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Introduction on the Tourism Satellite Account

Framework, tables and benefits



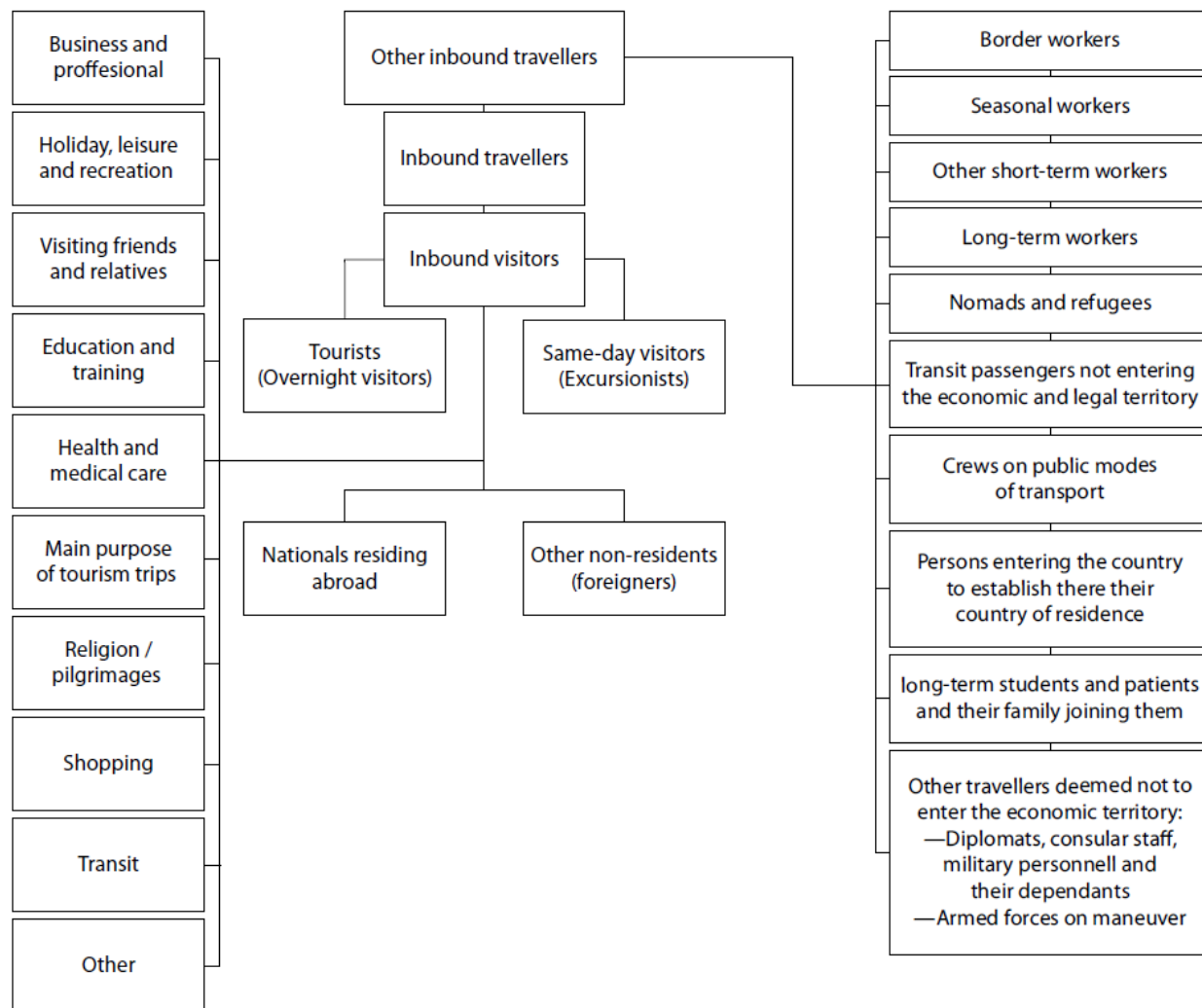
TSA - Introduction



Basic term – visitor



Classification of inbound travellers



A **visitor** is a traveler taking a trip to a main destination **outside his/her usual environment**, for less than a year, for any main purpose (business, leisure or other personal purpose) **other than to be employed by a resident entity in the country or place visited**.

