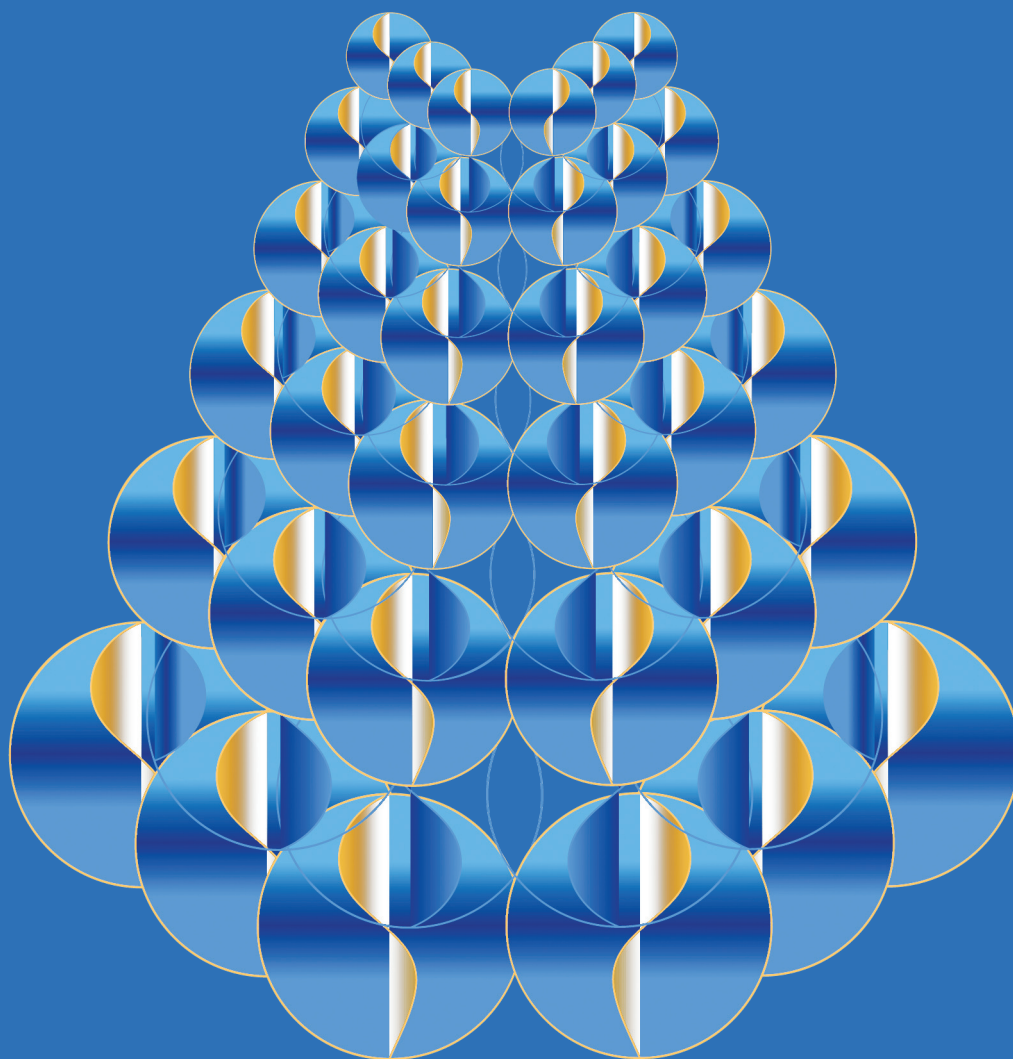


# International Recommendations for Tourism Statistics 2008



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Department of Economic and Social Affairs  
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# International Recommendations for Tourism Statistics 2008



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## Department of Economic and Social Affairs

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## Foreword

*International Recommendations for Tourism Statistics 2008* was prepared in accordance with the decision of the United Nations Statistical Commission at its thirty-fifth session held from 2 to 5 March 2004<sup>1</sup> and revises *Recommendations on Tourism Statistics*, adopted by the Commission in 1993 and published in 1994.<sup>2</sup>

The international recommendations were drafted by the World Tourism Organization (UNWTO) in close cooperation with the United Nations Statistics Division, the International Labour Organization (ILO) and other members of the Inter-Agency Coordination Group on Tourism Statistics, which was created in 2004 at the request of the Commission and comprises UNWTO, United Nations Statistics Division, ILO, the Organization for Economic Cooperation and Development (OECD), Eurostat, the International Monetary Fund (IMF) and the World Trade Organization (WTO). The incorporate findings and conclusions of the UNWTO Committee on Statistics and Tourism Satellite Account, inputs received from national statistical offices, national tourism administrations and international organizations during a worldwide consultation on the contents of the recommendations. A draft version of the recommendations was reviewed and endorsed by the United Nations Expert Group on Tourism Statistics, which met in New York from 25 to 28 June 2007. Statistics Canada provided a thorough review of the text prior to its submission to the Commission for adoption.

