. *Observation units* are the entities on which information is received and statistics are compiled. *Analytical units* are created by statisticians, often by splitting or combining observation units with the help of estimations and imputations in order to compile more detailed and more homogeneous statistics than is possible using data on observation units.
- 1.26. *Reporting units* are the entities from which information is collected, by means of questionnaires or interviews. They coincide in most cases with the units for which statistics are compiled (observation units), but in many important cases, reporting units are not considered suitable for this purpose – for instance because they are not homogeneous enough or do not act as transactors in the field under study. For the purpose of tourism statistics, resident households might conceivably be used as reporting units in order to collect information on trips taken by residents, each of whom belongs to a unique household. The household as such, however, does not travel and thus does not generally constitute a proper statistical unit on which to collect information on tourism – although there might be cases where households turn into observation units: for instance, when studying the propensity to travel as an attribute attached both to individuals and to the households to which they belong.
- 1.27. From the demand perspective, the basic statistical units of interest are *visitors* and *trips*. Visitors may sometimes provide information on the parties and groups with which they travel or have travelled, which can be treated as analytical units, since they are not directly observed but constructed using information collected from other statistical units (the visitors). See chapter 2, section B.3. “Statistical units”.
- 1.28. From the supply perspective, the statistical units of interest are producing units, i.e., establishments, which are grouped into industries. Information on establishments can be collected directly from the establishments themselves or, exceptionally, from their parent enterprises. When dealing with employment, statistical units on which information is collected include both the individuals employed and the industries employing them.
- 1.29. The precise definition of such units as *observation units*, *reporting units*, or *analytical units* is not always clear-cut; it will depend on the types of observation procedures used and the types of table of results compiled. In the case of surveys based on interviews with households (reporting units), both the individuals observed (visitors) and their (round) trips can be viewed as observation units. In the case of observations made at a border or at places visited the

observation unit will be visits (inbound trips), and the personal characteristics of visitors will be defined on that basis. Information on other legs of such a visitor's trip will thus remain beyond the scope of observation.

- 1.30. The terminology currently used in such statistical operations tends to blur the distinctions between different types of units. The statistical unit for information collected at the border, for instance, tends to be called "visitor", whereas, strictly speaking, the information collected refers to specific *visits*. Then again, visits are often treated as "arrivals" or "departures", and the characteristics of the visitor as an attribute thereof. In the case of round trips (see [IRTS 2008](#), para. 2.7.), it might also happen that a single individual enters a given country or place more than once (from the perspective of the country visited) during a given period of time. Countries of origin, on the other hand, may take a different approach: either lumping such arrivals together, as forming part of a single trip (see also para. 3.37 below, on the case of cruise ships calling at different ports of the same country), or differentiating between them as separate observation units.

C.2. The basic information framework for international comparability of tourism statistics

- 1.31. The following scheme illustrates the main components of this framework, highlighting the concepts, the corresponding units and their characteristics, the classifications to be used and the basic data and indicators to be included in tables summarizing the main interrelationships within the framework.

1. Conceptual framework

Concepts	Statistical units	Related characteristics
Visitor	Visitor Travel party	Classes (overnight visitor-tourist-/same-day visitor-excursionist) Country of residence / regions Demographics Size
Trip	Tourism trip	Main purpose Duration Main destination Modes of transport Types of accommodation used Organization Expenditure
Tourism industries	Establishment	<u>Monetary</u> Output Intermediate consumption Gross value added Compensation of employees Gross Fixed Capital Formation <u>Non-monetary</u> Non-monetary characteristics specific to each tourism industry (if they exist)
Employment	Establishment Person	Persons employed Size Status in employment Jobs Hours of work Full-time equivalent jobs Wages and salaries

2. Classifications

- 2.1. Forms of tourism
- 2.2. Classification of consumption products acquired by visitors
- 2.3. Classification of productive activities serving visitors
- 2.4. Other classifications

3. Tables of results (basic data and indicators)

- 3.1. Inbound tourism
- 3.2. Domestic tourism
- 3.3. Outbound tourism
- 3.4. Tourism industries
- 3.5. Employment
- 3.6. Complementary indicators

- 1.32. The following chapters discuss each of the elements that make up the STS, with reference to the set of information outlined in *IRTS 2008*, as the basis for international comparisons of tourism statistics. Countries should widen the scope of their systems' data and indicators, beyond those requested by UNWTO for the new *Compendium of Tourism Statistics* (reproduced in chapter 3, 4 and 6), with complementary information that reflects the specificities of their respective tourism sectors or that may be considered useful to their National Tourism Administrations or key stakeholders. ([STS: Basic References](#), paras. 17 and 18).

Chapter 2. The demand perspective: conceptual background and related observation issues

A. Introduction

- 2.1. The activities carried out by a visitor and that are of interest in this framework focus on those involving the acquisition of a good or a service on the market or the provision of non-market goods and services either on own account (f.i. accommodation services provided by vacation homes), or by government or by non-profit institutions to visitors. These activities represent the actions and behaviours of people in preparation for and during a trip in their capacity as consumers. Post-travel activities (e.g., replacing goods damaged or lost during the trip, cleaning clothes, printing pictures taken during the trip) are now excluded, a departure from the practice in *IRTS 1993*. Payments associated with expenditure during or before travel are recorded on an accrual (not cash) basis, to ensure consistency with other macroeconomic frameworks (National Accounts and Balance of Payments).
- 2.2. Tourism has an impact on a visitor's place of origin, on the economy and local population of the place visited, on the natural and built environment and on the visitors themselves. It might also have consequences in other economies: China, for instance, produces souvenirs for the expenditure of visitors in the whole world. Similarly, fuel consumption for air travel boosts world demand for crude oil. Or as another example, the residents of country A visiting country B may travel with carriers or use travel agencies established in a third country C. In a first approximation, it has been decided to exclude such third-country consequences from the measurement of tourism expenditure.
- 2.3. *IRTS 2008* identifies and quantifies visitor activity based on monetary as well as non-monetary indicators, providing a common reference framework for use by all countries in compiling tourism statistics and measuring tourism's contribution to national economies.

B. Basic conceptual framework for tourism statistics

- 2.4. The basic concepts used in tourism statistics, such as "country of reference", "country of residence", "nationality", "usual environment", "visitor", "tourism" and "traveller", are explained in Chapter 2 of [IRTS 2008](#) (and can also be found in its "Glossary of terms").
- 2.5. The present chapter will develop and clarify key points in the definition and measurement of these concepts.

B.1. Country of residence/ Place of residence

- 2.6. The concepts "country of residence" and "country (or economy) of reference" are shared with other related frameworks, such as the System of National Accounts (*SNA 2008*) and the Balance of Payments and International Investment Position Manual, sixth edition (BPM6), and are based on the same criteria.
- 2.7. A traveller's country of residence is defined as the country of his/her predominant centre of economic interest, usually the place of his/her principal dwelling.

- 2.8. In macroeconomic statistics and measurements, individual transactors are characterized by their country of residence rather than nationality; a transactor's residence is the basic criterion for differentiating between transactions within his/her own national economy (with other residents) and those involving the rest of the world (with non-residents). It is also applicable to individuals taking trips, and to the productive activities that serve such individuals.
- 2.9. International visitors should thus also be classified according to country of residence, rather than nationality. Migration authorities, however, tend to classify travellers by nationality. In the case of nationals, they tend not to be concerned about their places of actual residence.
- 2.10. Doubts may arise in certain cases, such as that of retirees, who often spend long periods of times in different homes and countries. A retiree from the United States or Canada, for example, might own a home and spend the winter months in a Caribbean country.
- 2.11. Application of the Balance of Payments (BPM6) criterion (see para. 4.126 below) should be sufficient to determine a traveller's country of residence. In cases where various countries compete for designation as "centre of economic interest", the country of residence must be defined and measured collectively, within the interinstitutional platform, to ensure consistency with all related compilation frameworks (National Accounts, Balance of Payments, Migration Statistics and Tourism Statistics). The country of residence so determined may be different from a traveller's legal country of residence.
- 2.12. It is also more useful from a tourism policy perspective to group visitors by country of residence rather than nationality, in order to target a destination's marketing campaigns geographically. On the other hand, countries might find it useful to collect information on nationality as well, particularly in the case of nationals residing abroad: their behaviour as inbound visitors often differs from that of most tourists, as they mainly stay with family and friends and tend to visit places of personal interest, as opposed to tourist sites that are of more interest for other types of travellers, for example.

Place of usual residence

- 2.13. Since tourism statistics are concerned with domestic as well as international tourist flows, a visitor's place of usual residence within a country needs also to be specified.
- 2.14. [IRTS 2008](#) (para. 2.18.), recommends the same definition for "place of usual residence" as determined in household surveys, which usually follows the United Nations *Principles and recommendations for population and housing censuses*: "The place of usual residence is the geographical place where the enumerated person usually resides [...]. Although most persons will have no difficulty in stating their place of usual residence, some confusion is bound to arise in a number of special cases where persons may appear to have more than one usual residence" ([IRTS 2008](#) paras. 2.20 to 2.24). This place should be that of his/her principal dwelling, that is, where most of the person's time is spent.
- 2.15. The United Nations recommendations do not specify any duration threshold beyond which a person's place of stay turns into his/her place of residence; each country is free to determine such thresholds as it deems appropriate. Population and household statistics in most countries apply a six-month limit as the minimum duration for a place to be considered a household's (or individual's) place of usual residence. This criterion differs from that used for country of residence in National Accounts, Balance of Payments and Tourism Statistics, where the internationally agreed threshold is one year.

- 2.16. In the case of statistics derived from household surveys where the threshold is less than one year, this seeming lack of consistency can be solved through the following procedure: first, determine the individual's country of residence using the one-year criterion, then apply the six-month criterion to determine his/her usual place of residence within that country, as needed for domestic tourism analysis.
- 2.17. The Manual on Balance of Payments (BPM6) gives additional indications on how to establish a household's residence that are also applicable in determining place of usual residence, as reproduced below for easy reference:

Box 2.1. The concept of household residence in Balance of Payments statistics

4.117 A household is resident in the economic territory in which household members maintain or intend to maintain a dwelling or succession of dwellings treated and used by members of the household as their principal dwelling. Being present for **one year or more** in a territory or intending to do so is sufficient to qualify as having a principal dwelling there. If there is uncertainty about which dwelling is the principal dwelling, it is identified from the length of time spent there, rather than other factors such as presence of other family members, cost, size, or length of tenure.

4.118 Individuals who belong to the same household must be residents of the same territory. If a member of an existing household ceases to reside in the territory where his or her household is resident, the individual ceases to be a member of that household. As a result of this definition, the use of households as the institutional unit is compatible with residence being determined on an individual basis.

4.126 Some individuals have close connections with two or more territories, for example, they have dwellings in more than one territory in which they spend significant amounts of time. For individuals who do not have continuous actual or intended presence in any one territory for one year, the territory of the principal dwelling they maintain is the key consideration. In cases of no principal dwelling, or two or more principal dwellings in different economies, the territory of residence is determined on the basis of the territory in which the predominant amount of time is spent in the year. While these individuals need to be classified as residents of a single economy for statistical purposes, additional information may be needed in recognition of strong ties to another economy...."

International Monetary Fund. [Balance of Payments and International Investment Position Manual, Sixth Edition \(BPM6\)](#). (Washington D.C. 2010).

B.2. The usual environment of an individual

- 2.18. While the concept of residence is common to statistics on Balance of Payments or National Accounts, that of "usual environment" is specific to tourism statistics, where it is used as a condition, additional to that of residence.
- 2.19. The concept of usual environment plays a major role in tourism statistics: to be considered a tourism trip, travel must take the traveller outside his/her usual environment ([IRTS 2008](#) para. 2.9.).
- 2.20. *IRTS 2008* provides the following definition ([IRTS 2008](#), para. 2.21.): "The usual environment of an individual, a key concept in tourism, is defined as the geographical area (though not necessarily a contiguous one) within which an individual conducts his/her regular life routines."
- 2.21. A precise definition of usual environment, though more crucial for domestic tourism, is also important for international tourism, particularly where migration authorities apply special conditions for populations living near national borders, to facilitate their cross-border travel, waiving the regular immigration procedures.
- 2.22. Despite repeated efforts, however, it has not been possible, owing to differences between and within countries – in population density, transport accessibility, cultural behaviour, proximity to national or administrative borders and other factors – to develop a unique world-wide statistical and operational definition of an individual's usual environment (see [IRTS 2008](#), para. 2.24.).

Box 2.2.

A working group, under the leadership of the Canadian Tourism Commission (CTC) and the Instituto de Estudios Turísticos (IET) of Spain was setup in 2002 in order to study different country experiences in defining the usual environment and to present an operative proposal. ([Research on National Practices Defining the Usual Environment: Basic Findings](#)).

Within this framework, the IET included research on the effect of choosing different criteria to define the usual environment on the number of tourism trips (other than short trips to vacation homes).

Some important consequences that derive from this research deserve to be quoted:

“... It has been empirically demonstrated by research in both Spain and Canada that differences in the choice of operational definitions of the usual environment concept... produce significant differences in the size of estimates in the total volume of tourism...”

No international or domestic consistency exists in the operational definitions employed by different countries, or within some national jurisdictions, in their domestic travel surveys and analyses;

Using the usual environment concept as a respondent category introduces subjectivity, confusion and unsystematic variation in reported travel activity;

Using a simple travel distance criterion, on the other hand, introduces a false appearance of objectivity by masking subjective differences in respondents' abilities to recall and accurately measure travel distance, thereby contributing to increased uncontrolled variance and volatility in subsequent data;

A different measurement criterion for a departure from the usual environment – “crossing an administrative boundary” – could potentially provide an arbitrary gross standard as a ‘minimum basis of comparison’ for the purpose of international reporting, cumulative statistics and analysis;

For Canada however (and possibly other countries with very large areas and similarly low population densities such as Australia and Russia), the exceedingly large size of some administrative units in sparsely settled regions (which are larger than many other whole countries) requires some supplementary criterion”

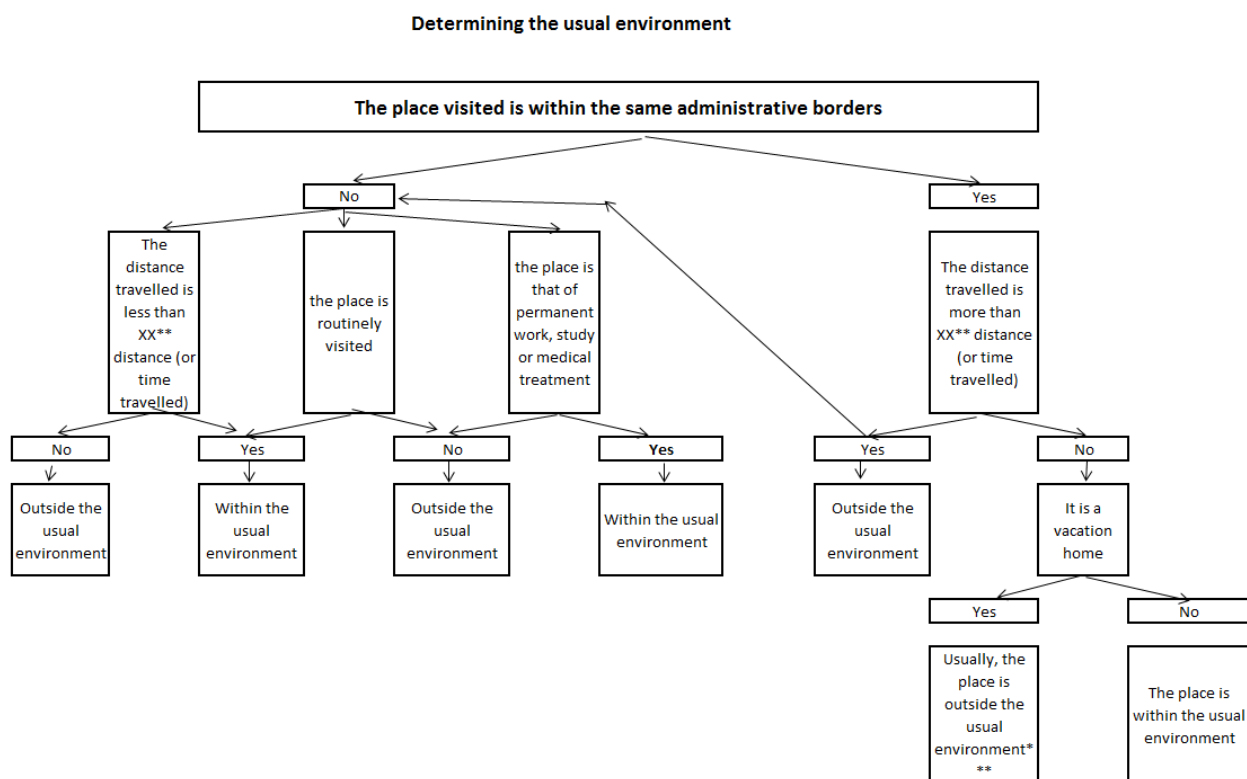
- 2.23. Based on the evidence, on reflection generated by this research, still generally valid today, and on relevant recommendations in [IRTS 2008](#) (paras. 2.21. to 2.28. and 2.50. to 2.53.), the operational definition of an individual's usual environment should be flexible; the recommendations indicate only the main and complementary criteria to be used. When disseminating the results, each country should clearly indicate what criteria were used.
- 2.24. The main criterion should be the crossing of an administrative border, combined if necessary with physical distance; in some small countries (particularly small island countries), this may result in all movements by residents within the country being considered as happening within the usual environment, which means that there is no domestic tourism.
- 2.25. Places visited frequently as part of a regular life routine are considered part of an individual's usual environment. Regular shopping trips across a national border, for instance, would be difficult and pointless to count. Commuter travel for work or study, weekly visits to church or hospital to visit family members, and regular medical visits are other examples of travel within an individual's usual environment, and are therefore not considered tourism trips.
- 2.26. Vacation homes, on the other hand, even if frequently or routinely visited, are usually considered outside the usual environment ([IRTS 2008](#), para. 2.28.), as their visit represent a break from the regular routine of (mostly urban) life. Only in certain exceptional cases – particularly when they are situated within the same locality as the individual's place of residence, such that no administrative borders are crossed – might trips to such homes not be considered tourism trips (as sometimes observed in Europe, particularly Austria).

- 2.27. Staying at paid accommodation within the usual environment (at a hotel or spa) is not considered a tourism activity because the condition of crossing an administrative border is not met.
- 2.28. The repetition of trips by an individual can influence their classification, or not, as tourism trips:
- Routine trips to the same place, once or more a week, tend not to be considered tourism trips: such places are treated as part of the traveller's usual environment (the frequency criterion applied to the definition of usual environment).
 - Trips taken (frequently or not) by students between their place of study and the place of usual residence of the household to which they belong are also outside the scope of tourism, since both places belong to their usual environment.

Box 2.3. The repetition of trips

Nevertheless, for the purpose of marketing analysis, identifying "repeat" trips by the same individuals is often viewed as an important indicator of satisfaction. In fact, many countries, in collecting information from travellers, include questions on the repetition of trips, tabulate such results and consider that a high incidence of repetition is a positive indication of visitor interest in the destination. Such repetition should not be so frequent, however, that the place visited becomes part of the usual environment.

- 2.29. In short, the first criterion for determining a traveller's usual environment is the crossing of an administrative border, combined as necessary with physical distance travelled or duration of travel, and then frequency. This combination serves to exclude routine trips across subnational (municipal, regional) or national borders, particularly for populations living in their vicinity or frequently travelling between their household residence and place of work or study.



* the recommended frequency is a week, but according to the current routine behaviors (for instance of shopping trips) countries might decide for a different frequency
 ** each country should determine this distance according to the current behavior
 *** this an exceptional case, only to be considered in exceptional situations: usually, second homes are considered to be located outside the usual environment

Case Study

At Statistics Austria, domestic and outbound trips are observed by means of telephone interviews (sample surveys via CATI), so the definition of usual environment currently in use is broad. It lacks a minimum duration threshold, but does take into account the respondent's subjective feeling as to whether a trip should be considered a tourism trip. Respondents are first asked if they have made a trip for private or business reasons, including visits to friends or relatives or to vacation homes they might own (since respondents often assume that such trips do not count). Respondents answering "yes" are informed that trips within the usual environment (the direct living environment of home and place of work or study and other frequently visited places – even if relatively far from home) as well as routine trips (every other week on average, or more frequently) should not be included.

B.3. Statistical units

B.3.1. Tourism trip

- 2.30. [IRTS 2008](#) (para. 2.9.) defines a tourism trip as a trip taken by a traveller to a main destination outside his/her usual environment, for less than a year, for any main purpose other than to be employed by a resident entity in the country or place visited.
- 2.31. A trip can be viewed from two different perspectives: after completion (from the traveller's perspective); or during the trip, or upon its completion (from the perspective of the place(s) visited). The meaning of the term "trip" is slightly different in each case.
- 2.32. From the traveller's perspective, as observed for example when household surveys are conducted, the term "trip" refers to a round trip and includes the traveller's entire journey, from its place of origin – generally the traveller's usual residence, or some other place within his/her usual environment (see the previous description) – to each place visited and stayed at, and then back to the traveller's usual environment (which taken as a whole is considered his/her point of departure). Viewed in this way, a round trip usually includes visits to different places with stays of varying duration. The only exception to this description might be for travel on a cruise ship, a yacht or other means of travel (including on foot) in which the mode of transport chosen represents the whole point of travel. Such travel might not even have a specific destination whereas the concept of a trip as defined here, including round trips, does have a main destination (see section C.1.4). This description is consistent with the [IRTS 2008](#) definitions of domestic trips and outbound trips (para. 2.30.).
- 2.33. From the perspective of a traveller's destination (a country, region, or specific place), as observed in the collection of statistics at a border or tourism destination, for instance, the term "trip" is usually confined to the visit made to that specific country or place. What is observed, as a matter for analysis of interest to the destination concerned, is the traveller's arrival at and departure from that destination. Such "trips" – to a given country, for instance – might consist of visits to different places within the country. This description fits with the definition of inbound trips in [IRTS 2008](#) (para. 2.30.). There can be exceptions, however: as mentioned in para. 2.39. below, different inbound trips to a country by a single individual (taken as part of the same outbound trip from the country of origin's perspective) might be lumped together.
- 2.34. In short, trips are measured differently depending on the form of tourism concerned. In the case of domestic and outbound tourism statistics, the term "trip" refers to all tourism activity engaged in from the moment the traveller leaves his/her usual environment until he/she returns there. In the case of inbound tourism statistics, the term refers to the "travel of a visitor from the time of arriving in a country (in a place) to the time of leaving" ([IRTS 2008](#), para. 2.30.).
- 2.35. Finally, it should be recalled that observing a tourism trip or visit is not the same as observing a "visitor", since an individual might make more than one trip during the observation period ([IRTS 2008](#), para. 2.34.).

B.3.2. Tourism visit

- 2.36. A trip (from the perspective either of its point of origin or of the places visited) might be viewed as consisting of one or more visits to different places, regarded as different destinations, or as having a single (aggregate) destination. There might be as many visits as stays in the different places visited.

- 2.37. A non-tourism trip (to a country or place) might include some tourism visits. For instance, a non-resident visiting a country for the purpose of employment by a resident entity might also go to the beach for recreation or go sightseeing to a different place within the country visited on days off. Diplomats might travel for personal reasons within the country where they are stationed.
- 2.38. These kinds of trips usually will only be statistically captured through observation at the specific places visited. They might generate some form of lack of additivity between tourism viewed from a global, national perspective, and the sum of local perspectives. More specifically, viewed from a national perspective, there will be only one trip made of a unique visit, but each of the places visited will also claim visits. The sum of all these visits will not add up to the number of inbound trips. As a consequence, trips measured at the regional level will not add up to the total of trips at the national level.
- 2.39. A particular case is when a single individual, as part of a single journey makes different “hits” to a country, other than that of his/her usual residence (regarded as “trips” from the perspective of inbound tourism statistics). This might happen when a yacht or cruise ship makes various calls within the same country as part of a single cruise (or round trip). The question then is whether each of these calls should be counted separately or as a single visit by a single visitor. The answer will depend on which statistical unit is of interest: the individual taking the (round) trip; or the visit (arrival) itself. In the latter case, the person arriving is merely an attribute of the visit, unlinked to previous calls by the same cruise. This will be discussed further in 3.35 below.

B.3.3. Visitor

- 2.40. A visitor is a traveller taking a tourism trip; a tourism trip is a trip taken by a visitor: these two definitions/concepts correlate directly, one-to-one.
- 2.41. Visitors represent a subset of travellers (the “traveller” concept is implicit in Balance of Payments: BPM6 now uses the terminology “resident/non-resident” instead). In compiling tourism data, distinguishing between these two concepts of “visitor” and “traveller” is crucial.
- 2.42. Being a visitor is a transient situation and refers to the relationship between a traveller and the country/place he/she visits. To be considered a visitor one must visit a place (e.g., a municipality, region, country or other territorial entity). For a place to be considered as being visited (so that the traveller concerned can be considered a visitor) the traveller must stay in that place for a minimum duration and engage in some kind of activity, even if non-economic in character (a stop to visit a free landmark, for instance). Driving through a place without stopping is not considered a visit for the purpose of tourism statistics (although it may be relevant for studies of mobility, to determine where road infrastructure might be required, for instance).

B.3.4. Travel party and travel group

- 2.43. Visitors, central to the observation of tourism, do not always travel alone. A travel party is defined in [IRTS 2008](#) (paras. 3.2. to 3.5.) as visitors travelling together on a trip and whose expenditures are pooled. A typical travel party includes members of a family travelling together, friends or other persons linked with each other in some way. Most of a travel party’s expenses – transportation, accommodation, food – are shared, so expenditures cannot be

attributed individually to particular members of the travel party. For shared expenses, expenditure by members of the travel party will therefore be estimated on an average basis, either as a simple average (the same for all products) or based on more complex formulae, depending on the products consumed. Such formulas might take into consideration the age structure of the travel party's membership. These estimates are then added to the figures corresponding to individual expenditure ([IRTS 2008](#), para. 4.36.(i) and Box 4.2.).

- 2.44. Another type of tourism unit is the travel group, which consists of individual visitors or travel parties travelling together on a tour organized for them by a third party (usually, a specialized business). Examples include people travelling on the same package tour or youngsters travelling as a group, e.g., as part of the same organized summer camp. Each member of such groups shares expenses for a pre-established set of services, usually including transportation and accommodation, but maintains total individual control over other expenses. Each member's share of common expenses is fully defined and often equals the amount paid by each member to join the travel group. Not all package travel requires travellers to join a group: some packages, designed upon request, enable individuals to travel alone (or within travel parties).
- 2.45. Travel parties and travel groups are not usually observed directly (see para. 1.27.).
- 2.46. A trip is a variable to be associated with a visitor or a travel group or party. A trip taken by a group or party of n persons is counted as n trips. The individual concerned might be anyone: an adult, male or female, or a child.
- 2.47. In observing these new units, besides the issues of interest for different marketing purposes (including the number of travel parties or travel groups, their corresponding composition and size), there are issues such as the expenditure associated with a travel party and the main purpose of their common trip that require discussion and guidance. These will be addressed in a later section (C.3, on "Characteristics of travel parties").

C. Characteristics of the main statistical units (trip, visitor and travel party)

C.1. Characteristics of tourism trips

- 2.48. The characteristics of tourism trips are the following:
- Main purpose
 - Type of "tourism product"
 - Duration
 - Origin and destination
 - Modes of transport
 - Types of accommodation
- 2.49. For the purpose of analyzing expenditure, how a trip is organized (as part of a package tour, or not) is also a relevant characteristic and will be analysed in Chapter 4.

C.1.1. Main purpose

- 2.50. *IRTS 2008* defines the “main purpose” of a trip as “the purpose in the absence of which the trip would not have taken place”. When considering tourism trips, this main purpose must be “for any (business, leisure or other personal) purpose other than to be employed by a resident entity in the country or place visited”. The main purpose of visitors coming within a travel group or travel party will be discussed in section C.4.3.
- 2.51. For individuals travelling alone, each tourism trip has only one main purpose, although a visitor may also engage in secondary activities while travelling, distinct from this main purpose. Information on secondary purposes can be collected if relevant for analytical purposes: a person on a business trip, for example, might also devote a couple of days to recreation.
- 2.52. The main purpose of a trip is closely linked with the main activities planned by a traveller during his/her stay and contributes importantly to the level and pattern of his/her expenditure. A person travelling mainly for business will usually stay in a different type of hotel, offering different kinds of service, than a family travelling for recreation, or to visit relatives or friends. Business travellers, for instance, will tend to look for hotels with “business centres”, whereas families will be more interested in spaces for children’s activities. From the standpoint of tourism policy design, business visitors will respond to different incentives and require attention to specific needs that need to be met accordingly.
- 2.53. As already mentioned, the identification of visitors’ secondary activities may be relevant for planning, promotion and other analytical purposes. It may be useful in particular to know how visitors are responding to a destination’s diversification of activities and to strategies for motivating extended stays in the country, region or place visited.
- 2.54. Distinguishing the main purpose of a trip from secondary purposes is not always straightforward, even for individuals travelling alone. The criterion must be the same: “the purpose in the absence of which the trip would not have been made”. For example, a person visits a destination for two days to conduct business but then stays on for three days more, to sightsee. Based on our criterion, this is a business trip, with the leisure activity – even if longer in duration and the object of greater expenditure – categorised as a secondary purpose: “Holidays, leisure and recreation”.
- 2.55. Trips whose main purpose is work, the traveller having entered into an employer-employee relationship with a resident entity in the place visited – seasonal workers to be employed in agriculture, construction, tourism services, to pick fruit, wait tables, or help build public works, for instance – are not considered “tourism trips”. Nor will such travellers be considered “visitors”. Conversely, if the employer resides in the traveller’s country of origin and if the employment is for work on a specific task for a specific business for a specified period of time, then the traveller will be considered a “tourist”, to ensure consistency with other macroeconomic frameworks (particularly for the purpose of statistics on international trade in services). In that case, if sufficient in number, it will be important to create a separate category for such travellers. ([IRTS 2008](#), paras. 2.35. to 2.38.).
- 2.56. On the other hand, a performer travelling to present a show, an invited lecturer or speaker or a technician sent in to install or repair equipment will be considered visitors, even if paid in the country visited, because they are not in an employer/employee relationship in which a resident producer, as defined by BPM6 para. 11.13, manages and controls their work.

- 2.57. Regarding a trip's purpose, *IRTS 2008* identifies two main categories: personal purposes and business purposes. The personal purposes category is divided into eight subcategories, and countries are encouraged to develop additional subcategories, under either category if considered sufficiently important (*IRTS 2008*, paras. 3.19. and 3.20.). Such additional subcategories need to be defined according to the same hierarchical structure, to permit aggregation and international classification and comparisons. On the other hand, if the number of cases is insufficient to make an internationally defined category meaningful, it might be necessary to merge categories. In any case, the distinction between "business" and "personal" and the identification of trips for health and medical care as well as for education purposes should at least meet the requirements for the compilation of the supplementary travel data recommended for Balance of Payments statistics (see *BPM6*, para. 10.87).
- 2.58. The classification of tourism trips by main purpose presented in *IRTS 2008* (paras. 3.14. to 3.21.) elaborates on previous classifications, describes the possible content of each category and incorporates new categories that have been gaining in importance worldwide since the *1993 Recommendations on Tourism Statistics*.
- 2.59. The main categories are recalled below:

Classification of tourism trips according to main purpose

1. *Personal*
 - 1.1. Holidays, leisure and recreation
 - 1.2. Visiting friends and relatives
 - 1.3. Education and training
 - 1.4. Health and medical care
 - 1.5. Religion/pilgrimages
 - 1.6. Shopping
 - 1.7. Transit
 - 1.8. Other
2. *Business and professional*

Box 2.4. Modifying the proposed list of purposes

Countries might wish to simplify the proposed list, or alternatively to use a different, more detailed classification. This is possible, but the consequences should be weighed carefully.

When creating new categories or introducing recommended ones, countries should be aware that each category should correspond to a sufficient number of cases, so that the answers collected, usually through a sample, will produce statistically significant results.

For instance, some Caribbean Islands are promoting "honeymooning" as a new niche, and marketing departments have insisted on including it as a distinct category of purpose. Before doing so, it is important, however, to be sure that the number of observations in the sample will be sufficient for the development of a statistically sound set of data. Where the population concerned is expected to be small but still of interest for tourism policy design, it would be better to collect information on the characteristics of such persons directly, using a questionnaire, for instance, in accommodation establishments known to cater to this market segment.

