

# **Capacity Building Program**

Regional Seminar  
Johannesburg

25-26 November 2009



# **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         |
| <b>Central America</b> | <b>2.1</b>       | <b>2.4</b>  | <b>3.4</b>  | <b>5.2</b>  | <b>5.4</b>  | <b>12.9</b>   | <b>9.9</b>  | <b>9.6</b>  |
| <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> |
| <b>South America</b>   | <b>8.3</b>       | <b>10.8</b> | <b>11.9</b> | <b>13.8</b> | <b>14.0</b> | <b>11.9</b>   | <b>2.8</b>  | <b>6.4</b>  |



## Tourism and foreign trade

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

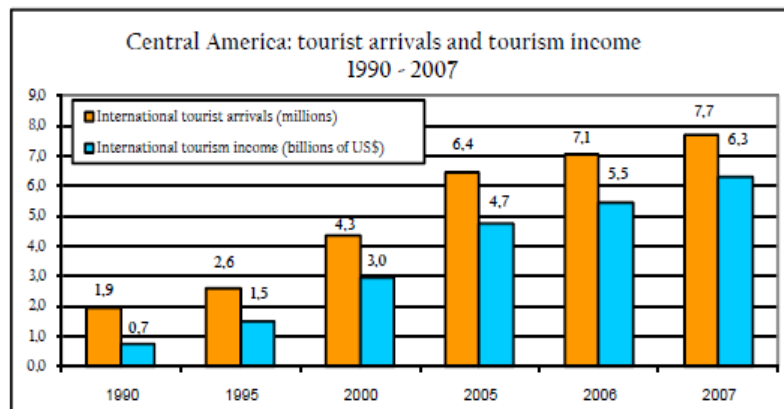
|                 | Market share (%) |       |       |       |       | Variation (%) |       |       | Income per arrival 2007 (millions US\$) |
|-----------------|------------------|-------|-------|-------|-------|---------------|-------|-------|---|
|                 | 1990             | 1995  | 2000  | 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, n° 2 – June 2008.



## Tourism and foreign trade

**Figure 1**



Source: World Tourism Organization. *UNWTO World Tourism Barometer* Volume 6, n° 2 – June 2008.