The preparation of international tourism recommendations is a part of the efforts of UNWTO and the United Nations Statistics Division to strengthen countries in the methodological and operational foundations of tourism statistics in an integrated manner, including enhancement of the coherence of tourism statistics with other official statistics and further development of tourism satellite accounts.

The present publication, *International Recommendations for Tourism Statistics 2008* provides a comprehensive methodological framework for collection and compilation of tourism statistics in all countries irrespective of the level of development of their statistical systems. Its primary audience is the staff of national statistical offices and national tourism administrations involved in the compilation of tourism statistics. The publication also contains a wealth of information that might be of interest to data users who would like to understand better the nature of tourism data. In addition, general guidance is provided with respect to data sources and data compilation methods, which will be complemented by a forthcoming compilation guide to be released in 2010.

<sup>1</sup> *Official Records of the Economic and Social Council 2004, Supplement No. 4 (E/2004/24), chap. III C, para. 6 (c and d).*

<sup>2</sup> *Recommendations on Tourism Statistics, Statistical Papers, Series M, No.83 United Nations Publication Sales No. E.94.XVII.6).*

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The International Recommendations for Tourism Statistics 2008 were prepared by the Department of Statistics and Tourism Satellite Account of the World Tourism Organization (UNWTO) and the United Nations Statistics Division, in collaboration with the members of the United Nations Expert Group on Tourism Statistics, as well as participants in the 8th meeting of the UNWTO Committee on Statistics and Tourism Satellite Account, which was specially dedicated to a review of the provisional draft.

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In parallel with the drafting of the International Recommendations for Tourism Statistics 2008, UNWTO and the Inter-Agency Coordination Group on Tourism Statistics worked on updating the *Tourism Satellite Account: Recommended Methodological Framework 2000*. The Inter-Agency Coordination Group was set up in 2004 in accordance with the agreement reached between the interested organizations (Eurostat, ILO, IMF, OECD, The Economic Commission for Latin America and the Caribbean (ECLAC), the United Nations Statistics Division, UNWTO and WTO) at the fourth session of the Committee for the Coordination of Statistical Activities. The scope of its work focused on bringing closer the conceptual differences in the Tourism Satellite Account and the revision processes of other related frameworks (such as the Balance of Payments manual, fifth ed.; the System of National Accounts 1993; the Manual on Statistics of International Trade in Services; and migration statistics).

The preparation of the international recommendations was undertaken under the guidance and supervision of Antonio Massieu (UNWTO) and Vladimir Markhonko (United Nations Statistics Division). A special word of appreciation is due to Marion Libreros (UNWTO consultant) who was designated by UNWTO to be responsible for the different drafts and to Christopher Jackson and Jocelyn Lapierre (Statistics Canada) for a thorough review of the text prior to its submission to the United Nations Statistical Commission.

Both UNWTO and the United Nations Statistics Division are also grateful to national statistical offices, national tourism administrations, international organizations and individual experts for their comments which were received during the worldwide consultations on the contents of the recommendations which contributed to their successful completion.

## List of abbreviations and acronyms

BOP	Balance of Payments
BPM6	Balance of Payments and International Position Manual, sixth edition
COICOP	Classification of Individual Consumption by Purpose
CPC	Central Product Classification
CTO	Caribbean Tourism Organization
ECLAC	Economic Commission for Latin America and the Caribbean
GATS	General Agreement on Trade in Services
GDP	Gross domestic product
ICLS	International Conference of Labour Statisticians
ICSE	International Classification of Status in Employment
ILO	International Labour Organization
IMF	International Monetary Fund
IRTS 2008	International Recommendations for Tourism Statistics 2008
ISCED	International Standard Classification of Education
ISCO	International Standard Classification of Occupations
ISIC	International Standard Industrial Classification of all Economic Activities
IUOTO	International Union of Official Travel Organizations
n.e.c.	Not elsewhere classified
n.i.e.	Not included elsewhere
OECD	Organization for Economic Cooperation and Development
PATA	Pacific Asia Travel Association
SDMX	Statistical Data and Metadata Exchange
SEEA	System of environmental and economic accounts
SICTA	Standard International Classification of Tourism Activities
SNA	System of National Accounts
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	World Tourism Organization
VAT	Value Added Tax
WTO	World Trade Organization
WTTC	World Travel and Tourism Council

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## Chapter 1

# Development and needs for tourism statistics

1.1. Tourism is a social, cultural and economic phenomenon related to the movement of people to places outside their usual place of residence, pleasure being the usual motivation.