Spain: characteristics of tourism trips

Because of the elevated number of visitors to Spain, it is possible and statistically meaningful to introduce additional subdivisions within the leisure and business purpose categories:

- Leisure purposes:
 - Gastronomic tourism
 - Cultural tourism

- Sports tourism
- Countryside and beach (rest)
- Other type of leisure
- Business purposes
 - Attending trade fairs, congresses and conventions
 - Seasonal work
 - Other work and business reasons

2.60. Classifying the main purpose of a trip might require some countries to adapt their existing classifications. For example, countries where visitors arrive on cruise ships or yachts as part of a trip that also includes numerous other places and countries should offer a specific category of purpose enabling such visitors to classify themselves as “taking a cruise or yachting”, a subclass of “holidays, leisure and recreation”, with no other purpose or specific destination, though this is not always the case, as illustrated in the following country experience.

Country case The Bahamas

The statement “cruises have no destination” is not applicable to The Bahamas because the destinations visited on a cruise enter into the criterion of selection of the cruise.

The Caribbean Tourism Organization (CTO) defines a cruise passenger as a “special kind of same day visitor who arrives in a cruise ship, generally stays under 24 hours and sleeps on board the ship even though the ship remains in port overnight or for several days.” The Research and Statistics Department at The Bahamas Ministry of Tourism and Aviation defines cruise visitors as “persons visiting The Island of The Bahamas by cruise ship and using the cruise ship for accommodation.” In 2008, the Cruise Lines International Association (CLIA) conducted the ‘2008 Cruise Market Profile Study’ and interviewed 2,426 U.S. residents who were at least 25 years old and had a minimum household income of \$40,000. Respondents in this study identified appealing places to cruise and indicated that the “Caribbean was the top cruise destination of choice by 43% of the respondents. Alaska, Bahamas, Hawaii and the Mediterranean/Greek Isles were also top choices.[...]Cruisers agreed (80%) that cruise vacations are a good way to sample destinations they may wish to visit again.”

- 2.61. In countries where a key issue is the number of visitors receiving medical treatment, it should be mentioned that the purpose “health and medical care” relates to trips made to receive medical attention as the result of either a direct choice by the visitor or a decision imposed on the visitor by a medical board, social insurance system, etc. This ensures consistency with supply-side statistics and in the design of regional policies to develop supply for such visitors.
- 2.62. It should also be noted that it might not be possible to differentiate between people travelling for personal reasons on the one hand and for business reasons on the other when observing travellers at places of accommodation.

C.1.2. Types of “tourism products”

- 2.63. The notion of “tourism product” has been introduced, mainly by travel agencies and packagers, as a marketing concept for gearing supply to specific markets interested in particular aspects of the places visited. These might be identified as eco-tourism, green tourism, cultural tourism, city tourism, etc.
- 2.64. For the time being, *IRTS 2008* makes no specific recommendation on this issue. Countries should weigh whether this characterization is meaningful for the analysis of their demand before introducing the “type of tourism product” concept within their classifications and questionnaires, since in answering, visitors might not have clear perceptions about it, especially those who arrange their own trip rather than purchase a package.

C.1.3. Duration

- 2.65. As discussed in more detail later, estimates of the “volume” of tourism are based on the number of visitors (trips), but also on the length of their stay, since longer stays exert more pressure on many elements of supply. Expenditure is also highly dependent on this variable. *IRTS 2008* recommends the separation of overnight stays (by tourists) from shorter stays without overnights (by excursionists), highlighting again the importance of staying overnight in the place visited as a typical tourism activity.

Box 2.5. Other relevant classifications of duration of stay

On top of this distinction, countries may find it relevant to create additional categories. Eurostat (European Community recommendations on tourism statistics, 1998) requires its member states to use the following classification in major and minor groupings:

1. 1 to 3 nights
 - 1.1. 1 night
 - 1.2. 2 to 3 nights
2. 4 to 7 nights
3. 8 to 28 nights
 - 3.1. 8 to 14 nights
 - 3.2. 15 to 21 nights
 - 3.3. 22 to 28 nights
4. 29 to 91 nights
 - 4.1. 29 to 42 nights
 - 4.2. 43 to 56 nights
 - 4.3. 57 to 70 nights
 - 4.4. 71 to 91 nights
5. 92 to 365 nights
 - 5.1. 92 to 182 nights
 - 5.2. 183 to 365 nights

- 2.66. *IRTS 2008* makes no specific recommendation in this regard, since the approach taken will depend on the observed (or expected) distribution of visitor stays by length. As a rule of thumb, no category should account for less than 5% of the total number of trips, to avoid difficulty in obtaining statistically valid observations from samples. Measuring inbound tourist stays lasting more than 91 nights might be a challenge, since migration authorities often do not accept tourists for stays of more than three months, except under specific conditions. Particularly long stays should be treated carefully as they have a substantial effect on average length of stay and on total tourism expenditure, in which, implicitly, each individual is weighted proportionally according to his/her duration of stay.
- 2.67. The duration of a trip must correspond to the actual duration of stay (when tourism happens), and not the authorized duration of stay. In the case of inbound tourism, this might generate discrepancies with a country’s immigration statistics, when they are based on declarations by visitors upon arrival and not on the observation upon departure.
- 2.68. Duration of stay in the places visited is different from duration of absence from the usual environment, since movement between places is not instantaneous. This has to be taken into consideration when comparing data on trips from a point of origin (outbound and domestic tourism) with data on trips to a destination (inbound tourism) (see mirror statistics in Annex 7).
- 2.69. For visitors using market accommodation, their average length of stay as measured in accommodation statistics might differ from that as measured by observing the visitors, who might use more than one accommodation provider.

- 2.70. A trip's duration should usually be expressed in terms of nights. If no overnight stay is involved, the visitor is considered an excursionist; if an overnight stay is involved (irrespective of the form of accommodation used), then he/she is considered a tourist. This differs from the criterion used by many countries or organizations that only count overnight stays if spent in a formal resident place of accommodation (see the case of The Bahamas, where the CTO's definition of a cruise passenger is quoted). There is also the question of how to treat a visitor's activities extending beyond midnight (e.g., while attending a football match, a show or a party outside his/her usual environment). It is recommended that such activities that do not involve finding a place to rest until the next morning should not be considered overnight stays. On the other hand, a night spent on a bench, on the beach, in a railway station or airport or some other place should be considered an overnight stay, even though no organized form of accommodation is provided.

C.1.4. Origin and destination

- 2.71. The "origin" of a tourism trip is defined as the visitor's usual place of residence.
- 2.72. *IRTS 2008* defines the "main destination" of a tourism trip as the place visited that is central to the decision to take the trip ([IRTS 2008](#), para. 2.31.). This definition is consistent with that of a trip's main purpose. If the visitor can identify no such place, the main destination is defined as the place where most of the visitor's time was spent during the trip. If here again the visitor can identify no such place, then the main destination is defined as the place farthest from his/her place of usual residence. To each trip should correspond a main destination.
- 2.73. As explained above, if relevant, a special category – "on a cruise" – could be created for cruises involving visits to different places and countries with no specific destination (see para. 2.60.).
- 2.74. Matching origins with destinations can yield important information from a marketing perspective. It might be challenging, however, to generate and process statistically significant data collected through the use of surveys, particularly if the classification by destination of the universe is derived from administrative data, since immigration authorities do not always define destinations as indicated above.
- 2.75. Each trip's geographical origin might represent a useful explanatory variable for the cost of reaching a given place, and can be used to check the consistency of data on expenditure.

Box 2.6. Comparing origin and destination using administrative data in the origin and destination country.

South Africa presented an interesting paper showing the difficulty in determining the origin and destination country of international trips, comparing the data of South African visitors to New Zealand and vice-versa, using administrative records.

See: http://statistics.unwto.org/sites/all/files/pdf/ssa_mirror.pdf

C.1.5. Modes of transport

- 2.76. This refers to the main mode of transport used on the trip, to reach the country or place visited. Since visitors usually combine different forms of transport, a precise definition is required ([IRTS 2008](#), para. 3.32.). Since costs per unit of distance vary, the main mode of transport should usually be defined as that on which the most distance is travelled (not on which the expenditure is highest).

- 2.77. The mode of transport concept might be defined differently in some countries or territories. In the case of islands, for instance, it might be the one used to reach the island (by air or water), even if not the longest distance travelled, as arrival by car is clearly not acceptable or meaningful even though corresponding to the longest distance travelled
- 2.78. Data on main mode of transport are useful from a marketing perspective and as an often relevant explanatory variable for average expenditure per day.
- 2.79. *IRTS 2008* proposes a detailed breakdown of possible modes of transport ([IRTS 2008](#) figure 3.2.). Countries should review and adapt it to their national situations, however, since some modes may not be relevant (e.g., arrival by road in the case of island countries; by train in countries lacking international railway connections, or by boat in countries without sea or river borders).

C.1.6. Types of accommodation

- 2.80. Data on the different types of accommodation used on a tourism trip are useful for various reasons:
- The type of accommodation used is also a strong determinant of behaviour and expenditure on such items as food, transportation and recreation. It is particularly important to determine whether data on market accommodation services refer to accommodation only or also to food (breakfast, half board, full board) or other related services, as is the case in all-inclusive plans.
 - Many countries tend to overlook the importance of staying with family and friends or in one's own vacation home as types of accommodation during a trip, and not only in the case of domestic tourism (see Ch. 6. section B.2.3). The use of such accommodation will also strongly influence the overall level and structure of expenditure. During economic downturns these types of accommodation tend to see greater use, as a substitute for market accommodation.
 - Identifying the different types of accommodation used during a trip, and the number of nights spent in each, provide valuable information for use in verifying and adjusting accommodation statistics, which countries often collect in parallel with their observation of visitors.
- 2.81. The classification of types of accommodation, a special topic of concern for countries, will be discussed in chapter 5.

C.1.7. Organization of trips

- 2.82. Visitors often travel in groups or in parties. Groups are often organized as packaged tours by professionals, whose charges, explicitly or implicitly, are included in the amount paid for the trip. Visitors travelling individually can also be using the services of organizers, for instance to attend meetings, with the entire trip organized on their behalf and with transportation, accommodation, food, etc. included in the whole price for registration.

- 2.83. Tour operators or meetings organizers often negotiate special low rates with service providers, booking (and sometimes making partial payments) in advance and purchasing in bulk, imposing or negotiating their own conditions with providers. They sometimes operate their own charter airlines or their own fleets of tour buses.
- 2.84. Package trips may prove cheaper for the visitor than booking each service individually, which means that the place visited also receives less income. Trips organized by tour operators are less flexible for visitors, so countries seeking to diversify their supply might need first to discuss this with tour operators operating in the country.
- 2.85. Finally, for the purpose of collecting information on expenditure, visitors travelling on packages are not usually able to provide detailed information on the cost of each included service. Additionally, the total cost reported might include certain expenditure not to be included in inbound tourism expenditure (e.g., reservation services provided for inbound visitors within their own country (see chapter 4) (<http://statistics.unwto.org/sites/all/files/docpdf/clarifying.pdf>).

C.2. Characteristics of visitors

- 2.86. Though not required for international comparison purposes, countries are encouraged to collect information on their visitors' personal characteristics, such as age; gender; economic activity status; occupation; annual household, family or individual income; education, etc. (*IRTS 2008* paras. 3.6. to 3.8.). These data might help to identify different market segments: families travelling with small children, middle aged travellers, young travellers, retirees, high-income travellers, etc.
- 2.87. Some countries restrict their description and analysis of visitors to those above a certain age, mostly because children cannot be expected to answer questionnaires on purpose of travel, expenditure etc. Administrative counts of visitor flows (immigration data) treat children like any other traveller: they require and are sold air, train or bus tickets, food, shelter, etc. Children should therefore not be excluded as they are not excluded from household budget surveys, but they do require special treatment (see Box 2.6, para 2.94.).
- 2.88. *IRTS 2008* makes no specific recommendations for the use of information on visitor characteristics: each country should evaluate the relevance of some or all of these variables and in particular how such information might be used and what requirements it might place on statistical design and observation procedures (e.g., greater sample size if characteristics are to be cross-classified).
- 2.89. Personal characteristics considered meaningful should be taken into consideration during statistical design of the sample, particularly in the case of travel parties. The characteristics of each individual in a party should also be identified, as distinct from the actual (or self-designated) head or leader of the party, in order to avoid skewing the characteristics of visitors when expanding taking only into consideration the characteristics of the leader.
- 2.90. Other characteristics crucial to the determination of different forms of tourism are a visitor's country of residence and place of usual residence within that country. These aspects will be discussed in section D, "Forms of tourism: inbound, domestic, outbound".

C.3. Characteristics of travel parties

- 2.91. *IRTS 2008*, para. 3.13., specifies that “in the case of travel parties, in which members might have different individual purposes, the main purpose of the trip [for each of its members] should be the one that is central to the decision to take the trip”. A family member accompanying a business traveller, for instance, might engage in leisure, recreation and holiday activities. Nevertheless, the family member’s main purpose would be “business” if this was what initially motivated the trip. The family member’s secondary purpose would be “holiday, leisure and recreation”, that is, his/her own individual reason for participating in the trip.
- 2.92. Whether visitors travel alone or in parties will influence the types of services they require in the places visited and their average expenditure per day, since travellers in a party can share and thus economize on some of their expenses. (Sharing a hotel room usually reduces average expenditure for accommodation; sharing a car can reduce transportation costs; and some airlines and railways offer discounts to families or other travel parties).

C.3.1. Size

- 2.93. Collecting information on the size of a travel party is relevant, as it has a direct influence on the average expenditure per capita per day of its members, a main analytical variable in tourism analysis (see chapter 4).

C.3.2. Composition

- 2.94. It is also important to collect information on the composition of a travel party. This is particularly so in the case of families with children, which constitute a very special market, with specific interests and needs (baby sitters, activities for kids, specific types of supervision, etc.). Here again, average expenditure per capita per day will be influenced by the age profile as well as size of the travel party. (*IRTS 2008*, paras. 3.2. to 3.5.).

Box 2.7. Treatment of children in the sample design

The existence of children among visitors creates some particularities in the statistical design and expansion of data collected on a reduced number of observations that are expanded to the universe. This will be particularly relevant in the case of family destinations, where travellers are often accompanied by children. Children tend always to travel within a party (a family or organized group of children under adult supervision). Children travelling alone do not usually constitute a statistically relevant group of visitors. That being the case, the characteristics associated with trips taken by children will usually be determined by adult members of the parties within which they travel.

- When the statistical design is based on the selection of individuals (this is often the case in surveys at the border) various factors combine that makes the measurement somewhat complex: a selected adult will report on his/her individual expenditure and on the expenditure shared with other members of the party, including adults and children; as children are not selected, the probability of selection of an adult is related with the number of adults in the universe and not to the total number of persons (including children) though expenditure is averaged, taking into consideration children.
- Since only one (adult) member is selected from each party, what is selected, implicitly, is the party itself, i.e., a cluster of persons. The distribution of these clusters in the universe, however, is unknown so that they cannot be considered as clusters but as individuals.

When total expenditures are grossed up, these considerations are not usually taken into account. This would not be a major problem except that the number of persons travelling together is an important explanatory factor for average expenditure per person per day, because many important expenditures are shared (e.g., accommodation, transportation by car or at special family group rates).

- 2.95. The fact that members of some travel parties do not all belong to the same household might appear problematic when selecting informants within a household survey. It should be recalled, however, that the statistical unit for measuring expenditure is the individual traveller, and while some of the expenditure items reported might correspond to more than one person, only the portion apportioned to the reporting member should be taken into consideration. This means that for the analysis of expenditure, belonging to a travel party is an attribute of that individual (which might constitute an explanatory variable for his/her level of expenditure). The travel party as such does not constitute a specific statistical unit, since the distribution of such parties in the universe cannot be known (see para. 1.27.).

C.3.3. Main purpose

- 2.96. In the case of travel parties, the general principle when measuring expenditure is that the main purpose of the trip should be the one that is **central** to the decision for the travel party as a unit to take the trip, that is, the purpose in the absence of which the party would not have taken the trip.
- 2.97. However this central purpose is defined, each individual member of the travel party, if asked, might indicate a different particular purpose (which could be considered a secondary purpose). Such information can be very valuable for use in marketing analysis. For instance, if a visitor comes to a place to attend a conference and is accompanied by his/her family, the main purpose for that travel party is “to attend a conference”, even though the accompanying family members will not be attending the conference, having come along for other types of attractions.

D. Forms of tourism: inbound, domestic, outbound

- 2.98. Visitors may travel within their countries of residence or abroad.
- 2.99. Tourism postulates that the individuals having a tourism activity are moving. Because of the existence of political and administrative borders, to which economic measurements are referred, it is important to qualify tourism with respect to those borders in order to be able to determine the economy (national or local) that is going to feel the economic effects of tourism. That is what the concept of forms of tourism is about.
- 2.100. As explained in [IRTS 2008](#) (para. 2.10.), a domestic, inbound or outbound traveller on a tourism trip is called a domestic, inbound or outbound visitor, respectively. When speaking of international travellers, or international visitors, reference is made to inbound and outbound travellers or visitors, that is, those taking trips which main destination is outside their country of residence.
- 2.101. With reference to a trip’s main destination, [IRTS 2008](#) (para. 2.32.) describes these forms of tourism as follows:
- “A **domestic trip** is one with a main destination within the country of residence of the visitor. An **inbound or outbound trip** is one with a main destination outside the country of residence of the visitor.

An **outbound tourism trip** might include visits to places within the country of residence in the same way as a domestic trip might include visits outside the country of residence of the visitor.

An **inbound trip**, however, includes only visits within the country of reference”.

- 2.102. Based on these characteristics, definitions for these terms are provided in [IRTS 2008](#) para. 2.39.
- 2.103. As previously explained (see para. 2.9. above), international visitors should be classified not according to their nationality but according to their country of residence.
- 2.104. In tabulating the information concerning the country of residence or country of destination of outbound visitors, consideration should be given to the difference between “country” and “territory”, in particular when trying to define geographical groupings for the purpose of marketing policies (specific to the country and/or internationally comparable). For international travellers, use of the [UNSD classification of territories](#) is recommended. The information may pertain to *territories* rather than *countries* in the political sense. Travellers to or from the French or Dutch territories in the Caribbean, for instance, should be identified as travelling to or from the Caribbean rather than Europe. Countries should also be encouraged to develop their own territorial groupings based on geographical proximity and relative volume of visitor flows. Countries might wish to identify in detail the flows of visitors/travellers coming from neighbouring countries and from the regions (or country groupings) to which they belong, then identify separately a few other countries from which the flows of visitors/travellers are important within a grouping by regions – and after that, group the remaining ones in major regional categories.
- 2.105. It might be misleading to enumerate every country in the world in tabulating tourism statistics, as is often the case in migration statistics. In many cases, there will be many countries for which the corresponding flows of travellers may not be significant. From a statistical perspective, year-to-year fluctuations in those very small numbers would be viewed as random. Pressure from users requesting country details that are not statistically meaningful – e.g., where the total population of reference is less than 50 units – should be resisted.

Chapter 3. Measuring flows and characteristics of tourism trips and visitors

A. Introduction

- 3.1. Although the focus of the present *Compilation Guide* is the development of statistics on tourism, it should be remembered that those statistics need to be set up within the more general framework of each country's National Statistical System (NSS). The various organisations working together within the NSS bring important benefits to the quality, consistency and recognition of statistics in all fields.
- 3.2. Balance of Payments needs to measure “*expenditure on goods and services for own use or to give away acquired from an economy by non-residents during visits to that economy and conversely goods and services for own use or to give away acquired from other economies by residents during visits to other economies.*” (BPM6 para. 10.86.). Considering that measurement of this expenditure usually requires an estimation of international traveller flows and of travellers' average daily expenditure, countries need to measure the intensity of flows of all categories of short-term, resident and non-resident travellers over the border, their stays and their main characteristics, since expenditure correlates closely with those variables.
- 3.3. This chapter will cover the characterization of all types of visitors (of interest for tourism analysis) and the measurement of flows of international travellers (of interest for Balance of Payments). Chapter 4 will concentrate on the measurement of expenditure.
- 3.4. As mentioned in [IRTS 2008](#), para. 2.12.), tourism is a subset of travel. Consequently, the measurement of international visitors needs first to determine the total number of travellers and then to identify which of those travellers qualify as visitors. In the case of domestic tourism, trips will need to be identified first and then among them, those that are tourism trips. This link between tourism and travel explains why throughout this chapter both terms might be used.
- 3.5. Countries should understand that the guidelines given here are of a general kind, and that each country should only adopt those recommendations that best correspond to their situation, based on a thorough review of the particularities of their tourism flows.
- 3.6. Although half of the paragraphs are focussed on inbound tourism, domestic tourism is more important for most countries in terms of number of trips, expenditure and demand for domestic tourism supply (accommodation, restaurants, transportation, etc.). Countries should therefore not give secondary priority to the measurement of domestic tourism variables, i.e. addressing them only after international tourism has been properly measured.
- 3.7. Nonetheless, this chapter will emphasize inbound tourism, for two reasons: first, because of an agreement reached with the IMF on the need to promote strong coordination among countries in the measurement of travel and expenditure associated with inbound and outbound tourism in Balance of Payments statistics ([IRTS 2008](#), Chapter 8, Section B “Tourism and balance of payments”); and second, because it is still the area where most country experiences exist and can be shared. Such experiences are, to a great extent, under the responsibility of National Tourism Administrations (NTAs).
- 3.8. Since National Statistical Offices (NSOs) are responsible for running household income/expenditure surveys, UNWTO strongly recommends that in countries where the NTA has limited statistical experience, the NSO undertake the statistical design of such surveys.

B. Measurement issues and some general characteristics

- 3.9. Once again, it is important to underline that the terminology (and thus measurement) associated with the demand side is not homogenous among all forms of tourism (see para. 2.34.). In particular, trips and visits (see Chapter 2/section B.3. "Statistical units"), have different meanings for the different forms of tourism.
- 3.10. For inbound tourism/travel, what are usually observed are "trips": movements of non-residents across international borders. (From a tourism statistics perspective, the only notable exceptions are two: trips taken within the country for personal purposes by diplomats of foreign representation (who are considered non-residents visitors when engaged in such travel but are not counted as visitors when they enter the country as part of their official duties; and travel by persons having entered the country as non-visitors but then engaging in a secondary tourism activity). If the observation takes place at the border, it is not possible to associate with an individual all the trips he/she might have taken during the period of reference. And while the statistics might speak of "visitors", what are actually observed are "arrivals" (or "tourism trips"). Countries are therefore encouraged to use precise and consistent terminology in all publications in disseminating tourism statistical data.
- 3.11. In the case of domestic tourism, if data are collected using a household survey (see para. 3.20.), the trips that will be observed will be round trips, making it possible to associate individuals with each of the (round) trips they take during the period of reference. In this case, a distinction will be made between a trip and the person taking the trip, and the characteristics will be unambiguously assigned to either of these observation units.
- 3.12. The same would apply to outbound tourism data when measured in a household survey. When measured at the border, however, only visits, fractions of outbound or domestic trips will be observable. Although the distinction might be subtle, it should be borne in mind when comparing data drawn from different sources.

B.1. Objectives

- 3.13. The different forms of tourism and their characteristics will usually need to be measured in two different phases:
- In phase one, tourism trips are identified either as a subset of traveller movements across the border (a measurement needed for Balance of Payments purposes) or based on the observation of movements by residents (domestic or outbound).
 - In phase two, the characteristics of visitors and their trips are identified, mainly using a sample survey of visitors or of travellers. This phase is crucial for the establishment of a national STS.
- 3.14. In phase one, it can be useful to collect additional information to support stratification of the universe being sampled in phase two (e.g., general characteristics of travellers/visitors to which a specific consumption behaviour could be associated in phase two).

- 3.15. These guidelines will therefore focus first on the measurement of tourism trips and other trips taken by international travellers and such additional information as can be collected to characterize them. They will then explain how a sample survey can be used to observe the characteristics of visitors and travellers and their trips not identified in phase one but required for the measurement of tourism expenditure.
- 3.16. Some countries have nonetheless developed procedures for observing flows and their characteristics at the same time, so comments and recommendations will also be provided on such procedures.
- 3.17. For **inbound/outbound tourism**, guidance will be provided on:
- establishing the universe of non-residents (international travellers) on an inbound trip and of residents returning from an outbound visit for a given period of time;
 - identifying, within these universes, international visitors and other international travellers; and
 - establishing the main characteristics of international travellers' trips in terms of:
 - duration;
 - main purpose;
 - modes of transport;
 - types of accommodation used; and
 - other characteristics (either of the visit/trip or of the international traveller)
- 3.18. In the case of international tourism, the main sources of information will be administrative records (border control, reports by airports and public transportation operators – bus, airlines, railways – physical counts of flows, as well as surveys designed to collect supplementary information, at or near the border, at tourism attractions and at accommodation establishments (only in the case of inbound tourism).
- 3.19. For **domestic tourism**, the measurements will:
- identify out of the total population those residents having travelled during a given period of time;
 - identify domestic tourism trips and other domestic trips;
 - characterize domestic visitors;
 - identify tourism trips and characterize them according to:
 - duration;
 - main purpose;
 - modes of transport;
 - types of accommodation used; and
 - other characteristics
- 3.20. Information will be obtained mainly by surveying individuals selected either directly (telephone interviews) or through household type surveys using cluster sampling (with modules attached to more general multipurpose household surveys or specific surveys). The statistical sample will be derived from the most recent population census or any other updated registers of

households/persons. As in the case of inbound tourism, surveys at accommodation establishments and at tourism attractions might also be used but will likely observe legs/fractions of a tourism trip (rather than an entire round trip).

B.2. Frequency of measurement

- 3.21. Many countries present most of their tourism statistics on a yearly basis, which is not sufficient for policy making or Balance of Payments purposes in particular, which should generally be compiled at least once a quarter. In most countries, tourism, and particularly international tourism, is subject to seasonal variations related to climate (in the country of origin or of destination), religious celebrations, holiday seasons or other factors that affect different markets of origin and destination with varying degrees of intensity, and these fluctuations should be measured.

Country experience: Austria: measuring seasonality in tourism statistics

The broad aim when analyzing time series data is the **recognition of significant changes** in the direction and level of economic activity. In the field of tourism statistics many countries have a recurring seasonal pattern in their time series that obscures the underlying behaviour of the series. "... seasons exert an unquestionable influence on economic and social activity."

This presentation is intended to **improve the interpretation of tourism related figures** by explaining the **concept of time series adjustment** and answering the following three questions:

- (1) **Why** is adjustment necessary?
- (2) **What** do the adjusted results tell us?
- (3) **How** can the data be adjusted?

Measuring Seasonality in Tourism Statistics
 Abstract for Technical Session I "Developing National Systems of Tourism Statistics"
 5th UNWTO International Conference on Tourism Statistics
 "Tourism: An engine for employment creation" Bali, Indonesia, 30 March – 2 April 2009
 Peter Laimer and Johanna Ostertag Statistics Austria

- 3.22. The pattern of seasonality should be analysed for each of the three forms of tourism. For policy purposes this is a significant issue. For example, to make decisions regarding the building of accommodation facilities (or other tourism facilities), it is not sufficient to know the total number of arrivals and the average length of visitor stays during the year; it is also important to know how this demand is spread over time, (weeks, months, year) to establish whether the supply of rooms (and other tourism facilities) is sufficient at all times, or if, for instance, new rooms need to be built (or other solutions promoted, such as renting accommodation space from other types of providers) to respond to temporary peaks in demand associated with markedly high seasons.
- 3.23. In cases where the basic information necessary to measure international tourism flows is collected through administrative procedures (basically immigration data, data from carriers, ports, airports, etc.), observation is permanently ongoing. However, data might not be processed or turned over to tourism administrations as a constant flow. It is quite often difficult for NTAs to get timely, up-to-date information on a more or less continuous basis, especially where immigration processes are not totally computerized or centralized. In such cases, NTAs should focus their efforts on collecting such information at least every quarter. The information should also be provided in a way that allows cross-classification with information on different variables collected simultaneously with the basic count (nationality, country of residence,

length of stay, purpose of visit). In general, NTAs (or NSOs if in charge of producing the information) should receive the microdata (with personal identification erased) in the form of a user-friendly electronic database.

- 3.24. If information has to be collected through a sample (mainly in the case of tourism by residents collected through surveys, obtaining additional information in the case of international travel), the actual frequency of observation will depend essentially on cost: the more frequent the observation, the more costly it will be. It is important to recognize, however, that the number of visitors or trips is the basic key variable for the entire system. Ensuring that the data collected is sufficient, accurate and reliable will require serious attention. In the case of domestic tourism observed through individual or household surveys, a longer period of reference will permit more observations but will also raise quality issues, since memories tend to fade (see paras 3.126. to 3.130.). A shorter period of reference, on the other hand, will require more financial and technical resources, because more interviews will be required to gather data on a given number of trips (fewer people travel during a shorter period of reference).

C. Inbound tourism

- 3.25. As previously mentioned, *IRTS 2008* focuses on tourism statistics as they relate to other conceptual frameworks, such as Balance of Payments and National Accounts. In this section, the focus will be on tourism as an internationally traded service. The issues entailed in measuring it are therefore covered in the compilation guides for [BPM6](#) and the [Manual on Statistics in International Trade in Services](#).
- 3.26. As mentioned above in para. 3.12., it is strongly recommended to collect data on a selected number of main characteristics of the trip and visitor (such as country of residence, mode of transport and main purpose of the trip) during phase one. This information will make it possible to design a more diversified stratification of the universe of visitors (see para. 3.61), which in turn will greatly improve the quality of grossed-up data.
- 3.27. Beyond NTAs and NSOs, Central Banks might also be interested in participating in decisions concerning the frequency with which international tourism flows and expenditure by inbound and outbound visitors are measured. Central Banks are usually in charge of compiling and providing Balance of Payments data, on a quarterly basis.

C.1. Phase one: Measuring the total number of international travellers and visitors

- 3.28. At what point should a traveller entering a country be counted – upon entry or exit?
- 3.29. The general practice is to count inbound travellers at entry, but some of their characteristics, mostly related to the stay itself, will usually be collected as the stay ends, that is, upon departure. These characteristics might also be collected, though less frequently, during the trip (see subsection C.2.2).
- 3.30. As part of their border control procedures, some countries measure both arrivals and departures and reconcile the flows over a given period of time using matching procedures. These matched records are those used for tourism statistics to measure tourism flows at the borders. These often consist of a form divisible in two pieces, requiring the second to be turned in upon departure; computerized systems with electronic passport reading upon both

arrival and departure are also used. This is not a tourism requirement. It is often required for the purpose of immigration controls as a means to identify illegal immigrants who overstay their authorized length of stay. With a regular and efficient systematization process in place, the use of entry/departure cards in such countries to estimate the visitor's average length of stay, obtained by checking dates of entry and departure, should in principle provide the best possible estimate. The drawback is that the final corrected data is only available after all authorized tourists for a period have left (usually 3 months).

- 3.31. Observation of the flows of international visitors and other international travellers inevitably requires the cooperation of various bodies and institutions. These usually include immigration authorities, entities responsible for road border traffic, State security forces and authorities responsible for the administration of ports, cruise terminals, airports, land terminals, and passenger traffic using various means of access to the country. All of these should provide support in the design of the observation procedure and act as sources of information to be used as checks and controls for the final data.
- 3.32. Cooperation may also be requested from the private sector, and in particular passenger transport companies (land, air and water). The cooperation of different specialized organizations and bodies might also be required for particular subsets of travellers (such as those for whom the main purpose of a trip is "education and training" or "health and medical care").
- 3.33. In the case of foreign students enrolled in national education programmes, or of national students enrolled in such programmes in foreign countries, it might be necessary to elicit cooperation from such institutions as the Ministry of Education, the Ministry of Foreign Affairs, or the boards of universities with established programmes for foreign students or exchange programmes with other academic centres abroad (the European Erasmus programme, for instance).
- 3.34. The completeness and quality of arrival figures are therefore closely linked to efficient inter-institutional cooperation. Chapter (XX...) will discuss various ways to achieve it.

Box 3.1. Dealing with Unknown Reference Populations in Border Surveys on Inbound Tourism: the case of Italy

Since 1996, the Ufficio Italiano dei Cambi (UIC) has been carrying out an extensive inbound-outbound border survey on Italy's international travel. The survey is run on a continuous basis through a representative sample of around 130,000 face-to-face interviews per year, allowing the observation of several qualitative and quantitative attributes (Ufficio Italiano dei Cambi, 1997). The data from this survey are used both to compile travel information for balance of payments purposes and to meet the information needs of tourism operators and analysts. The paper focuses on the consequences of inadequate knowledge about the reference population, a typical problem in tourism statistics still requiring research. As illustrated in the paper, the UIC tackles this issue by conducting counting operations (more than 1,000,000 per year) to determine the number and nationalities of cross-border visitors. An approach to measuring the additional sampling errors resulting from the procedure adopted in Italy is also described.

