



## UNWTO WORKSHOP

### Outbound Tourism Statistics in BoP

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## Travel Services as per IMF's BPM6

- ◆ Travel differs from other components of international services because it is a demand-oriented activity — the traveller moves to another territory (the economy visited) to acquire the goods and services.
- ◆ Thus, unlike other services, travel is not a specific type of service but a mixture of goods and services consumed by travellers and, therefore, it is not identified as a service in the CPC.
- ◆ However, travel is included as part of services in the BoP statistics. Stays of any length are considered as travel, provided there is no change of residence.
- ◆ According to the modes of supply of services, travels covers Mode 2, i.e., Consumption abroad.



## Breakdown of Travel as per BPM6

1.A.b.4 Travel Services
1.A.b.4.1 Business
1.A.b.4.2 Personal
1.A.b.4.2.1 Health-related
1.A.b.4.2.2 Education-related
1.A.b.4.2.3 Other



## Outbound Tourists

- ◆ No. of outbound Indians are collected through Embarkation cards
- ◆ In June 2008 cards were revised to enable the collection of information about the purpose of their visits and destination of their travel.
- ◆ Currently, detailed profiles of outbound travellers such as age, sex, etc. are not compiled



## Travel Services in India's BoP

- ◆ Travel services appears in the standard format of India's BoP.
- ◆ Travel represents all expenditure by foreign tourists in India on the receipts side and all expenditure by Indian tourists abroad on the payments side.
- ◆ Receipts under travel include: the purchases of foreign exchange by ADs from clients towards travel (including purchases of foreign TCs, currency notes *etc.* over the counter by hotels, hospitals, emporia, educational institutions, *etc.*) as well as the amount received by TT/SWIFT transfers or debit to Non-Resident accounts.



## Data Sources for Travel

- ◆ FETERS
  - Detailed purpose-wise codes on the payments side.
  - Only two purpose code on the receipts side.
- ◆ Online reporting by banks (ADs)
- ◆ Systemic checks for data



## Travel Receipts and Payments in India's BoP: FETERS Data

Travel Payments	S0301	Remittance towards business travel.
	S0302	Travel under basic travel quota (BTQ)
	S0303	Travel for pilgrimage
	S0304	Travel for medical treatment
	S0305	Travel for education (including fees, hostel expenses, etc.)
	S0306	Other travel (international credit cards)
Travel Receipts	P0301	Purchases towards travel (includes purchases of foreign TCs, currency notes, etc. over the counter by hotels, hospitals, emporiums, educational institutions, etc. as well as amount received by TT/SWIFT transfers or debit to Non-Resident account)
	P0308	FC surrendered by returning Indian tourists



## Deficiencies

- ◆ Travel receipts (credit) reported under FETERS by the ADs are inadequate to the extent that they do not capture all types of inward remittances on account of travel.
- ◆ Therefore, travel credits are estimated using information on tourist arrivals in India reported by the Ministry and multiplied by the estimated per capita expenditure of foreign tourists.
- ◆ Travel debits are from FETERS data.



## Recent Initiatives

- ◆ The Working Group on Balance of Payments Manual for India has recommended for introduction of new purpose codes on the receipts side under FETERS to capture health- and education-related as well as personal travels individually.
- ◆ This needs to be strengthened through regular surveys on foreign tourist spending in India to better capture travel services.
- ◆ On the debit side, however, detailed purpose codes on travel payments are available — which include payments for business travel, travel under basic travel quota, pilgrimage, medical treatment, education and other travel, including international credit cards.