1.2. The activities carried out by a visitor may or may not involve a market transaction, and may be different from or similar to those normally carried out in his/her regular routine of life. If they are similar, their frequency or intensity is different when the person is travelling. These activities represent the actions and behaviours of people in preparation for and during a trip in their capacity as consumers.

1.3. Tourism has an impact on the economy, the natural and built environment, the local population at the places visited and the visitors themselves.

1.4. Owing to this range of impacts and the wide spectrum of stakeholders involved, there is a need for a holistic approach to tourism development, management and monitoring. This approach is supported by the World Tourism Organization (UNWTO) in order to formulate and implement national and local tourism policies.

1.5. Having more and reliable statistics is essential for policymakers to make effective decisions. Only with sufficient and adequate data that generate credible statistics is it possible to undertake different types of analysis of tourism. This is essential in order to evaluate the different aspects of tourism and to support and improve policy and decision-making.

1.6. Tourism statistics are necessary for designing marketing strategies, strengthening inter-institutional relations, evaluating the efficiency and effectiveness of management decisions and measuring tourism throughout the national economy.

1.7. *International Recommendations for Tourism Statistics 2008 (International Recommendations 2008)* focuses on the activities carried out by visitors and on measuring them with both monetary and non-monetary indicators. Its purpose is to provide a common reference framework for countries to use in the compilation of tourism statistics.

1.8. The main objective of *International Recommendations 2008* is to present a system of definitions, concepts, classifications and indicators that are internally consistent and that facilitate the link to the conceptual frameworks of the Tourism Satellite Account national accounts, the balance of payments and labour statistics, among others. In addition, general guidance with respect to data sources and data compilation methods is also provided and will be complemented by a forthcoming compilation guide.

1.9. The present focus is on the economic perspective and from this perspective tourism is defined as the activities of persons, identified as visitors. A visitor is someone who is travelling under certain conditions ([see para. 2.9](#)), namely, for holiday, leisure and recreation, business, health, education or other purposes ([see para. 3.14](#)).

1.10. Tourism comprises the activities of all these categories of visitors. This scope is much wider than the traditional perception of tourists, which includes only those travelling for leisure.

1.11. The notion of activities encompasses all the actions of visitors in preparation for a trip or while on a trip. It is not restricted to what are often considered “typical” tourism activities, such as sightseeing, sunbathing, visiting sites, and practising or watching sports (see para. 3.17). Being a visitor is a transient situation; once the trip is over, the individual loses his/her condition of being a visitor.

1.12. As a demand-side phenomenon, the economic contribution of tourism has to be approached from the activities of visitors and their impact on the acquisition of goods and services. However, it can also be viewed from the supply side, and tourism will then be understood as a set of productive activities that cater mainly to visitors or for which an important share of their main output is consumed by visitors. These two aspects, as well as employment in the tourism industries, will be considered in the present volume.

## **A. Historical development**

1.13. The development of international recommendations concerning the concepts and definitions related to tourism has a long history. In 1937 the Council of the League of Nations recommended a definition of “international tourist” for statistical purposes. This definition was slightly amended by the International Union of Official Travel Organizations (IUOTO) at a meeting held in Dublin in 1950. Finally, in 1953, the United Nations Statistical Commission defined the concept of “international visitor”.

1.14. The United Nations Conference on International Travel and Tourism (Rome, 1963) recommended a definition for the terms “visitor”, “tourist” and “excursionist” following IUOTO recommendations. These definitions were examined by a United Nations expert group on international travel statistics in 1967 and endorsed by the United Nations Statistical Commission in 1968. After their approval by the Commission in 1976, the provisional guidelines on statistics of international tourism were disseminated in 1978.

1.15. In the 1980s, there was an increased overall awareness of the importance of tourism and its interdependence with other economic and social activities. UNWTO, in close cooperation with the United Nations Statistics Division, initiated a process of revision of the definitions and classifications used in tourism statistics.

1.16. This process was developed in two main directions: first, to propose modifications to the definitions and classifications used in studies of tourism in order to make them compatible and consistent with those of other national and international statistical systems; second, to take steps towards the incorporation of tourism into the analytical framework of national accounts.

1.17. As early as 1983, at the fifth session of its General Assembly, held in New Delhi, UNWTO issued a report illustrating how it was possible to describe tourism within the recommendations on national accounts existing at that time, the System of National Accounts 1968. The report stressed the importance of such an exercise as a uniform and comprehensive means of measurement and comparison with other sectors of the economy. It was not implemented as such but is still considered to be a seminal contribution.

