

Capacity Building Program

Regional Seminar
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TSA project for Central America

Marion LIBREROS
UNWTO



TSA project for Central America

- The region: Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama;
- The general project: designed by UNWTO and ECLAC at the request of the tourism ministers of the region;
- Objectives:
 - Training, technical assistance for development, improvement of tourism statistics and future introduction of TSA;
 - Move forward within the region on a complementary and sustainable basis.
- The present report: one of the results
 - Specific object:
 - to obtain preliminary figures for planning and policy formulation to promote tourism in the CA region, by measuring its contribution to the correction of potential balance-of-payments and other economic problems



TSA project for Central America

- Other expected achievements:
 - Institutional strengthening of the States;
 - Interinstitutional platforms leading to innovative, coordinated, interdisciplinary approach to the tasks to be undertaken;
 - Methodological harmonization;
 - To initiate the dissemination of regular analysis of performance in the tourism sector and its relationship with economic growth and social development in the region.



Methodological observation

- For this **first preliminary compilation**, because only few countries of the region have economic measurements of tourism, data are based on Migration Statistics (arrivals, departures) and Balance of Payments data (mainly travel);
- In future compilations, these will be gradually substituted by tourism data as they are available



Tourism and foreign trade

Table 1

International tourist arrivals – 1990, 1995, 2000, 2006, 2007

	Market share (%)					Variation (%)		
	1990	1995	2000	2006	2007	05-04	06-05	07-06
America	100.0	100.0	100.0	100.0	100.0	5.9	1.9	4.9
North America	77.3	74.0	71.4	66.7	66.9	4.7	0.8	5.2
Caribbean	12.3	12.9	13.3	14.3	13.7	3.8	3.4	0.1
Central America	2.1	2.4	3.4	5.2	5.4	12.9	9.9	9.6
<i>Belize</i>	<i>0.2</i>	<i>0.1</i>	<i>0.2</i>	<i>0.2</i>	<i>0.2</i>	<i>2.5</i>	<i>4.5</i>	<i>1.8</i>
<i>Costa Rica</i>	<i>0.5</i>	<i>0.7</i>	<i>0.8</i>	<i>1.3</i>	<i>1.4</i>	<i>15.6</i>	<i>2.7</i>	<i>14.4</i>
<i>El Salvador</i>	<i>0.2</i>	<i>0.2</i>	<i>0.6</i>	<i>0.9</i>	<i>0.9</i>	<i>18.5</i>	<i>13.5</i>	<i>4.7</i>
<i>Guatemala</i>	<i>0.5</i>	<i>0.5</i>	<i>0.6</i>	<i>1.1</i>	<i>1.0</i>	<i>9.8</i>	<i>14.2</i>	<i>2.3</i>
<i>Honduras</i>	<i>0.3</i>	<i>0.2</i>	<i>0.4</i>	<i>0.5</i>	<i>0.6</i>	<i>5.0</i>	<i>9.8</i>	<i>12.6</i>
<i>Nicaragua</i>	<i>0.1</i>	<i>0.3</i>	<i>0.4</i>	<i>0.6</i>	<i>0.6</i>	<i>15.9</i>	<i>5.2</i>	<i>6.8</i>
<i>Panama</i>	<i>0.2</i>	<i>0.3</i>	<i>0.4</i>	<i>0.6</i>	<i>0.8</i>	<i>13.0</i>	<i>20.1</i>	<i>30.8</i>
South America	8.3	10.8	11.9	13.8	14.0	11.9	2.8	6.4