(UNWTO "[Tourism as an international traded service](#)", Annex 11)

C.1.1. Typology of the different modes of transport used to arrive in or depart from a country

- 3.35. Countries need to identify with precision the different modes of transport used to arrive in or depart from a country and their intensity of use, since each mode will require a different observation methodology for the measurement of inbound traveller and visitor flows.

3.36. The following typology has been established:

- **Air transport**

Air transport may consist of the following modalities:

- *Public transport* operated on a regular basis or through charter flights operated by regular airlines or specific charter operators: these usually operate at a few international airports, and their immigration procedures are usually well under control.
- *Private transport* might be provided by specific for-hire operators, usually serving businesses. Businesses and some individuals might also own their own aircraft. In some countries, private and commercial aircraft operate out of the same airports; in others, all or some private planes operate from different airports, where immigration procedures might be more ad hoc.

In the case of air transport, there will usually be an established control, perhaps with some exceptions, as in the case of movements within zones having abolished their internal borders (the case of European countries belonging to the Schengen Zone, see para. 3.36).

Arriving passengers might be in transit, either as a stop on a continuing flight or a change of planes or even airports. [IRTS 2008](#), para. 2.61., defines and discusses the treatment of such passengers.

- **Land borders**

The modes of transport used to cross land borders include the following.

- *Railways*. Operators might be from one of the two countries involved or be managed as a multi-territorial enterprise. Immigration controls are often conducted on board.
- *Other public transport by land*. Public transport by land may take different forms: buses, taxis, mototaxis, etc. Bus transport is usually provided by well-organized businesses, and authorized operators might be numerous. Taxis and mototaxis are often operated on a more independent or informal basis with little or no organization. Some operators are engaged in long-haul transport, with formal organizations; others (sometimes the most important in terms of persons transported) operate locally, as within a zone of free movements, and are subject to few if any controls.
- *Private transport by land*. Land borders can also be crossed by private cars (owned or rented) by freight vehicles that carry passengers as well as crew and by such other vehicle as bicycles, motorcycles or animal drawn carts, which often correspond to travellers within their usual environments routinely crossing the border, mainly engaged in shuttle trade or other personal activities.
- *Pedestrians*. People living/working close to a border point might simply walk across it. Nomads might also fall in this category.

Flows at land borders are undoubtedly the most difficult ones to measure, and the degree to which they are controlled can vary from country to country: some might control all border crossers, others might not control any (Schengen-type borders), with a wide range of intermediate situations.

- **Sea and river**

Public and private modes of transport are also used to cross borders by water:

- *Public passenger transport, including ferries and cruises*, is usually provided by established businesses, and boats arrive at organized moorings; their control by immigration and port authorities is usually strictly organized, with some exceptions.
- *Private passenger transport* (including yachts, sailboats, canoes, etc.) is often provided more informally. Boats are usually required to call at authorized moorings only and report to the local Port Authority (but do not always do so).
- *Freight ships*, though with less and less frequency, might also carry passengers, who should usually be counted as visitors, as well as crew (Those would not be visitors but other travellers...).

Landings can be controlled more easily if they occur at organized ports. Otherwise, the situation is very much similar to that of land border crossings.

C.1.2. Complexity of the measurement of flows

3.37. The following examples illustrate the need for compilers to develop appropriate observation methods:

- **Countries belonging to a zone within which controls for all movements have been abolished**

The typical case here is that of European countries belonging to the Schengen Zone. Controls have been abolished for all travellers within the Zone, remaining in place only at the Zone's borders with the rest of the world. Specific statistical procedures, automatic counts in most cases, need to be developed, coupled or not with survey procedures, since no administrative procedures are in place (see para. 3.89 and box 3.4).

- **Countries with special land border zones though with border controls usually in place in other borders (air):**

In many countries special land border zones implicitly allow the free movement of persons, with little or no control or counting by immigration authorities for populations living on either side of the border. In some but not all cases, persons exempt from control need to hold a special permit. All such flows (whether tourism or not) and their corresponding expenditures should theoretically be taken into consideration when estimating the "travel" item for Balance of Payments purposes. Most such persons are taking trips within their usual environments, and should not be included in tourism statistics. Some, however, engage in tourism (recreation or non-regular shopping, for

instance), with or without an overnight stay. For analytical purposes, the measurement of travellers not tourists might also be of interest to National and Regional Tourism Administrations. On the other hand, if too frequent (i.e., the same persons moving across a border several times a day), the numbers for such movements tend to lack significance. Countries should lump such movements together as a unique count of persons.

- **Movements of persons by land between two non-contiguous parts of the national territory:**

Going from one part of the territory to another (a domestic trip) in certain cases involves transiting through the territory of another country – as happens for Oman, the Russian Federation (Kaliningrad), Malaysia, the United States (Alaska), etc.

Based on the established rules, as the origin and destination of the trip are both part of the same economic territory, such a trip undertaken by a resident is considered a domestic trip, a leg (fraction) of which is considered an outbound trip (for the purpose of transit). From the standpoint of the country of transit, on the other hand, the same leg of the trip should be considered an inbound trip (also for the purpose of transit). As discussed in Chapter 4, expenditure during transit falls under outbound tourism consumption (from the perspective of the country of reference) as long as it takes the form of a resident-to-non-resident transaction.

- **Cruises**

Cruises present a particular situation. Cruise ships, first of all, are usually enormous vessels that need to be received at special moorings, where passengers can disembark safely and the ship can supply itself (water, electric power, food, easy access to fuelling, etc.). This makes it easy to control the movement of passengers. Additionally, cruise passengers require specific treatment: arriving passengers might stay on board or disembark to visit. They disembark also when finishing their cruise or in order to embark later on another cruise ship (hop on, hop off system). Passengers from the country visited, or from other countries, might be embarking at the stop in question either to initiate (or hop on to) their cruise. For the purpose of tourism statistics, each of these situations should be identified and given specific treatment. Crew members (non-visitors) might also disembark and embark during a short stay or as part of their work schedule.

Box 3.2. The case of passengers on board cruise ships

For the purposes of tourism analysis, cruise passengers should be treated as follows:

- All passengers on board a cruise ship, except the residents of the country of reference, should be considered visitors (inbound visitors).
- *Crew members* for public modes of transport, regular or irregular, should be considered as acting within their usual environment and thus excluded from the visitors category. Crew members for private modes of transport (corporate jets, yachts, etc.) are considered visitors.
- Some ports have many travellers disembarking from cruise ships before departing by air, or embarking on cruise ships after arriving by air. Some countries (e.g., in the Caribbean) might have developed special arrangements for such connections with their immigration authorities to exempt these travellers from regular immigration and customs procedures. They should be given the same treatment, however, as other non-resident passengers changing modes of transport in the country of reference and should be counted as visitors (usually excursionists if they do not stay overnight) (see paras. 2.8 to 2.12).

- **Case of international cruises calling at different ports in the same country:** the difficulty in this case is that as long as the ship stays in continental waters it is deemed to be in the country's economic territory, so the cruise is considered a single trip to the country (definition of inbound tourism), including visits to different places within it. If the cruise ship leaves continental waters, on the other hand, each call should be considered a separate visit (definition of inbound tourism). Countries in this situation (e.g., The Bahamas, St. Vincent and the Grenadines, Argentina, to name a few) might consider counting passengers in this situation separately so that cruise ship passengers might make one, two or more calls within a same (round) trip. As an exception, these different hits within a same round trip would be counted as a unique trip (including various visits).

C.1.3. Main sources for the measurement of global flows

3.38. The main sources available for the observation and measurement of international traveller flows upon entry into the country of reference, are the following:

- *Official administrative sources*, including immigration records based, or not, on Entry/Departure cards (E/D), manifests (sea and river) and Advanced Passenger Information (mainly air).

Data provided by such administrative sources are produced on a continuous basis and are usually aggregated monthly.

- *Complementary sources*: Airlines, bus companies, ferries, etc. for information on passengers transported, embarking or disembarking, arriving and departing passengers at airports, manual or automatic counts at the borders (land borders), counts at toll booths in the vicinity of the border, etc.

Some of these sources are not publicly accessible; if published, their frequency might not always be monthly.

- *Specific sample survey sources*. In countries where no such sources exist, or where the data provided is too global to be of much use, sample survey sources are the only possible alternative for estimating the universe of arrivals by non-resident travellers.

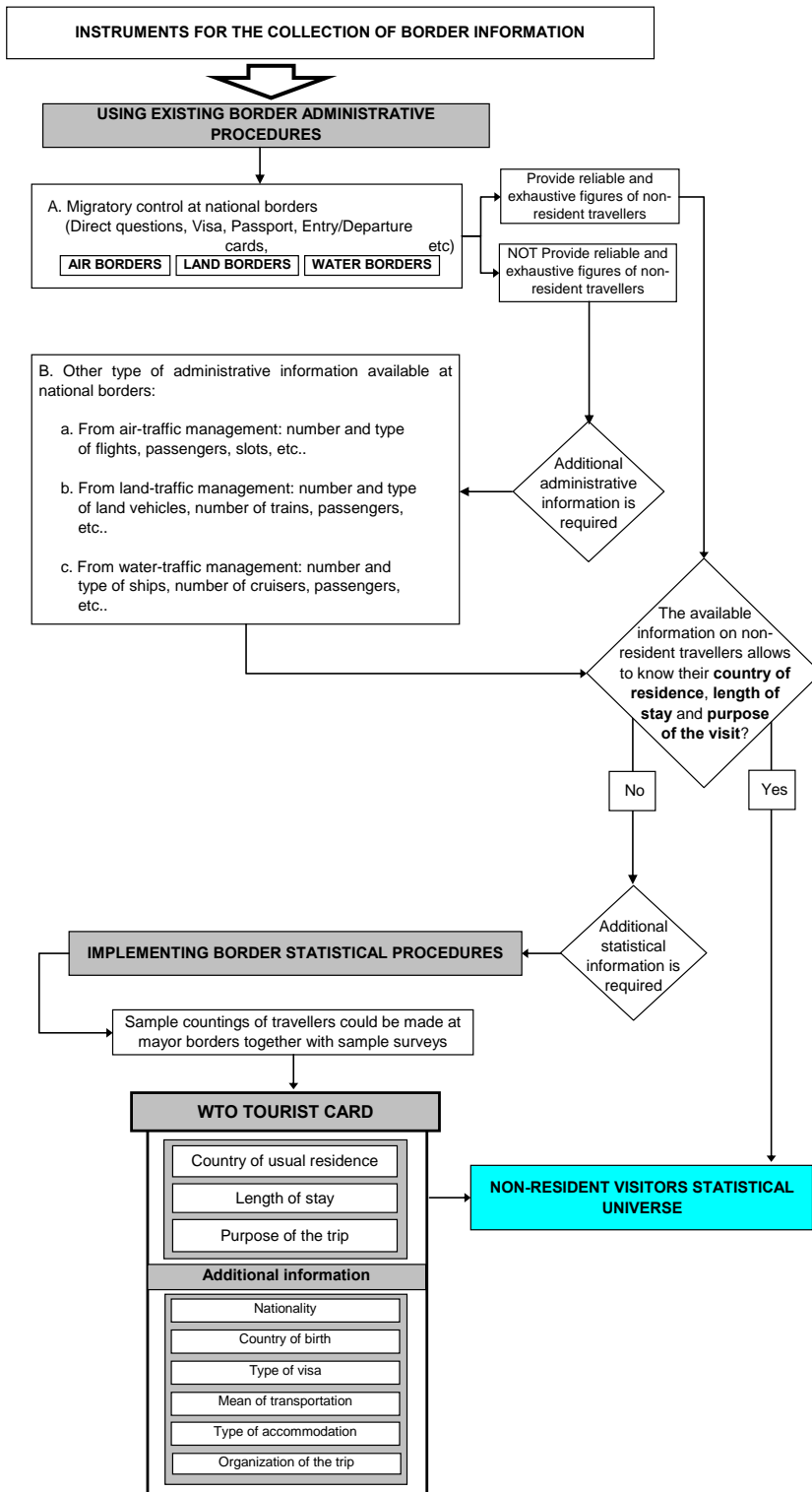
Mirror data, mainly from neighbouring countries (inbound data derived from outbound data gathered by partner countries) may serve as a source, although the differences between the definitions of inbound and outbound trips should be kept in mind (see [IRTS 2008](#) para 2.39.).

References to such possible surveys (household surveys or surveys at accommodation establishments) are discussed later on (see section C.2.2 "Statistical sources").

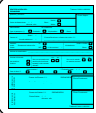
3.39. As previously mentioned (see para. 3.26) "it is strongly recommended that a selected number of main characteristics of the trip and visitor (such as country of residence, mode of transport and main purpose of the trip) also be collected".

- 3.40. It is also recommended that countries consider using administrative sources as a general reference or framework, or even as a direct source for all or part of the information needed, before trying to set up a direct observation using a different procedure (see box 6.7 after para. 6.67.).
- 3.41. Before moving to the description of official and complementary administrative sources, it is worthwhile looking at the following diagram, which illustrates the complexity of the process required to create the universe of international traveller arrivals (UNWTO, "[Tourism as an international traded service](#)", section 2.E, "Guidelines for the creation of the statistical universe of non-resident visitors", paras. 2.46 to 2.58).

GUIDELINES FOR THE CREATION OF NON-RESIDENT VISITORS STATISTICAL UNIVERSE



Clarification Issues

 The **WTO 2005 Entry/Departure Card Proposal** provides the NTA with the ideal instrument to obtain a rigorous estimation of the incoming visitors by using the existing migratory control system.

The **migratory border control system** not always presents the same effectiveness when checking traveller flows (i.e. land borders present more deficiencies in comparison with air ones; in Europe as a consequence of country agreements checks of persons at national borders for certain nationalities have been removed and there is a lack of information).


Regarding tourism statistics and analysis of inbound tourism flows, arrivals figures provided in most cases by migration authorities, should normally be complemented with other data.

The setting up of a **Non-resident Visitor Statistical Universe** should be an outcome of complementing Entry / exit cards data with available border administrative information with additional statistical information.

Some countries use a stratified sampling method to select just a sample of the Entry cards collected by the migratory control. This sample of entry cards are processed and analysed for tourism purposes (see the case of Australia with short-term movements).

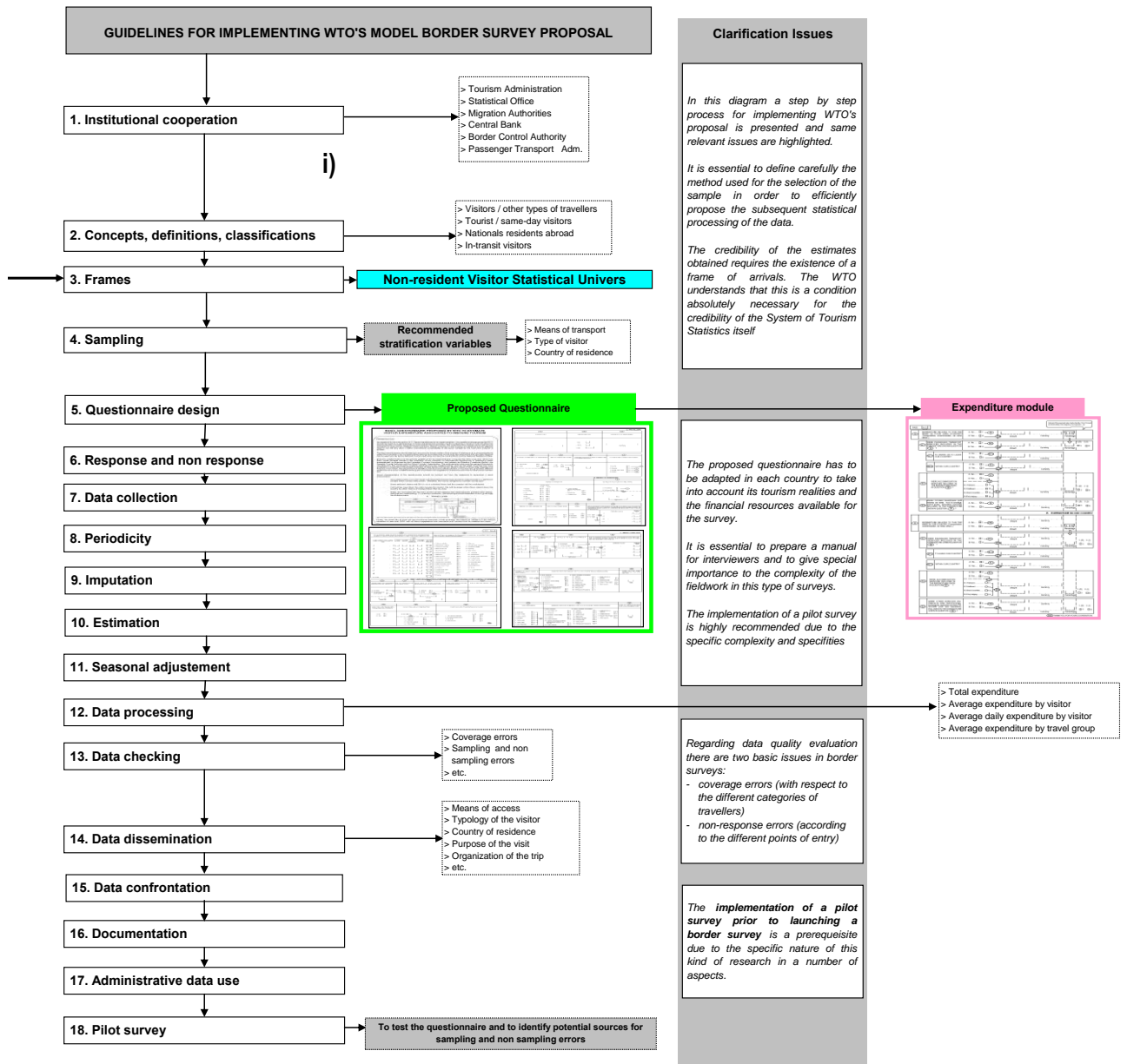
According to the definition a traveller is qualified as a visitors by the three characteristics: country of residence, purpose of the visit, and length of stay.

International visitor
 "any person who travels to a country other than that in which s/he has his/her usual residence but outside his/her usual environment for a period not exceeding 12 months and whose main purpose of visit is other than the exercise of an activity remunerated from within the country visited". (Recommendations on Tourism Statistics).

 In those cases where the information provided by the Migratory control is not enough to characterize the flow of travellers the **WTO Tourist Card (WTO-TC)** could be a good alternative source of information.

The WTO-TC applied to a sample of travellers (preferably at the airports before leaving the country) allows the NTA to obtain from total figures of travellers provided by migration an estimation of total figures of visitors.

Either from a statistical or analytical perspective **further characterization** of the Non-resident Visitor Statistical Universes may be envisaged. The Tourism Card or the Migratory entry / exit cards could be good sources of information to expand core tourism characteristics with additional ones.



C.1.3.1. Official administrative sources

- 3.42. The three main official information sources used to measure inbound tourism flows – border controls, manifests collected by port authorities, and Advanced Passenger Information – are reviewed below (UNWTO "[Tourism as an international traded service](#)", section 2.B, "Measuring the number of travellers at national borders and deriving tourism statistics: National practices).

Border controls

- 3.43. As a result of the current activity of border control authorities, reports are generated on all individuals crossing borders, whether nationals or non-nationals, residents or non-residents. Where they exist, these individual reports could provide a basis for the measurement of inbound visitor and traveller flows.
- 3.44. Nevertheless, before using these reports as a basic source of information, in some or all cases of border crossings, it is recommended to have an overall review that should focus on and clarify different issues. For instance:
- While not all border crossings need to be observed using the same instrument, *the geographical coverage of such operations* does need to be established. Which border crossing points and what types of border crossing are covered by border control operations? Does this control apply to air passengers only, or also other types of arrival (by sea, by land, by river, etc.)? This issue is particularly relevant for countries with extensive land borders or borders delimited by rivers, where geography makes crossing the border easy or where border controls are absent at some crossings. Border control authorities usually will have an estimate of what is beyond their present control procedure, but this estimation might need to be permanently monitored to detect changes in behaviour over time.
 - *Which persons are covered?* Are there specific conditions that exclude some persons from border controls? What is the status of refugees, border workers, etc.? In many countries, nationals are often exempted from border controls or detailed reporting requirements (and from completing an E/D card where such cards exist). For the purposes of analyzing tourism, however, nationals who are also residents should be excluded from the flow to be measured, while non-resident nationals should be included. Frequent border crossers might have special permits, might be excluded from the controls altogether, or might be covered by a global figure. They might be visitors or non-visitors. Finally, certain types of border crossing might be subject to less cumbersome procedures (for instance at private airports, or at land borders for nationals of the border countries).
 - *The temporal coverage of the flows.* Are the controls of uniform intensity irrespective of the day or hour of day? If not, the scope of coverage for less stringent controls should be established and periodically updated.
 - *The relevance of long-haul bus traffic.* Are there records or evidence of any need to treat long-haul bus traffic as a special case?
 - *The actual content of the data collected.* This pertains to the form of the data base and access for tourism analysts to detailed micro data, to permit debugging, correction of invalid codes, etc. In general, countries should not expect border control operations to

provide all the information needed to measure traveller and visitor flows, and to observe all needed variables. This issue has to be further analysed, since some countries are sometimes satisfied with the mere existence of such a source, with no further interrogation on the existence of specific information (concerning residence in particular) needed to measure tourism and its quality. In the best of cases, the data provided will be sufficient to frame a border survey (see section C.2.2.1) covering characteristics of interest. Additionally, not all controls in a given country will be the same at all border points; nor will the questions asked (questions at land borders, for instance, might be kept to a basic minimum, because of the time constraint).

- *Quality of the data collected:* there are various repeated inconsistencies in the information taken from administrative sources that stem from the latter's specific functions. The main interest of border control authorities, for instance, is controlling the flows of non-nationals; other data of less direct interest to them are not always well collected (e.g., a national's country of residence, origin or destination, detailed purpose of trip); their concern is that the declared purpose be consistent with the type of visa, for instance, or with controls at the declared place of stay. Revisions, checks and controls are needed to make information most usable to tourism analysis.

- 3.45. Data collected by migration authorities through direct capture (optical or machine passport reading), through direct questions to passengers, or by means of E/D cards, might be more limited than what UNWTO is proposing, particularly with respect to issues not strictly related to border control per se.

UNWTO proposal for Entry/Departure card

Information items	Usefulness for tourism statistics
Date	Useful for cross-checking with other sources
Name	Not useful for tourism statistics
Surname	Not useful for tourism statistics
Sex	Useful
Civil status	Useful
Date of birth	Useful
Place of birth	Not particularly useful for tourism statistics
Nationality	Useful
Occupation	Useful
Current country of residence	Useful (also for stratification of the universe)
Address in visited country	Could be useful for tourism statistics along with port of entry in multiple destination countries
Passport number	Not useful for tourism statistics
Place of issue	Not useful for tourism statistics
Date of issue	Not useful for tourism statistics
Type of passport	Not useful for tourism statistics
Type of visa	Useful to identify certain categories of border crossers and to determine which are non-tourists:
Port of entry	Useful (also for stratification of universe)
Mode of transport	Useful (also for stratification of universe)
Flight number or name of ship	Useful for cross-checking with other sources (*)
Airline	Useful for cross-checking with other sources (*)
Intended length of stay	Initial indication as to actual length of stay; needs to be confirmed
Accommodation	Initial indication as to actual accommodation; needs to be confirmed
Purpose of travel	Initial indication as to actual purpose of travel (also useful for stratification of universe)

(*) Also useful to determine whether there is an economic effect in the country of reference, and whether an air fare is part of inbound, outbound or domestic tourism expenditure.

Chapter 3. Measuring flows and characteristics of tourism trips and visitors

- 3.46. As mentioned earlier (see para. 2.9.), travellers should be classified according to country of residence, which is usually approximated using the traveller's current address. If travellers are not questioned about country of residence, the migration statistics will not provide a basic count of non-residents entering the country of reference, or a sampling frame for further observation.
- 3.47. UNWTO's Entry/Departure card proposal (UNWTO, "[Tourism as an international traded service](#)", sections 2C, "On characterizing international traveller flows: UNWTO's proposals for Entry/Departure cards in perspective (1981-1997), and 2D, "Designing tourism statistics in a context of free movement of natural persons: 2005 UNWTO's proposal for a new entry/departure (E/D) card", combines information useful for border control purposes as well as minimum additional information for tourism statistics purposes.
- 3.48. The usefulness for tourism analysis of questions related to a traveller's address in the country visited, intended length of stay, accommodation and purpose of visit is usually limited in two ways:
- First, the answers might be biased by the fact that migration authorities are the ones asking the questions. In some countries, migration authorities apply conditions for entry, based for instance on a traveller's declaration as to purpose of visit or place of stay consistent with the type of visa presented. For purpose of visit, answering "recreation" if the visa is for tourism, for example, would be acceptable. The answer "attending a meeting", on the other hand, might prompt an officer to request corroboration (an invitation). For place of stay, if it is known that the officer will not ask for a reservation voucher, a traveller might give the name of a well-known hotel instead of responding that his/her place of accommodation has not yet been decided. Such answers might provide useful information but require verification, and thus do not necessarily convey a traveller's actual characteristics.
 - Second, because of the circumstances in which the information is collected, it is not possible to enter into much detail, to specify better some important dimensions, such as the expected duration of a student's course, the different forms of accommodation used (e.g. fully owned, timeshare, etc.) or circumstances surrounding the trip's purpose (according to the rules previously stated in para. 2.42.). Accordingly, information collected using this instrument exclusively might need to be adjusted for tourism purposes.
- 3.49. It would be especially helpful to reach agreement with immigration authorities on access to their entry/departure databases so that, once duly rendered anonymous, their records can be reviewed for consistency, subjected to statistical debugging and used to estimate the average length of stay of various groups, broken down by country of residence. A much more precise estimate of this basic characteristic for the analysis of visitor behaviour can be obtained by using migration records (since they represent the actual population) than by carrying out surveys (except in countries that use sufficiently large samples for their border surveys and cover every month of the year).

Manifests

- 3.50. A manifest is an instrument used mainly in maritime transportation. In the case of cruise ships, ferries, yachts and all type of recreational vessels, the captain is usually requested to provide the port authority with a list of passengers and crew on board, indicating name, surname, nationality, passport number, and any additional information authorities might decide to request, often for the purpose of paying a head tax. That is usually all the information provided.

- 3.51. Arriving passengers who stay on board are usually considered non-resident visitors. In the case of passengers disembarking, however, additional information will need to be collected (e.g., through use of an E/D card), since some might be residents and others non-residents of the country of reference (crews on public modes of transport should be excluded from the visitor category ([IRTS 2008](#) paras. 2.62. and 2.63.)).

Advanced Passenger Information (API)

- 3.52. Advanced Passenger Information (API) consists of a set of data generated on passengers arriving by air. It is constructed from the “digital prints” left by travellers when booking, paying for, and engaging in travel. These databases are managed by private businesses that sell the product, in a variety of forms, to migration authorities, to give them clear, detailed and standardized records for each incoming passenger ahead of arrival. Anonymous information on incoming travellers from these databases can also be provided to tourism authorities.
- 3.53. The great benefit of this source is the coverage, reliability and timeliness of the data provided. Information on country of residence is not available from this source, but that can be approximated based on “country of origin” (for round as well as one-way trips).

C.1.3.2. Complementary sources

- 3.54. Passengers are counted by various complementary sources, which can provide information on personal characteristics and/or characteristics associated with the trip. Such sources include airlines, international bus companies, railways and highway toll booths (for automatic vehicle counts at or near land borders).
- 3.55. Airlines and airports systematically generate data on air passenger flows, including the number of passengers on each flight, which is sometimes disaggregated by nationality, port of embarkation, etc.). This information can be used to check immigration data (available classified by airline, day and flights) or to substitute for counts where border controls are not in place (e.g. the Schengen Zone). Data on passenger country of residence, however, are not usually gathered by these sources. Care should be taken though to exclude passengers on transit on international flights and that do not necessarily enter the economic territory of the country of disembarkation.
- 3.56. Buses crossing international borders are also often required to present manifests in some form, providing information similar to ship manifests, including passenger identification, type of passport and passport number, permitting classification by nationality.
- 3.57. Railway companies can sometimes also provide information on their passengers when crossing international land borders, but confined to flows between stations.
- 3.58. At busy land borders, authorities might set up an automatic count of vehicles, identifying the type of vehicle (light passenger car, bus, truck, etc.) and/or its license plate (to determine the country of origin). The number of non-residents crossing the border can be estimated by assigning an average number of passengers per vehicle (often done manually) and assigning residence according to the license plate of each vehicle.

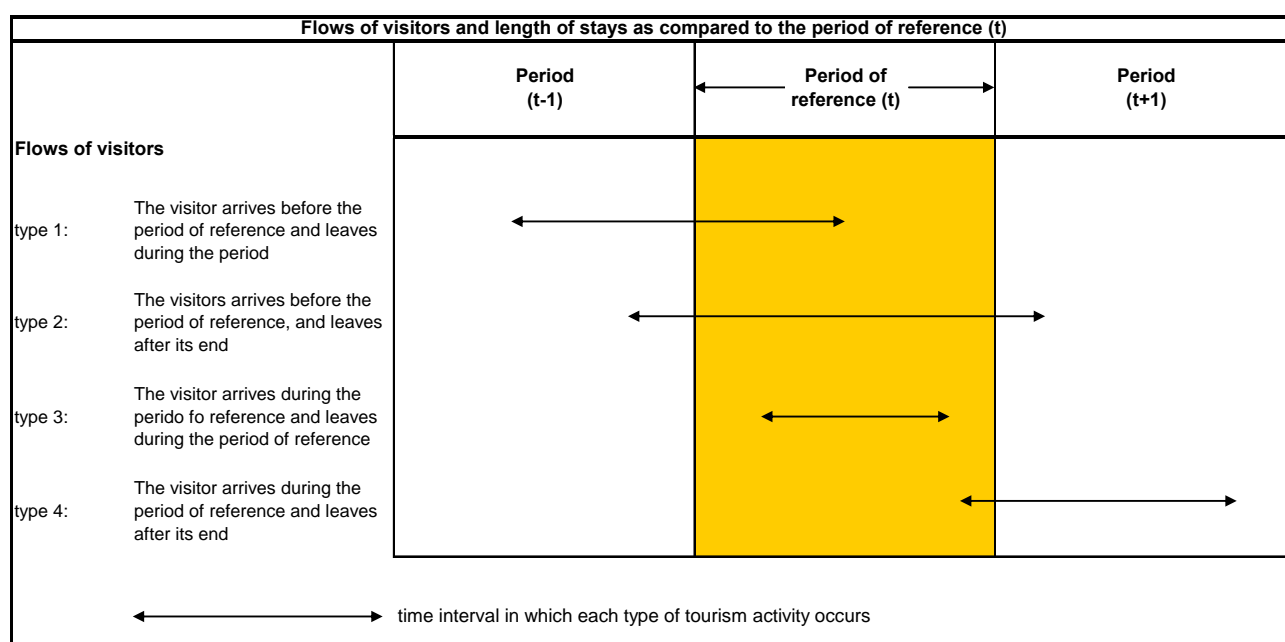
- 3.59. As an alternative to automatic vehicle counting at the border, which requires the purchase and maintenance of special equipment, countries with toll booths located near border posts can refer to toll booth counts of vehicle flows. They might also collect additional information to distinguish residents from non-residents, supplementing the vehicle counts, where necessary, with the observation of license plates and number of persons per vehicle, to better approximate visitor flows.
- 3.60. Compilers should be aware, finally, that E/D cards, which usually include detailed questions, still do not provide sufficient information to determine certain classes of traveller precisely. For the purpose of tourism statistics, frequent border crossers, border workers and long-term students and patients, for instance, should be considered “other travellers” rather than visitors (i.e., as being within their usual environment: the place of study or medical treatment).

C.2. Phase two: Establishing the characteristics of international visitors and tourism trips

- 3.61. As compared to phase one, dedicated to the observation of global flows, the aim in phase two is to obtain more details about traveller characteristics. The first characteristic that needs to be established is first whether the traveller is a non-resident (if the information generated in phase one is insufficient for that purpose). Additional information is then needed from non-residents to determine whether their travel constitutes a tourism trip. If so, then still further information is collected on the characteristics of the visitor, his/her travel party (if travelling in one) and the conditions of the trip (duration, purpose, modes of international transport, main type of accommodation used, arrangements for organizing the trip, etc.). This is all the information necessary to qualify visitors and their trips, and in a subsequent stage, to generate statistics on their tourism expenditure.
- 3.62. The information to be requested should be useful for policy and analytical purposes, both for national authorities (mainly NTA, NSO and CB) and for other stakeholders of the tourism sector. Whether persons travel alone or in parties, for instance, affects average expenditure but also the type of accommodation needed (single, double or multiple occupancy rooms). Whether persons travel for business or for recreation will affect the times they will be available for touring or other recreational or cultural activities. Their total expenditure is usually higher than average.
- 3.63. With very few exceptions, e.g., when information can be collected from E/D cards completed by visitors upon departure, tourism authorities will need to use surveys to establish the characteristics of inbound visitors. These surveys will usually need to be conducted upon departure, for two basic reasons:
- to avoid prolonging the border transit process for arriving visitors and “assaulting” them with a lot of questions right away; and
 - because it is more accurate to collect actual characteristics, particularly for expenditure and length of stay. Only visitor expectations about such matters can be recorded on arrival.