1.18. The International Conference on Travel and Tourism Statistics, held jointly by UNWTO and the Government of Canada in Ottawa in June 1991, provided

an opportunity to discuss the experience of specific countries in this area, specifically Canada and France, as well as to review the *Manual on Tourism Economic Accounts* developed by the Organization for Economic Cooperation and Development (OECD). A set of statistical definitions on domestic and international tourism and a classification of tourism activities were proposed, both related to other international statistical standards and recommendations such as the balance of payments, the System of National Accounts 1993 (then still under review) and the Recommendations on International Migration Statistics. Moreover, the need to develop a system of tourism-related data that would be structurally integrated with the System of National Accounts was emphasized.

1.19. In 1993, these proposals, once revised and refined, were submitted for approval to the United Nations Statistical Commission at its twenty-seventh session, jointly with the Standard International Classification of Tourism Activities (SICTA), which was approved as a provisional classification. The Recommendations on Tourism Statistics (adopted by the Commission in 1993 and published in 1994) represent the first international set of recommendations designed to determine the basic foundations of a system of tourism statistics in terms of concepts, definitions, classifications and indicators.

1.20. The set of definitions and classifications comprising the 1993 recommendations reflected the work carried out by other international and regional organizations, in particular:

- (a) The recommendations on international migration statistics published by the United Nations in 1980, as well as the fourth edition of the Balance of Payments Manual issued by the International Monetary Fund (IMF) in 1977 and the System of National Accounts 1993 then still in a preliminary version;
- (b) The cooperation between the Statistical Division of the United Nations Secretariat and the United Nations regional commissions, as well as other regional and supranational organizations, namely OECD, Eurostat, the Pacific Asia Travel Association (PATA) and the Caribbean Tourism Organization (CTO);
- (c) The activities, experience and practices of both developed and developing countries concerning the mobility and characteristics of their residents travelling within the country and abroad;
- (d) The activities and experiences in the most developed countries, most notably Austria, Canada, France, Spain, Sweden, the United Kingdom of Great Britain and Northern Ireland and the United States of America, in developing early statements of the economic contribution of tourism to the national economy.

1.21. Since the Ottawa Conference, not only have many of the initiatives presented in the 1993 Recommendations on *Tourism Statistics* begun to materialize, but a number of countries have also initiated or further refined their tourism satellite account in line with the recommendations of the System of National Accounts 1993 concerning the development of satellite accounts. Within the private sector, the World Travel and Tourism Council (WTTC) has also developed its own initiatives guided by similar objectives.

1.22. Some countries, notably Australia, Canada and the United States, have carried out reviews of the consistency of their existing systems of tourism statistics with the new international recommendations, implementing changes to bring their systems into greater harmonization with the new standard.

1.23. As a consequence of the Ottawa Conference, UNWTO adopted a statistical programme in order to foster the development of national tourism statistics along the lines of the 1993 recommendations. A steering committee of 36 countries and concerned international organizations was set up to monitor the elaboration of a common conceptual framework integrated with the System of National Accounts, namely the Tourism Satellite Account, in order to give credibility to the measurement of tourism and provide comparability with the measurement of other economic and social activities.

1.24. In the following years, UNWTO intensified the promotion of the development of tourism statistics. Nine regional forums were organized: in Prague (1992) and Warsaw (1995) for Central and Eastern Europe countries, in Damascus (1995) for Middle East countries, in Moscow (1996) for Russian Federation countries, in Jakarta (1996) for Pacific and South Asia countries, in Kingston for Caribbean countries, in Cairo (1997) for African and Middle Eastern countries, in Thiruvananthapuram, India (1998) for Asian countries and in Mexico city (1998) for the Americas. Additionally, technical assistance to countries was strengthened by holding seminars and regional workshops, by bilateral missions to countries, and by producing technical manuals to provide guidance on the application of the 1993 recommendations.

1.25. Within OECD, work was undertaken in the mid-1980s to establish linkages with the analytical framework of national accounts. Data collection and analysis organized within the policy-oriented framework of tourism economic accounts started in 1991. Based on this development, OECD provided ongoing guidance to member countries on how to develop comparable international accounts, using national accounting principles and emphasizing linkages of tourism expenditure with other important economic aspects of tourism, notably employment. In 1997 the OECD Tourism Committee made its first proposal for a tourism satellite account for OECD countries.