Tourism and foreign trade

Table 2
International tourism income – 1990, 1995, 2000, 2006, 2007

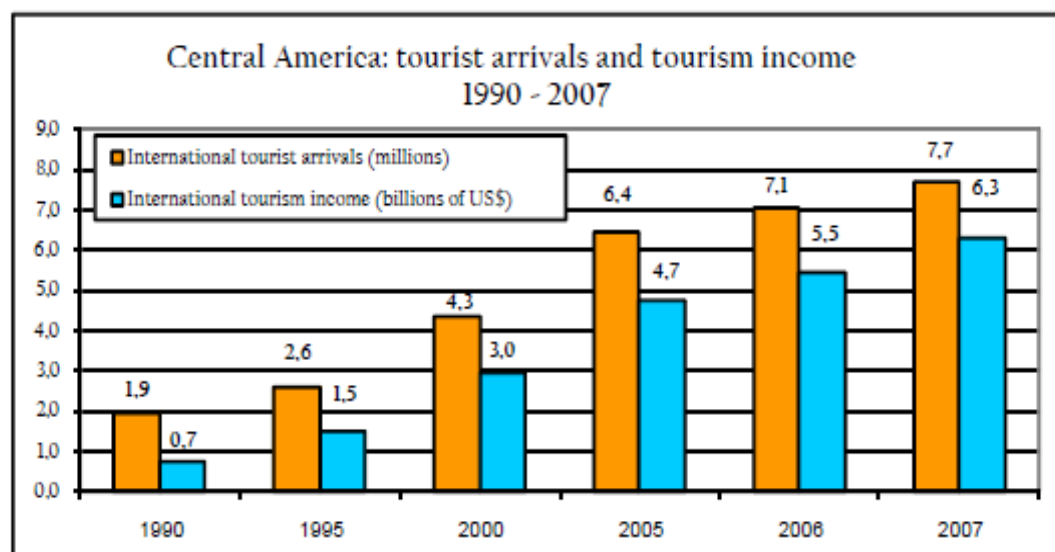
	Market share (%)					Variation (%)			Income per arrival 2007 (millions US\$)
	1990	1995	2000	2006	2007	05-04	06-05	07-06	
America	100.0	100.0	100.0	100.0	100.0	9.9	6.0	11.1	1,201
North America	79.3	78.7	77.6	73.0	73.1	9.3	4.8	11.1	1,312
Caribbean	12.5	12.4	13.1	14.1	13.2	7.5	4.4	3.9	1,159
Central America	1.1	1.5	2.3	3.5	3.7	15.6	15.2	15.3	814
Belize	0.1	0.1	0.1	0.2	0.2	27.4	18.2	15.0	1,155
Costa Rica	0.4	0.7	1.0	1.1	1.2	14.5	3.7	14.0	1,001
El Salvador	0.0	0.1	0.2	0.5	0.5	19.9	46.0	6.8	633
Guatemala	0.3	0.2	0.4	0.7	0.7	12.9	16.6	18.4	828
Honduras	0.0	0.1	0.2	0.3	0.3	11.8	5.4	14.1	670
Nicaragua	0.0	0.1	0.1	0.1	0.1	7.3	12.1	10.4	319
Panama	0.2	0.3	0.4	0.6	0.7	19.8	23.1	23.4	1,074
South America	7.1	7.3	7.0	9.3	10.0	17.8	16.0	19.3	861

Source: World Tourism Organization. *UNWTO World Tourism Barometer*, Volume 6, nº 2 – June 2008.



Tourism and foreign trade

Figure 1



Source: World Tourism Organization. *UNWTO World Tourism Barometer* Volume 6, nº 2 – June 2008.



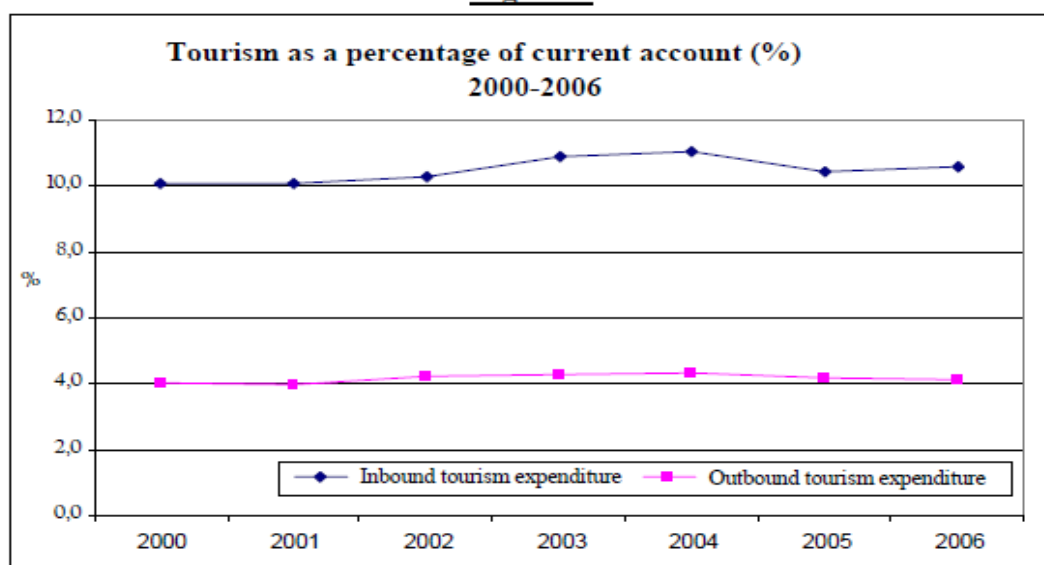
Tourism and foreign trade

- The region has been characterized by a growing trade imbalance for goods, as compared to a positive balance for services, thanks to the significant contribution made by travel and passenger transport to the current account (approx. to inbound tourism expenditure...);
- With the exception of Panama, income generated by visitors to the region from the rest of the world accounts for more than 50% of that generated by service exports.
- On the other hand, outbound tourism expenditure (an import) appears as a smaller figure in the current account.



