The Tourism Balance of Payments: Developments in Austria

Methods and concepts

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Travel Balance of Payments
International Concepts and Methodology
**Definition International Tourism Receipts**

**International Tourism Receipts (credit):**

...expenditure of international **inbound visitors** including their payments to **national carriers** for international transport, including **pre-payments** made for goods/services received in the destination country....

**International Fare Receipts (Credit):**

...any payment made to **carriers registered in the compiling country** of sums owed by non-resident visitors, whether or not travelling to that country...

**Definition International Tourism Expenditure**

**International Tourism Expenditure (Debit):**

...expenditure of **outbound visitors in other countries** including their payments to **foreign carriers** for international transport....

**International Fare Expenditure (Debit):**

...any payment made to **carriers registered abroad** by any person resident in the compiling country...
What is included within TBoP?

**Travel:**

- **Personal travel** covers travellers going abroad for purposes other than business (e.g. for leisure activities such as holidays, participation in sports and other recreational and cultural activities, visits with relatives and friends, pilgrimage, studies, and health-related purposes).

- **Business travel** covers travellers going abroad for all types of business activities (e.g. carrier crews stopping off or lying over, government employees on official travel), including seasonal and border workers.

Business travel refers to personal acquisitions of goods and services, but not the sales or purchases that the business travellers may conclude on behalf of the enterprises they represent.
What is included within TBoP?

**Passenger transportation:**

- Transportation covers all kind of transportation (sea, air, and other - including land, internal waterway, space) services that are performed by residents of one economy for those of another.
- **Passenger transportation** covers all services provided, between the compiling economy and abroad or between two foreign economies, in the international transportation
  - of non-residents by resident carriers (credit), and
  - that of residents by non-resident carriers (debit).

Tourism Statistics versus TBoP concepts

- **TBoP-definition** related “Travel” is broader than that of the definition of tourism and the “visitor” in tourism statistics.
- TBoP considers students and medical patients as residents of their economy of origin, even if their length of stay is over one year.
- TBoP includes expenditure of seasonal and border workers under “Travel”.
- Tourism statistics reflects demand-oriented flows, but it does not show the actual monetary flows or payments.
- Considering package tours tourism statistics is showing demand-oriented information (e.g. by destination of the trip), which does not coincide with the actual monetary flow to the country of production of the package.
Travel Balance of Payments

Developments in Austria

Starting point - in general

- Europe’s BoP-statistics faces new challenges according to the advent of the Economic and Monetary Union (EMU);
- TBoP is strongly affected by the introduction of the Euro;
- Hazard for Bank-Reporting-System
- New options for collection systems for Travel have to be considered:
  - Frontier survey based systems
  - Household survey based systems
  - Hybrid systems
  - Credit card based systems
  - Exchange of data with partner countries and estimates
- Legal Basis
  → IMF BoP Manual 5th edition
### Systems used in the European Union

<table>
<thead>
<tr>
<th>AS</th>
<th>Bank reporting via electronic data exchange (BEDE)</th>
<th>Credit card/charge card deals (CCCD)</th>
<th>Domestic trade (DT)</th>
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<th>Partner country data (PC)</th>
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- Bold: Main source, Italic: Supplementary source.
- [ ]: Source used for verification.

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Starting point – in Austria

- **Contract** between Statistics Austria and the Austrian Central Bank;
- **Statistics Austria** is responsible for the compilation of the following items of the BoP:
  - Current account, including goods and services (excl. financial sector)
  - Compensation of employees (excl. financial sector)
  - Current transfers (excl. financial sector)
- Capital and Financial account is done by the Austrian Central Bank
- **Starting**: 1st quarter 2006 – 8 quarters finished so far
- **Timing and submission of the data**: 12 working days before the end of the following quarter, including revised data of the previous quarter;
- **TBoP under Current Account “Services”**, comprising Transportation (passenger, freight, other) and Travel (business, personal).

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Travel Balance of Payments

The system used
Main data sources – TBoP (Credit)

- Hybrid System
  - Different data sources are used
  - Different approaches for the Credit and Debit side
  - Use of primary and secondary data sources as well as models
  - International cooperation (mirror statistics)
    - Asymmetries

- Main Challenge
  - The more variables defined and the more data sources used, the bigger the danger of double counting or underestimation!

- Accommodation statistics (nights, arrivals), estimation basis related expenditure of inbound overnight tourism;
- Tourism Monitor Austria (T-Mona), amount of expenditure of inbound overnight holiday-tourists by country of origin;
- German study related its outbound same-day visitors to Austria;
- Mirror statistics of partner countries related their outbound tourism to Austria;
- UNWTO-data, European Travel Monitor (ETM), New Cronos (Eurostat), visits of friends/relatives and business travel;
- Central Registration Register, second homes;
- Wage Tax Statistics, seasonal and border workers;
- University statistics, Erasmus-statistics, education-related expenditure;
- Private insurance information, health-related expenditure;
- “Fuel tourism” study.
### Main data sources – TBoP (Credit)

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<th>Main source expenditure</th>
<th>Supplementary sources</th>
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<td>Accommodation statistics</td>
<td>T-Mona, CPI</td>
<td>Private insurance information</td>
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<td>Education</td>
<td>Erasmus statistics, University Statistics, Mirror Data</td>
<td>Household Budget Survey</td>
<td>Erasmus statistics</td>
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<td>Personal Travel in paid accommodation</td>
<td>Accommodation Statistics, Mirror Data</td>
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<td>Personal travel with free accommodation</td>
<td>Accommodation Statistics, UNWTO Data, Mirror Data, European Travel Monitor, New Cronos, Fessel GfK</td>
<td>T-Mona, European travel Monitor, New Cronos</td>
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<td>Second Homes</td>
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<td>Business Travel</td>
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<td>Foreign Trade Statistics (Imports/Exports of Goods), Estimates to illegal prostitution</td>
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* General Source: information from credit card organisations

### Main data sources – TBoP (Debit)

- **Quarterly Household Surveys** related outbound trips of the Austrians;
- **Mirror statistics** of partner countries related their inbound tourism from Austria (plausibility checks);
- **Car Registration Statistics**, bought cars by Austrians abroad;
- **Wage Tax Statistics**, Austrian seasonal and border workers abroad;
- **Erasmus-statistics**, education-related expenditure (students abroad);
- **Social Security Statistics**, estimates based on Hungarian spa tourism ("tooth-tourism"), health-related expenditure;
- **Branch information** related the composition of package-tours.
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## Problems

### Package tours:
- **Disaggregation into three dimensions:**
  - Identification of domestic and outbound components
  - Accordance of monetary-flow with travel destination
  - Share of components (i.e. hotel, transport) on whole package product

### Outbound (Debit):
- expenses for dental medical reasons and cosmetic surgeons;
- expenses of outbound same-day visitors;
- expenses related expensive but seldomly bought products (i.e. cars, building materials);
- expenses related “illegal” products and activities (i.e. drugs, sex-tourism).