C.2.1. Issues specific to the observation of characteristics of inbound visitors

- 3.64. In most tourism observation procedures, the characteristics of inbound trips and visitors are established as visitors leave the country, but this information is assigned to arrival figures estimated for the period of reference. These figures, except for some cases previously mentioned (see para. 3.37.) are considered equivalent to number of trips. Trips are not observed individually (see para. 3.10.) as that would only be possible if supported by strict border controls and a perfect match between incoming and outgoing individuals, that is, selecting strictly from the same universe of incoming passengers those that leave.
- 3.65. The figure below is provided to illustrate for compilers the hidden assumptions behind the most frequently used procedure. As shown, this practice is strictly appropriate only in one of four possible circumstances.



Type 1: a person arrives at the place visited before and leaves during the period of reference. Such cases will be registered as arriving in period (t-1), even though part of the person's tourism activity takes place during the period of reference. Consequently, measurements of all the person's activity during the trip, including expenditure, will be assigned to period (t-1).

Type 2: a person arrives before and leaves after the period of reference (t). As for type 1, the person's tourism activity during period t will be assigned to the period of arrival (t-1).

Type 3: a person both arrives and leaves during the period of reference. In this "ideal" case all the person's tourism activity occurs during period t and enters into the calculation.

Type 4: a person arrives on a tourism trip during and leaves after the period of reference. The person will be registered as arriving during the period of reference (t) although part of his/her activity will also take place during period (t+1). Consequently, measurements of all the person's activity, including expenditure, will be assigned to the period of reference (t), even though part of it occurred in period (t+1).

- 3.66. To measure with precision tourism activity during a period of time, each of the four circumstances presented above should ideally be identified separately and the visitors' activities allocated proportionally (or otherwise) to the periods of time in which their stay and the period of reference overlap. Obviously, the applicability of this ideal method depends on whether entry/departure data have been registered for each traveller and on how the information captured on E/D cards has been stored.
- 3.67. In practice, however, the distinctions between types 1, 2 and 4 are ignored: it is assumed that the mismatches will eventually cancel each other out. The cases concerned, however, could distort short term analyses of arrival and expenditure figures.

Box 3.3. Treating “long term” visitors in the case of short term statistics

Although, in general, these implicit assumptions will have little effect, they could be particularly troublesome in the case of short term statistics (monthly for instance) when there are wide seasonal differences in behaviour that extends across two contiguous periods (for instance, heightened tourism activity over New Year). In those cases, a more rigorous method of estimation might be needed, using the dates of visitor arrivals and departures. This obviously delays estimation because it cannot be done properly before the departure of all persons arriving during the period. It might also generate inconsistencies in periods when, for some exogenous reason, there is a marked difference in behaviour between the two periods that normally offset each other. It would be necessary in such circumstances to take into consideration arrival and departure dates.

In countries where the average length of stay of certain categories of persons is particularly long (retirees on a Caribbean island, for instance), it might be necessary, in estimating their tourism activity, to use methods of estimation appropriate for this category of visitor and to consider how the tourism activity of such persons might be allocated over each of the periods observed during their stays.

It must be observed finally, however, that this recommended method of estimating tourism activity has an effect on coherence and consistency between demand and supply data. A statistical discrepancy might appear, for instance, in respect of hotel stays when using this method, as compared to estimates derived from hotel room occupancy, since actual nights stayed in hotels during a given period are measured irrespective of when visitors begin or end their visits.

C.2.2. Statistical sources

- 3.68. In an increasing number of countries, the border control system is neither complete nor totally reliable: a clear example is that of the European countries that are parties to the Schengen Treaty, where controls are limited to the Zone's outside borders, with only limited control of internal movements by citizens from non-Schengen countries. In these cases, it will be necessary to look for other sources of information, whether of an administrative nature or principally statistical surveys, to measure the flow of non-resident travellers arriving in the country. Three classes of statistical source are possible:

- Border surveys
- Surveys at market accommodation establishments
- Household surveys in originating markets

If different types of surveys are available, their questionnaires should be mutually consistent: they should share definitions and classifications, and their questions should be formulated similarly, so that they can complement each other.

C.2.2.1. Border surveys

- 3.69. As mentioned earlier, these surveys are carried out upon the visitor's departure from the country. They sometimes also include some type of measurement of expenditure, usually based on a single question, or exceptionally on an expenditure module, i.e., a set of interconnected questions serving to elaborate on certain characteristics of the visitors' behaviour (see chapter 4, section B.3.1, "Border survey").
- 3.70. Countries carrying out such surveys usually draw their sample, from a universe determined on the basis of administrative data from official sources, or data provided by carriers, (airlines, railway companies, shipping lines, scheduled bus lines), vehicle counts at road border crossings, etc.

General design

- 3.71. Border surveys must be statistically designed so that the sampling and characterization of visitors and tourism trips can be considered representative of the entire population of international visitors. Designing such surveys requires an analysis of the country's information obtained from phase one (see section C.1) in order to evaluate its suitability as the population framework of reference from which the sample is to be selected and data are to be collected and grossed up (UNWTO, "[Tourism as an international traded service](#)", section 3.B, "The role of border surveys in tourism statistics", paras. 3.21. to 3.26.).
- 3.72. Once this information has been analysed, one of the following situations will arise, depending on the country and type of border crossing concerned:

(a) **There are comprehensive and reliable data on arrivals of international travellers**

In such situations, the variables linking the information in the survey and the universe of reference will be the characteristics appearing in the universe (such as country of residence and/or nationality), which also need to be reliably recorded in the sample, following a similar type of breakdown.

In this case, the information obtained from the survey will serve to improve the classification and characterization of traveller flows based on the records of international traveller arrivals.

It is frequently the case, however, that data are collected on nationality only, and not on country of residence. In some countries border officials are instructed to ask travellers for their country of residence, but in practice this information is often not reliable or collected properly.

(b) **The data available on arrivals of international travellers are not totally reliable**

The survey will need to be designed so as to provide the information required to distinguish within the universe of inbound traveller flows (e.g., by railway or at land border crossings) which travellers are nationals of the country (vs. foreign nationals), and which are residents (vs. non-residents) and to identify the characteristics of non-resident visitors and of their tourism trips.

- 3.73. The information yielded by the survey, together with the information on border flows, will make it possible to segment the population frame or statistical universe by tourism-relevant variables.

Box 3.4. Estimating the number of international visitors within the Schengen area of free movement of people: the case of Spain

The practice in Spain may be considered a good example of how a combination of information sources can be used to estimate the number of non-resident travellers arriving in a country. Like many other European Union countries, Spain dismantled a sizeable part of its border police controls in 1994, resulting in the immediate disappearance of information historically gathered by security forces at national borders on the number of travellers arriving from Schengen countries. This obliged Spain to design and introduce a new system for measuring and characterizing traveller flows at its borders, based on administrative data from various bodies responsible for traffic on access roads, at airports and ports and on trains, as well as information generated by direct surveys at all points of entry.

Spain puts this information to several uses:

- Border surveys: the NTA carries out two kinds of border survey, one on arrival and the other on departure. The former entails a short questionnaire to classify travel flows according to seven basic characteristics (age, gender, country of residence, purpose of trip, type of accommodation, length of stay and organization of the trip); surveys conducted upon departure use a much broader questionnaire including the same questions asked on arrival plus additional data on the trip (expenditure, frequency of visits, activities deployed, satisfaction, etc.).
- Manual counts on roads: the NTA is also responsible for carrying out manual counts at the principal land borders so as to determine the number of vehicles crossing and the registration number and number of occupants for each vehicle.
- Automatic traffic counts on roads: road traffic authorities in Spain (Dirección General de Tráfico) provide the NTA every month with a record of vehicles entering Spain, as recorded by the NTA's automatic counting devices at all road borders.
- Administrative records of passengers on international flights: the Spanish airports authority (AENA) provides the NTA with monthly records of passengers arriving at Spain's airports on international flights, according to country of origin and airport of destination.
- Administrative records of passengers arriving at ports: the authority responsible for passenger and goods traffic at national ports (Puertos de Estado) provides the NTA with a monthly record of disembarking passengers.
- Administrative records of passengers arriving on trains from abroad: the authority responsible for passenger traffic on national trains (RENFE) provides the NTA with monthly records of passengers arriving in Spain on trains with international connections.

Based on these official figures, the NTA makes a month-by-month estimate of the number of non-resident travellers arriving in Spain and identifies some basic characteristics, such as type of visitor, country of residence, purpose of travel, type of accommodation and length of stay. Since 1995 it has used a sophisticated system, known as FRONTUR, which for each point of access makes it possible to combine information from the administrative records, in some cases vehicles and in others passengers, with the data yielded by border surveys.

More information on the data source and methodology used by Spain for overseas arrivals is available at www.iet.tourspain.es

The sample

- 3.74. Though apparently straightforward and feasible for all modes of transport, except by land, the design of a statistical sample is usually incredibly complex. There are often official and complementary data sources for use in structuring the statistical universe or sample frame. The design must account for the particularities of travellers: that they often travel in groups or parties, that they include children, and that questionnaire respondents need to be selected in these situations. Expanding the data gathered to represent the entire universe of travellers is also a real challenge for statisticians.

- 3.75. Additionally, access to administrative information on the arrival and departure flows of non-resident travellers at a country's ports of entry provides an indication a priori as to which are most representative at each point in the year, because of their volume or the greater heterogeneity of travellers. Their representative character can also change over time, as shown when Iceland's volcanic eruption in 2009 forced visitors to Ireland to shift to smaller local airports, a change that the existing statistical design was slow to grasp properly.
- 3.76. These designs require statistical expertise. In countries whose NTAs lack it, the active involvement of NSOs in survey design and the establishment of minimum size and selection of the sample – including its distribution by type of port of entry, by type and characteristics of modes of transport used, by flight (charter/scheduled, low-cost/conventional), time (day or night), day of the week (working days, holidays, weekends), periods of the year, as well as other characteristics of the visitor or the tourism trip considered relevant is a necessity.
- 3.77. In determining sample size, consideration should be given to the minimum number of questionnaires required to ensure that the entire population of travellers arriving at each port of entry is represented as well as to the distribution of travellers over time, within the constraints imposed to minimize variance of the overall estimators of all variables observed.
- 3.78. Cooperation from the NSO should also extend where possible to subsequent processing of the data collected – their entry, filtering, validation and tabulation – all processes commonly applied in taking surveys and often requiring expertise mainly or exclusively possessed by NSOs.
- 3.79. Unlike other statistically observed phenomena, where a given stratification and sampling assignment might remain virtually stable over the years, travel flows can be volatile in response to a variety of factors, so the initial sample design should be updated regularly.

The questionnaire

- 3.80. UNWTO has developed a model border questionnaire that could serve as a starting point, to be adapted by each country to its own particular tourism reality and resource availability. Here are some examples:
- In many countries the number of inbound same-day visitors or excursionists is not significant or, if it is, the cost of surveying such visitors would be disproportionate to the benefit of including them (in terms of their total expenditure).
 - All means of access may not be equally relevant for identifying inbound tourism; those considered less so could be excluded (at least in the first stages of observation, in line with the principle of gradualism).
 - It might be reasonable to use a simplified version of the questionnaire at border crossings, where there is little time for interviews. More time is available at airports than at road crossings;
 - Questions related to the breakdown of transport could be further divided as indicated in [IRTS 2008](#), Fig. 3.2.;

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- For question 23 (“Types of accommodation”) it is recommended that each country use the preferred classification, clearly separating paid and market accommodation from non-paid and non-market accommodation: that is the relevant classification for analyzing supply and expenditure.
- 3.81. The proposed questionnaire (see Annex 1) is designed as a border survey but could also be used as reference for other types of surveys. It is divided into three blocks:
- A. Travellers
 - B. Means of transport
 - C. About your stay
 - D. Acquisition of services in country of origin
 - E. Acquisition of goods and services country of destination
- 3.82. A few words of caution regarding the use of this model questionnaire:
- The model’s adaptation to the particularities of tourism in each country should be discussed with key stakeholders in the tourism sector as well as Balance of Payments and National Accounts officials (UNWTO, [“Tourism as an international traded service”](#), Annex 12, “Adapting WTO’s proposed model border questionnaire”);
 - Since border surveys are expensive, the entire process should be tested (including the tabulation of results) by means of a pilot exercise to ensure that the final version is as efficient as initially envisaged;
 - Since border surveys are technically challenging it should be ensured that the necessary resources and technical expertise have been committed to them and that their funding will be stable over time;
 - Guidelines for field personal should be drafted and a serious commitment made to training before launching the survey;
 - The tables of expected results to be issued alongside the questionnaire should be designed and their content tested using the data collected through the pilot exercise, since the final objective of a questionnaire is to produce data that cross classify the main variables observed; the usefulness of the tables for tourism analysis should also be reviewed;
- 3.83. At this stage, no question on expenditure is included. Chapter 4 presents a proposed UNWTO expenditure module structured around different questions referring to block D. “Acquisition of services in your country or other country before arriving in our country” and block E. “Acquisition of goods and services in our country booked or paid before, during or after the trip”. The questions included are intended to enhance the accuracy of expenditure estimates and break them down into a number of meaningful categories.
- 3.84. It is strongly recommended that the expenditure module also be included in the border survey (rather than a single question about total expenditure during the trip, that would then have to be divided into the five blocks (see Annex 1).

Box 3.5. Taking into consideration the special features of tourism in the country

In countries where the number of non-residents owning second homes or timeshares is relevant, or where it is national policy to encourage non-residents to do so, second homes and timeshares should be specifically identified as forms of accommodation. Similarly, in countries with large emigrant populations, staying with family and relatives should be highlighted as a mode of accommodation. In countries that host many international conferences and meetings, it might be helpful to collect information on the secondary purpose, particularly for accompanying persons. In countries that frequently attract family groups, it might be useful to collect more information on travel party composition (age structure in particular).

Implementing the survey

3.85. Procedural aspects to bear in mind in implementing border surveys include the following:

- (a) *The survey vehicle used:* While any method considered suitable may be used to collect the information, the most desirable are the computer-assisted interview (which generates highly reliable information, albeit at higher cost) and the printed questionnaire, to be completed by the respondents (less reliable, with a higher incidence of non-responses, but also much less costly).
- (b) *Possibly recording and grouping possible answers:* for instance, question 24 regarding activities deployed during the stay should be adapted to local conditions.
- (c) *The subjects targeted:* in the case of air travel, countries often use a multistage selection process, which starts with the selection of a flight from an entire flight programme. Some countries then select all passengers on board; others select only certain passengers (often based on the seats occupied). The number of passengers on a flight provides the basis for grossing up the information and should be collected and stored for future review and follow-up with the source. After all of the passengers have been interviewed, the number of questionnaires can be compared with the number of passengers, making it easier to strictly control the country of nationality/country of residence of all passengers on the selected flight and gross up the findings to the entire universe of flights. At other types of borders, as mentioned, a similar statistical design is desirable, in which all passengers in a land vehicle, train carriage, etc., are treated as clusters.
- (d) *Place of sampling:* at airports, preferably prior to flight departure in the boarding gate waiting area, for data collection on inbound visits. However, the increasing use of airline lounges for first class and business travellers could make an increasing number of passengers, with specific characteristics, inaccessible for interviewers. A specific strategy needs to be designed to deal with this issue. At other types of border, particularly land border posts, the strategy needs to be carefully planned, because time is short, and traveller flows cannot easily be stopped. It might be necessary to look for alternatives, such as selecting respondents at toll booths or rest areas situated near the border post (although this could bias the procedure).
- (e) *Personnel conducting the sample:* the sampling should preferably be carried out by (possibly bilingual) personnel specially trained for this purpose by the NTA.
- (f) *Treatment of non-responses and outliers:* non-responses and outliers directly affect the quality of the information collected and impair that of the resulting estimates. They inevitably erode the sample size initially established and create biases in the sample

that are difficult to control. The distribution of non-responses among the population of international travellers needs to be determined in order to define strategies to reduce their numbers and develop formulae to correct the resulting biases.

- (g) *Additional considerations*: Various conditions conducive to high response rates need also to be considered: the place where the questionnaires are distributed or the questions are asked; the method used to collect the information; the survey team's level of experience; the language used to address travellers; the subject's country of residence (persons from some countries are more reticent than others to participate in interviews); legal requirements (whether survey responses should be compulsory), etc. Finally, imputation techniques should be used (i.e., resorting to similar, reliable and complete data sets) to supplement or substitute for missing and unreliable data.

- 3.86. For a comprehensive overview of border survey implementation see UNWTO, "[Tourism as an international traded service](#)", section D.

C.2.2.2. Surveys at market accommodation establishments

- 3.87. Guest registers could form the basis for surveys at market accommodation establishments. They are used in much of Europe, where border surveys are less feasible. They do not, however, permit visitors to be distinguished from other travellers, a key objective in compiling inbound tourism statistics in countries where the difference is relevant (see para. 3.10). If used, they should therefore be evaluated, with particular attention to:

- the updating mechanism for such registers (particularly in the case of repeat customers, whose particular characteristics might change over the years and hoteliers fail to update);
- the relevance of same-day travellers; and
- visitors staying in the homes of friends or relatives, in private homes or in other means of accommodation not officially registered as market establishments.

- 3.88. Exogenous information needs to be used to correct for the underestimation and bias that results from considering only visitors who use such forms of accommodation. If the flow of visitors not staying at market accommodation establishments is considered relevant, their activity can be measured by including "tourism modules" in local household surveys (to estimate the number of resident households that have received visits from non-resident relatives and friends or that rent rooms or apartments they own to visitors), as well as by addressing specific survey questions to non-resident travellers (see para. 3.92.).

- 3.89. Once the limitations mentioned in the above-cited paragraphs have been overcome, surveys of visitors staying at market accommodation establishments might be used to characterize visitors and their tourism trips more precisely and possibly more completely than using border surveys (see paras. 3.74 to 3.87), as the time constraint might be less relevant.

- 3.90. Estimating expenditure at the time of the interview, before visitors have concluded their stays in the country, is more challenging: they can only report what has happened up to that moment. If information is also being collected on expenditure, there may be significant biases, since people often leave the purchase of souvenirs or other items to take back home to the very last minute before departure. Also, unexpected events, either in the country of origin or

the country visited (such as natural disasters, bad weather or political turmoil) or personal reasons might oblige visitors to change their minds about anticipated expenditures.

- 3.91. An alternative to surveying travellers at market accommodation establishments might be to survey visitors at popular tourism sites, but this poses similar difficulties: a traveller might visit more than one site, while others might not visit any, particularly if the main purpose of the trip is other than recreation, e.g., visits to family and relatives or for business. It is not always feasible, moreover, to use statistically designed samples for such surveys, making the process of grossing up the findings to represent the entire population of inbound travellers a particular challenge, potentially resulting in biased or misleading data.

C.2.2.3. Household surveys in originating markets

- 3.92. Surveys of individuals in their usual environment, to collect information on their tourism behaviour, use the number of residents as the population frame or statistical universe. Consequently, one way of estimating the number of arrivals, the characteristics and the expenditure of non-resident traveller from country X in the country of reference (Y), could be to draw from the information reported by such travellers in response to household surveys in their country of residence (X). If countries are willing to share this information (especially if they have harmonized their surveys, as most European countries have done), then estimates can be made of the number of arrivals and expenditures by non-resident travellers in country Y from all of the countries concerned.
- 3.93. The use of national estimates from other countries is called “**mirror statistics**”. Since most of the flows of non-resident visitors arriving in any European Union country come from other EU countries, Eurostat has repeatedly emphasized the usefulness of mirror statistics, which enable EU countries to estimate the number and characteristics of most inbound visitors using outbound tourism data provided by other countries in the subregion. While seemingly simple and attractive, mirror statistics pose some challenging issues that may not have received sufficient attention from the countries using them.

Box 3.6. Mirror statistics

“Measuring European intra-regional tourism flows”, a paper written for the UNWTO Enzo Paci Papers on measuring the Economic Significance of Tourism, volume 4, by Teresa Ciller and Marion Libreros, discusses the challenge of reconciling the tourist flows reported by different countries, using available data. In terms of overall flows the differences have been significant. The paper highlights various possible solutions: the sharing of common definitions and methodologies; modifications to collection procedures and content, e.g., to determine the final destination of an outbound trip, but also to describe all other countries crossed before arriving at the final destination; and a high degree of disaggregation for each mode of transport used.

See Enzo Paci Papers on Measuring the Economic Significance of Tourism, Volume 4

- 3.94. This procedure can indeed be applied, but under the condition that it should be possible to assume the consistency of the physical indicators par excellence (arrival and departure figures for international visitors), and by extension, also the figures for the corresponding tourism expenditure obtained by multiplying the total number of arrivals by the corresponding average expenditure per arrival. This is not totally true as the definition of an inbound trip and that of an outbound trip do not totally coincide.

C.3. Tables of results

- 3.95. The focus of this *Compilation Guide* is to help countries implement *IRTS 2008* and develop their national STS frameworks. Consequently, the data to be obtained should be classified using reference classifications (see Chapter 5) to help countries pursue both specific national purposes (much more detailed data) and international comparability.
- 3.96. Regarding international comparability, the following data set and indicators for inbound tourism will be requested annually by UNWTO from member and non-member countries and will be disseminated in the *Compendium of Tourism Statistics*, the Organization's most comprehensive general statistical publication.

COUNTRY X

Basic data and indicators	Notes	Units	2005	2006	2007	2008	2009
1. INBOUND TOURISM							
Data							
Arrivals	(1)(2)						
1.1 Total		('000)	..	..	..	..	..
1.2 ♦ Overnight visitors (tourists)		('000)	..	..	..	..	..
1.3 ♦ Same-day visitors (excursionists)	(3)	('000)	..	..	..	..	..
1.4 * of which, cruise passengers		('000)	..	..	..	..	..
Arrivals by region	(1)(2)						
1.5 Total		('000)	..	..	..	..	..
1.6 ♦ Africa		('000)	..	..	..	..	..
1.7 ♦ Americas		('000)	..	..	..	..	..
1.8 ♦ East Asia and the Pacific		('000)	..	..	..	..	..
1.9 ♦ Europe		('000)	..	..	..	..	..
1.10 ♦ Middle East		('000)	..	..	..	..	..
1.11 ♦ South Asia		('000)	..	..	..	..	..
1.12 ♦ Other not classified		('000)	..	..	..	..	..
1.13 * of which, nationals residing abroad		('000)	..	..	..	..	..
Arrivals by main purpose	(1)(2)						
1.14 Total		('000)	..	..	..	..	..
1.15 ♦ Personal		('000)	..	..	..	..	..
1.16 * holidays, leisure and recreation		('000)	..	..	..	..	..
1.17 * other personal purposes		('000)	..	..	..	..	..
1.18 ♦ Business and professional		('000)	..	..	..	..	..
Arrivals by mode of transport	(1)(2)						
1.19 Total		('000)	..	..	..	..	..
1.20 ♦ Air		('000)	..	..	..	..	..
1.21 ♦ Water		('000)	..	..	..	..	..
1.22 ♦ Land		('000)	..	..	..	..	..
1.23 * railway		('000)	..	..	..	..	..
1.24 * road		('000)	..	..	..	..	..
1.25 * others		('000)	..	..	..	..	..
Arrivals by form of organization of the trip							
1.26 Total		('000)	..	..	..	..	..
1.27 ♦ Package tour		('000)	..	..	..	..	..
1.28 ♦ Other forms		('000)	..	..	..	..	..
Accommodation							
Total							
1.29 ♦ Guests		('000)	..	..	..	..	..
1.30 ♦ Overnights		('000)	..	..	..	..	..
Hotels and similar establishments	(4)						
1.31 ♦ Guests		('000)	..	..	..	..	..
1.32 ♦ Overnights		('000)	..	..	..	..	..
Expenditure							
1.33 Total		US\$ Mn	..	..	..	..	..
1.34 ♦ Travel		US\$ Mn	..	..	..	..	..
1.35 ♦ Passenger transport		US\$ Mn	..	..	..	..	..
Expenditure by main purpose of the trip							
1.36 Total		US\$ Mn	..	..	..	..	..
1.37 ♦ Personal		US\$ Mn	..	..	..	..	..
1.38 ♦ Business and professional		US\$ Mn	..	..	..	..	..
Indicators							
1.39 Average size of travel party		Persons	..	..	..	..	..
Average length of stay							
1.40 Total		Days	..	..	..	..	..
1.41 ♦ For all market accommodation services		Nights	..	..	..	..	..
1.42 * of which, "hotels and similar establishments"		Nights	..	..	..	..	..
1.43 ♦ For non market accommodation services		Days	..	..	..	..	..
1.44 Average expenditure per day		US\$	..	..	..	..	..

- 3.97. The expenditure data required for UNWTO's *Compendium* are Balance of Payments items relating to travel and passenger transport, rather than tourism data per se. These are the data countries use to approximate expenditure in the absence of tourism statistics (for the relationship between tourism statistics and Balance of Payments, see [IRTS 2008](#), paras. 8.10. to 8.25.). UNWTO's assumption in collecting these approximated data is that they provide the only information currently available for purposes of ensuring the international comparability of tourism's monetary value as an internationally traded service (see paras. 4.94 and 4.95).
- 3.98. As countries successfully develop their own tourism measurements, they should replace this approximated information with data on actual tourism expenditure (separately identifying expenditure on international transportation).
- 3.99. Apart from the data and indicators requested by UNWTO, countries should generate additional information useful to key tourism stakeholders (see para. 1.28), including:
- the number of travellers (visitors and others) by supra-national regions of residence and main countries of interest;
 - the number of tourists/excursionists classified by country of residence and main purpose of trip;
 - the number of travellers (visitors and others) by country of residence, duration of stay (intervals), total number of overnights in each category and total;
 - the number of guests and overnights per main form of accommodation and main purpose of trip;
 - the number of visitors, cross-classified by various characteristics, including size of the travel party, purpose of visit, and form of accommodation (detailed); and
 - the number of visitors (cross-classified by various characteristics) arriving as part of travel groups, as a proportion of the total number of visitors (country of residence and monthly or quarterly data might also be of interest).

D. Domestic tourism

- 3.100. Domestic tourism differs from inbound tourism in ways that affect the procedure followed in observing them and the type of results obtained at national level:
- No specific geographical border is crossed, so no counts or equivalent measurement procedures are usually conducted. In specific cases, some countries have developed methods for counting vehicle flows (translated into persons) entering or leaving a closed (or nearly closed) area (a place, usually a city), to simulate a border. Such procedures can measure visits to specific places, but not all domestic tourism trips.
 - Data on domestic same-day visits may pose a particular challenge, reflecting recall problems and a lack of precise criteria for the trips to be included.

- It should also be possible for countries to approach resident travellers after their trips to generate statistics on their tourism behaviour during a past reference period. This is not possible in the case of non-residents taking trips in the country of reference, who cannot be approached for interviews after the trip is over.
 - Because of this particularity, entire domestic trips (round-trips) can be observed and information obtained on different legs of the trips and the different places visited, whether within the country or outside it, as part of the same trip.
 - In addition to round trips, domestic tourism also includes fractions of outbound tourism ([IRTS 2008](#), para. 2.39. See also para. 3.138.).
 - National Tourism Administrations are also often interested in measuring those who did not travel in a given period, identifying their personal characteristics and those of their households and determining their reasons for not travelling. This can be done for domestic and outbound, but not inbound, tourism (see Box 3.7 and section D.2.2.1 for discussion on propensity to travel).
- 3.101. As in the case of inbound tourism, countries, either use a two-phase process of observation (see paras. 3.10 and 3.16) or observe all the variables simultaneously. In both cases, they are based on household surveys, either as a module within a general purpose survey or as a specific tourism statistical operation. In some countries, such as France, a permanent panel continuously monitors the travel behaviour of residents (domestic visitors). Countries might also use interviews of individuals, selected on the basis of population registers (Austria, for instance, conducts telephone interview).
- 3.102. Proposals made by UNWTO on this subject can be found in "[Measuring domestic tourism and the use of household income/expenditure surveys \(HI/ES\)](#)", a working paper posted at and developed in cooperation with ILO. The United Nations Statistics Division and other international organizations have also issued manuals and guidance materials on HI/ES.
- 3.103. If lacking household surveys, countries should try for the time being to use supply-side accommodation data to estimate, at least, the number of resident visitors staying at market establishments providing accommodation services.

D.1. Household type surveys: a general overview

- 3.104. This heading refers to all procedures for asking residents, while present in their usual environment, about the trips they have taken, after the completion of such trips. Surveys can be conducted for this purpose on the basis of the selection of households (the most frequent case), but some countries (such as Austria) select individuals directly from a general database of residents and conduct the interview by telephone (CATI). It must be underlined that surveying households is only used in this context as a means of selecting resident individuals; the household as such is usually not an observation unit, only a selection unit (see exception in Box 3.7).
- 3.105. As mentioned in section B.2., the frequency of household type surveys is basically an issue of cost, but other factors, relating to the characteristics of resident visitors and their tourism trips, should also be considered when defining the frequency of observation.

- 3.106. Countries may try to establish the characteristics of persons and trips separately or with frequencies that differ from that used in the measurement of associated expenditures. Domestic tourism flows should be measured very frequently, since their characteristics tend to fluctuate significantly throughout the year (seasonality) and from year to year. The average expenditure per person or per person per day associated with each characteristic, on the other hand, tend to be less volatile. They can be observed less frequently (e.g., every 3 to 5 years) and extrapolated using relevant price indices once the volume and characteristics of the flows are clearly established.
- 3.107. Apart from other particularities (see next section D.2.), the following issues arise in the use of household surveys for purposes of tourism:
- The number and characteristics of domestic trips taken during the period of reference need to be ascertained for each person interviewed, and distinction has to be made between tourism and non-tourism trips;
 - Complete information can be collected only on trips completed during the period of reference (irrespective of their starting date). This needs to be clearly stated when the interviews are conducted (see para. 3.65.);
 - The characteristics that need to be observed relate to the frequency of similar types of trip, duration, purpose and distance travelled. Questions should be formulated to permit easy identification of the cases described below. If possible, respondents should not themselves be allowed to identify which trips are tourism trips, which the general public tends to equate with recreational travel. Only round trips in which travellers leave their usual environments should be considered tourism trips. The following should *not* be considered tourism trips:
 - i. Trips between the place of residence and place of work or study of the respondent;
 - ii. Frequent trips (once or more a week) for shopping, family visits, religious purposes, health and medical care, education and training, etc.;
 - iii. Domestic trips to stay in a destination more than a year, which imply a change in place of residence;
 - iv. Domestic trips to a place in order to take a non-permanent, short-term job and be paid by an entity in the place visited should not be considered tourism trips ([IRTS 2008](#), paras. 2.35. to 2.38.); if the job is permanent and the individual moves frequently and repeatedly between this place of work and the place of residence of the household, the trip is not a tourism trip either, since the individual is moving between two locations that are both part of his/her usual environment ([IRTS 2008](#), paras. 2.25.);
 - v. Domestic trips within a very short distance (whether measured in terms of distance or because they do not involve crossing of administrative borders) from the household's main place of residence (treated as within the usual environment ([IRTS 2008](#), paras. 2.25.).

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- On the other hand, trips to second homes *should* in principle be considered tourism trips ([IRTS 2008](#), para. 2.28.). In countries where such trips are frequent, their detailed characteristics might call for a specific sub-module.
- For each trip identified as a tourism trip, it must then be determined whether the visitor travelled alone, or with other members of his/her household (if a whole household has been selected) – or members of other households – within a travel party.
- Depending on the expected number of trips to be reported for each household (having taken at least one tourism trip during the period), the other characteristics of such trips can be observed:
 - i. for all trips taken by household members during the reference period (if short); or
 - ii. for all trips taken by one selected member of the household during the reference period (also if short); or
 - iii. for one trip taken by one selected household member during the reference period (usually the last trip, or one selected at random).