Source: IRTS 2008



TSA, what for?



Value added effects &

Employment



Policy

Improving the “visibility” of the
„**economic value**” of the tourism
industry

Statistics

More reliable and coherent tourism and
travel statistics system
“**Integrated System**”



- Economic aim ...

→ **Valued Added = Output – Input**

- Calculation of the overall GDP by National Account (NA)
- **BUT, NA data do not reflect „Tourism“ as an own sector**; i.e. NA data do not differentiate if shoes are bought by tourists or residents
- NA data are based on **Output, Tourism** as an sector is defined in the moment when a tourist is consuming (through **Demand**)!

Satellite systems: „Data sytems, which should complete NA data by important social topics.“ Gabler Wirtschaftslexikon



- **Satellite systems** are mehodologically and conceptionally **based on NA rules** (in particular SNA).

What is Satellite Accounting in general?



- **Extension** to the “System of National Accounts” (SNA) which allows a better understanding of the size and role of an activity (such as tourism) which is usually “**hidden**” within such accounts.
- Satellite accounts **provide**
 - ✓ **additional information** on particular social concerns of a **functional** or cross-sector (multidisciplinary) nature (e.g. environment, agriculture, tourism);
 - ✓ the possibility of using of **complementary or alternative concepts**, including the use of classifications (when needed) and accounting frameworks (e.g. TSA);
 - ✓ **further analysis** of specific data by means of relevant indicators and aggregates (e.g. environment);
 - ✓ **linkage** of **physical** data sources (e.g. flows, employment) and analysis to the **monetary** accounting system.

What is Tourism Satellite Accounting? (1)

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- **SNA 2008** (besides environmental accounting and health satellite accounts (and unpaid household activity)) and **ESA 2010** (see Table 22.1, para 22.06) are proposing to draw up Tourism Satellite Accounts (SNA 2008, para 29.89-29.101; ESA 2010, para 22.123-22.129), for the analysis of the role of tourism in the national economy, since

SNA 2008 and ESA 2010 do not distinguish between a shoe purchased by a visitor or by a resident.

➤ **THEREFORE:**

- ✓ Tourism Satellite Account (TSA) **integrates supply side and demand side information** figuring out the share of tourism demand related to the total value added (TSA-Table 6).
- ✓ TSA links tourism statistics with **macroeconomic analysis**.
- ✓ TSA highlights the link between **domestic, inbound and outbound** (domestic part) tourism and the **balance of payments**.
- ✓ The respective commodities produced by tourism suppliers and purchased by visitors are included in the **core accounts/tables of TSA**.

What is Tourism Satellite Accounting? (2)