Tourism and foreign trade

Figure 4



Source: Prepared by ECLAC based on IMF data (published in "Balance of Payments Statistics. International Financial Statistics").



Indicators of the economic contribution of tourism

- The contribution of international tourism to the external account balance:

$$100 \times (\text{inbound tourism expenditure} - \text{outbound tourism expenditure})/\text{GDP}$$

- The degree of openness of tourism markets

$$100 \times (\text{inbound tourism expenditure} + \text{outbound tourism expenditure})/\text{GDP}$$

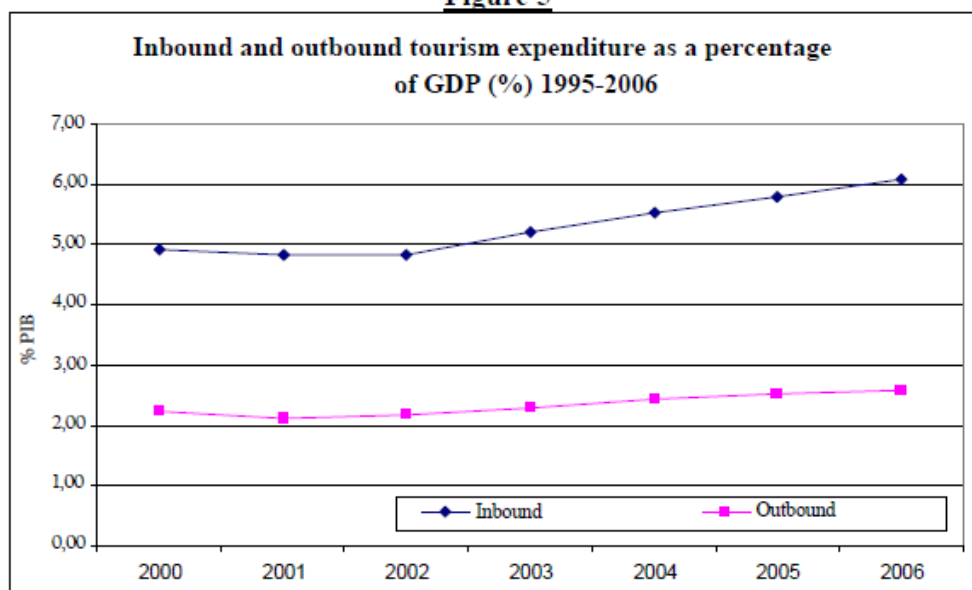
- The degree of tourism coverage

$$100 \times (\text{inbound tourism expenditure}/\text{outbound tourism expenditure})$$



Economic contribution of tourism

Figure 5

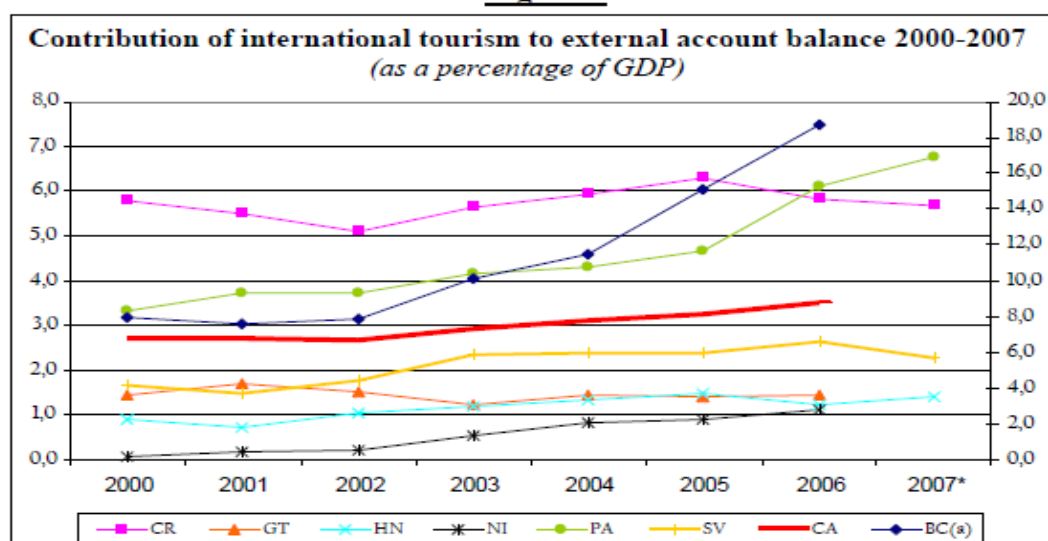


Source: Prepared by ECLAC based on IMF data (published in "Balance of Payments Statistics. International Financial Statistics").