3.108. The following characteristics should be observed:

- i. *Duration of the trip*, in terms of overnights away from the usual environment. For trips entailing no overnights, the number of hours (classified in relevant groupings) might be of interest.
- ii. *The destination* or place visited that is central to the decision to take the trip (definition of “main destination”, [IRTS 2008](#), para. 2.31.).
- iii. *The places visited during the trip* (necessarily a round-trip), including the length of stay (overnights or hours) in each place and the type of accommodation used, if relevant. Such places can be defined as regions (if the country of reference is so divided), cities, specific tourism destinations or any other national subdivision identified for analytical purposes. The types of accommodation to be determined ([IRTS 2008](#), paras. 3.35 to 3.38.) should at a minimum separate market from non-market accommodation and be consistent with the classifications used for the characterization of inbound tourism and supply of accommodation services.
- iv. *The main mode of transport used*, defined as the one used to travel the greatest distance ([IRTS 2008](#) para. 3.32.). Secondary modes of transport might also be identified.
- v. *The main purpose of the trip*: its classification should be adjusted per the international recommendation ([IRTS 2008](#), paras. 3.10. to 3.20.). Some countries might find it relevant to ask for the main and secondary purposes, for the trip as a whole or for each place visited, an information which may be of interest for sub-national tourism analysis.

3.109. If relevant, same-day trips and trips to vacation homes will be identified separately and given special treatment within a specific sub-module.

D.2. Household type surveys: learning from experience

- 3.110. Most of the experience in using household surveys to measure and analyze the tourism behaviour of resident populations has occurred in countries with highly developed statistical infrastructure. But increasingly, some of the less advanced countries are also recognizing the importance of domestic tourism for their economies – often greater than inbound tourism in terms of tourism consumption – and beginning to adopt such statistical procedures as well.
- 3.111. Countries have been using the following procedures to measure domestic tourism:
- Specifically designed surveys to estimate the tourism activity of the resident population through comprehensive questionnaires or light telephone surveys (CATI). Questions in the latter case need to be simpler and more direct.
 - The inclusion of a few questions within a general purpose household survey, to estimate more precisely a narrow range of selected variables.
 - The design of sub-samples of more general surveys, such as household income and expenditure surveys (HI/ES), using comprehensive questionnaires.
 - The inclusion of a “tourism module” – a set of interconnected questions to learn more about certain characteristics of visitor behaviour – as part of a multipurpose survey (HI/ES or other continuous surveys), sometimes based on a panel. Such modules (see para. 3.100) could also include an articulated set of questions about trips to vacation homes or for specific purposes – such as health and medical care or education and training.
- 3.112. Domestic tourism can also be observed using the procedures described for dealing with inbound tourism: surveys at accommodation establishments or at popular tourism sites (see section C.2.2.2). Nevertheless, as in the case of inbound tourism, some trips (e.g., in which visitors neither use market accommodation establishments nor visit popular tourism sites) cannot be captured through such procedures. Additionally, information can only be obtained on certain segments of a trip, but not on the trip as a whole.
- 3.113. To be effective, based on the experience to date, the design of surveys to generate tourism statistics should take into account some of the specificities of tourism behaviour: tourism movements are unevenly distributed over the national territory (people living in cities often move about more than their rural counterparts); higher income persons tend to travel more than lower income persons; persons who own vacation homes take frequent trips to those homes; specific instruments may be needed for frequent same-day visits; and the number of persons having taken a tourism trip in a given period of time might be small, so the number of households to be observed needs to be sufficiently large to ensure a reasonable number of observations. These aspects will be developed in the following sections.

D.2.1. Issues specific to the observation of domestic tourism using households surveys

- 3.114. In the design of questionnaires and in processing the information collected, it is important to keep in mind that tourism is an activity engaged in by individuals, not the households to which they belong. The household is used only as a cluster through which individuals can be observed, since every individual belongs to one household and only one. There are certain

exceptions in the case of collective households (hospitals, prisons, convalescent homes, homes for the elderly), but members of such households are assumed not to travel and are de facto excluded from the frame.

- 3.115. This generates some specificities in the design of the questionnaire and in the extraction and tabulation of information as compared to the usual procedure for household surveys: all trips should be counted, and in the case of various members of a household travelling together, the counts should include as many trips as persons travelling, and each of the person-trips should be characterized.
- 3.116. Persons in a travel party who are not part of the same household should be excluded from the count, since their probability of selection in the sample is different and is related to that of the household to which they belong. They should be taken into account, however, in determining the average value of each item of the common expenditure.
- 3.117. It might also be interesting to associate with tourism trips, in addition to the individual's characteristics, those of the household to which he/she belongs: the economic activities of its members, level of income, level of education, etc.

Box 3.7. Characterizing the households to which persons taking trips belong

Tourism is a phenomenon which is usually analyzed from both an individual (tourists) and number of events (trips/nights) point of view. However, it can also be studied from another important perspective: travelling households. In this paper, domestic and outbound tourism flows of residents in Italy are analyzed from the demand side, making use of data produced through a CATI quarterly telephone survey called 'Holidays and Trips', carried out by ISTAT (the Italian National Statistical Office).

By applying a specific data procedure that identifies the household typologies and by analyzing the kinship relations in the nucleus, households become the core of the tourism flows, therefore, making it possible to study their strategic role and how they affect this sector of the national economy. As a matter of fact, travel behaviours seen from a household's point of view may present characteristics that can reveal new features of tourism demand.

*Italian Households on Travel: Who are they? Where, when and how do they travel?
A paper presented by Barbara Baiocchi and Barbara Dattilo from ISTAT to the OECD 9th International forum on Tourism Statistics
November 19-21, 2008*

D.2.2. Factors affecting statistical design and grossing up of the sample

- 3.118. This section examines some of the factors affecting the quality and significance of data collected through household surveys for the purpose of measuring domestic tourism. In view of these factors, UNWTO strongly recommends that countries where NTAs have limited statistical experience should entrust the statistical design of such surveys to their NSOs.
- 3.119. The statistical design of the sample should take into consideration various factors, as summarized below.

D.2.2.1 Propensity to travel is not evenly spread throughout the territory, among households or over time

- 3.120. Not all residents of a country will have the same propensity to travel, and the sample design should take this reality into account if the objective is to analyze behaviour as it relates to other factors.

- 3.121. For instance, it is clearly harder for persons involved in agriculture or animal husbandry to leave their usual environments for any extended period of time, given the demands of their daily tasks. Such persons will tend to travel less for tourism than others, at least during periods of major agricultural activity. On the other hand, persons living in urban environments will tend to travel more, to escape their stressful and unhealthy surroundings – and also because they live in an environment where holiday travel is a way of life.
- 3.122. High income persons usually have a higher propensity to travel for recreation, conferences, etc. than the rest of the population.
- 3.123. It should also be recalled that travel for tourism purposes, be it for recreation, visits to family and friends, religious purposes or even business, is not evenly spread over the year. In every country there are periods that are particularly important – for family festivities (Christmas, Thanksgiving in the United States, the New Year in Asian countries), religious celebrations on specific dates, the winter sports season, or summer (associated with recreation). Tourism statistics should mirror this seasonality. As a consequence, measurements need to be adjusted to account for high and low seasons.
- 3.124. Residence near a national border might also explain a greater frequency of outbound trips. Hence the recommendation that tourism surveys applied to residents should also measure outbound tourism flows and characterize resident visitors and all their tourism trips.
- 3.125. Such particularities might need to be considered in designing the sample, to ensure that a sufficient number of useful records are obtained to answer related questions.

Box 3.8. The use of a panel design

Some countries have adopted a panel design, in which a fixed numbers of household are selected and invited to respond to a questionnaire on travel during various consecutive periods (usually every month for three to six months). Each month, a fixed number of the selected households is renewed so that, during any given month there will be a fixed number of repeating households and a fixed (but smaller) number of new households (as occurs in France and Austria, for instance). This design is usually cheaper and easier to manage, and the responses are usually of better quality since households are given more time to understand the questions. Nevertheless, in the case of tourism the persons concerned, by definition, are not always at home to be interviewed regularly, creating potential for bias: those who travel more will be less available to answer the questionnaire. This could result in an underestimation of travel activity. On the other hand, an analysis of respondents conducted in Austria, in 2005, showed on the contrary that non-travellers had a greater tendency to withdraw from panel participation than frequent travellers, tending to correct such bias.

With respect to the cost of panel design, the mortality of panel members and the cost of replacing them also need to be taken into account.

D.2.2.2. Recall bias

- 3.126. In many countries, the number of households in which at least one member has taken a trip during a short period of time (such as a month) may be quite limited.
- 3.127. Two solutions are possible in such cases:
- taking a larger sample of households so as to obtain a sufficient number of observations to characterize tourism, an efficient but sometimes costly solution (on the other hand, it is important to know how many persons belong to households whose members never travel); or

Chapter 3. Measuring flows and characteristics of tourism trips and visitors

- expanding the period of reference, e.g., asking about trips taken during the past quarter (some countries even extend the period to a year) rather than restricting the question to the past month.

3.128. This last solution may be appealing, since it allows a much larger number of observed trips to be included, but it also has drawbacks, which have been extensively studied by various analysts and compilers.

Box 3.9. Research on the effect of expanding the period of reference for reporting tourism trips: the case of Spain

Research carried out by the Spanish Instituto de Estudios Turísticos (IET) confirms how relying on a respondent's memory for information covered by a domestic and outbound tourism survey can cause two distinct types of errors entirely unrelated to sampling, that have often opposite sign:

- *Telescopic error*: the actual date of an event (an expense, a trip) is unconsciously and erroneously moved up to a more recent date.
- *Pure memory effect*: an event that in fact occurred during the observation period is simply omitted, because, subjectively, by the time of the interview, it seems to have occurred long before.

The IET developed a complex observation methodology using three overlapping samples, in which respondents were asked about trips taken three months, two months and one month before being contacted. As a result of this study, it appears very clearly that the longer the delay in contacting respondents after the observation period, the fewer the trips they report.

For example, three statistically validated measurements for the number of trips taken in June 2006 by residents of Spain are as follows:

- 12,991,044 if observed in July
- 12,745,211 if observed in August
- 12,247,920 if observed in September

Memory Effect in the Spanish Domestic and Outbound Tourism Survey (FAMILITUR)

A paper presented by Teresa Guardia and Sandra Garcia from the Spanish Instituto de Estudios Turísticos to the OECD 9th International Forum on Tourism Statistics, Paris, November 2008.

3.129. It is therefore recommended that countries refrain from using long observation periods, notwithstanding their advantage of bringing more trips to light than shorter periods. Another consideration is the seasonal character of tourism, which makes it necessary to repeat the observation process various times a year. Testing for the existence and extent of recall bias is a useful practice in any country.

3.130. In short, unique observations (e.g., during one month, for the purpose of analyzing tourism for an entire year) should be avoided. Observations should be made repeatedly throughout the year, each observation covering a short period of time. Overlapping measurements could help to get a sense of any recall bias (if the measurement is done so as to provide a good estimate of the number of trips). In the case of CATI, sending an information letter to respondents beforehand could help to reduce the recall effect.

D.2.2.3 Calibration

3.131. Calibration refers to the statistical process by which sample characteristics expected to have a major effects on the results of a survey (the travel behaviour) are aligned with the same characteristics in the universe. A good calibration process requires reliable and up-to-date knowledge of the universe's relevant characteristics and selection of the right ones, i.e. those

that correlate closely with the variables being observed. But these conditions are not always present. Some population registers from which samples are selected are incomplete (young people or immigrants might be missing, for instance). Accordingly, one of the first processes that needs to be implemented is to complete the information related to the universe of selection.

D.2.3. Making tourism understandable to interviewers

- 3.132. Other points to be considered in designing observation procedures include the following:
- Questionnaires should not be difficult to understand; respondents should be able to complete them without assistance from an interviewer. In conducting interviews by telephone (CATI), as many do for cost reasons, countries should consider the need for:
 - Guidelines for interviewers;
 - The addition of dynamic texts in CATI, so that interviewers can better guide respondents through the questionnaire, with regular reminders about key or difficult concepts;
 - Training for interviewers;
 - Supervision;
 - The incorporation of plausibility checks as part of the questionnaire.
 - The completion of questionnaires usually requires several visits by the interviewer. On the first visit, the persons available to provide details on the household's characteristics may not be familiar with the travel activities of other household members not present at the time. Interviewers sometimes must return for such details.
 - Trips taken by any household member, including children of any age, should normally be covered, although countries might decide to exclude children under a certain age. Children will usually travel with another household member, but might in some cases do so with persons from other households (grandparents, uncles, etc.) or groups. They might also travel alone.
 - While all trips during the reference period should be counted and initially characterized, it may not be feasible or necessary to inquire about the details of every trip. It may be most efficient to select one trip for detailed information, either the last trip reported or a trip selected at random, provided the selection criteria are clearly stated.

D.3. Table of results

- 3.133. Since the aim of this *Compilation Guide* is to help countries implement *IRTS 2008* and develop a national *STS*, the data to be obtained should be classified with reference to the standard frameworks described in chapter 5, to serve national purposes but also ensure international comparability. The data for national purposes will be much more detailed.
- 3.134. For the purposes of international comparability, UNWTO annually requests from member and non-member countries, and then disseminates in the *Compendium of Tourism Statistics*, the data set and indicators for domestic tourism.

COUNTRY X

Basic data and indicators	Notes	Units	2005	2006	2007	2008	2009
2. DOMESTIC TOURISM							
Data							
Trips							
2.1 Total		('000)	..	..	..	..	..
2.2 ♦ Overnight visitors (tourists)		('000)	..	..	..	..	..
2.3 ♦ Same-day visitors (excursionists)		('000)	..	..	..	..	..
Trips by main purpose							
2.4 Total		('000)	..	..	..	..	..
2.5 ♦ Personal		('000)	..	..	..	..	..
2.6 * holidays, leisure and recreation		('000)	..	..	..	..	..
2.7 * other personal purposes		('000)	..	..	..	..	..
2.8 ♦ Business and professional		('000)	..	..	..	..	..
Trips by mode of transport							
2.9 Total		('000)	..	..	..	..	..
2.10 ♦ Air		('000)	..	..	..	..	..
2.11 ♦ Water		('000)	..	..	..	..	..
2.12 ♦ Land		('000)	..	..	..	..	..
2.13 * railway		('000)	..	..	..	..	..
2.14 * road		('000)	..	..	..	..	..
2.15 * others		('000)	..	..	..	..	..
Trips by form of organization							
2.16 Total		('000)	..	..	..	..	..
2.17 ♦ Package tour		('000)	..	..	..	..	..
2.18 ♦ Other forms		('000)	..	..	..	..	..
Accommodation							
Total							
2.19 ♦ Guests		('000)	..	..	..	..	..
2.20 ♦ Overnights		('000)	..	..	..	..	..
Hotels and similar establishments							
2.21 ♦ Guests		('000)	..	..	..	..	..
2.22 ♦ Overnights		('000)	..	..	..	..	..
Indicators							
2.23 Average size of travel party		Persons	..	..	..	..	..
Average length of stay							
2.24 Total		Days	..	..	..	..	..
2.25 ♦ For all market accommodation services		Nights	..	..	..	..	..
2.26 * of which, "hotels and similar establishments"		Nights	..	..	..	..	..
2.27 ♦ For non market accommodation services		Days	..	..	..	..	..
2.28 Average expenditure per day		US\$	..	..	..	..	..

- 3.135. Because they are aggregated, these data are difficult to use for national decision-making purposes. A decrease in total tourism expenditure expressed in US dollars, for instance, could be attributed to different causes, such as a depreciation of the US dollar or a change in the composition of visitors. For national policy purposes, detailed data is needed to elucidate such causes, as indicated previously (see para. 3.99).
- 3.136. More detailed classifications (e.g., covering forms of accommodation, purposes of visit, etc.) may also be useful for national purposes.

E. Outbound tourism

- 3.137. Defined as the tourism activity of a country's residents outside its economic territory, outbound tourism can be observed in two ways, by taking the same approach as for either inbound tourism (that is, at or near the border, see para. 3.10), or domestic tourism (once the trip is concluded, using a household survey, see paras. 3.104 to 3.133). In the first case, adjustments might be required, since the object of observation, an outbound visit, might be part of either an outbound or a domestic trip.

- 3.138. As in the case of inbound tourism, Balance of Payments compilers will be interested in establishing the characteristics of all resident outbound travel, and combining forces within an interinstitutional platform will foster quality measurement.
- 3.139. Countries often leave the observation of outbound tourism to a later stage, since its impact on the local economy is felt as a “loss” (an import), since the corresponding economic transactions occur between a resident visitor and a non-resident service provider. However, if, within a tourism promotion policy, national travellers are to be encouraged to select domestic destinations, the reasons for their choice of foreign travel need to be understood.
- 3.140. Most of the observations and recommendations made above for the observation of inbound and domestic tourism are also valid in the case of outbound tourism. Obviously, some of the recommendations for inbound tourism will need to be inverted. In phase one, for instance, the flows referred to should be observed as resident travellers leave the country, and the characteristics of their trips should be observed when they return.
- 3.141. Points made with respect to inbound tourism – about the typology of modes of transport for entering or leaving a country (see section C.1.1), about complex conceptual and statistical issues arising in specific situations (see section C.1.2) and about the main statistical sources used (see section C.2.2) – are valid here as well.
- 3.142. If appropriate and feasible, countries could conduct observation procedures for domestic tourism both at the border and through household surveys, simultaneously, with the aim of contrasting the results obtained in each case. Such exercises could provide some critical insight into the procedures used to measure domestic tourism. Big differences might be found, for instance, in the number of trips or in the measurement of domestic vs. inbound tourism, calling both procedures into question, as a possible basis for review (see Annex 7).
- 3.143. As in the case of domestic tourism, and to a greater extent, outbound tourism may be particularly prevalent among specific segments of the population as for instance those living near land borders, among residents of foreign origin or among families of emigrants, as well as other groups. It might be important, for the purposes of analysis or the adjustment of domestic tourism measurements in TSA terms, to observe those characteristics for different subsets of visitors within the reference population (see [IRTS 2008](#), para. 2.39. (c); and [TSA:RMF 2008](#), para. 4.39.).
- 3.144. Similarly, when measuring tourism flows and characteristics of trips and visitors, the same classification identified for inbound tourism (see paras. 3.97. and 3.98.), are also applicable to outbound tourism.
- 3.145. Outbound tourism has the peculiarity of commonly including multi-destination trips, i.e., to more than one country. It must therefore be decided whether to collect information on each country visited, and if so, how much information. For example, is it sufficient to merely identify the individual countries visited, without breaking down the data on other characteristics, such as purpose of trip, length of stay or expenditure? Or should such details be covered for each country visited? The answer will depend on the data needed and the resources available for collecting it. An alternative approach in some countries is to identify the main country visited only (the one central to the decision to take the trip), at the expense of understating the number of reference country residents visiting other countries. Consideration should also be given to using mirror statistics to estimate inbound visitors based on another country's outbound tourism statistics.

E.1. Table of results

3.146. The points made about the table of results for domestic tourism (see section D.3) apply as well in the case of outbound tourism.

COUNTRY X

Basic data and indicators	Notes	Units	2005	2006	2007	2008	2009
3. OUTBOUND TOURISM							
Data							
Departures							
3.1 Total		('000)	..	..	..	..	..
3.2 ♦ Overnight visitors (tourists)	(2)(5)	('000)	..	..	..	..	..
3.3 ♦ Same-day visitors (excursionists)		('000)	..	..	..	..	..
Expenditure							
3.4 Total		US\$ Mn	..	..	..	..	..
3.5 ♦ Travel		US\$ Mn	..	..	..	..	..
3.6 ♦ Passenger transport		US\$ Mn	..	..	..	..	..
Expenditure by main purpose of the trip							
3.7 Total		US\$ Mn	..	..	..	..	..
3.8 ♦ Personal		US\$ Mn	..	..	..	..	..
3.9 ♦ Business and professional		US\$ Mn	..	..	..	..	..
Indicators							
3.10 Average length of stay		Days	..	..	..	..	..
3.11 Average expenditure per day		US\$	..	..	..	..	..

Chapter 4. Measuring tourism expenditure

A. Introduction

- 4.1. Beyond the physical flows of visitors and their characteristics, tourism statistics are especially useful for measuring the economic implications of such activity. Such measurements allow tourism analysis to be linked with other economic analysis, permitting the integration of tourism policy within a country's general macroeconomic policy framework. One of the key economic implications of tourism relates to visitor expenditure for and while on tourism trips. This chapter will describe the scope and different categories of expenditure associated with movements of non-resident visitors to the country of reference (inbound tourism) and of resident visitors within (domestic tourism) and outside (outbound tourism) the country of reference.
- 4.2. Frequent references will be made throughout this chapter to TSA and SNA, both to explain conceptual issues connected with tourism expenditure and its different categories and to underline the relationship between the term "expenditure" (to be used in the context of surveys and questionnaires) and the term "consumption" (to be used in the TSA context, in which other items are added to tourism expenditure ([TSA:RMF 2008](#), para. 2.25.).
- 4.3. A growing number of countries have developed surveys to measure inbound tourism expenditure. The use of such instruments to measure the "travel" item in Balance of Payments statistics has created increasing pressure for the alignment of tourism statistics as closely as possible with [BPM6](#) and [MSITS 2010](#) ([IRTS 2008](#), chapter 8 "Understanding tourism in its relationship with other macroeconomic frameworks", section B, "Tourism and Balance of Payments"). It has also fostered improvements in the international comparability of expenditures by travellers outside their country of residence. Reference will also be made to BPM6 in describing the classifications to be used when surveying outbound and inbound travellers.
- 4.4. As previously mentioned, countries should understand that the guidance provided here is somewhat generic; each country should consider the recommendations that best correspond to its own situation after thoroughly reviewing the particularities of its tourism activity.

B. Tourism expenditure and categories thereof

B.1. Recalling the basic concepts

- 4.5. [IRTS 2008](#), para. 4.2., defines *tourism expenditure* as "...the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips. It includes expenditures incurred by visitors themselves as well as expenses that are paid or reimbursed by others."
- 4.6. Tourism expenditure does not include all trip-related expenses, only those for the acquisition of consumption goods and services, as well as valuables for one's own use or to give away. The acquisition of consumption goods and services and of valuables is defined in the System of National Accounts ([SNA 2008](#), chapter 9, section D) and should be applied here.
- 4.7. In National Accounts, transactions on goods or service are to be recorded upon the transfer of ownership from seller to buyer in the case of goods, or upon service delivery by seller to buyer in the case of services – and not necessarily at the time of payment, which can occur beforehand

(for instance, when a travel ticket is purchased in advance) or afterwards (when paying by credit card). For this reason, the terms “acquisition” (referred to in *IRTS 2008*) and “payment” should not be used interchangeably: they occur at different points in time. This difference has to be thoroughly understood when making measurements and developing questionnaires.

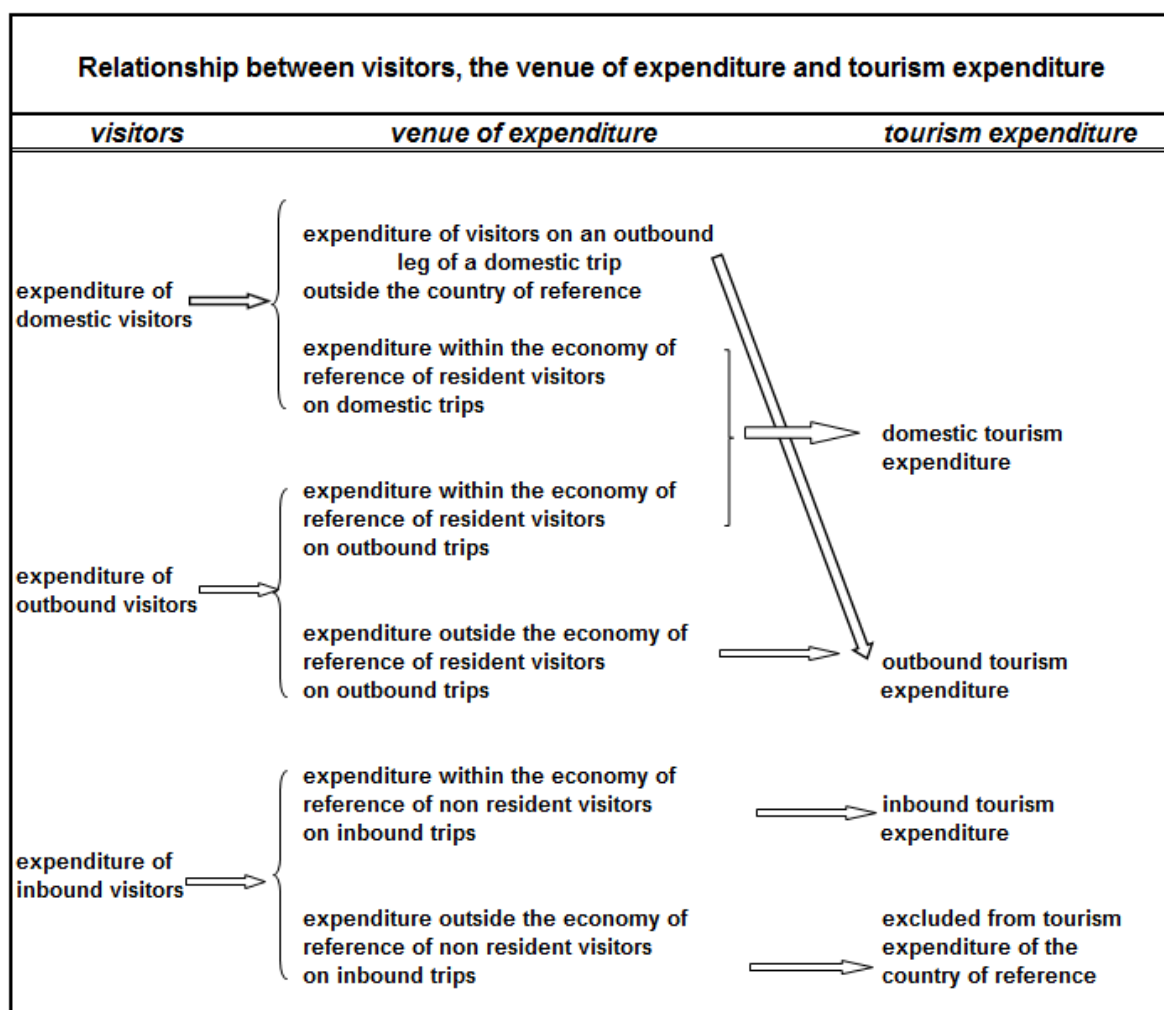
- 4.8. Individuals who acquire goods or services do not necessarily purchase them with their own resources; they may have been paid for by others on the individuals’ behalf. This is the case, for instance, of social transfers in kind, that is, individual services provided by a government to specific households. Additionally, by definition tourism expenditure includes expenditure by all types of transactors, as long as they benefit the visitor. Such transactors include other households, for instance, or employers who cover transportation, accommodation or other services for their employees. Tourism statistics are not concerned with who actually pays for the good or service, and this should be made clear to respondents when measuring tourism expenditure.
- 4.9. Non-monetary transactions, whose value must be calculated (imputed), should be excluded from tourism expenditure. Such transactions should be included, however, under the TSA’s more inclusive concept of tourism “consumption”. The imputation of accommodation services associated with the use of vacation homes by owner-occupiers is a good example (see paras. 6.16, and 6.40 to 6.43) of imputation.
- 4.10. On the other hand, not all expenditures that benefit a visitor, or that visitors might make themselves, constitute the acquisition of a good or service. Interest payments, donations to a foundation, the purchase of a vacation home or money transferred to family or relatives, for instance, are not treated as acquisitions of goods or services and are excluded from tourism expenditure. This has to be borne in mind when designing questionnaires for the measurement of tourism expenditure, and respondents, who tend not to differentiate between such outlays, need to be made aware of it. [IRTS 2008](#) (paras. 4.2. to 4.7.) describes in detail what should and should not be included as tourism expenditure.

B.2. Different categories of tourism expenditure and their relationship to forms of tourism

B.2.1. Definitions

- 4.11. Any expenditure by domestic and international visitors at any time during their trips can potentially be considered tourism expenditure. Even goods and services acquired before the trip, such as clothes, travel guides, inoculations, travel insurance, etc., should be included if clearly related to the trip.
- 4.12. The *1993 Recommendations on Tourism Statistics* included post-trip expenditure, as well. Dry cleaning and film development were the most frequently cited examples, but there is a Pandora’s Box of other possibilities – even car repairs or hospital bills in the case of accidents during travel. Given the anecdotal character of the examples cited and the prospect of sweeping adjustments to tourism expenditure figures, the present recommendations do not treat such post-trip spending as falling within the scope of tourism expenditure (or consumption).
- 4.13. For the purposes of economic analysis and policy design that are clearly linked to a specific economy, the national economy in which expenditures have occurred needs to be specified.

- 4.14. Based on these considerations, the following categories of tourism expenditure have been defined ([IRTS 2008](#), para. 4.15.):
- **Domestic tourism expenditure** is the tourism expenditure of a resident visitor within the economy of reference;
 - **Inbound tourism expenditure** is the tourism expenditure of a non-resident visitor within the economy of reference;
 - **Outbound tourism expenditure** is the tourism expenditure of a resident visitor outside the economy of reference;
- 4.15. It should be underlined that not all expenditure made by a visitor on an outbound trip occurs outside the visitor's economy of residence. Since a trip is defined as a round-trip, an outbound trip involves travel from the time of departure from a person's place of residence until the person returns, in which the main destination is outside this country of residence ([IRTS 2008](#), para. 2.7.). This means that an outbound trip can include a leg (even a long one) travelled within the country of origin before departing from it. This leg might involve expenditure on transportation to the airport, port, railway or bus station or land border; on food, goods and services; and even on accommodation for one or more nights before leaving the country. All such expenditures, provided they correspond to transactions between two residents (the visitor and the purveyor) should be included as domestic tourism expenditure, even though, overall, the traveller is considered an outbound visitor (a resident visitor on an outbound trip) for this economy.
- 4.16. The same occurs, though not acknowledged to date, in the case of outbound fractions of domestic trips. Such "fractions" should not be counted as "trips", since by definition they are not round trips. Such fractions, and the expenditure associated with them should be included in a special column, under outbound tourism expenditure (since they are purchased by residents from non-residents), without associated non-monetary indicators, with certain meaningful exceptions where possible.
- 4.17. This illustrates that there is no one-to-one correlation between domestic, outbound and inbound tourism trips, on the one hand, and tourism expenditures classified in those same categories (domestic, outbound, inbound) on the other. Part of the expenditure by visitors on outbound trips is treated as outbound tourism expenditure and part is treated as domestic tourism expenditure, to be added to expenditure by visitors on domestic trips. The opposite is also true: part of the expenditure on a domestic trip might correspond to an "outbound fraction", thus falling within outbound tourism consumption. Similarly, expenditure by visitors on inbound trips that occurs en route, within their own economies of origin (or in an economy other than the reference economy), is excluded from inbound tourism consumption in the country visited.
- 4.18. The figure below illustrates how types of tourism trips and categories of tourism expenditure correlate.



B.2.2. Determining the national economy involved in some specific transactions by visitors

- 4.19. In general, determining which part of an international visitor's expenditure corresponds to inbound/outbound tourism expenditure, which part corresponds to domestic tourism expenditure, and which part should be excluded is not a complex process: visitors can themselves easily identify where their expenditures were made and the country of residence of the sellers or providers.
- 4.20. For a few fields of expenditure, however, such determinations are less straightforward, and for three in particular:
- Transportation (mainly air, but also rail and water);
 - Package tours;
 - Reservation services, inbedded in the purchase of some services.

Transportation

- 4.21. Identifying the provider of air transportation (and therefore its country of residence) to an international visitor, and the provider's country of residence, can be tricky.

- 4.22. This situation can be attributed to the multiplicity of arrangements that exist among air service providers and to the existence of transnational companies, for air (and also rail) transportation.
- 4.23. An international visitor may have booked air travel on more than one airline, some resident in the country of origin and some in the country of destination, and/or a third country. If a separate ticket is issued for each segment using a different carrier, determining their respective countries of residence and the amounts paid to each is easy. But it is also common for one airline (the validating or plating carrier) to sell a single ticket for travel on multiple other, resident or non-resident airlines (for segments of the journey not served by the validating airline). This practice is called *interlining*. Where there are no interlining arrangements between companies, separate tickets have to be issued.
- 4.24. Distributing the total amount paid for a ticket among the different legs of the journey and the different airlines involved is not easy: this amount usually reflects different price categories, different taxes levied by the countries of origin and/or destinations, and in some cases, a commission for the travel arranger (formal travel agent or on-line operator), whose country of residence is also an issue. Survey respondents cannot be expected to sort all this out.
- 4.25. Another complicating factor is that airlines operate certain segments under *codeshare agreements*. A *codeshare flight* is a commercial flight operated by one airline (the operating carrier) but marketed by others (the marketing carriers). The operating carrier provides the service to the visitor and pays the marketing carriers a certain share of the revenues earned, based on complex formulae and bilateral arrangements specific to each segment. What needs to be identified for tourism purposes is the country of residence of the operating carrier, the one providing the service to the traveller. The countries of residence of the other companies involved also need to be identified, but for Balance of Payments purposes as they are remunerated by the operating carrier. Here again, the visitor surveyed cannot be expected to make these identifications.
- 4.26. Additionally, airlines and railway companies might operate as *multiterritory enterprises*, defined as “enterprises that operate as a seamless operation over more than one economic territory. Although the enterprise has substantial activity in more than one economic territory, it is run as an indivisible operation with no separate accounts or decisions, so that no separate branches can be identified” (BPM6 paras. 4.41 to 4.46).
- 4.27. Fortunately, tourism statistics compilers are not the only ones interested in these issues: National Accounts and Balance of Payments compilers deal with similar questions and face precisely the same difficulties, so cooperation in this field is essential.
- 4.28. For issues relevant to their countries, many Balance of Payments compilers have developed methods of estimation based on information collected from railway companies or airlines. It is important that tourism statistics compilers understand and participate in the estimation procedure so that they can apply the results properly. The data derived from these procedures, however, may not be sufficiently detailed for the purpose of making specific adjustments to the information collected from surveys of visitors and assigning them to each different grouping of visitors as Balance of Payments is only concerned by global data. This distribution will possibly require some types of adjustments in the data and the final presentation within the TSA recommended table (if relevant). It is also recalled that tourism statistics (basically when statistics are compiled with the purpose of setting up a TSA) use the net valuation principle for reservation services ([IRTS 2008](#), paras. 6.46. to 6.54.) which is not the case, neither in Balance of Payments nor necessarily in National Accounts.