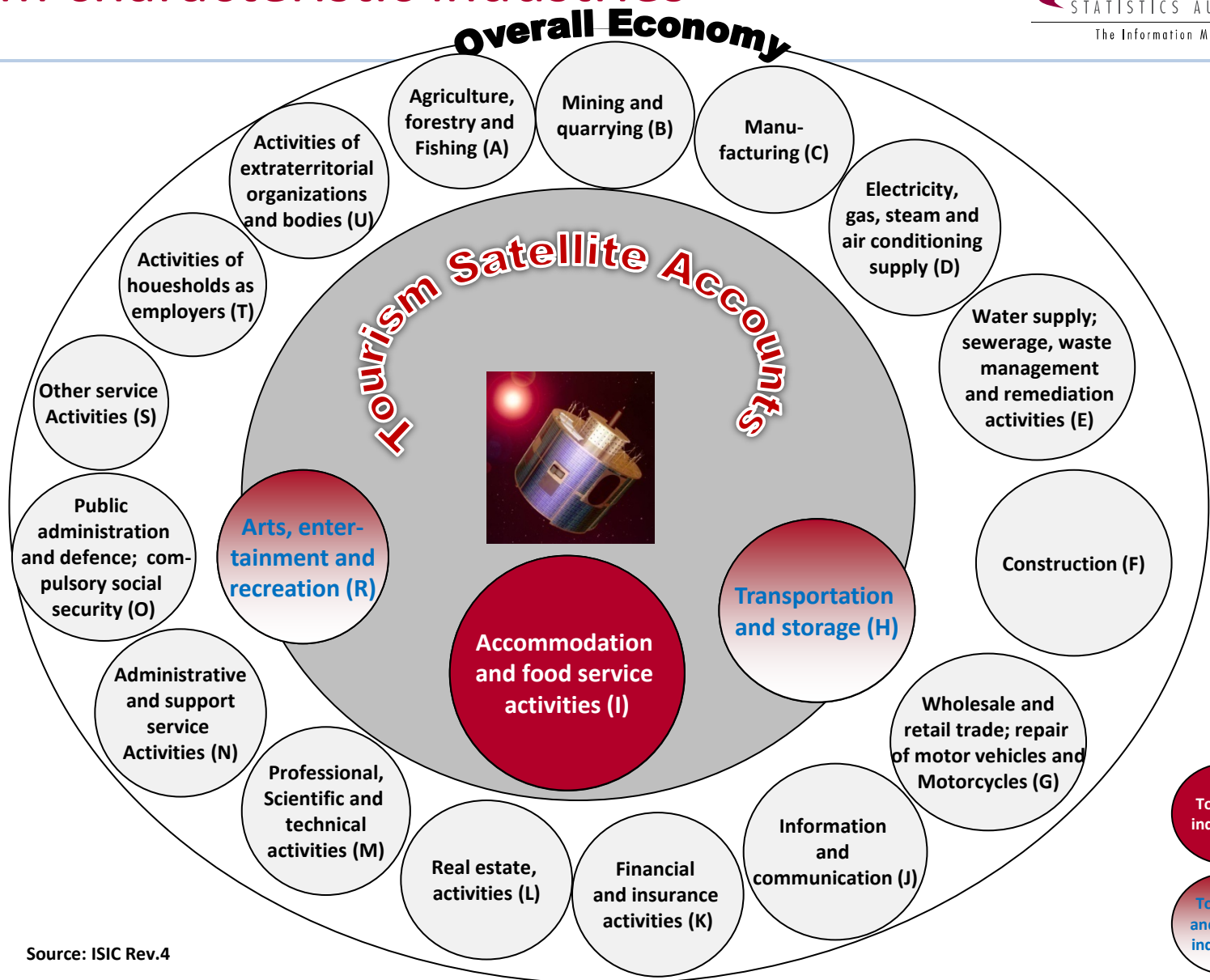
(1) TSA-concept distinguishes between:

- “Tourism characteristic”,
 - “Tourism connected”, and
 - “Non-tourism related” production,
 - „Valuables”.
- } Other consumption (RMF 2008)

(2) Accordingly tourism consumption comprises:

- “Tourism characteristic” (i.e. accommodation, travel agencies, skiing lifts),
- “Tourism connected” (i.e. canteens), and
- “Non-tourism related” goods and services (i.e. retail trade, hairdresser), and
- Valuables (paintings, jewelry, etc.; SNA 2008, para.9.57).

Tourism characteristic industries





(1) Tourism characteristic products:

Internationally comparable tourism characteristic products

- Accommodation services for visitors
 - Accommodation services other than vacation homes
 - Vacation homes
- Food and beverage serving services
- Railway passenger transport services
- Road passenger transport services
- Water passenger transport services (coastal and inland)
- Air passenger transport services
- Transport equipment rental services
- Travel agencies and other services (margin only)
- Cultural services (theater, museums, etc.)
- Sports and recreational services (entry fees to sport events, casino, etc.)

Country-specific tourism characteristic products

- Country-specific tourism characteristic goods
- Country-specific tourism characteristic services

(2) Other consumption products (tourism connected and non-tourism related)

(3) Valuables (purchases exceeding the custom's threshold within merchandise trade)

How is TSA done?

Integration of Supply and Use

Supply

„Tourism Industries“?