1.26. Eurostat also developed programmes and carried out studies on tourism statistics in the European Union. It prepared a methodology on tourism statistics, compatible with the 1993 *Recommendations on Tourism Statistics* and adapted to the specific needs and context of its Member States. Special mention should also be made of the 1995 directive of the Council of the European Union on the collection of statistical information in the field of tourism which aimed at harmonizing and improving the statistical data produced by Member States. It can be seen as the first legal step taken to create an integrated system of information on tourism demand and supply.

1.27. The Enzo Paci World Conference on the Measurement of the Economic Impact of Tourism, held in Nice in June 1999, provided the opportunity for UNWTO to present its work on proposed new international recommendations, the Tourism Satellite Account. This proposal was reviewed within a UNWTO—OECD—Eurostat intersecretariat working group in accordance with the resolutions of the Conference and was the basis of the document finally endorsed by the United Nations Statistical Commission at its thirty first session. It was published in 2001 as *Tourism Satellite Account (TSA): Recommended Methodological Framework*. As a result of this process, each of the organizations agreed that they were in a position to promote the implementation of a similar framework in their respective member countries.

1.28. The setting up of the Tourism Satellite Account conceptual framework, based on the fully articulated structural link of tourism definitions and concepts with those used in the System of National Accounts 1993, and as a consequence with those of the IMF Balance of Payments Manual fifth edition, required some adjustments to the 1993 *Recommendations on Tourism Statistics*, particularly on the scope of visitors and tourism consumption. Refinements were also required on the location and timing of consumption.



1.29. However, it was not possible at the time of the approval of the Tourism Satellite Account to revise the 1993 *Recommendations on Tourism Statistics* to bring it into line with the Tourism Satellite Account. As a consequence, the revision was postponed.

## B. Towards the International Recommendations for Tourism Statistics 2008

1.30. At the level of international organizations, tourism has increasingly been viewed as a promising area of economic activity that could become a structural part of poverty alleviation and sustainable development in addition to its previously recognized role in fostering the global competitiveness of international trade, wealth creation and regional development. The role of the UNWTO in this context has been particularly noteworthy. This role was recognized by the international community in 2004, when the World Tourism Organization was transformed into a specialized agency of the United Nations and it began to participate in the general coordination mechanism of all agencies involved in supporting the compilation of tourism statistics see box 1.1.

1.31. In the context of the update and review of most international statistical standards relevant to tourism statistics (such as the System of National Accounts 1993 Balance of Payments Manual, fifth edition, Central Product Classification (CPC Ver. 1) and International Standard Industrial Classification of All Economic Activities (ISIC Rev. 3) and the Manual on Statistics of International Trade in Services), it was decided to revise the 1993 *Recommendations on Tourism Statistics*.

1.32. The revision process of the 1993 Recommendations benefited first of all from the work carried out by the Inter-Agency Coordination Group on Tourism Statistics, created in 2004 at the request of the United Nations Statistical Commission (integrated by United Nations Statistics Division, OECD, Eurostat, the World Trade Organization, IMF, the International Labour Organization (ILO) and UNWTO). Its work included the identification of those issues where coordination was required in order to find mutually accepted solutions regarding the update of the Tourism Satellite Account and to close conceptual gaps with related macroeconomic frameworks.

### Box 1.1

#### **World Tourism Organization competences in terms of statistics**

##### *Article 13. Statistical services*

1. The United Nations and the World Tourism Organization agree to strive for the maximum cooperation, the elimination of all undesirable duplication between them and the most efficient use of personnel in their respective collection, analysis, publication and dissemination of statistical information. They agree to combine their efforts to secure the greatest possible usefulness and utilization of statistical information, to guarantee close coordination in their respective statistical initiatives and to minimize the burden placed upon Governments and other organizations from which such information may be collected.

2. The World Tourism Organization recognizes that the United Nations is the central agency for the collection, analysis, publication, standardization and improvement of tourism statistics serving the general purposes of international organizations.

3. The United Nations recognizes the World Tourism Organization as the appropriate organization to collect, to analyse, to publish, to standardize and to improve the statistics of tourism and to promote the integration of these statistics within the sphere of the United Nations system.

**Source:** Agreement between the United Nations and the World Tourism Organization, General Assembly resolution 58/232.



1.33. Additional initiatives were also developed: first, an electronic forum in which UNWTO presented several proposals for discussion was active from April to October 2006. Then the International Workshop on Tourism Statistics, under the sponsorship of the United Nations Statistics Division and the UNWTO, was held in Madrid in July 2006. It was attended by 79 participants representing 33 countries and 7 international and regional organizations, with the purpose of collecting proposals, recommendations and suggestions for the update of recommendations on tourism statistics. The UNWTO Committee on Statistics and Tourism Satellite Account actively participated in the revision process and provided valuable inputs into the drafting process, in particular through a special session held in Lisbon in March 2007. The provisional draft of *International Recommendations 2008* that resulted from its work was the subject of worldwide consultation in May and June 2007. The draft was further reviewed and globally endorsed by the ad hoc United Nations Expert Group on Tourism Statistics, which met in New York from 25 to 28 June 2007.