Package tours

- 4.29. A package tour (see UNWTO, "[Clarifying the treatment of travel agency, tour operator, travel agency services and package tours in SNA, Balance of Payments and TSA and their mutual relationship](#)") consists of a "tourism product" developed and provided by a tour operator, which sells it directly or through travel agencies to would-be travellers. Travellers on package tours receive a combination of trip-related products and tourism services: international and national transportation, accommodation, food service, sight-seeing, entertainment, etc. Package characteristics vary. Some are "off the shelf"; others are customized in response to specific traveller requests, through a combination of elements previously negotiated and pre-selected by the packager, which the packager has purchased from designated providers, anticipating demand for them and often placing itself at risk.
- 4.30. Some package tours are limited to one or more domestic destinations, i.e., places within the economic territory of the packager's country of residence. Most, however, include travel to foreign destinations, i.e., outside the packager's economic territory, or a combination of domestic and foreign travel.
- 4.31. The treatment of packages is complicated by their multiplicity of products as well as providers residing in different countries – potentially including that of the purchaser, that of a destination, or a third country. Each of these cases requires different treatment in tourism statistics.
- 4.32. Usually, if the package refers to domestic travel, it will be assumed that all goods and services included in the package have been provided by resident producers (an assumption that might need to be reviewed in the future because of open skies in increasingly globalized economies).
- 4.33. A packager might sell its product to residents of the economy where it operates, but also directly to non-residents, through a travel agency, which may or may not reside in the economy of reference, or through associated packagers or travel agencies operating in other countries, or even directly to would-be travellers over the Internet.
- 4.34. Visitors usually receive information only about the total value of a package and about its components. They tend not to know where the providers reside or how much each service purchased within the package might cost, let alone how those costs might be apportioned to product packagers vs. marketers.
- 4.35. As a consequence here again, the total cost of packages reported by visitors needs to be broken down by the analysts, using information collected directly from the packagers themselves or from the travel agencies that sell packages to the public.

Reservation services

- 4.36. Visitors often purchase services for and during their trips through intermediaries, most commonly travel agencies (physical or on the Internet) but often reservation services as well (for shows, hotels, etc.), usually on a commission or fee basis (either explicitly and individually invoiced or implicitly, as part of the total price they charge).

- 4.37. For the sake of homogeneity, and because reservation services do benefit users, it is recommended (*IRTS 2008* paras. 6.46. to 6.54.) that visitors be recorded in all cases as acquiring this service in addition to the service intermediated.
- 4.38. Beyond the difficulty of valuing reservation services, an additional issue is determination of the country of residence of such providers, so that consumption of their services can be assigned to the right category of tourism expenditure.
- 4.39. Usually, the adjustment will only be made in respect of reservation services provided by travel agencies for international air transportation, packages and cruises. It will be assumed that when these services are purchased in the traveller's country of residence, the travel agency resides in that same country and that its services represent a fixed percentage of the sale value based on the fees currently charged by local travel agencies.
- 4.40. Increasing use of the Internet to book travel and events, using both resident and non-resident intermediaries, poses new difficulties. The only apparent solution is the use of credit card payment databases, since credit cards are usually used for such transactions (see paras. 4.83. to 4.85.).

B.3. Measuring inbound tourism expenditure

- 4.41. The measurement of inbound tourism expenditure, i.e., by non-resident visitors in the economy of reference, should be based on a common classification, applied in surveying both visitors (inbound and outbound) and residents (households or individuals, using CATI). The classification recommended for these surveys in *IRTS 2008* is to group such expenditures by purpose so as to facilitate linkage with the International Classification of Consumption by Purpose (COICOP), an international classification of products linked to the Central Product Classification (CPC) (*IRTS 2008*, para 4.26.). The categories that are commonly used and that are recommended in *IRTS 2008* are the following:
- i. Package travel, package holidays and package tours
 - ii. Accommodation
 - iii. Food and drink
 - iv. Local transport
 - v. International transport
 - vi. Recreation, culture and sporting activities
 - vii. Shopping
 - viii. Others
- 4.42. As shown in Annex 4, the list of tourism characteristic products is linked to CPC. A breakdown of expenditure data according to CPC is therefore needed to match tourism expenditure with supply. Consequently, measuring tourism expenditure within a consistent framework like the TSA implies both the use of aggregated categories (such as those in COICOP) as well as more detailed data for certain breakdowns of expenditure (see Chapter 5 for further information on classification).
- 4.43. The most common and rigorous method of observing expenditure by non-resident visitors is to survey them as they leave the country. UNWTO strongly recommends a set of questions to enhance the accuracy of expenditure estimates and break them down into categories.

- 4.44. When it comes to measuring inbound tourism expenditure, Balance of Payments figures for “travel” and “international passenger transport” are extensively used as a first approximation. *IRTS 2008* explicitly recommends that tourism statistics allow tourism-related expenditure to be identified under “travel” and “international passenger transport” as a supplementary balance of payments item (*IRTS 2008*, paras. 8.23. to 8.25.). The supplementary breakdown proposed in BPM6 for this purpose (goods, local transportation services, accommodation service, food serving services and other services) conforms fairly well with COICOP (*IRTS 2008*, para. 8.22.), although the differentiation between goods and services may cut across the COICOP-based categories (see paras 5.10. to 5.17.).
- 4.45. The following methods are used to observe inbound tourism expenditure.

B.3.1. Border surveys

- 4.46. As mentioned previously, no questions about expenditure are included in the UNWTO basic model border questionnaire (see para. 3.84.). Instead, UNWTO suggests a module for this purpose, for inclusion in border surveys and use in conjunction with other types of procedures at popular tourism sites and accommodation establishments. UNWTO’s model border questionnaire and expenditure module should both be used by countries as background reference when updating or designing their own questionnaires (see Annex 1).
- 4.47. A “module” is a set of interconnected questions to elicit details on certain characteristics of tourism behaviour, to be included in a regular survey with the same frequency as the survey on flows (or less frequently, though regularly). The proposed module is structured around different questions referring to block D, “Acquisition of services in your country or other country before arriving in our country” and block E “Acquisition of goods and services in our country booked or paid either before, during or after the trip”.
- 4.48. The module’s frequency of use and structural link with the border survey is an issue that deserves attention.
- 4.49. The procedures discussed in Chapter 3 (see paras. 3.88. to 3.95.) can also be applied at popular tourism sites and accommodation establishments, or through the use of mirror statistics. Information based on the electronic prints left by visitors as they pay for their expenditure can also be used, but the procedure is quite different (see B.3.3.).
- 4.50. In countries in which tourism is significant, inbound tourism expenditure can be measured continuously, simultaneously with the observation of visitor flows – provided the necessary technical and financial resources are available to do this work on an ongoing basis.
- 4.51. If sufficient resources are not available, or if it is not considered necessary to perform these measurements continuously – because average expenditure per day is observed or considered to be relatively constant over roughly five-year time spans (important determinants such as purpose of trip and form of accommodation having been controlled) – countries may conduct their observations with the following frequencies:
- *Pluri-annually* (every 5 years, for instance). For the years in between, a modelling procedure is used, correlating the structure and level of expenditure with the characteristics of tourism flows. For the years in which observations are conducted, they must be spread throughout the year, since the categories of visitor (families, retirees, business persons) and of their activities (winter sports, summer sports, etc.) –

and thus their level and structure of expenditure – are often highly seasonal. The observations made each of those years, moreover, need to be sufficiently numerous in each category to permit such modelling, within acceptable margins of errors.

- *During high and low tourism seasons.* Before setting up such a system, it is important to determine clearly the seasonality of tourism (see paras. 3.21. and 3.22. on the Austrian country experience), which may differ depending on the purpose of visit. The busiest times for recreational vs. business tourism, in particular, may occur during different or entirely opposite seasons. The design of border surveys should reflect such patterns, identifying which flows should be covered in high vs. low season. Seasonality should also be verified regularly, to check for changes in the cycle.

B.3.1.1. Specific issues

Use of package tours¹

- 4.52. One of the most important issues is whether the visitor (or his/her party) has come on a package (see paras 4.29. to 4.35., above and <http://statistics.unwto.org/sites/all/files/docpdf/clarifying.pdf>), particularly for countries where package travel is prevalent. If so, it must then be determined where the package was purchased (so as to determine where the selling travel agency resides) and what its total value, and that of its components, might be (though the value of each component is not usually obtainable). Limited information should also be gathered on items not included in the package. Some packages – e.g., a visit to attend a conference, with accommodation, local transportation, meals, documents, visits to tourism attractions, etc., covered by a registration fee – might not be perceived as formal tours (i.e., organized by a travel agency). The analyst should try to identify such situations.

Currencies and exchange rates

- 4.53. In trips to or from foreign countries, an issue of importance in some cases is that of the currency used in the different transactions, and the effect of different exchange rates on the measurement of expenditure, both for the visitor and the economy visited.
- 4.54. In most but not all cases, a visitor travelling to a country different from that of his/her residence must use a different currency. The perceived cost of acquiring goods and services for and during the trip may differ according to the currency used, and how this currency has been acquired by the visitor.
- 4.55. Consistent with the basic recommendation, the visitors surveyed are usually asked to report their expenditures in the currency of convenience, which may depend on the category of expenditure concerned, particularly for purchases before or during the trip, and on the means of payment used (currency of the country of origin, currency of the country visited, credit card, etc.). When possible, however, it is preferable for visitors, in reporting their expenditures in the country visited, to refer to the local currency actually used. The compiler will otherwise have to convert the amounts reported into that currency (in the case of inbound tourism expenditure) introducing possible distortions in determining the applicable exchange rate. If the payment has occurred before departure (the case of packages purchased in the visitor's place of residence, or of international transportation booked or automobiles hired in the country of residence, or of any other prepaid transaction in the country of origin), the visitor will report the

¹ See paras. 4.29 to 4.35 and www.unwto.org/statistics/tsa/project/clarifying.pdf

expense in his/her own currency, and the compiler may need to convert such expenditures into the local currency of the country visited. The rule for National Accounts is to convert each transaction into the currency of reference (the currency of the country visited) at the average exchange rate (averaging the buyer and seller rates) prevailing on the date of the transaction.

- 4.56. Some countries that use the US dollar as a unit of account in their Balance of Payments require that visitors report their expenditure in that currency, so the amounts can be recorded directly under the “travel” item of their Balance of Payments. This method is not recommended, however, for two reasons. First, the US dollar is not the reference currency of all inbound visitors, so many would need to perform an approximate conversion. And second, the compiler would then need to make a second conversion into the local currency, for tourism statistics and National Accounts purposes, generating an additional approximation.

International transport

- 4.57. As mentioned earlier (paras. 4.21. to 4.28.), international transport is a challenging issue. Even when not included in a package, it is not always easy to determine whether a service provider is a resident of the economy of compilation (in which case the expenditure would be recorded under inbound tourism) or of some other economy. The issue is particularly tricky in the case of air transport. It is not sufficient to enquire about the carrier used by the visitor to arrive in or depart from the country, because of the previously explained commercial practices of interlining and codesharing, and because there are multi-territory enterprises. Information obtained using visitor surveys should therefore be checked against supply-side information.

B.3.1.2. Other issues relevant to all forms of tourism

Expenditures by others for the visitor's benefit

- 4.58. Tourism expenditure includes more than expenditure paid for by visitors out of their own resources; it also includes the purchase of goods and services on their behalf, by others.
- 4.59. It must therefore be known whether visitors pay for their expenditures directly or are provided certain items free of charge, by an employer a host, etc. – particularly as regards international transportation from home, accommodation, meals, etc.
- 4.60. Two situations may arise that need to be treated differently in tourism statistics, depending on the place of residence of the party paying for the expenses. If it is the same as the visitor's, there is no major conceptual conflict. But if it is in the country visited and if the visitor resides in a different country (i.e. an inbound visitor), then a conflict does arise: from the standpoint of who benefits from it (a non-resident), the expenditure would be assigned to inbound tourism expenditure; from the standpoint of who pays (a resident), the purchase would be considered a domestic tourism expenditure.
- 4.61. Such situations can arise frequently: particularly in the case of business trips, where enterprises invite clients or the press, for instance, to familiarize themselves with new products; or in that of persons residing abroad, who are invited to spend time with members of their family residing in the country of reference.

- 4.62. It might be possible in such cases for visitors to provide estimates of these expenditures. If so, these estimates will be reviewed for validation. If not, estimates will need to be made, if possible and relevant, as part of the compilation process (since, even if unreported, such expenditures do have monetary value). The expenditures concerned would include normal types of invitations by family and friends, normal meals and similar attentions, most easily observed through household surveys (of the hosting households). In all such cases, National Accounts recordkeeping principles should be followed, which generally means not estimating accommodation services when guests share the host's dwellings (see para. 6.17.). In the case of food prepared in the host's home, in theory (but few countries if any do so), estimates should be obtained where possible of the additional consumption induced by the visit.
- 4.63. Globally, these expenditures should be assigned to the visitor, even though he/she has not paid for them. For National Accounts and Balance of Payments (BoP) purposes a current transfer equal to the amount of the expenditure should then be imputed from the actual payer to the visitor. This transfer might be between two residents or non-residents (in which cases BoP is not concerned) or between a resident and a non-resident (in which case it should be included in the BoP, to balance the flows).

Tourism expenditure classified for National Accounts purposes as intermediate consumption

- 4.64. Doubts may arise about tourism consumption classified under National Accounts as intermediate consumption: for the purpose of tourism statistics, should such consumption be included as a tourism expenditure together with others classified under National Accounts as final consumption? Should it be given special treatment when trying to measure the economic importance of tourism (through the calculation of tourism GDP or tourism value added)?
- 4.65. For National Accounts purposes, all purchases of goods and services by employees on business trips, as well as other expenses on trips benefitting guests of all kind, are classified as intermediate consumption, usually, in the financial statements of companies, to be found under the general umbrella of "public relations".

6.220 Certain goods and services used by enterprises do not enter directly into the process of production itself but are consumed by employees working on that process. In such cases it is necessary to decide whether the goods and services are intermediate consumption or, alternatively, remuneration in kind of employees. In general, when the goods or services are used by employees in their own time and at their own discretion for the direct satisfaction of their needs or wants, they constitute remuneration in kind.

However, when employees are obliged to use the goods or services in order to enable them to carry out their work, they constitute intermediate consumption. [...]

6.222 The following types of goods and services provided to employees must be treated as part of intermediate consumption:[...]

e. Transportation and hotel services including allowances for meals provided while the employee is travelling on business;

[System of National Accounts, 2008](#)

- 4.66. *IRTS 2008* is very clear in making no distinction between the macroeconomic concepts of intermediate consumption and final consumption when it comes to tourism expenditure, as long as the direct beneficiary of the expenditure is the visitor, i.e., the individual travelling ([IRTS 2008](#), para. 4.5.). The same holds in the case of guests (clients or suppliers) directly invited by a business at the business's expense.

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- 4.67. No such distinction is made either when it comes to setting up a TSA, since the production process by which goods and services are produced entails value added, irrespective of the economic use made of the output. For more information on this topic, see [“Some thoughts about Tourism Value Added”](#), a paper by UNWTO consultant Marion Libreros included in the UNWTO publication *“Enzo Paci Papers on Measuring the Economic Significance of Tourism – Volume 4”*.

Accommodation

- 4.68. The key point here is whether visitors use market accommodation and for how many overnights. In the case of inbound visitors using a combination of different forms of accommodation during their stays in a country, the number of nights spent and the total value paid in each accommodation establishment, including all items invoiced on the same bill (as well as tips, - at least in theory-) must be reported. If non-market accommodation has been used, then the visitor should be asked whether he/she (or the party) has stayed: (a) with family and friends at their home, vacation home or timeshare, with or without contributing to expenses (indicating the amount of any such contribution); or (b) in the visitor’s own vacation home or time share. Any amounts reported as contributing to expenses should not include gifts or payments not directly related to the services actually provided (which countries sometimes mistakenly treat as a counterpart payment when in fact the supposed “counterpart services” provided are unrelated). In the case of visitors staying in their own vacation homes or timeshares, specific sets of question should be asked in order to estimate the associated expenditure (see Chapter 6, section B.2.4).

Frequent flyers benefits and other premiums

- 4.69. Most airlines have loyalty rewards programs, enabling their domestic and international customers to accumulate miles or points redeemable for tickets, upgrades, etc. Airlines may also redeem miles accumulated with other airlines or other goods and service providers (such as hotels, car rental companies, credit card companies, retailers, etc.). How should the redemption of such rewards be recorded?
- 4.70. Frequent flyers miles or points are treated neither as income to the traveller (or credits against the services as they are purchased) nor as liabilities for the issuing airlines – even though points are traded among the entities involved (including entities that redeem but do not issue such points) usually at a face value of around two US cents a mile.
- 4.71. There are two ways to value transactions involving redeemed miles: (a) at book value, that is, the value which should have been paid without the redeemed miles; or (b) as the actual monetary cost to the purchaser:
- In the first case, the miles are considered a means of payment, the value of which exactly matches that of the discount obtained through redemption. This would imply that the airline recognizes the miles as a liability and, in a sense, emits a means of payment. But airlines do *not* view miles as a liability: many expire without ever being redeemed.
 - In the second case, the airline is considered to have recognized, at the time when the miles were earned, the frequent flyer’s right to an eventual rebate, a right that is realized when the miles are redeemed. This is analogous to the promotional coupons issued by supermarkets when customers buy their products for use as payment toward future purchases, which are treated as rebates or discounts.

- 4.72. Thus, between these two options, it is recommended that transactions be valued according to cash payments only, assigning a null value to the use of redeemed miles.

Tourism single purpose consumer durables

- 4.73. Durable goods are goods that may be used repeatedly or continuously over a period of a year or more, assuming a normal or average rate of physical usage.
- 4.74. According to the international recommendations, all durable consumer goods purchased on trips (such as computers, cars, etc.) should be treated as part of tourism expenditure ([IRTS 2008](#), para. 4.36. (h)).
- 4.75. Nevertheless, for durable consumer goods purchased in other circumstances, not all are treated equally. For the purpose of tourism analysis, two main types of goods are considered:
- Tourism single-purpose consumer durables: those that are used exclusively, or almost exclusively, by individuals while on tourism trips. A reference list of such goods is provided ([TSA:RMF 2008](#), Annex 5).
 - Multiple purpose consumer durables (i.e., for both tourism and non-tourism purposes).
- 4.76. It is recommended that the acquisition of tourism single-purpose consumer durables – whether before or during the trip, or entirely outside the context of a trip – be included in tourism consumption, because their use occurs almost exclusively during trips. In the case of multipurpose consumer durables, however, only those purchased during a trip should be included.

Box 4.1. Classifying tourism single-purpose consumer durables

The *TSA:RMF 2008* provides a reference list of such goods.

Products ^{a/}	CPC Ver. 2	All countries	Optional
Airplanes and hang gliders	49611, 49622	Yes	
Motor homes or recreation vehicles	49113, 49222	Yes	
Camper vans (for example, specially equipped for travel purposes)	49222	Yes	
Travel and tent trailers	49222	Yes	
Luggage	29220	Yes	
Camping equipment (tents, sleeping bags, camping stoves, etc.)	27160, 27180, 36990	Yes	
Other recreational and sporting equipment^{b/}			
Motor boats, outboard engines and trailers for boats	49490, 49229, 43110	Yes	
Seadoos	49490		Yes
Sailboats with or without auxiliary motor, yachts	49410, 38420		Yes
Canoes, kayaks, and sailboards, including accessories	49490, 38420, 38440		Yes
Ski equipment (skis, ski boots, ski jackets and suits, etc.)	29420, 38440		Yes
Hunting and sports fishing equipment	29420, 38440		Yes
Sea-diving equipment	38420		Yes
Water skis and other water-sport equipment	38420		Yes
Climbing/tramping/hiking equipment	29420		Yes
Tennis or golf equipment	38440		Yes

^{a/} Most of these products are parts of CPC sub-classes indicated

^{b/} To be established and completed by each country according to its own situation. Items included are for illustrative purposes.

However, given the variety of country characteristics, in terms of types of activities that individuals might undertake within their usual environment and activities offered to visitors, it is recommended that countries establish their own lists of single-purpose consumer durables.

Countries that offer winter or aquatic activities that residents can enjoy regularly within their usual environment, for example, may list different single-purpose consumer durables than those not offering such activities. For this reason, the proposed list contains two different categories of tourism single-purpose consumer durables: those that seem to be common to all countries and those that a country may wish to include due to its particular characteristics.

To facilitate this process, a category common to all countries is proposed, "other recreational and sporting equipment", leaving each country to indicate the products that reflect its own typical activities, whether it be skis, water skis, tennis racquets or golf clubs. ([TSA:RMF 2008](#), Annex 5)

Purchase of domestically produced or imported goods

- 4.77. The amounts paid by visitors to purchase goods during a trip (net of Value Added Tax in some countries) should be included under tourism expenditure if acquired for the visitor's own use or to give away. All such goods, whether produced in the country visited or imported, intended for the tourism market (souvenirs, handicrafts) or a more general market, should be included as tourism expenditure. However, for the purpose of calculating Tourism Gross Direct Value Added (a TSA concern), only the retail trade margin will be taken into consideration.

Purchase of high unit value consumer durables

- 4.78. Estimating the purchase of consumer durables on trips poses a few statistical difficulties: such purchases are relatively rare but involve large expenditures when they occur. In a sample survey context, when weighing individual records as representative of the population, such outliers could introduce significant swings in the estimated totals and thus call for special treatment.

B.3.2. Surveying at popular tourism sites or accommodation establishments

- 4.79. The limitations of surveys conducted at popular tourism sites or accommodation establishments have already been mentioned (see paras. 3.87. to 3.88.). A given visitor might visit more than one such site or no such site at all, so his/her probability of selection is variable and unknown. The same occurs with visitors surveyed at accommodation establishments, since visitors might stay at more than one or at no such establishment (e.g., if staying with family and friends or in his/her own second home).
- 4.80. Estimating expenditure at the time of the interview, before most visitors have concluded their stays in the country, is even more challenging: they can only report what has happened up to that moment. If information is also being collected on expenditure, there may be significant biases, since people often leave the purchase of souvenirs or other items to take back home to the very last minute before departure. Also, unexpected events, either in the country of origin or the country visited (such as natural disasters, bad weather or political turmoil) or personal reasons might oblige visitors to change their minds about their stay and anticipated expenditures.
- 4.81. In addition, it has been observed not only that persons staying with family and friends spend less on accommodation, but also that their whole structure of expenditure is significantly different relative to persons staying at market accommodation establishments: they tend to take meals at home, travel around with relatives, and engage in different types of activities during their stay in the country. Consequently, estimating their expenses based on those of persons staying in market accommodation would likely generate biases in both the level and structure of total inbound tourism expenditure.

Country example: the case of Colombia

Domestic tourism: average expenditure per day				
according to forms of accommodation				
<i>values in 2002 pesos</i>	Family and friends	Hotels and similar	others	TOTAL
Accommodation	578	54.093	20.028	8.610
Food and beverage	8.837	44.476	23.311	14.266
Air transport	2.743	27.297	7.945	6.232
Land transport	5.751	11.749	7.812	6.645
Car rental	60	548	263	135
Other transports	377	414	869	408
Gas	1.215	3.835	3.331	1.669
Tolls	603	1.835	1.276	800
Other transport services	131	243	100	144
Recreation services	1.014	3.220	1.862	1.348
Gifts	2.365	9.954	2.557	3.369
Culture	333	1.145	434	444
Other expenses	1.990	8.375	2.389	2.847
TOTAL Expenditure	25.998	167.183	72.176	46.918
Source: ETUR 2003				
Calculations: DSCN				

- 4.82. On the other hand, in the absence of any real possibility of observing expenditure at the borders – e.g., in the case of significant inbound flows by road but no practical means of stopping visitors near the border – then the option of resorting to such surveys cannot be excluded altogether. Their limitations should be clearly borne in mind in such cases in order to improve the statistical design and look for complementary source of information.

B.3.3. Using electronic prints

- 4.83. In countries where the use of credit or debit cards is firmly established, it might be possible to use data from their record to estimate part of total inbound tourism expenditure (and maybe of other forms of tourism too), and to break it down into a few categories based on the main business of the payment beneficiaries, subject to the following assumptions:
- All (or almost all) holders of credit or debit cards drawn on foreign banks are non-residents. On the other hand, all holders of credit cards drawn on resident banks are residents;
 - All non-residents using credit or debit cards drawn on foreign banks are visitors;
 - Most transactions are paid using a credit or a debit card (or cash withdrawn using ATMs).
- 4.84. Such an approach would require agreements to be entered into with the local managers of international credit card companies in order to see what kind of information might be collected and under what conditions it might be provided to the tourism administration, with all the guarantees needed to protect user identity. Control agencies might also provide access to such information.
- 4.85. It would still be necessary, however, to obtain information on inbound tourism expenditure on behalf of visitors, by third parties, and on inbound tourism expenditure paid for in the country of residence (transport, package tours, etc.).

B.4. Measuring domestic tourism expenditure

- 4.86. Although some countries use telephone interviews (CATI), domestic tourism expenditure is better observed through household surveys designed either as specific operations or as a module of a larger household expenditure survey. The statistical challenges in designing such surveys were discussed in Chapter 3 (see sections D.1 and D.2). Most issues mentioned in section B.3, “Measuring inbound tourism expenditure”, are also relevant here.
- 4.87. Tourism trips are infrequent in many countries, so a large number of households must be selected to obtain a net sample providing sufficient information. Since the interviews are conducted well after visitors return to their usual environments, leaving the rush and pressure of travel behind, they can recall their expenditures more easily and precisely by reviewing bills, invoices and credit card slips (particularly if they receive letters in advance of the interviews). To support this exercise, it is recommended that visitors be asked to describe their trips, the different places visited and the activities engaged in so that expenditures can more easily be connected with each of these situations and added up to obtain total expenditure.

- 4.88. An additional issue as compared to inbound tourism expenditure is the fact that in many countries, visits to vacation homes by residents are frequent and thus frequently reported. Actual expenditure related to second homes and timeshares in the country of residence tends to fall into two broad categories:
- (i) *Expenses related to ownership* of the second home or timeshare and more or less independent of any specific trip. Public utilities and maintenance fees fall in this category and might be reported in a different part of the expenditure survey.
 - (ii) *Expenses clearly associated with a specific trip* to the vacation home, such as transportation, food, etc. These should be reported within the specific tourism expenditure module.
- 4.89. As noted earlier, domestic tourism expenditure includes expenditure by visitors within their economy of origin for and on outbound trips, related principally to international transportation, reservation services paid to domestic travel agencies, services provided by non-residents (or even residents), and any leg of the trip that has occurred in the country of residence (see para. 4.15). Information should be collected on such outbound trip expenditures before departure from the country of residence. This important information, which is not necessarily covered by domestic travel surveys, can be measured instead through surveys on outbound trips.
- 4.90. In order to obtain more details on certain aspects of visitor spending, sub-samples of the selected population can be established according to a more detailed breakdown of expenditure. Such an approach has the advantage of allowing each respondent to give details on some but not necessarily all categories of expenditure, making the interview procedure less burdensome but still permitting detailed information to be obtained. It assumes, however, that the size of the overall sample is sufficiently large to permit sub-sampling while still yielding reasonably precise information and allowing for the cross-classification of observed variables (non-monetary as well as monetary). The statistical design and grossing up procedures could be complex as a result.

B.5. Measuring outbound tourism expenditure

- 4.91. As mentioned earlier in connection with the measurement of visitor flows, outbound tourism expenditure can be measured at or near the border as outbound visitors return from their trip or, as in the case of domestic tourism expenditure, through the use of household-type surveys.
- 4.92. As also mentioned earlier, under certain conditions measurements of a country's outbound tourism expenditure obtained through a household-type survey can be used directly or as an input for the measurement of inbound tourism expenditure in the countries visited.

B.6. Table of results

- 4.93. As observed in para. 3.94 with respect to international comparability, the following data set will be requested by UNWTO from member and non-member countries and will be disseminated in the *Compendium of Tourism Statistics*, the Organization's most comprehensive general statistical publication.

Inbound tourism	
Total	US\$ million
Travel	US\$ million
Passenger transport	US\$ million
Expenditure per main purpose of trip	
Total	US\$ million
Personal	US\$ million
Business and professional	US\$ million
Average expenditure per day	US\$
Domestic tourism	
Average expenditure per day	US\$
Outbound tourism	
Total	US\$ million
Travel	US\$ million
Passenger transport	US\$ million
Expenditure per main purpose of trip	
Total	US\$ million
Personal	US\$ million
Business and professional	US\$ million
Average expenditure per day	US\$

- 4.94. In the case of both inbound and outbound tourism expenditure, Balance of Payments rather than tourism data are requested to facilitate international comparisons, since some countries still do not compile tourism data.
- 4.95. In the case of countries that conduct expenditure surveys, “average expenditure per day” is also requested for each form of tourism, in addition to the Balance of Payments data. These might be different from the BoP data, and not fully reconciled.
- 4.96. The usefulness of published Balance of Payments data for national policy purposes is limited: they are merely a proxy for tourism expenditure (*IRTS 2008*, Chapter 8, Section B, “Tourism and balance of payments”) and are not sufficiently detailed. A decrease in total tourism expenditure expressed in US dollars, for instance, could be attributed to different causes, including a depreciation of the US dollar or a change in the distribution of visitors and overnights.
- 4.97. Besides these data and indicators, additional information useful to key tourism stakeholders could include the following:
- total expenditure by country of residence (total and by main categories of consumption);
 - total expenditure by purpose of visit (total and by main categories of consumption);
 - total expenditure by main type of accommodation (total and by main categories of consumption);
 - total expenditure cross-classified by country of residence, purpose of visit and main type of accommodation (total and by main categories of consumption);
 - average expenditure per person per day by country of residence (total and by main categories of consumption);

- average expenditure per person per day by purpose of visit, (total and by main categories of consumption);
- average expenditure per person per day by main type of accommodation, (total and by main categories of consumption); and
- average expenditure per person per day, cross-classified by country of residence, purpose of visit and main type of accommodation

C. Measurement issues related to specific transactions

- 4.98. Tourism consumption in particular, but also tourism expenditure, is closely related with the National Accounts concept of “final consumption expenditure” (see Annex 5). The treatment of certain specific transactions therefore needs to be explained to familiarize tourism statistics compilers with the principles of National Accounts, as they relate to the following transactions:
- betting and gambling;
 - non-life insurance;
 - durables goods to be used on a trip and resold at its termination; and
 - duty free shopping by passengers in transit in the international zones of airports.

C.1. Betting and gambling

- 4.99. In some countries and places, betting and gambling are important activities for resident as well as non-resident visitors. When the amounts involved are significant, it is important for the sake of consistency that the measurements be made according to National Accounts principles.
- 4.100. For the purposes of National Accounts ([SNA 2008](#), para. 8.132.) “The amounts paid for lottery tickets or placed in bets consist of two elements: the payment of a service charge to the unit organizing the lottery or gambling and a residual current transfer that is paid out to the winners. The service charge may be quite substantial and may have to cover taxes on the production of gambling services. The transfers are regarded in the SNA as taking place directly between those participating in the lottery or gambling, that is, between households.”
- 4.101. This makes it necessary to treat each gambler’s winnings and losses separately, whereas visitors tend to provide information on net losses only. Net gains are much less frequent and might not be reported at all, since questions usually focus on expenditure – and even if reported, the information might not be statistically significant.
- 4.102. Once these data have been collected, information can be obtained from gambling and betting establishments permitting the ratio of winnings to the amounts betted to be determined.
- 4.103. This percentage could be applied as a proxy to the net amount betted (supposedly the amount reported by visitors) in order to estimate the gross amount; The difference between the gross amount and the net amount, would be treated as the purchase of a service (and included in tourism expenditure and tourism consumption).