Economic contribution of tourism

Figure 6



(a) The data for Belize are shown on the right.

(*) The IMF has not published this information for Belize, Guatemala, and Nicaragua for 2007.
Note: BC: Belize. CR: Costa Rica. GT: Guatemala. HN: Honduras. NI: Nicaragua. PA: Panama. SV: El Salvador. CA: Central America.

Source: Prepared by ECLAC based on IMF data (published in "Balance of Payments Statistics. International Financial Statistics").



Economic contribution of tourism

Table 3

Degree of tourism market openness, 2000-2007
(as a percentage of GDP)

	2000	2001	2002	2003	2004	2005	2006	2007*
Belize	18.6	17.9	18.2	20.2	20.3	23.2	25.9	n.a.
Costa Rica	12.7	10.8	10.2	10.6	11.1	11.9	10.9	11.3
El Salvador	3.7	4.6	4.7	4.6	5.3	5.1	5.2	n.a.
Guatemala	6.4	6.1	6.7	7.9	8.2	8.1	7.8	7.5
Honduras	6.5	6.4	6.5	7.3	7.8	7.6	7.6	n.a.
Nicaragua	7.5	7.6	7.8	8.3	8.4	9.7	10.8	11.4
Panama	5.0	5.1	5.5	6.5	7.1	7.4	9.1	9.1
Central America	7.1	7.0	7.0	7.5	8.0	8.3	8.7	n.a.

(*) The IMF has not published GDP data for Belize, Guatemala and Nicaragua for 2007.

Source: Prepared by ECLAC based on IMF data (published in "Balance of Payments Statistics. International Financial Statistics").



Economic contribution of tourism

Table 4
Degree of tourism coverage, 2000-2007

	2000	2001	2002	2003	2004	2005	2006	2007*
Belize	249.9	248.0	254.2	300.0	363.1	477.9	624.4	641.5
Costa Rica	268.0	308.1	300.6	328.0	330.1	325.5	327.4	304.4
El Salvador	230.8	220.7	197.0	172.8	177.0	176.6	176.2	n.a.
Guatemala	136.1	126.8	140.1	135.7	139.7	145.0	145.1	147.2
Honduras	101.7	105.9	107.4	115.6	124.1	127.6	134.9	131.1
Nicaragua	260.1	293.2	281.8	301.6	307.5	285.6	359.4	393.1
Panama	199.5	182.8	195.6	213.5	200.6	195.2	181.0	167.9
Central America	222.0	228.7	223.3	228.4	229.2	230.1	235.9	n.a.

(*) The IMF has not published GDP data for Guatemala for 2007.

Source: Prepared by ECLAC based on IMF data (published in *"Balance of Payments Statistics. International Financial Statistics"*).