1.34. The concepts, definitions, classifications and indicators set forth in the present publication have been guided by the following criteria:

- (a) Definitions and classifications should be of worldwide practical applicability to both developed and developing economies;
- (b) They should also be:
  - Consistent with definitions and classifications used in national accounts, balance of payments, statistics of international trade in services, and household and migration statistics. Additionally, the classifications used should refer, when relevant, to the two main international economic classifications: the Central Product Classification (CPC) and the International Standard Industrial Classification of All Economic Activities (ISIC);
  - Applicable for description and analysis of tourism at national and sub-national levels;
  - Conceptually precise;
  - Measurable within the constraints of statistical observation of visitors and of the activities serving them.

1.35. Although the development of national tourism statistics is uneven and the resources (both human and financial) vary from country to country, it is nevertheless necessary to strengthen international comparability. Consequently, countries are encouraged to compile both demand and supply side tourism statistics in line with *International Recommendations 2008* in order to ensure a better information base for analysis of tourism and its economic contributions.

1.36. Concepts, definitions, classifications and indicators presented in *International Recommendations 2008* should be viewed as an important foundation of the system of tourism statistics. As such, they should be used as a reference for coordination, reconciliation and interpretation of the information in the area of tourism, although this information might extend beyond the still restricted domain these Recommendations touch upon.

1.37. The development of a system of tourism statistics is closely linked to the implementation of the second international recommendations approved by the United Nations Statistical Commission for use in the compilation of tourism satellite accounts, an approach that is briefly introduced in chapter 8. In fact, the Tourism Satellite Account provides the conceptual framework and the organizational structure for the reconciliation of most tourism statistics internally within the sector, as well as with

other economic statistics. From this perspective, it should be seen as an instrument to assist countries in the identification of data gaps and to guide them during the revision of existing data sources, as well as in the development of new sources.

1.38. The measurement of key variables in tourism statistics (trips, visitors, expenditure, tourism supply, employment, etc.) must take account of the complexity of tourism due to its cross-cutting nature. It should also be responsive to the specificities of each different form of tourism.

## C. Structure of the document

1.39. *International Recommendations 2008* is organized in the following way: after a general introduction (chap. 1), chap. 2 introduces the definition of tourism as a subset of travel and more precisely defines some related concepts and terminology, such as that of country of residence, place of usual residence and the usual environment. It also clarifies notions such as those of tourism trips and visits, and introduces the different forms of tourism.

1.40. Chapter 3 is dedicated to a characterization of visitors and of tourism trips, which are both fundamental to a more analytical approach to the flows of visitors.

1.41. Chapter 4 introduces the activity of visitors from the point of view of tourism expenditure.

1.42. Chapter 5 presents the standard classifications of products and productive activities that need to be used in order to be able to harmonize observations made within the demand approach and the supply approach at the national level, and in order to develop internationally comparable economic measurements and aggregates at a certain level of breakdown of products and productive activities.

1.43. Chapter 6 introduces the definition of *establishments* in tourism industries whose main activity is a tourism characteristic activity, and it provides indications of the information that might be of interest regarding such productive activity from a tourism analysis perspective.

1.44. Employment is a crucial aspect of the analysis of the importance of tourism for a national economy. Chapter 7 describes concepts and definitions of employment in tourism industries and its basic categories, major classifications and measures.

1.45. Chapter 8 discusses briefly the Tourism Satellite Account and identifies possible extensions in the focus of the present *International Recommendations 2008*, such as the link with the measurement of external transactions (balance of payments), extensions of tourism statistics to the subnational levels and the issue of the sustainability of tourism.

1.46. Chapter 9 addresses supplementary issues, including the quality of tourism statistics and their dissemination.

1.47. Finally, an index, a glossary of terms and four annexes are included. The glossary of terms recalls the basic definitions of the most important concepts used in the *International Recommendations 2008*, and is based on either accepted international definitions from the Balance of Payments Manual or the System of National Accounts, or on the definitions of tourism concepts presented in *International Recommendations 2008*. Annex 1 identifies the main differences between *International Recommendations 2008* and the 1993 *Recommendations on Tourism Statistics*. The following Annexes 2–4 present the lists of internationally comparable tourism characteristic products and tourism characteristic activities.