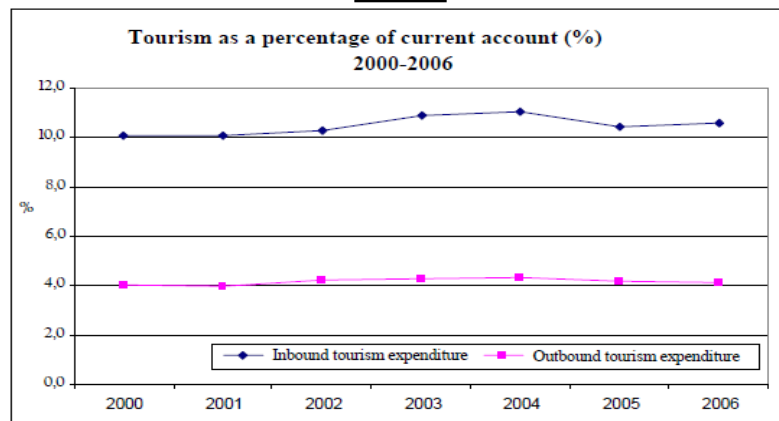
## Tourism and foreign trade

- 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

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

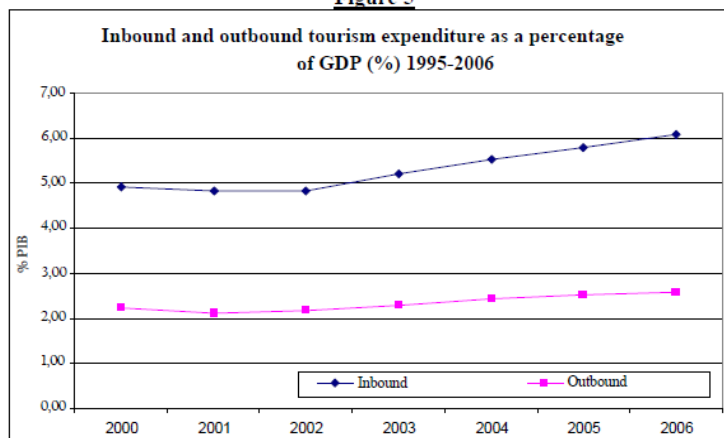
- The degree of tourism coverage

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



## Economic contribution of tourism

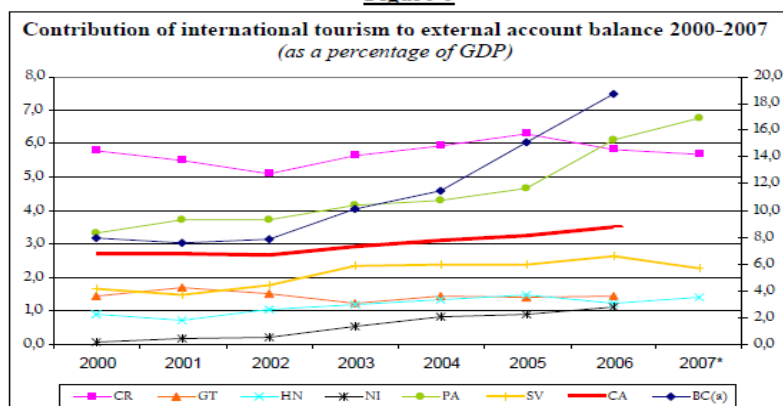
Figure 5



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

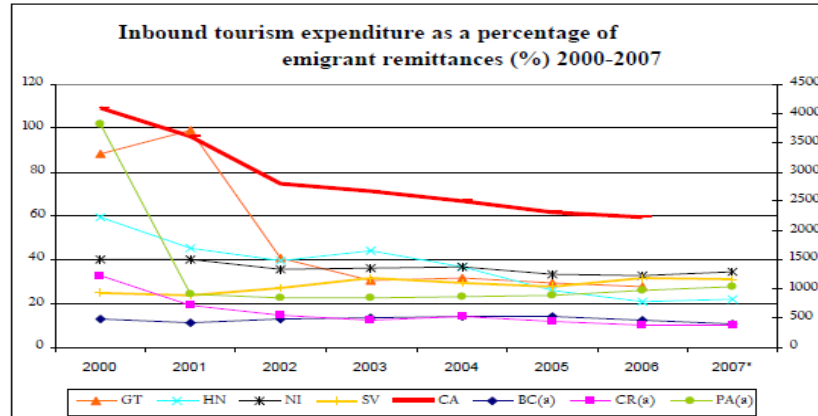
- It is a valid exercise to compare trends in foreign exchange generated by tourism with trends of such variables as remittances, or traditional and non-traditional exports, for which basic information is available.





## 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

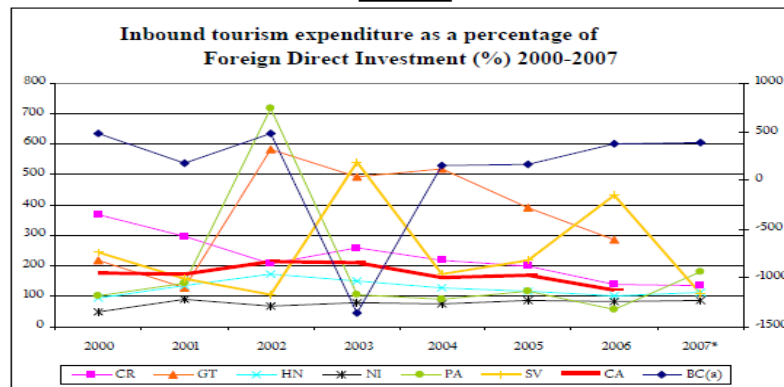
Note: BC: Belize. CR: Costa Rica. GT: Guatemala. HN: Honduras. NI: Nicaragua. PA: Panama. SV: El Salvador. CA: Central America.

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         |
| <b>Distribution of expenditure</b>                             | <b>100,0</b> | <b>100,0</b> | <b>100,0</b> | <b>100,0</b> |
| - 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         |
| <b>Economic contribution</b>                                   |              |              |              |              |
| - 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         |