(Non-visitors take lunch in a restaurant, visitors are buying non-tourism characteristic goods and services, i.e. clothes)

„Tourism and non-tourism Consumption“

Ratio/share of tourism consumption related to total consumption

Every good and service receives a tourism ratio/share, which is applied to the respective industry (GVA)

Tourism Value Added (TVA) per industry, sum result in total TDGVA which is applied to total GDP

Use

„Tourism consumption“?

(Visitors, non-usual environment, main motivation of the trip, expenditure)

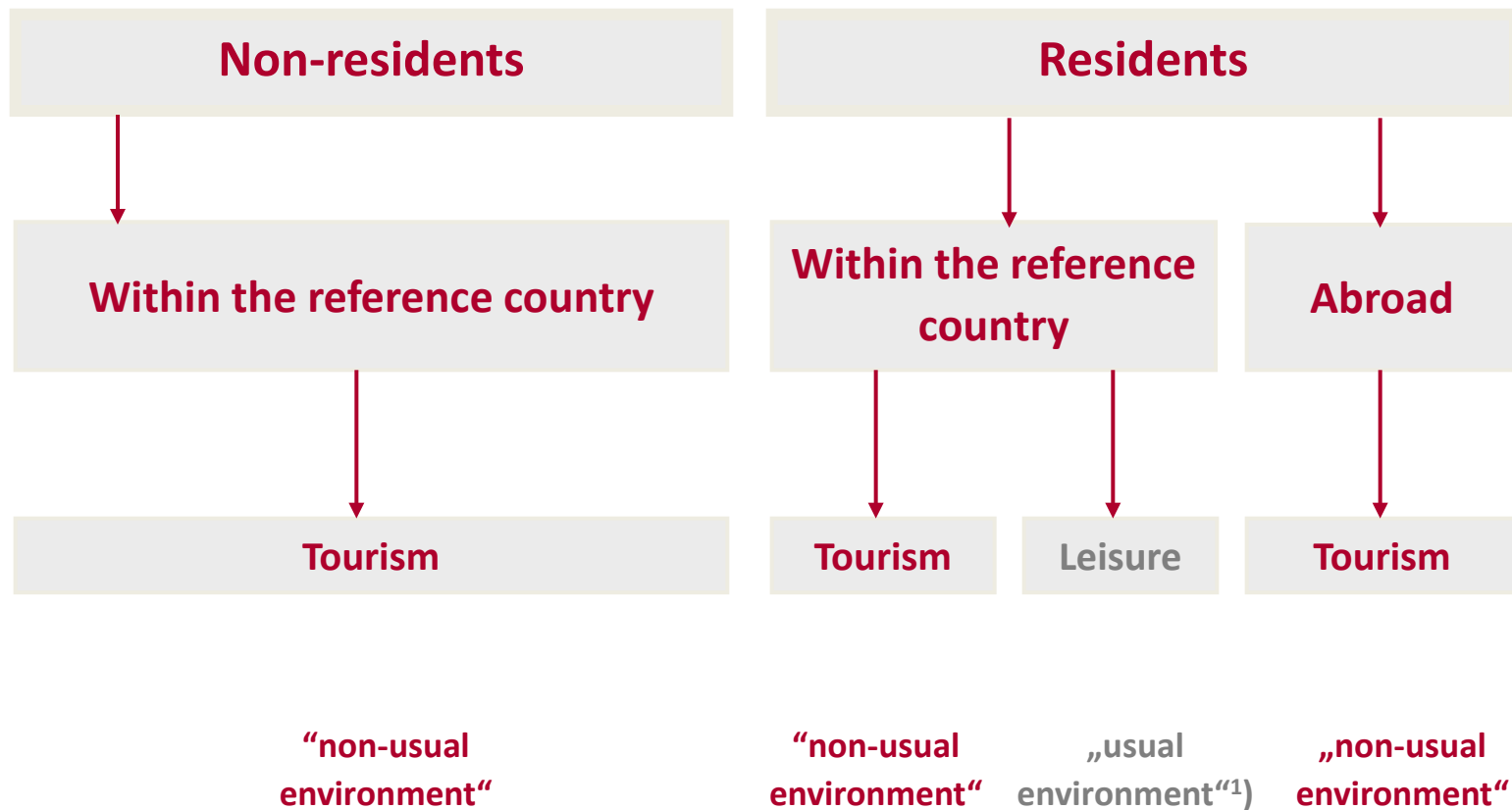
Tourism consumption

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Tourism demand - monetary flows in the tourism market (and leisure market)