## Chapter 2

# The demand perspective: basic concepts and definitions

2.1. Tourism is a phenomenon for which statistical representation has its particular challenges because of its special nature. Most tourism indicators have traditionally been physical (non-monetary) and have focused on the description and measurement of flows of visitors associated with inbound tourism. Without underestimating the importance of such information, the present recommendations will expand well beyond this scope.

2.2. The purpose of this chapter is to:

- Define tourism as a subset of travel;
- Improve the conceptual background for the definition of visitors and tourism trips;
- Establish the different forms of tourism;
- Provide recommendations regarding the measurement of flows of visitors.

2.3. As a general observation, it should be noted that in *International Recommendations 2008*:

- (a) The term “country” can be transposed to a different geographical level using the term “place” instead (either a region, municipality or other subnational geographic location);
- (b) The term “long-term” is used as the equivalent of a year or more and “short-term” as less than a year.

## A. Travel and tourism

2.4. **Travel** refers to the activity of travellers. A **traveller** is someone who moves between different geographic locations for any purpose and any duration.

2.5. Travel within a country by residents is called **domestic travel**. Travel to a country by non-residents is called **inbound travel**, whereas travel outside a country by residents is called **outbound travel**.

2.6. Those who undertake travel, be it domestic, inbound or outbound, will be called domestic, inbound or outbound travellers, respectively.

2.7. A trip refers to the travel by a person from the time of departure from his usual residence until he/she returns: it thus refers to a round trip. A trip is made up of visits to different places ([see para. 2.33](#)).

2.8. An **inbound trip** will correspond to the travel between arriving in a country and leaving, whereas a **domestic trip** or an **outbound trip** will correspond to the travel between leaving the place of residence and returning. A domestic trip has a main destination in the country of residence of the traveller, while an outbound trip has a main destination ([see para. 2.31](#)) outside this country.

2.9. A **visitor** is a traveller 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. These trips taken by visitors qualify as tourism trips. Tourism refers to the activity of visitors.

2.10. A domestic, inbound or outbound traveller on a tourism trip is called a domestic, inbound or outbound **visitor**, respectively.

2.11. Furthermore, the travel of domestic, inbound or outbound visitors is called domestic, inbound or outbound **tourism**, respectively.

2.12. **Tourism** is therefore a subset of **travel** and **visitors** are a subset of **travelers**. These distinctions are crucial for the compilation of data on flows of travellers and visitors and for the credibility of tourism statistics.

2.13. A visitor (domestic, inbound or outbound) is classified as a **tourist** (or **overnight visitor**) if his/her trip includes an overnight stay, or as a **same-day visitor** (or **excursionist**) otherwise.

## B. Conceptual background

2.14. The basic concepts in tourism statistics (see also section “Glossary of terms”) are the following:

- Economy of reference; economic territory of the country of reference;
- Residence: country of residence, place of usual residence (within a country);
- Citizenship and nationality;
- Usual environment of an individual;
- Tourism trips and visits;
- Tourism and being employed by a resident entity in the place visited.

### B.1. Economic territory and economy

2.15. In order to establish without ambiguity the geographical and economic links of activities related to tourism, it is necessary to define precisely the terminology used. The term “economic territory” is a geographical reference and points to the country for which the measurement is done (country of reference). “Economy” (or “economy of reference”) is an economic reference defined in the same way as in the balance of payments and in the System of National Accounts: it refers to the economic agents that are resident in the country of reference.

#### Box 2.1

##### Economic territory and economy

4.3. In its broadest sense, an *economic territory* can be any geographic area or jurisdiction for which statistics are required. The connection of entities to a particular economic territory is determined from aspects such as physical presence and being subject to the jurisdiction of the government of the territory. [...]

4.11. An *economy* consists of all the institutional units that are resident in a particular economic territory. [...]

## B.2. Residence: country of residence, place of usual residence (within a country)

2.16. The concept of residence allows for the classification of visitors according to their place of origin and for the characterization of their destination, thus making it possible to distinguish the different forms of tourism.

2.17. The country of residence of a household is defined in exactly the same way as in the balance of payments and in the System of National Accounts (see box 2.2). All exceptions and special cases considered in these frameworks apply in the case of tourism statistics. As a consequence, it is possible to share and reconcile data coming from these different sources and to work in a coordinated way on related topics such as the measurement of the flows and the expenditure of international travellers and visitors.

2.18. Within the context of the study and measurement of domestic tourism at a subnational level, **it is recommended** that residents in a given country be classified according to their place of usual residence, as determined in household surveys. Determining the place of usual residence (see box 2.3), and thus the principal dwelling of a household is not always straightforward as some individuals might stay for long periods of time in more than one place (for example, retirees) and thus have strong links with more than one local economy (see box 2.2).