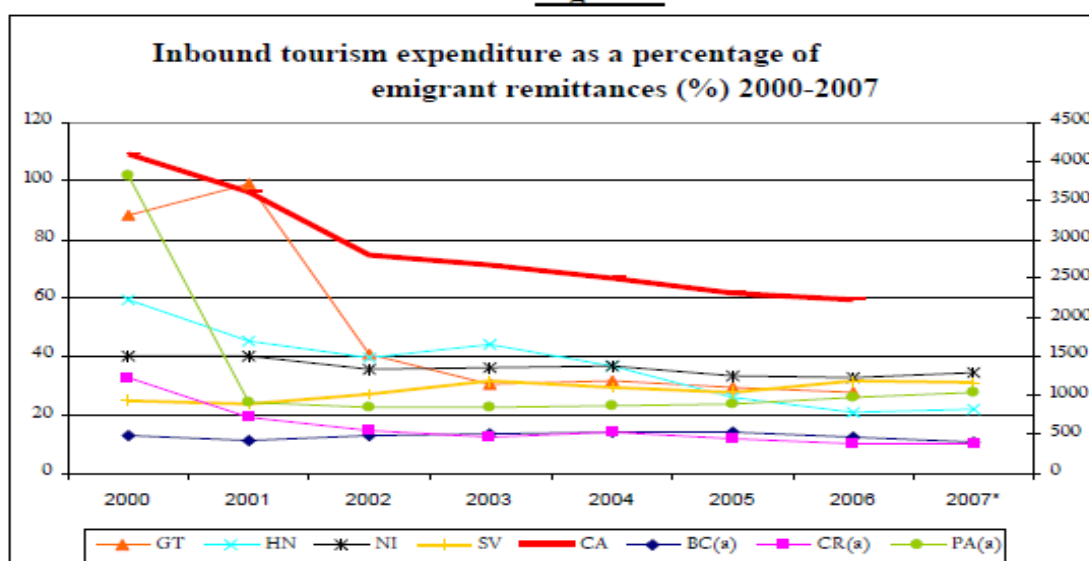
Tourism and access to foreign exchange

- It is a valid exercise to compare trends in foreign exchange generated by tourism with trends of such variables as remittances, or traditional and non-traditional exports, for which basic information is available.



Tourism and access to foreign trade

Figure 7

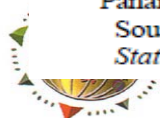


(a) The data for Belize, Costa Rica and Panama are shown on the right.

(*) The IMF has not published this information for Guatemala for 2007

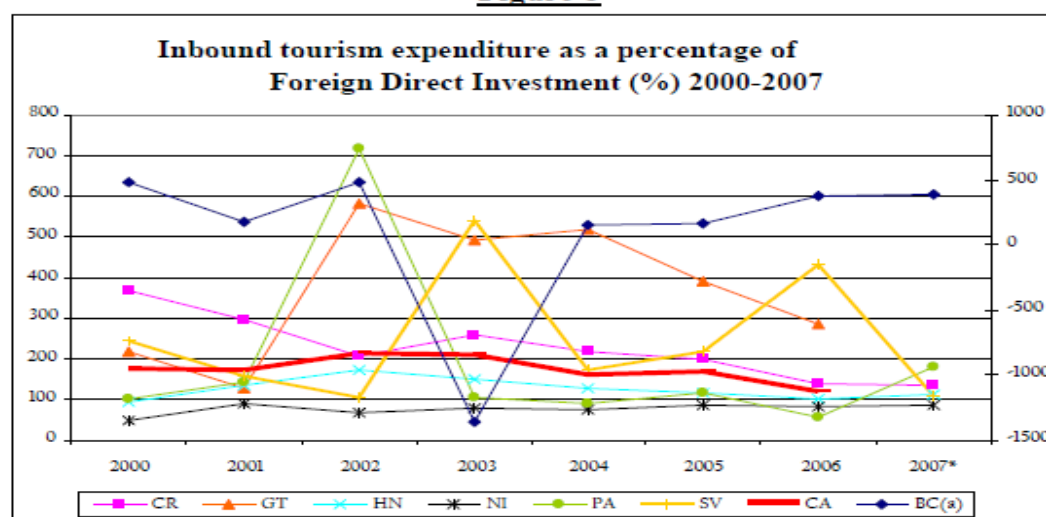
Note: BC: Belize. CR: Costa Rica. GT: Guatemala. HN: Honduras. NI: Nicaragua. PA: Panama. SV: El Salvador. CA: Central America.

Source: Prepared by ECLAC based on IMF data (published in "Balance of Payments Statistics. International Financial Statistics").



Tourism and access to foreign trade

Figure 8



(a) The data for Belize are shown on the right.

(*) The IMF has not published this information for Guatemala for 2007

Note: BC: Belize. CR: Costa Rica. GT: Guatemala. HN: Honduras. NI: Nicaragua. PA: Panama. SV: El Salvador. CA: Central America.

Source: Prepared by ECLAC based on *The Statistical Yearbook for Latin America and the Caribbean, 2007* and data provided by the IMF (published in "Balance of Payments Statistics. International Financial Statistics").



Selected results of the experimental TSA in Honduras and Nicaragua

Table 5
The experimental Tourism Satellite Accounts of Honduras and Nicaragua

Main aggregates (%)	Honduras		Nicaragua	
	2006	2007	2006	2007
Distribution of expenditure	100,0	100,0	100,0	100,0
- inbound tourism	34.7	33.7	33.9	33.8
- domestic tourism	42.7	44.9	35.4	36.4
- outbound tourism	22.6	21.4	30.7	29.8
Economic contribution				
- tourism value added / total value added (GDP)	5.4	4.9	4.9	4.8
- value added by tourism-related sectors / tourism value added	66.0	64.0	66.0	67.0