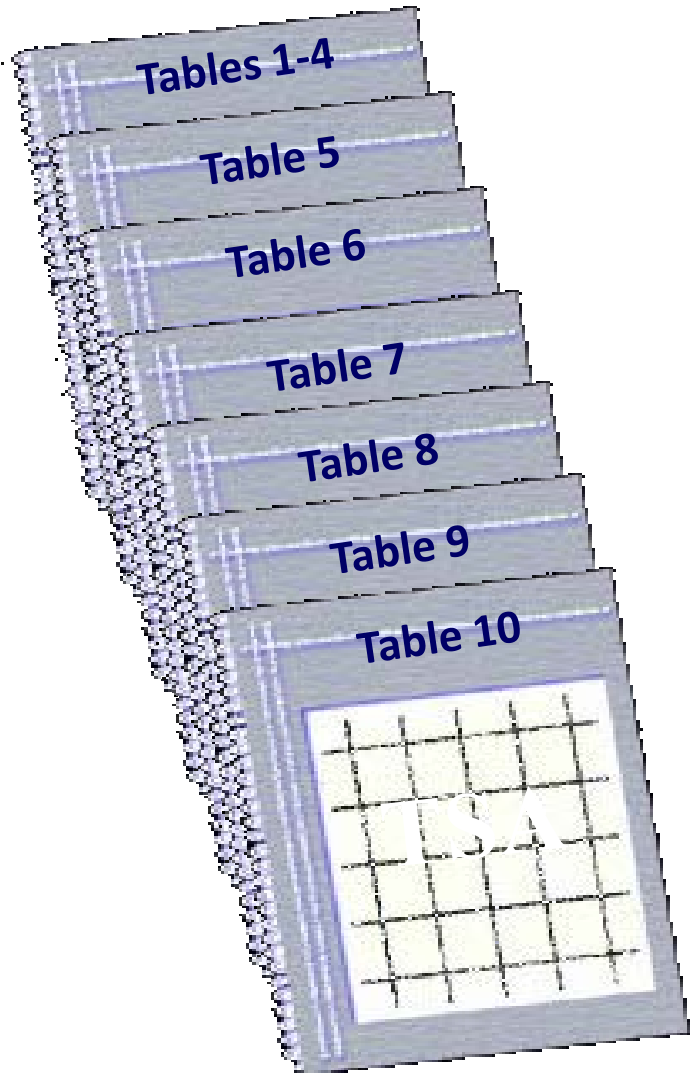
1) Leisure activities of residents within their usual environment/place of living (i.e. visiting a restaurant, going to cinema).