C.2. Purchase of non-life insurance

- 4.104. When planning to travel or even after starting their trips, some travellers purchase travel insurance for protection against all types of loss and damage during their journey. Such insurance often covers the loss of luggage, passports or credit cards, missed connections between different means of transport, accident, illness, etc.
- 4.105. In National Accounts ([SNA 2008](#), paras. 6.177 and 6.184 to 6.197) only a fraction of the premium paid for a non-life insurance policy represents the purchase of a service. The remaining fraction, called the net premium, represents the value of the insurance itself. Only by consulting the records for the non-life insurance companies concerned in the National Accounts of the country where the policy was issued is it possible to compile the value of the purchase of non-life insurance services, that is, the only part that should be included in tourism expenditure (and tourism consumption). This adjustment (which again should be expressed as a percentage) is only worthwhile if the amounts involved are significant.

C.3. Durables to be used on a trip and resold at its completion

- 4.106. In some countries, non-residents are allowed to purchase a vehicle tax-free upon their arrival, for use during their trip, and to resell it upon their departure from the country. Such vehicles, purchased for and used during a trip, should be reflected in a country's tourism expenditure statistics. The amount received by the visitor upon resale of the vehicle needs to be subtracted from the original purchase price, and the net value recorded as tourism expenditure. This measurement is consistent with the treatment of consumer durables acquired by households in National Accounts.

C.4. Duty-free shopping by passengers in transit in international zones of airports

- 4.107. As explained in chapter 2, passengers in transit who do not enter the economic or legal territory of the country of reference, as occurs mostly at airports, are not considered visitors. Nevertheless, while in the international area (where they have entered the country's economic but not legal territory), they can acquire goods from duty-free shops. Such purchases should be considered tourism expenditure. Nevertheless, except in particularly large and heavily frequented duty-free zones at some airports, the value of such expenditures need not be calculated. There is in any case no way of distinguishing purchases by persons in transit from others.

D. Country cases

Country study: the case of Philippines: For the purposes of domestic tourism statistics, the Philippines conduct the Household Survey on Domestic Visitors (HSDV), which is a rider to the Labour Force Survey. The HSDV is to be conducted every three years as part of an omnibus/comprehensive survey. For the "in between years", there is an HSDV survey which is still rider to the Labour Force Survey that provides core indicators. The country's NSO is also looking into the possibility of including a tourism module in its Family Income and Expenditure Survey.

Paper: The 2005 Household Survey on Domestic Visitors by Emma A.Fabian and Milagros Y. Say

And the questionnaire

Country study: the case of France

Issue: establishing the characteristics of international visitors and tourism trips

In France, a border survey is conducted every quarter (20,000 questionnaires) by a private subcontractor. Entitled “Enquête auprès des Visiteurs de l’Etranger” (EVE), the survey permits the collection of quantitative data on trips (same-day visits included) in France by non-resident visitors, and is conducted just before they leave French territory. One major purpose is to collect data on physical flows of non-resident visitors (arrivals, tourist nights, same-day visitors, etc., broken down by country of usual residence). Another major purpose is to provide data requested by the statistical service of *Banque de France* for use in estimating the travel receipts item for the French Balance of Payments. The survey also collects data requested for French tourism market analysis (categorical data on non-resident visitors, main purposes of trip, places visited in France, activities during their stay, types of accommodation, modes of transport used, etc.). *The General Directorate for Competitiveness, Industry and Services* is interested in both monetary and non-monetary variables.

The sample is stratified in order to calculate results for 22 countries or group of countries. Manual headcounts are conducted and EVE questionnaires are used at the same locations, except in the case of questionnaires for travellers by road, which are used at car parks along motorways near the French border.

Dates of arrival and departure are indicated by the respondent, so the issue mentioned in paragraph C.2.1 is avoided.

The case of France: sources for measuring domestic tourism (exclude para 5) France_02

The case of France: collecting data on inbound tourism expenditure – France_03

Chapter 5. Classifications in tourism statistics

A. Introduction

- 5.1. Classifications play a structuring role in all statistical systems. Formalized classifications are required to delineate the various aspects to be measured. When consistent with internationally recommended standards, they make international comparisons easier and more direct. The classifications recommended for tourism statistics in *IRTS 2008* (Chapter 5) will be briefly discussed, and their scope somewhat extended.
- 5.2. The concepts, definitions and classifications in *IRTS 2008* are designed to be consistent with those used in *TSA:RMF 2008*, which in turn were harmonized with those in *SNA 2008*, the Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6) and the 2010 Manual of Statistics on International Trade in Services (*MSITS 2010*).
- 5.3. The classifications most used in tourism statistics, those referring to products and productive activities, are those applied in describing tourism consumption and supply. They will be discussed first, followed by the classifications to be applied to visitors, trips, modes of transport, purpose of trip and forms of accommodation and finally those for tourism employment.
- 5.4. To enhance the consistency of tourism analysis with mainstream macroeconomic analysis, the classifications recommended will closely follow the general UN reference classifications: (i) the classification of all kinds of goods and services according to COICOP, for the description of tourism demand; (ii) the Central Product Classification (CPC), Ver. 2, for the comparison of products produced by tourism industries and acquired by visitors; (iii) the classification of productive activities according to the International Standard Industrial Classification of all Economic Activities (ISIC), Rev. 4, for the supply of goods and services to visitors; and finally (iv) the classification of occupations according to the International Standard Classification of Occupations (ISCO-08), for employment.

B. Classifications of goods and services

B.1. Classification of products from a demand perspective

- 5.5. The visitors as they are surveyed cannot be presented with a long list of products (e.g., based on the CPC) classified by physical qualities and industrial origin. Visitors are more likely to understand a classification of expenditure according to purpose: accommodation, transport, food, etc. For instance, transportation expenditure (from a purpose perspective) might include public transportation or taxi fares as well as car rental, tolls, gasoline, small repairs, and spare parts. Each of these belongs to a different CPC category.
- 5.6. The classifications of final consumption usually used by countries in Household Income/Expenditure Surveys are derived from COICOP (the international Classification of Individual Consumption by Purpose).
- 5.7. This is why, in observing tourism expenditure through surveys of individuals (see [IRTS 2008](#), paras. 4.2. to 4.4.), *IRTS 2008* recommends broad consistency with the COICOP classification and use of the following categories ([IRTS 2008](#), para 4.26.):

- i. Package travel, package holidays and package tours
- ii. Accommodation
- iii. Food and drink
- iv. Local transport
- v. International transport
- vi. Recreation, culture and sporting activities
- vii. Shopping
- viii. Others

- 5.8. This classification sticks to a type of categorization that is familiar to most visitors. It focuses not on the specific nature of a good or service but on the need it responds to (the only exception being “package travel, package holiday and package tours”, discussed in the following paragraph). For instance, food purchased for preparation by the visitor and food served in a restaurant are classified in the same category, since both respond to the need for food. Similarly, the purchase of gasoline for a vehicle, the rental of a car or the payment of taxi fare, as previously mentioned, are classified in the same category as local transport, even though one is a good and the other a service.
- 5.9. The first category listed, “Package travel, package holidays and package tours” does not correspond to a function as such; it represents a mix of services acquired at the same time for a single payment. To permit comparisons and analysis of the level and structure of visitor expenditure, whether they travel on packages or not, it is recommended that this category be further broken down into its components (e.g., transport, accommodation, food, etc.) (see paras. 4.29 to 4.35 and 4.52).
- 5.10. A special issue arises when visitors on international trips (as opposed to domestic visitors) are surveyed. As already mentioned (see para. 4.44) various differences still exist between the classification recommended in the observation of tourism expenditure (used in the UNWTO proposed expenditure module; see chapter 4, section B.3.1, “Border survey”) and the breakdown suggested as a memorandum item for Balance of Payments (BPM6) ([IRTS 2008](#) paras. 8.22. to 8.25.).

Goods

Local transport services

Accommodation services

Food-serving services

Other services

of which: Health services

Education services

The following paragraphs provide some insights for measurement of the “travel” and “passenger transportation” Balance of Payments items.

- 5.11. As explicitly mentioned in *IRTS 2008* “international organizations have recognized the importance for countries to work internationally in a coordinated manner in order to foster joint observation procedures that would provide information for the compilation of both balance of payments and tourism statistics. This collaboration should be the basis for a better understanding of the similarities and the differences of the two focuses”.
- 5.12. The “travel” item does not include the purchase of international transportation services, which is included under “international passenger transport”.

- 5.13. The Balance of Payments classification requires the breakdown of package tours, which entails an additional procedure similar to the one proposed above (para. 5.7).
- 5.14. The Balance of Payments classification stresses the difference between goods and services, a difference that is not viewed as essential in the proposed tourism classification. “Transport”, for instance, would include the purchase of gas, considered a good under the Balance of Payments classification. Within the tourism statistics classification, “Others” might also include certain goods, though most goods should be included in “Shopping”, which could be considered a preliminary estimate of inbound/outbound tourism expenditure on goods for the purpose of Balance of Payments compilation. Nevertheless, in a first approximation, it might be sufficient to simply classify all expenditure other than “shopping” as services, that is, to treat “shopping” as including all purchases of goods.
- 5.15. Regarding the breakdown of health and education services, countries willing to use the information collected both for tourism analysis and Balance of Payments compilation will need to ask this question directly in the questionnaire. Additional information will also need to be collected from providers of education and health services and from the institutions financing the acquisition of such services, such as universities, social insurance systems, etc., in order to cross-check this information, since in many cases there will be too few observations (in the survey of visitors) to avoid large sampling errors.
- 5.16. It should be recalled finally that the Balance of Payment “travel” item is closer in concept to “tourism consumption” than to “tourism expenditure” as it also includes imputed values that are excluded from tourism expenditure ([IRTS 2008](#) paras. 8.10. to 8.25.).
- 5.17. It is only at a later stage, when coherence and consistency between sources on demand and on supply is sought (see Annex 7), that all these groupings must be further disaggregated and their components linked to CPC categories.

B.2 Preparing for the reconciliation between tourism demand and supply: adapting CPC and ISIC to tourism analysis

- 5.18. As long as the description of tourism is confined to demand, it is sufficient to use the COICOP classification for expenditure, possibly modified in response to Balance of Payments needs.
- 5.19. But when trying to set up a STS and to reconcile the tourism supply and demand perspectives, information must be obtained on both in a unique classification, permitting information from different sources to be compared and consistency checked.
- 5.20. This unique classification should be aligned with the Central Product Classification (CPC), an international classification of goods and services based primarily on the physical nature and main use of products. CPC is used in all macroeconomic frameworks covering the production, supply and use of products in an economy, and is also referred to by all countries in setting up their national accounts.
- 5.21. *IRTS 2008* proposes the use of tourism statistics classifications that are directly derived from CPC Ver. 2 for products and from ISIC Rev. 4 for activities, allowing for international comparisons among countries.

- 5.22. These tourism statistics classifications provide groupings of products and activities, based respectively on CPC Ver. 2, and ISIC Rev. 4, so as best to reflect the importance of certain specific products and activities for the analysis of tourism expenditure and of the major providers of goods and services to visitors. These are called tourism characteristic products and tourism characteristic activities, respectively.
- 5.23. While tourism expenditure could include any consumption goods and services and valuables, as noted in para. 4.5 above and explained in *IRTS 2008* (paras. 5.9 and 5.10), the detailed international comparability of tourism expenditure and supply will be limited to *tourism characteristic products* and related activities. Tourism characteristic products are those that satisfy one or both of the following criteria:
- (a). Tourism expenditure on the product should represent a significant share of total tourism expenditure (share-of-expenditure/demand condition).
 - (b). Tourism expenditure on the product should represent a significant share of the supply of the product in the economy (share-of-supply condition). This criterion implies that a tourism characteristic product would cease to be supplied in meaningful quantities in the absence of visitors.
- 5.24. Annex 2 of *IRTS 2008* (attached also to this *Compilation Guide*) is entitled “List of consumption products grouped by purpose, according to their categorization as internationally comparable tourism characteristic products”. It covers products potentially belonging to these categories according to the classification of demand by purpose (enumerated in para. 5.7). The aim of this list is twofold:
- (a) To identify those products that should be considered for international comparability purposes;
 - (b) To pinpoint others grouped under the same COICOP functions that some countries might consider relevant for analysis. It should be mentioned that the list of products included in this last category could have been expanded; the intention in including only some of them was to encourage countries to consider developing their own lists of *country specific tourism characteristics products* and *tourism connected products*.
- 5.25. In tourism statistics, the heading “accommodation services” includes, beyond those considered traditionally as such, items associated with the provision of shelter that also pertain to production but related to residential property rental or leasing services and transactions involving time-share property (CPC Division 72). These items include the following:
- | | |
|-------|---|
| 72111 | Rental or leasing services involving own or leased residential property |
| 72123 | Trade services of time-share properties |
| 72211 | Residential property management services on a fee or contract basis except of time-share ownership properties |
| 72221 | Residential building sales on a fee or contract basis, except of time-share ownership properties |
| 72223 | Sale of time-share properties on a fee or contract basis |
| 85521 | Reservation services for accommodation |
| 85552 | Time-share exchange services |

- 5.26. Although a TSA issue, it should be mentioned that tourism statistics also include the production of accommodation services on own account principally associated with the ownership of vacation homes, which are not considered within the scope of CPC Ver. 2.
- 5.27. As mentioned in [IRTS 2008](#) (paras. 5.37. to 5.43.), it is not possible at present to establish a standard list of tourism-related goods acquired for and during trips that would be meaningful worldwide; consequently, each country will have to determine which consumption goods and valuables qualify as tourism characteristic products to be recorded as country-specific characteristic tourism goods.
- 5.28. Two categories of goods that might be relevant in some countries are not identified as such in CPC Ver. 2 (and that countries would need to point out if included as tourism characteristic products):
- *Valuables*, defined as produced goods of considerable unit value that are not used primarily for purposes of production or consumption but are held as stores of value over time; they consist of precious metals and stones, jewellery, works of art, etc. Countries where tourism expenditure on such goods is relevant should consider including them in their list of country-specific tourism characteristic (or connected) products.
 - *Handicrafts*, defined as goods produced following traditional techniques that are often vehicles of local culture and are identified essentially by how they are produced, their design and their link to the traditional cultures of local communities. As such, they are usually not directly identifiable in the international CPC classification of products, in which the mode of production is not a classification criterion. As a consequence, unless their supply within a specific category of goods is significant enough to justify the creation of a special category within the national classification of goods derived for CPC, or unless a CPC category can be further segmented into handicrafts and others, countries might not be able to incorporate specific handicrafts (or all handicrafts) into the system as country-specific tourism characteristic products. For the purpose of the STS, it might nonetheless be relevant to mention this category.
- 5.29. Regarding the *IRTS 2008* list of tourism characteristic consumption products ([IRTS 2008](#), Figure 5.1.) it should be noted that the 12 above-mentioned categories of such products are also those used in the TSA tables. Obviously, it is up to individual countries to develop categories 11 and 12. Countries having identified products in those categories should enumerate the corresponding CPC Ver. 2, categories, for possible comparisons with other countries.

C. List of tourism characteristics activities

- 5.30. Tourism characteristic activities (also referred to as “tourism industries”) are productive activities that provide goods and services identified as tourism characteristic products as their typical output. A list of such activities, grouped according to the main categories and products concerned, is provided in Annex 4 ([IRTS 2008](#), Figure 5.1.).
- 5.31. Annex 3, “List of tourism characteristic activities (tourism industries) and grouping by main categories according to ISIC Rev. 4 and explanatory notes”, includes the productive activities of tourism industries and the corresponding ISIC Rev. 4, explanatory note for each. In that connection, the following issues should be kept in mind:

- The present list does not use the term “collective accommodation”, which is more familiar in tourism statistics.
 - As mentioned earlier in the case of products (see para. 5.25.), the category “Accommodation for visitors” encompasses not only accommodation activities but also certain real estate activities (those related to the rental of homes, second homes and timeshare properties).
 - Passenger transportation needs to be identified separately within transportation activities (see box 5.1), to avoid an overrepresentation of transportation activities within tourism industries in terms of GDP and employment.
- 5.32. Special mention should be made of the categories “accommodation for visitors” as an activity, and “accommodation services for visitors” as a product. Since accommodation for visitors is consumed almost exclusively by visitors, it is of particular interest for tourism statistics. Countries are encouraged to review their national supply of those services and the organization of production and define detailed classifications of products and activities that would be relevant for tourism analysis in their national context.
- 5.33. From the point of view of services provided, this classification should be based on a list not of labels (hostels, bed and breakfasts, guest houses, etc.), which represent very different realities from country to country, but of clearly identified characteristics associated with the services: size (in particular, the minimum number of accommodation units to be managed together as an economic unit), types of accommodation units managed (with definitions to distinguish between rooms, suites and apartments), specific conditions of the rooms and general structure of the building, types of services available (daily housekeeping, food serving, swimming pool, access to golf course, etc.) and types of freely available amenities. These characteristics should be easily identifiable by visitors so that, when surveyed, they can indicate the type of accommodation they have used (that is, the type of “accommodation for visitors” product they have consumed).
- 5.34. Countries whose tourism authorities manage official licensing procedures are recommended to establish related classifications in close alignment with the above categories, allowing for the fact that licensing procedures often concern producers (establishments) rather than products. Households that occasionally rent rooms to visitors, for instance, might or might not be licensed but should still be classified in tourism statistics in terms of activities as well as products.
- 5.35. Additionally, in order to understand the structure of visitor expenditures, it might be useful to differentiate as sub-products the various “packages” offered by market accommodation providers (with a single payment covering accommodation as well as a combination of related services: breakfast, half board, full board, or “all-inclusive”). Depending on the package selected, a visitor might require different additional services from other providers (a marketing issue) and spend under other headings of expenditure (a structure of expenditure issue).

D. Adapting international classifications of products and activities

- 5.36. International classifications have two principal objectives: to allow for international comparability and to provide a model for the development of national classifications. Each country’s classification, however, should reflect its own needs and realities without compromising the comparability of its tourism information, vis-à-vis past years and other countries.

- 5.37. The level of disaggregation of the international classifications for tourism set forth in this chapter corresponds to classes (4 digits) in ISIC Rev. 4, and subclasses (5 digits) in CPC Ver. 2, that actually foster international comparability. Each country, however, should adapt these classifications to reflect its national tourism reality, in terms of both tourism characteristic products and tourism productive activities.
- 5.38. Countries should begin by working on the national classification of tourism products. As already mentioned, they should in an initial phase identify at the greatest possible level of disaggregation the products of particular interest for the analysis of national tourism. In a second phase, the characteristic products specific to the country, included in categories 11 and 12 ([IRTS 2008](#), table 5.1.), should then be identified.
- 5.39. Also, as mentioned in para. 5.35., it might be useful, in identifying products under “accommodation for visitors”, to differentiate as sub-products the various “packages” offered by accommodation providers.
- 5.40. The codification of such products of particular interest to a country should not alter the international subclass code to be disaggregated; it should expand it with additional digits (a 6th or even 7th digit). This prevents the same code from designating different contents at the national and international levels.
- 5.41. Each country should provide an explanatory note about the scope (definition and description) of the products of national interest included in the national classification.
- 5.42. The process of identifying a national economy’s tourism characteristic products will simultaneously serve to identify its tourism characteristic *activities*, which are defined on the basis of their typical outputs or products ([IRTS 2008](#) para. 5.11.).
- 5.43. However, each of a given accommodation establishment’s services (rooms with daily housekeeping services, bungalows without such services, timeshare management, etc.) will need to be separately identified.
- 5.44. The following is an example of how the 3-digit ISIC Rev. 4 group “short term accommodation activities” might be further disaggregated into nationally defined classes (4-digits) of specific interest:

ISIC Rev.4		National classification	
5510	Short term accommodation activities	5511	Hotels and similar
		5512	Resorts hotel
		5513	Apartments, bungalows
		5514	Bed and breakfast
		5515	Pensions and guesthouses
		5516	Youth hostels
		5517	Mountain shelters
		5519	Other

- 5.45. Finally, country-specific tourism-connected consumption products should then be identified, distinguishing between goods and services.
- 5.46. Each country should develop tables to show how its national classification of tourism characteristic or connected products correlates with:

- a) COICOP and the classification of tourism consumption by purpose.
 - b) CPC Ver. 2. and the national classification of products used in structural statistics.
 - c) The classification of products within the country's system of National Accounts.
 - d) Classifications to be used in the tables included in *TSA:RMF 2008*.
- 5.47. It should prepare similar tables showing how its national classification of tourism characteristic *activities* correlates with:
- a) ISIC Rev. 4 and the national classification of economic activities used in structural statistics.
 - b) The classification of industries within the country's system of National Accounts.
 - c) Classifications to be used in the tables included in *TSA:RMF 2008*.
- 5.48. All other products circulating in the economy, including those potentially consumed by visitors ("consumption products"), or not ("non-consumption products"), will be grouped (in one or more categories if of interest) and presented globally in the tables, to meet the values of macroeconomic aggregates presented elsewhere in the National Statistical System (National Accounts for instance).

E. Classification of occupations

- 5.49. Following the endorsement in 2008 of the International Standard Classification of Occupations (ISCO-08) by the Governing Body of the International Labour Organization (ILO), the development of a set of ISCO-08 "thematic groupings" or "views" for certain groups of occupations has been proposed. Thematic views are a standard alternative way of aggregating occupational data classified at the 4-digit level of ISCO, such as the kinds of goods or services produced or the field of knowledge concerned. When needed, and in order to satisfy key analytical and policy requirements, they should aggregate occupational data independently of skill level, the overriding criterion used to organize occupations into groups in ISCO.
- 5.50. Tourism has been proposed as one of those thematic groupings. Others include agriculture, construction, education, health and information and communications technology.
- 5.51. For areas such as health or information and communication technologies it may be relatively easy to define and specify occupations that produce related goods or services and/or that require specific skills and knowledge. For occupations related to tourism this is likely to be much more difficult. Skills and knowledge required to produce such products may vary greatly from one tourism characteristic product to another.
- 5.52. In order to define the concept of "tourism occupations" it is therefore especially important to clearly identify the purpose of doing so. Key purposes might include the following:
- a) to measure the total number of persons employed in tourism industries, name the occupations, and measure the numbers and characteristics of those employed in these occupations;
 - b) to measure the total number of persons employed in occupations that produce tourism characteristic products, regardless of whether or not the employing establishment belongs to a tourism characteristic activity; or

- c) to identify and measure skill shortages and training requirements that need to be addressed to facilitate the development of tourism.
- 5.53. A matter remaining for discussion is whether all or only a subset of the identified occupations are of interest.
- 5.54. From the perspective of the availability of internationally comparable statistics about tourism-related occupations that could become available in the medium term, ILO and UNWTO understand that creating a predefined grouping of occupations for tourism is not straightforward. Occupations could be selected in the short term based on an analysis of ISCO definitions. This approach would be partially intuitive, however, unless occupational data to support the selection process are available.
- 5.55. To move the proposal forward the following process is suggested:
1. Develop one or more working definitions of tourism-related occupations based on the existing definitions of tourism characteristic products;
 2. Review ISCO-08 group definitions to identify the groups that fit within the proposed definition(s);
 3. Collect employment data associated with tourism industries as well as occupational data classified according to ISCO-08. These data will only be available after implementation through national censuses starting in 2010;
 4. Analyse these data to support validation of the results of step 2 and ensure that all relevant occupations in the tourism industries – as well as occupations in all other industries producing goods and services purchased by visitors – are identified.

F. Classifications to be applied to visitors and trips

- 5.56. These classifications refer to countries (of residence, destination, etc.), to the various forms of tourism and to the demographic and socioeconomic characteristics of visitors, such as age (usually expressed in terms of age groups), gender, occupation, level of income, education, etc. (*IRTS 2008*, paras. 3.6. to 3.8.).
- *Country of residence and of nationality* should be determined for inbound and outbound tourism, using the UN Standard Country or Area Codes for Statistical Use (<http://unstats.un.org/unsd/methods/m49/m49.htm> and <http://unstats.un.org/unsd/methods/m49/m49alpha.htm>). It should be emphasized once more that, in the case of international tourism, visitors should be classified according to their country of residence, not their country of nationality, which in a globalized world, will tend to be increasingly different. Countries are nonetheless encouraged to develop significant groupings to meaningfully observe visitors arranged according to each of these criteria, using a sample survey of reasonable size.
 - *Forms of tourism* should be determined according to *IRTS 2008*, paras. 2.39. and 2.40.
 - *Visitors and other travellers* should be separately categorized for inbound and outbound tourism (*IRTS 2008*, Fig. 2.2.).

- *Characteristics of the visitor*: ILO and UNESCO international standards should be used, as adjusted by countries ([IRTS 2008](#), paras. 3.6. to 3.8.).
- 5.57. Other classifications are specific to tourism analysis ([IRTS 2008](#), paras. 3.9 to 3.38) and have to do with duration of trip, size and composition of travel party, purpose of trip, modes of transport used and types of accommodation.
- *Main purpose of trip*: six main categories have been identified ([IRTS 2008](#), Fig. 3.1.).
 - *Modes of transport*: a UNWTO standard classification is proposed ([IRTS 2008](#), Figure 3.2.).
 - *Types of accommodation*: no classifications are proposed at present, but countries should consider the development of two different types: one for the providers of accommodation services, based on ISIC Rev. 4; and another for their output (accommodation services), based on CPC Ver. 2 (see *supra* para.5.33.).
 - *Visitors* are classified either as tourists (i.e., overnight visitors) or excursionists (i.e., same-day visitors) ([IRTS 2008](#), para. 2.13).
- 5.58. Regarding *duration of trip*, the international recommendation requires only that same-day visitors (excursionists) be separated from overnight visitors (tourists). Given the trend towards shorter stays, however, it might also be useful to group classes of duration in terms of the number of days (or nights) stayed. Visitors staying fewer than four nights, for instance, could constitute a special grouping (as they do in Europe, for example).
- 5.59. Regarding *purpose of trip*, countries are again reminded that travellers taking trips for the purpose of being employed, or to enter an employer-employee relationship with a business in the place visited, should not be considered visitors (see paras. 2.35. to 2.38.). For international tourism, it might not be sufficient to rely solely on immigration data for the purpose of excluding such travellers; specific questions on this point should perhaps be included in a survey of such travellers. And again, when creating new categories, care should be taken to observe these new categories properly, with a sufficient number of cases if sampling is conducted.
- 5.60. Regarding *modes of transport* used during the trip, UNWTO developed a standard classification that has been traditionally used in tourism statistics ([IRTS 2008](#), Fig. 3.2.).
- 5.61. There are different types of *market accommodation* in every country, and a complete list of existing types should be established. Market accommodation provided by organized businesses (traditionally referred to as “collective accommodation”), is not the only option, for domestic or international visitors.
- 5.62. Classifications of market accommodation providers should properly identify the main categories, without mixing market and non-market providers. This is important: whether visitors use market or other forms of accommodation makes a significant difference in terms of expenditure and the demands placed on tourism infrastructure.
- 5.63. There are also variations within categories. Visitors might stay at non-market accommodations involving or not a production process (see chapter 6), use market accommodation provided by small, unorganized businesses (possibly beyond the reach or scope of licensing procedures),

stay at organized businesses, or even use no form of accommodation at all (e.g. staying in their car or boat, sleeping on a bench, or pitching their tent in the wild, outside designated camping areas).

- 5.64. Again, since a visitor might use more than one type of accommodation during a trip, it should be emphasized that data obtained from surveys conducted at accommodation establishments refer only to overnights in that specific type of accommodation, while information gathered through household or visitor surveys allow all possible types of accommodation to be identified and the number of overnights in each to be specified.

Chapter 6. Measuring the supply of tourism industries

A. Introduction

- 6.1. Tourism has been defined as an economic activity that is determined principally by demand ([IRTS 2008](#), para. 1.12.). In describing and measuring tourism, however, supply (economic activity in response to demand) must also be considered, since without it, the economic effect of tourism could not be stated or described.
- 6.2. Additionally, to properly integrate the analysis of tourism into that of the total economy, it must be ensured that what is measured on the supply side is consistent with what is measured on the demand side, even though the overall coherence and consistency of the data is only specifically pursued when setting up a TSA (see Annex 7).
- 6.3. Tourism statistics have traditionally focused on the demand side and on physical data and indicators. This was the focus of the 1993 Recommendations. *IRTS 2008* and UNWTO bring a new focus to the supply perspective:
- Tourism supply is approached as the *direct* provision to visitors of the goods and services that correspond to tourism expenditure.
 - The processes, production costs and economic performance of suppliers belonging to the tourism industries are described.
 - The establishment is identified as the observation unit ([IRTS 2008](#), paras. 6.7. to 6.13.).
 - The relevance of administrative and business records for the development of national Systems of Tourism Statistics, particularly in developed countries, is underscored. For more detail on available sources, see section C.2.

Box 6.1.

The majority of enterprises engage in only one sort of production. The majority of production, though, is carried out by a relatively small number of large corporations, that undertake many different kinds of production, there being virtually no upper limit to the extent of diversity of production in a large enterprise. If enterprises are grouped together on the basis of their principal activities, at least some of the resulting groupings are likely to be very heterogeneous with respect to the type of production processes carried out and also the goods and services produced. Thus, for analyses of production in which the technology of production plays an important role, it is necessary to work with groups of producers that are engaged in essentially the same kind of production. This requirement means that some institutional units must be partitioned into smaller and more homogeneous units, which the SNA defines as “establishments”. **An establishment is an enterprise, or part of an enterprise that is situated in a single location and in which only a single productive activity is carried out or in which the principal productive activity accounts for most of the value added.** Further, the SNA defines industries in terms of establishments. **An industry consists of a group of establishments engaged in the same, or similar, kinds of activity.** In the SNA, production accounts and generation of income accounts are compiled for industries as well as sectors.

[System of National Account, 2008](#), para. 5.2.

- 6.4. Tourism statisticians should be aware of an issue that bears on the credibility of the tourism industries’ basic data and indicators (see “Tables of results”, paras. 6.61 to 6.63) and that NTAs, NSOs and other government agencies that publish tourism data should warn users about: only part of the output of each tourism industry is attributable to visitors’ expenditure. This issue is explicitly identified and treated in the TSA by the use of “tourism shares” within their total output ([TSA:RMF 2008](#), paras. 4.50. and 4.55.).

- 6.5. It should also be recalled that visitors acquire goods and services that are not tourism-specific (newspapers, clothes, medical care, cleaning, hairdressing, etc.), so that studying tourism characteristic activities does not cover all possible acquisitions by visitors.
- 6.6. This chapter will deal with issues involved in the supply of products that *are* of importance to visitors, i.e. the tourism industries. Among them, this first version of the *Compilation Guide* will focus especially on accommodation activities.
- 6.7. Some guidance will also be provided regarding special production activities of importance to tourism, such as the meetings industry, and the production and sale of handicrafts. For other tourism characteristic activities, readers should consult the relevant UN system publications, (such as the Eurostat-OECD Manual on Business Demography Statistics. In the future, following an exchange of national experiences, the coverage of this *Guide* will expand to other tourism industries.

B. Accommodation service providers

- 6.8. Accommodation services usually represent a substantial part of total visitor expenditure and accommodation services providers are often considered the most typical tourism characteristic activities. In many countries, the only available statistical information on tourism industries production pertain to visitor accommodation providers, an activity where the link between supply and demand is particularly obvious and strong: visitors consume a very substantial part (in some cases close to 95%) of their supply.

B.1. Categories

- 6.9. There are two broad categories of visitor accommodation providers:
- market providers, which receive payment for their services (subcategories B.1.1 and B.1.2); and
 - non-market providers, which accommodate visitors free of charge (subcategories B.1.3 and B.1.4).

Subcategories B.1.1 and B.1.2 are defined in ISIC terms; the other two are not. Additionally, B.1.4 (“owner-occupied vacation homes and timeshares”) is a TSA concept: its definition requires an understanding of National Accounts and the conceptual background behind them – and in particular why and how the services provided by fully-owned or under other types of arrangements such as timeshares, should be measured.

- 6.10. Most overnight visitors use paid or free accommodation services, but may spend some nights travelling (on a train, airplane or boat, in a car, or elsewhere). Cruise ships are a particular case. Often viewed as “floating hotels” they combine accommodation and transportation services as a single product, whose components cannot be identified or measured separately.

B.1.1. Providers of market accommodation services classified under “Accommodation” (ISIC Division 55)

- 6.11. As explained in chapter 5 (paras. 5.32 to 5.35), countries will need to define a classification of accommodation providers, compatible with their licensing systems (if they have them), and of other informal or occasional market service providers.

- 6.12 In the absence of an effective licensing or organizational scheme system, or in the case of operators functioning outside such schemes, it is very challenging to identify and measure the supply of such operators, except possibly through household surveys or population and housing censuses.