TSA - Tables



The 10 TSA Tables

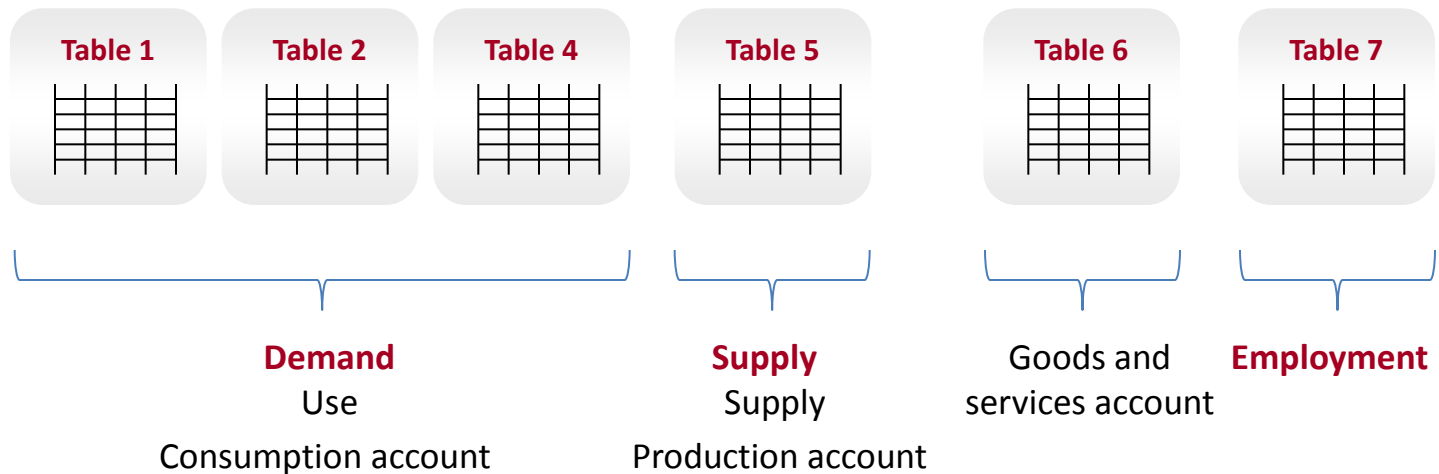


- | | |
|------|--|
| 1- 4 | Tourism Consumption |
| 5 | Production |
| 6 | Demand meets Supply |
| 7 | Employment in Tourism industries |
| 8 | Tourism Gross Fixed Capital Formation |
| 9 | Tourism Collective Consumption |
| 10 | Physical Indicators |

The core TSA-Tables



System of connected and interrelated Tables

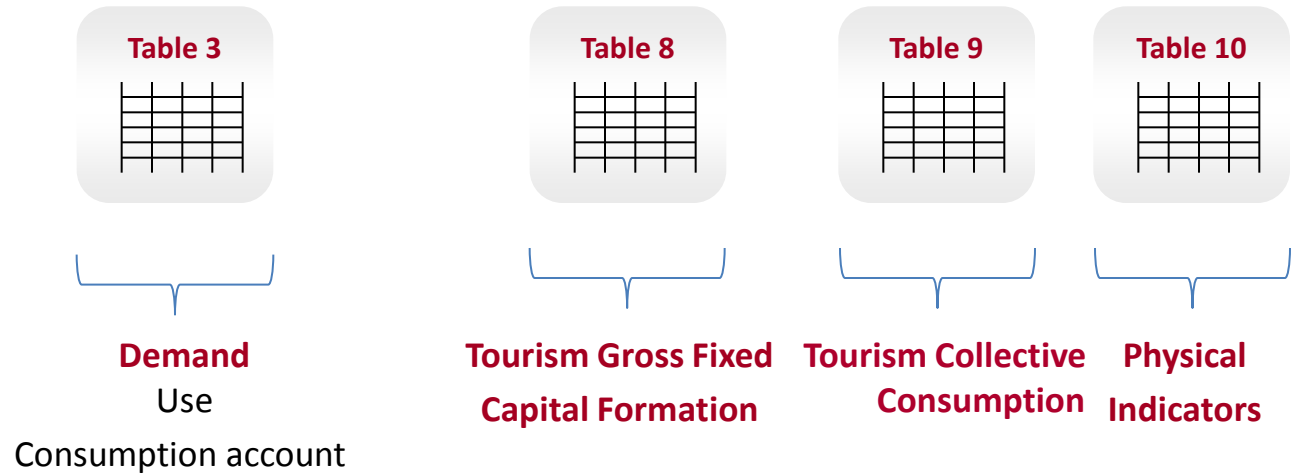


→ **direct** effects (\neq indirect) of **Tourism** (\neq leisure activities of residents within usual environment)

UNWTO-Manual: Recommended Methodological Framework
EUROSTAT-Manual: European Implementation Manual on TSA
OECD-Manual: Measuring the Role of Tourism in OECD Economies



System of connected and interrelated Tables





Tourism **expenditure** related to **Inbound Tourism** (TSA-Table 1)

- Inbound tourism consumption: the tourism consumption of a non-resident visitor within the country. It includes also goods and services which, which are produced abroad or provided by non-residents, but sold in the country (i.e. imported goods and services).

Tourism **expenditure** related to **Domestic Tourism** (TSA-Table 2)

- Domestic tourism consumption: the tourism consumption of a resident visitor within the country, regardless whether the final destination of the trip is within the country or abroad. It includes also goods and services which, which are produced abroad or provided by non-residents, but sold in the country (i.e. imported goods and services).

[Tourism **expenditure** related to **Outbound Tourism** (TSA-Tabelle 3)

- Outbound tourism consumption: the tourism consumption of a resident visitor abroad.]

Internal tourism consumption (TSA-Tabelle 4)

- Internal tourism consumption includes the tourism consumption of the inbound and domestic tourism; it also includes services associated with vacation accommodation on own account, tourism social transfers in kind and other imputed consumption.



Production accounts of tourism and other industries (at basic prices; TSA-Table 5)

- Table 5 presents the **production accounts of tourism industries and other industries** in the economy of reference. The output is broken down by product, and is valued at basic prices and occupies a block of rows in the upper part of the table. Then, intermediate consumption is presented. The difference between these two values is called gross value added (GVA) at basic prices.

Domestic supply and internal tourism consumption, by products (at purchasers' prices; TSA-Table 6)

- Table 6 is the **core of the TSA system** where the **confrontation and reconciliation between domestic supply and internal tourism consumption** take place.



TSA - Benefits



General benefits of TSA (1)



- Describing the size and the **economic importance of tourism** compared to the overall economy of a country and enhancing **robust information** and indicators on the role tourism is playing and can play in the economy;
- Providing detailed information on **visitor consumption, including all forms of tourism: Inbound, domestic and outbound** (domestic part);
- **Linking economic data** and other **non-monetary** information on tourism (i.e. physical data such as trips, or employment such as FTE);
- Providing a reliable and credible **tool** necessary for both effective **public policies** (e.g. justifying financial support) and efficient **business operations**;
- Bring **new recognition and confidence in tourism** as one of the most important sectors of the economy (e.g. compared to other economic sectors);

General benefits of TSA (2)



- Including **all kind of tourism activities**, same-day visits, overnight visits, visits in rented and non-rented accommodation or vacation homes;
- Giving **greater credibility to tourism statistics** (apart from providing physical data such as nights spent) and **to the indicators** analyzing the scale and the significance of tourism as an economic activity;
- Providing a rich and **informed vision** of the “**tourism industry**” and of its component activities, beyond the hotel and restaurant sector (i.e. public transport sector, cultural and recreational/entertainment sector);
- Being a prerequisite for the development of **research and innovative methodological approaches**, such as forecasting;
- **Allowing international comparison** of results by considering all forms and kind of tourism activities, including gross-border cooperation with other countries.

What else (from the compilers' point of view)?



- **Reconciliation/benchmarking** tool regarding demand and supply related data, considering the quality of the data used (i.e. TSA-Table 6);
- **Using/combining different data sources** as a prerequisite for receiving a consistent TSA (i.e. NA, business statistics, external data);
- **Starting point** of the documentation and discussion of the **meta data** related to the data used compiling TSA (national compilation guide);
- **Starting point** of **cooperation** between **NSI** and **NTA**, **Central Bank**, research institutes, and exchange of views with the tourism industry (i.e. establishment of multi-institutional Working Groups);
- **Starting point** of general considerations related to the tourism statistical system, including the introduction of **best estimates**, **modeling** and **extrapolation methods** (e.g. related non-available data);
- **Starting of discussion** related to the **quality of the used statistics** and rethinking of the **used concepts** (e.g. by analysing time-series);
- **Increasing** the **public acceptance** of tourism statistical data and justifying new/additional research in this field (i.e. forecasting, environment/tourism, indicators related to tourism sustainability).

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[http://www.statistik.at/web_en/statistics/tourism/
tourism_satellite_accounts/index.html](http://www.statistik.at/web_en/statistics/tourism/tourism_satellite_accounts/index.html)

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