B.1.2 Providers of market accommodation services classified under “real estate activities” (ISIC Division 68)

- 6.13. The classification of accommodation services providers usually focuses on activities under ISIC Division 55. Nevertheless, in some countries, real estate activities, either with leased property or on a fee or contract basis for short term or vacation accommodation (see Annex 3 Explanatory notes for ISIC 6810 and 6820), are relevant and should be separately identified and measured. (renting for longer periods of time; renting through a renting intermediary, etc.).

B.1.3 Providers of non-market accommodation services free of charge: visitors staying with friends and relatives and barter transactions

- 6.14. National Accounts exclude from the boundary of production the production of services by households on own account with the exception of housing services provided by dwellings owned by households for their own use: such dwellings are deemed to provide a service that is implicitly acquired by the households that own them. A rent is imputed in such cases whose value depends on the dwelling’s physical conditions, amenities, location, etc., but not on the conditions under which it is occupied. As a consequence, receiving a guest in one’s home free of charge does not generate additional economic production. The production associated with a dwelling depends solely on its physical conditions and surroundings. Consequently, in the case of a visitor staying free of charge with a resident household in the latter’s main dwelling or second home, no increase in demand and no effect on the supply of accommodation services should be recorded. If a payment is made for the service, then a corresponding decrease in services on own account should be made.
- 6.15. The same is true of barter transactions: there is no increase in the accommodation services provided within the economy, and, for the sake of consistency with GDP measurement in National Accounts, no value should be imputed.

B.1.4 Providers of non-market accommodation services for own final use: owner-occupied vacation homes and timeshares

- 6.16. The reasoning in para. 6.14 with respect to main dwelling applies also to vacation homes, whether fully owned or subject to other types of arrangements, such as timeshares. Their ownership is in itself sufficient to be considered the production of a service, whether visited or not. This production is not currently valued in tourism statistics but should be within the context of a TSA.

B.2. Measuring the provision of accommodation services

- 6.17. Because accommodation services are provided under various modes, their measurement needs to be adapted accordingly, as described below for each of the modes previously enumerated.

B.2.1. Providers of market accommodation services classified under “Accommodation” (ISIC Division 55)

- 6.18. In this case, the measurements should be disaggregated according to the categories defined, which are country-specific. It should be noted that the term “collective accommodation” is no longer used in the UN Standard Classifications (such as ISIC and CPC).
- 6.19. For this mode, two main categories of accommodation provider should be defined: (i) providers operating within the formal, organized economy; and (ii) smaller-scale and occasional providers.

B.2.1.1. Formal establishments

B.2.1.1.1. Modes of observation

- 6.20. As for all productive activities, the observation of establishments classified under “accommodation” has to be based on business registers, from which samples of units are selected for surveying. The samples selected for annual, quarterly and monthly observation may differ but should be mutually consistent.
- 6.21. Countries might have overall business registers and specific tourism registers, so their mutual consistency should be checked. The information provided by business registers on the demography and dynamics of establishments can be of interest as such, especially if data on number of rooms and bed-places are included.
- 6.22. The coverage of such business registers should be checked, particularly in countries where licensing involves control by the State (or regional authority) and payment of a specific duty. The updating process should also be verified, to be sure that sector dynamics are duly reflected.
- 6.23. In designing the statistical samples, it should be recalled that tourism activity is often spread throughout a country’s territory, that regional dynamics may differ and that authorities may be interested in analyzing tourism flows by geographic area. This is particularly important for less advanced countries, with limited statistical capacity. Such countries tend to concentrate their samples where most general economic (often industrial) activity is located, whereas tourism may be concentrated elsewhere, around specific attractions such as sun and beach, historical sites, landscapes, etc., away from such centres of traditional economic activity.

B.2.1.1.2. Indicators

- 6.24. Besides the usual economic variables enumerated in para. 6.68 (output, value added, employment, consumption, investment), which are common to most economic activities, various other indicators have been developed over the years and are frequently used to assess the performance of accommodation establishments and of tourism policy:

- Room occupancy rates (gross or net)
- Bed occupancy rates (gross or net)
- Average number of persons per room
- Average room rate
- Average revenue per room night
- Average revenue per guest night
- Average revenue per available room (REVPAR)
- Employees per room
- Average wage per employee
- Revenue per employee

6.25. These indicators require an understanding of two specific statistical units used in accommodation statistics:

Rooms

The room is the unit formed by one room or group of rooms constituting an indivisible rental unit in an accommodation establishment. Rooms may be single, double or multiple, depending on whether they are equipped **permanently** to sleep one, two or several people (a suite whose rooms cannot be rented separately is thus considered just one “room”).

The number of rooms on offer is determined by the number of rooms available for guests during the reference period, including rooms occupied by long-term guests but excluding those occupied by staff employed in the establishment. This number may be greater or less than the number of existing rooms – usually less, because rooms temporarily unavailable, during low season or because of maintenance, are not counted. On rare occasions, if temporary arrangements are made to accommodate guests in some form of annex, whose rooms are not otherwise available or included in the register, the number of rooms currently on offer may exceed the normal number of existing rooms (in the Kingdom of Saudi Arabia, for instance, arrangements might be made with apartment owners if hotels are overbooked during the Hadj pilgrimage).

Bed-places

The number of bed-places in an establishment is determined by the number of persons who can stay overnight in the beds set up in the establishment, regardless of any extra beds that may be set up at a customer’s request. The term bed-place applies to a single bed, double beds being usually counted as two bed-places if they are used to accommodate two persons. Bed-places are the units used to measure the capacity of most types of accommodation but are not valid for campgrounds, for instance, where the unit will be the pitch.

6.26. Based on these units – measured monthly, as assumed here, or alternatively on a quarterly, annual or other periodical basis if the country prefers – the indicators listed above are defined as follows:

Room occupancy rate: This is an indication of how many rooms have been sold during the month as a percentage of the number of rooms available (or of the total number of existing rooms) during that same month. If all of an establishment’s rooms have been sold for every night of the month, the room occupancy rate is 100%. If only half, the rate is 50%. A “gross” room occupancy rate takes into account all existing rooms declared, whereas a “net” rate takes only into account the rooms on offer. While the net rate is very useful to evaluate the performance of a given accommodation provider, the gross rate is more useful for macroeconomic study, since accommodation units are usually characterized by the number of existing rooms, as an indicator of size, regardless of the actual number made available on the market.

Bed occupancy rate: This refers to the number of bed-places sold during the month as a percentage either of the number of bed-places available or of the total number of existing bed-places during the month. In other words, it is the ratio of the actual bed nights sold to the total supply of bed nights (either existing beds or beds on offer). This indicator is similar to the room occupancy rate but provides a better indication of the overall level of an establishment's occupancy. A bed occupancy rate that is considerably lower than the room occupancy rate usually indicates that many of the rooms offering two or more bed-places are being sold to single occupants. As in the case of the room occupancy rate, the bed occupancy rate can be calculated in gross or net terms, each for different uses, based on the bed-places actually sold relative to the bed-places existing (gross) or on offer (net).

Average number of persons per room: For this indicator, a figure of one means that all of an establishment's rooms are occupied by an average of one person each. A figure of two means that all rooms are occupied by an average of two people each. Business hotels, which tend to cater more to solo travellers, usually report a lower figure than holiday hotels, where more families tend to stay.

Average room rate: This is the average price a traveller pays for a room during the period of reference. It is calculated by dividing the total revenue from room sales for the period by the total number of rooms occupied during the period. It should be net of all taxes separately invoiced.

Average revenue per room night: This indicator takes into account all of an establishment's income. Some income is clearly related to rooms: guest expenditures on food, beverages, laundry, telephones, for instance. Other income, however, is not room-related: restaurant expenditures by other customers (not occupying rooms) conference centre activities or the leasing of space to shops on the premises are examples. This indicator is calculated by dividing the total revenue from all sales for the period by the total number of rooms occupied during the period. It is usually expressed in the currency of the country in which the accommodation establishment is located. It might also be useful for certain purposes to exclude non-room-related revenue from the calculation.

Average revenue per guest night: The calculation for this indicator is similar to the one preceding: total revenue from all sales for the period is divided by the total number of beds occupied during the period. It can be of interest to exclude non-room-related revenue from this calculation as well.

Average revenue per available room (REVPAR): This indicator is calculated by dividing either total revenue (or room-related revenue only) by the total number of room nights available during the period. This is an indicator of interest to hotel owners, operators, developers and investors.

Employees per room: This is a good indicator of human resource utilization in the sector, and is most useful when calculated from aggregated accommodation data, usually grouped by grade or size of establishment. It is calculated by dividing an establishment's total number of employees during the period by the number of its rooms. If the number of employees varies during the period, the average data should be calculated in terms of full-time equivalent figures. (This also applies to the "average wage per employee" and "revenue per employee" indicators).

Average wage per employee: This is a good indicator of direct employment costs within an accommodation establishment, and when calculated based on aggregate data, can also be useful for a defined group of accommodation establishments. It is calculated by dividing the amount paid for wages and salaries during the period by the number of employees. It should be noted that average *labour income* per employee might be higher because tips can represent a significant share of employee income (assuming they have not been included previously within the value of production, value added and remuneration of employees).

Revenue per employee: This is a useful indicator for comparison with “average wage per employee”, providing insight into earnings in the sector for use in the human resource deployment context. It is calculated by dividing an accommodation establishment’s total revenue for the period by the number of employees working there during the same period.

- 6.27. Usually, such indicators will be compiled from a sample of establishments, stratified according to the different categories of establishment (which might include a geographical dimension), and the results will be grossed up to the total universe by categories of establishment. Care should be taken, when grossing up, as to the biases that might be generated in the imputation of non-responses, especially if the number of units in the sample is small and the rate of response is low.

B.2.1.1.3. Frequency

- 6.28. As noted, countries might be interested in monitoring the activity of accommodation establishments less frequently than the monthly reference period assumed above: annually or quarterly, for instance.
- 6.29. For an annual survey, the scope of the information collected by the questionnaire should be broad, including both monetary and non-monetary data, in order to properly measure the activity’s economic performance and share of the country’s overall production activity.
- 6.30. If the survey is conducted on a quarterly or monthly basis, the questionnaire should be much more focussed and limited to a few variables, such as those mentioned above, which might also be useful to the establishments themselves, for their own management. This might even be a good way to encourage the participation of establishments, helping them develop these indicators and providing them with feedback on the performance of other establishments in their categories or regions (obviously within the constraints of confidentiality).
- 6.31. In the case of monthly observation, UNWTO has developed an “Accommodation Kit” that countries can obtain directly from UNWTO, free of charge. Countries might wish to promote its use among providers, both as a management tool when used at the level of each establishment, and as a statistical instrument to obtain an aggregated view of the performance of an entire category of providers.
- 6.32. The use of such indicators on a monthly, quarterly or even annual basis will provide useful information on the performance of the “accommodation for visitors” industry. Additionally, use of the gross bed occupancy rate, applied to the total number of existing beds, provides a measure of the number of overnights by visitors in those accommodation establishments, which might then be compared to the corresponding demand-side statistics. The number of guests and overnights can also be broken down by country of residence and other characteristics of guests.

B.2.1.2. Informal or small-scale providers

- 6.33. As previously mentioned, there are various ways to measure the activity of market accommodation providers that fall under the capacity threshold for inclusion in the stated coverage as accommodation activity; either there is a licensing procedure whose scope extends to informal or occasional providers, or there is an organization representing all or a relevant percentage of providers or there is no such organization.
- 6.34. Where such organizations do exist, it should be possible to obtain their cooperation, at least on an annual basis (or on the basis of specific seasons previously defined), in reporting on the number of such units and setting up simple surveys to gather general figures on occupancy and income. It might be more challenging to ascertain the number of persons staying with such providers, which in some cases may not be of interest to the providers themselves, particularly in the case of apartments or villas. Some of these above-mentioned organizations might be in a position to provide aggregated information they have collected from their members in this regard.
- 6.35. If an effective licensing scheme or organizational system does not exist, or in the case of operators functioning outside such schemes, it is very difficult to identify their existence and measure their supply, the only solution being possibly through household surveys or population and housing censuses. If a survey is used, its coverage needs to be sufficient to obtain statistically significant measurements; a solution might be to develop a special module for regions where such accommodation units are known to be present in significant numbers.

B.2.2. Providers of market accommodation services classified under “real estate activities”

- 6.36. In the case of providers of market accommodation services classified under “real estate activities” (part of ISIC Division 68), different types of products and providers are concerned. Some have to do with visitors renting homes near tourism sites on a long-term basis, but using them on a short-term basis only.
- 6.37. Additionally, owners of homes in places of interest to visitors (seaside, mountain, fashionable places, etc.) can use intermediaries to rent out their property. Some do so on their own behalf (peer-to-peer transactions), a possibility facilitated by the Internet.

B.2.3. Providers of non-market accommodation services free of charge: visitors staying with friends and relatives and barter transactions

- 6.38. As explained previously (see paras. 6.14 and 6.15), such transactions are not subject to economic measurement, since they do not add any production of services to the economy. For the sake of coherence and consistency between demand and supply statistics (see Annex 7), and of obtaining a complete picture of tourism accommodation, the number of stays and overnights can be estimated from the supply side using a household survey in which overnights spent in the home by visitors and exchanged overnights are measured.

- 6.39. This implies that specific surveys of resident households to measure their tourism activity as visitors (as mentioned in chapters 3 and 4) should also try to collect information about their activity as providers of for-profit (homestay programs for instance) or free accommodation services.

Box 6.2. Estimating the importance of staying with family and friends: the case of Romania:

In Romania, staying with family and friends is by far the most important form of accommodation used by visitors, both residents and non-residents. According to the figures for one year, stays with family and friends represented 58% of all non-resident guests and more than 80% of all non-resident overnights. A household survey has been proposed to measure also the incidence of same-day trips by residents and the provision of services to non-resident households. A pilot for such a survey was conducted in 2009.

B.2.4. Providers of non-market accommodation services for own final use: owner-occupied vacation homes and timeshares

- 6.40. Regarding the “classical” owner-occupied vacation home, the first issue for a country is to identify dwellings used for that purpose, a task for tourism statisticians. The second issue is then to associate with such dwellings an imputed rent that represents the value of the service. This value would be an estimation of a tourism product. This task is the responsibility of national accountants when developing a TSA.
- 6.41. The UN recommendation for housing censuses, (Principles and Recommendations for Population and Housing Censuses, Revision 2), indicates how countries should identify dwellings not intended for year-round occupancy.

Box 6.3. Principles and Recommendations for Population and Housing Censuses Revision 2

3. Occupancy status (core topic)

Recommended tabulation: H4-R

2.463. Information should be obtained for each conventional dwelling to show whether the dwelling is occupied or vacant at the time of the census. For vacant units intended for year-round occupancy, the type of vacancy (for rent, for sale, and so forth) should be reported. Occupancy status applies only to conventional dwellings, since all other types of living quarters are required by definition to be occupied in order to fall within the scope of the census.

Topics to be investigated in housing censuses

2.464. The enumeration of vacant conventional dwellings is likely to pose difficult problems, but at least a total count should be made for purposes of controlling the enumeration. The type of vacancy is frequently indicated by “for sale” or “for rent” signs posted on the dwelling. Although it may not be feasible to investigate all of the topics included in the census for vacant units, as much information as possible should be collected, including information on whether the living quarters are vacant seasonally or non-seasonally.

2.465. Vacant units intended for seasonal occupancy may represent a substantial proportion of the housing inventory in resort areas and in areas where large numbers of seasonal workers are employed. The separate identification of such a category may be necessary for the correct interpretation of the overall vacancy rate, as well as for an evaluation of the housing situation in the area concerned. Vacant units may be further distinguished according to the type of occupancy for which they are intended, for example, as holiday home, seasonal workers' quarters and so forth.

2.466. Whether living quarters whose occupants are temporarily absent or temporarily present should be recorded as occupied or vacant will need to be considered in relation to whether a de jure or de facto population census is being carried out. In either case, it would seem useful to distinguish as far as possible conventional dwellings that are used as a second residence. This is particularly important if the second residence has markedly different characteristics from the primary residence, as is the case, for example, when agricultural households move during certain seasons of the year from their permanent living quarters in a village to rudimentary structures located on agricultural holdings. The recommended classification of occupancy status for conventional dwellings is as follows:

1 Occupied

2 Vacant

2.1 Seasonally vacant

2.1.1 Holiday homes

2.1.2 Seasonal workers' quarters

2.1.3 Other

- 2.2 Non-seasonally vacant
 - 2.2.1 Secondary residences
 - 2.2.2 For rent
 - 2.2.3 For sale
 - 2.2.4 For demolition
 - 2.2.5 Other

Principles and Recommendations for Population and Housing Censuses Revision 2

- 6.42. On the basis of figures calculated for the census year, usually available with a detailed geographical breakdown, it will be possible to estimate the number of such dwellings in a current year. UNWTO has already developed some additional proposals for using different types of sources – censuses, surveys and administrative data – to determine the number and characteristics of vacation homes and identify those owned by non-residents.
- 6.43. As mentioned earlier, once the number of vacation homes used by their owners has been established, the associated rent can be estimated using the method recommended in *SNA 2008*. The same treatment needs to be applied to all other vacation homes, whether located in the visitor's country of residence or in another country.

Box 6.4. Estimation of rents in vacation homes

In National Accounts, the historical conventional method for estimating services produced by owner-occupied dwellings has been the self-assessment method. In this method, owners were asked to estimate a potential rent for their property. The major problem of the self-assessment method consists of the largely subjective influence on the estimate. This leads to substantial uncertainties because of over- or under-estimates (depending on the precise circumstances) [...]

For that reason, and given the high and growing relevance of owner-occupied dwellings in some European countries, Eurostat established the so-called "stratification method" as the best approach.

The stratification method uses information about actual rentals from rented dwellings to obtain an estimate of the rental value of the stock of dwellings. The broad principle involved is the following: to impute to a given owner-occupied property a rental value, which is the same as the rental that would be paid for a similar property in the market rental sector.

The method is based on two types of elements:

- A categorization or breakdown of housing stock among various strata or types of dwellings, and
- Information about actual rentals paid in each stratum.

A stratification of the housing stock is required in order to obtain a reliable estimate and to include properly relative price differentials. Subsequently, the average actual rental per stratum is applied to all dwellings in that particular stratum.

[*Vacation Home Ownership in a Globalized World*](#)

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- 6.44. In the case of timeshare, the number of such units can be established more easily: they are usually managed through specialized management units, which should be able to report on the number of units they manage, the average market rental associated with such units and the rentals actually paid for units actually rented as they are usually in charge of managing such rentals.
- 6.45. In addition to an initial payment, all three types of arrangement are subject to annual fees, including (i) annual management fees; (ii) annual maintenance fees; (iii) property taxes; (iv) insurance and (v) occasional fees (special assessments) for major repairs and property refurbishment.

B.3. Other non-tourism industries as they relate to tourism

6.46. A number of other industries are closely related to tourism in some countries and deserve mention here. This first version of the *Compilation Guide* will discuss two:

- Tourism and production and trade of Handicrafts
- Tourism and the Meetings Industry

B.3.1. Tourism and production and trade of handicrafts

6.47. As mentioned in para. 5.28, in many countries, all or some handicrafts as such cannot be identified in CPC Rev. 2, and their production cannot be associated with any specific production process within ISIC Rev.4. And yet in many countries, visitor expenditures on such goods may represent significant amounts.

Box 6.5. Production and trade of handicrafts

Handicrafts are purchased mainly by individuals, whether for their own use or as gifts. Not all of these purchases correspond to tourism expenditure.

- *Purchases made by resident individuals within their usual environment for their own use do not form part of tourism expenditure; they are to be included in final consumption of resident households and not in tourism final consumption; this occurs mainly in the case of purchases made at handicraft shops located near the buyer's place of residence (which may or may not correspond to the places where these handicrafts are produced);*
- *Purchases made by resident individuals within their usual environment to take as gifts on an upcoming tourism visit abroad (or even in the country) are considered part of internal tourism expenditure; these purchases are basically made at handicraft shops located near the buyer's place of residence (which may or may not correspond to the places where these handicrafts are produced);*
- *Purchases made by resident individuals outside their usual environment, for their own use or to take as gifts on a forthcoming tourism visit abroad (or even in the country) are considered part of internal tourism expenditure; this occurs mainly when residents travel (for tourism purposes) to the producing regions and buy directly from the producer or from merchants established in zones nearby;*
- *Purchases made by non-residents, whether or not they are considered visitors in tourism statistics, during their stay in the producing country: these purchases would either form part of inbound tourism expenditure or not according to the classification of the traveller as a visitor or non-visitor;*
- *Purchases made by enterprises for their own use as decorative objects or useful objects (for example, furniture, tableware, etc... acquired by restaurants, hotels, etc.) do not form part of tourism expenditure although they could be taken into account in a broader and more sophisticated measurement of the demand linked to tourism if such establishments are engaged in tourism characteristic activities;*
- *Purchases made by merchants for export or direct exports by artisans or associations of artisans do not form part of tourism expenditure.*

In summary, not all purchases of handicraft products correspond to tourism expenditure, and what is more, not all handicraft purchases by households form part of tourism expenditure, so it will be necessary to have a slightly more elaborate analysis of the relationship between handicraft production and tourism expenditure on handicrafts; this means that as in the case of all products acquired by visitors as part of tourism consumption, it will be necessary to try to develop a reconciliation between observations of this consumption from the supply and demand sides.

B.3.2. Tourism and the meetings industry

6.48. An increasingly important purpose for which visitors travel is to attend meetings, conferences and conventions.

6.49. Meetings, conferences and conventions are held by businesses across the spectrum of the economy. Businesses may hold them for their own employees. Private and public institutions may hold them for their own employees or for others. Membership organizations, professional

organizations and political organizations may hold them for their members. Educational institutions may hold them as well. In short, any organisation belonging to any sector of the economy may engage in this type of activity.

- 6.50. Until recently, no special attempt had been made to isolate the phenomenon or to estimate the revenues and costs associated with holding these events. Enquiry into the activity of holding such events is of interest to tourism, because attending conferences is considered a tourism activity for participants when outside their usual environment ([IRTS 2008](#), para. 3.20.). Nonetheless, this strong connection with tourism does not imply that the meetings industry qualifies as a tourism industry. In fact, its characteristic output is not mostly consumed by visitors but by the conveners of conferences and conventions who provide services to participants at such events.
- 6.51. It has become necessary to recognize and delineate a place for such activity in the international classifications of products and activities, to determine the nature of the services provided and how they should be measured. The activity is now recognized as ISIC 823, *Organization of conventions and trade shows*, under which 8231 is *Organization of conventions*. The service provided is classified as CPC 85961, *Convention assistance and organization services*.
- 6.52. Countries or places in which visitor flows induced by conferences, meetings, conventions, etc. are important are encouraged to analyse separately this category of visitors and their consumption.

Box 6.6. UNWTO has promoted some conceptual and statistical approaches to the meetings industry by way of two documents:

- *Measuring the Economic Importance of the Meetings Industry – Developing a Tourism Satellite Account Extension*; and
- *Global Meetings Initiative*:
 - Basic concepts and definitions (volume 1)
 - Identifying the link between tourism and the meetings industry: case studies (volume 2)
 - Pilot country data schedule (volume 3)

The aim of this research is to analyze whether and how the TSA conceptual framework can be adapted for use in measuring the meetings industry. Specific aims of the research are to provide an understanding of the global meetings industry with particular attention to measurement of the industry's economic importance.

C. Sources that can be used to measure the supply of tourism industries

- 6.53. Observation of the tourism industries' productive activities is quite straightforward and follows general recommendations for the observation of any economic activity.
- 6.54. Observation of the tourism industries is often included in an NSO's annual observation program for manufacturing, trade or services (structural surveys) as well as other more frequent procedures (monthly or quarterly). It is important, however, to take into consideration some the particularities of their activities and to develop complementary non-monetary indicators accordingly, as part of the same survey. Such indicators for the activity of accommodation providers, for instance, were mentioned in para. 6.25.
- 6.55. When focussing on supply, it is important to use NSO-developed production surveys, and also for NTA officials to understand how these surveys are designed and implemented.

C.1. Defining the Statistical Unit

- 6.56. For the analysis of production and production processes, the establishment is the most suitable unit from which to gather data, for tourism statistics as well as the TSA and System of National Accounts. “Establishment” is defined as “an enterprise, or part of an enterprise, that is situated in a single location and in which only a single productive activity is carried out, or in which the principal productive activity accounts for most of the value added (see also Box. 6.1.).
- 6.57. Establishments are where visitors are actually served, and their analysis usually entails a geographical dimension: restaurants belonging to a chain, for instance, will receive greater or lesser visitor flows depending on where precisely they are located, even within a city. Similarly, establishments belonging to the same hotel chain but situated in different parts of a country – in its capital city, at the beach or at other resort locations – will each receive different categories of customer and be subject to different types of seasonality.
- 6.58. In the case of transport however (excluding local transport), visitors are served by establishments that are not really relevant, as they consist mainly of ticket offices. Management is usually centralized and can give information if needed for all origins and destinations, and this is what matters. In this specific case, the relevant unit might be the enterprise.

C.2 Sources

- 6.59. Information on industries, their output, inputs, and employment is gathered mainly through surveys, which NSOs usually conduct on a yearly basis, covering all economic activities.
- 6.60. These surveys are currently well established and have a standardized format, based on ISIC categories (agriculture, mining, manufacture, etc.).
- 6.61. These surveys are based on a statistical sample, often designed on the basis of periodical censuses or administrative data used to generate business registers. If not appropriately updated, these registers will generate biases in the estimation of actual changes over time, mainly when activity is concentrated in small units of production. As previously noted, in the case of tourism, these business registers might or might not be tied to a specific licensing procedure for activities mainly dedicated to serving visitors (see [Eurostat-OECD Manual on Business Demography Statistics](#)).
- 6.62. These surveys often concentrate on larger units, with thresholds expressed in terms of annual income, capital or employment. This design generates structural under-representation and under-estimation of activities (and sub-activities) where small units predominate (which is the case of some tourism industries, especially those engaged in food service, accommodation and land transportation). These surveys also tend to concentrate on large, industrial cities, whereas tourism is distributed differently within the economic territory, and that needs to be taken into consideration.
- 6.63. The content of the questionnaires needs to be adapted to the different activities to be observed and to their specific characteristics. Accommodation providers, for instance, often include in the bill various items beyond the product actually purchased (e.g., a head count, a sales tax or VAT as a percentage of total consumption, and a proportional compulsory service charge), and visitors may also choose to add tips. All these payments count as part of the value of consumption, but providers usually do not include them as income in their financial statements, treating them as income received on behalf of others. Taxes and head counts, for

example, are collected for governments (local or central); service charges and tips usually go to workers, as employee compensation. In measuring supply, taxes on the product will need to be excluded but tips and service charges will have to be included, as part of value added and remuneration of employees.

- 6.64. In its paper [New Statistical Initiatives in the Field of Tourism](#), UNWTO suggested that certain administrative records should also be used for tourism. Besides information produced by IATA on flows of international visitors, extensive research was conducted on the possible use of fiscal information (income tax and VAT invoices) and their combination with business registers, or use as a source for updating registers and obtaining specific additional information on income, costs, employment, etc. based on the experience of many countries (including France, the Netherlands, New Zealand, Spain, the United Kingdom and the United States).
- 6.65. The use of administrative records is particularly important and recommended as a best practice in statistical procedures: they can be collected free of charge and no additional burden is created for respondents, a sensitive issue in most countries.
- 6.66. As a final remark, it must be observed that in setting up the STS, compilers will generate new sources of information, work more carefully with existing sources and draw on all useful information available from the National Statistical System. Information processed to build the National Accounts will be particularly useful, having already been subjected to consistency checks and integrated within a supply and use framework.
- 6.67. For many activities – such as food service, certain forms of transport, tourist guide services, handicrafts and even accommodation – a multiplicity of informal providers are often excluded from business registers, and thus overlooked by traditional observation systems. National Accounts compilers need to estimate them nonetheless, even if roughly, to complete the universe, mainly from the income side ([SNA 2008](#), chapter 25, “Informal aspects of the economy”). These estimations are closer to what the STS seeks to measure. Such estimates will also be useful in compiling a TSA.

Box 6.7.

“A statistical agency should not automatically initiate a new survey in response to every demand for information. Rather, it should systematically attempt to react to new demands by exploring how they might be satisfied using regularly collected data or, failing that, by examining whether the administrative records already in the hands of government can address the new request, at least to some degree. Whether or not, or rather to what extent administrative records can be used to replace or to supplement statistical survey information, is a very complex issue and the answer also depends very much on specific national situations. Statisticians tend to be wary of the quality of administrative information, in terms of concept and coverage. Nevertheless, the attractive features of administrative records are that they are to be collected or have been collected anyway. It is probably true in many countries that some administrative records, e.g. tax records, have a very good coverage of parts of the population, and that the rate of response is substantially better than that achieved by a statistical agency. Moreover, there is always the possibility of improving on the information yielded by those records by supplementing them with data obtained from a much smaller sample of respondents.”

Handbook of Statistical Organization, Third Edition: The Operation and Organization of a Statistical Agency, United Nations, Department of Economic and Social Affairs – Statistics Division, Studies in Methods, Series F No. 88, (New York, 2003)

D. Tables of results

- 6.68. The information to be collected from establishments in tourism industries, refers to:
- Number of production establishments and their classification by size (derived directly from business registers for organized businesses);
 - Output: its valuation should be at basic prices, that is, excluding taxes on products, but including all additional charges that clients have to pay;
 - Intermediate consumption;
 - Value added;
 - Compensation of employees;
 - Investments (labelled as “Gross fixed capital formation”);
 - Relevant non-monetary indicators that illustrate the level of potential and actual activity. These indicators might be different for each tourism industry.
- 6.69. Since the aim of this *Compilation Guide* is to help countries implement the new *IRTS 2008* and develop a national STS, the data to be obtained should serve both national purposes and international comparability. Data useful for national purposes will be much more detailed than those needed for international comparability.
- 6.70. Regarding international comparability, the following dataset for tourism industries (including basic data and indicators) will be requested annually by UNWTO from member and non-member countries and will be disseminated in the *Compendium of Tourism Statistics*, UNWTO’s most comprehensive general statistical publication.

COUNTRY X

Basic data and indicators		Notes	Units	2005	2006	2007	2008	2009
4. TOURISM INDUSTRIES								
Data								
Number of establishments								
4.1	Total		Units	..	..	..	..	..
4.2	♦ Accommodation for visitors		Units	..	..	..	..	..
4.3	* of which, "hotels and similar establishments"		Units	..	..	..	..	..
4.4	♦ Food and beverage serving activities		Units	..	..	..	..	..
4.5	♦ Passenger transportation		Units	..	..	..	..	..
4.6	♦ Travel agencies and other reservation services activities		Units	..	..	..	..	..
4.7	♦ Other tourism industries		Units	..	..	..	..	..
Accommodation for visitors in hotels and similar establishments								
Monetary data								
4.8	♦ Output		US\$ Mn	..	..	..	..	..
4.9	♦ Intermediate consumption		US\$ Mn	..	..	..	..	..
4.10	♦ Gross value added		US\$ Mn	..	..	..	..	..
4.11	♦ Compensation of employees		US\$ Mn	..	..	..	..	..
4.12	♦ Gross fixed capital formation		US\$ Mn	..	..	..	..	..
Non-monetary data								
4.13	♦ Number of establishments		Units	..	..	..	..	..
4.14	♦ Number of rooms		Units	..	..	..	..	..
4.15	♦ Number of bed-places		Units	..	..	..	..	..
Indicators								
4.16	Occupancy rate / rooms		Percent	..	..	..	..	..
4.17	Occupancy rate / bed-places		Percent	..	..	..	..	..
4.18	Average length of stay		Nights	..	..	..	..	..
4.19	Available capacity (bed-places per 1000 inhabitants)		Percent	..	..	..	..	..
Travel agencies and other reservation service activities								
Monetary data								
4.20	♦ Output		US\$ Mn	..	..	..	..	..
4.21	♦ Intermediate consumption		US\$ Mn	..	..	..	..	..
4.22	♦ Gross value added		US\$ Mn	..	..	..	..	..
4.23	♦ Compensation of employees		US\$ Mn	..	..	..	..	..
4.24	♦ Gross fixed capital formation		US\$ Mn	..	..	..	..	..
Non-monetary data								
♦ Domestic trips								
4.25	* with package tour		Percent	..	..	..	..	..
4.26	* without package tour		Percent	..	..	..	..	..
♦ Inbound trips								
4.27	* with package tour		Percent	..	..	..	..	..
4.28	* without package tour		Percent	..	..	..	..	..
♦ Outbound trips								
4.29	* with package tour		Percent	..	..	..	..	..
4.30	* without package tour		Percent	..	..	..	..	..