## B.3. Nationality and citizenship

2.19. The concept of “country of residence” of a traveller is different from that of his/her nationality or citizenship. The traveller is usually a national or citizen of the country whose Government issues his/her passport (or other identification document), even if he/she resides in another country. A traveller might have more than one passport and thus more than one citizenship. In some countries, in statistical operations at the border or elsewhere, only the nationality of the traveller as stated in the passport

### Box 2.2

#### Residence of households

4.116. While many people are clearly strongly connected to only one economy, others have substantial economic interests in two or more economic territories. Factors such as location of dwellings, employment, asset holdings, citizenship, migration status, income tax status, income received, expenditure, business interests, and location of dependent family members may point to different economies. [...]

4.117. A household is resident in the economic territory in which household members maintain or intend to maintain a dwelling or succession of dwellings treated and used by members of the household as their principal dwelling. Being present for one year or more in a territory or intending to do so is sufficient to qualify as having a principal dwelling there. If there is uncertainty about which dwelling is the principal dwelling, it is identified from the length of time spent there, rather than other factors such as presence of other family members, cost, size, or length of tenure.

4.118. Individuals who belong to the same household must be residents of the same territory. If a member of an existing household ceases to reside in the territory where his or her household is resident, the individual ceases to be a member of that household. As a result of this definition, the use of households as the institutional unit is compatible with residence being determined on an individual basis.

4.119. Further to the general principles, some other factors are used to determine residence of particular categories. [...]

**Source:** International Monetary Fund. *Balance of Payments and International Investment Position Manual*, Sixth Edition (BPM6), pre-publication draft (December 2008)

**Source:** *Principles and Recommendations for Population and Housing Censuses of the United Nations* (United Nations Publication, Sales No. E.98.XVII.8), paras. 2.20 and 2.21.

### Box 2.3

#### Place of usual residence

The place of usual residence is the geographical place where the enumerated person usually resides.... Although most persons will have no difficulty in stating their place of usual residence, some confusion is bound to arise in a number of special cases where persons may appear to have more than one usual residence ....

that is presented is taken into consideration. Nevertheless, although frequently used in migration statistics, the concept of citizenship is not part of the requirements or definitions of tourism statistics.

2.20. While nationality is indicated in the traveller's passport (or other identification document), the country of residence has to be determined by means of a question (usually the indication of the current home address, although this might not be sufficient (see box 2.2)). **It is recommended** that travellers (and visitors) be classified on the basis of their country of residence.

## B.4. The usual environment of an individual

2.21. The **usual environment** of an individual, a key concept in tourism, is defined as the geographical area (though not necessarily a contiguous one) within which an individual conducts his/her regular life routines.

2.22. It is a characteristic attached exclusively to an individual that complements the concept of country of residence used in the national accounts and the balance of payments (see box 2.2) and that of place of usual residence used in household statistics (see box 2.3).

2.23. The purpose of introducing the concept of usual environment is to exclude from visitors those travellers commuting regularly between their place of usual residence and place of work or study, or frequently visiting places within their current life routine, for instance homes of friends or relatives, shopping centres, religious, health-care or any other facilities that might be at a substantial distance away or in a different administrative area but are regularly and frequently visited.

2.24. Based on the prevalent habits of movements, **it is recommended** that each country define the precise meaning of what is termed regular and frequent in the context of its tourism statistics.

2.25. The usual environment of an individual includes the place of usual residence of the household to which he/she belongs, his/her own place of work or study and any other place that he/she visits regularly and frequently, even when this place is located far away from his/her place of usual residence (see box 2.3) or in another locality, except for vacation homes the treatment of which is developed below.

2.26. Each household has a principal dwelling (sometimes also designated as main or primary home), usually defined with reference to time spent there (see box 2.2), whose location defines the country of residence and place of usual residence of this household and of all its members. All other dwellings (owned or leased by the household) are considered secondary dwellings.

2.27. A vacation home (sometimes also designated as a holiday home) is a secondary dwelling that is visited by the members of the household mostly for purposes of recreation, vacation or any other form of leisure. Trips should not be so frequent and the duration of the stay so large as to turn the secondary dwelling into the principal dwelling of the visitor.

2.28. Trips to vacation homes are usually tourism trips. Recognizing the growing importance of these trips in an increasing number of countries, and because of the specificities of the corresponding expenditure and activities, tourism statistics compilers are encouraged to measure them separately for analytical purposes and cross-country comparisons (see paras. 2.50 to 2.31). As the use of innovative types of vacation home ownership under timeshare arrangements presents additional challenges in terms of their classification, measurement and analysis, countries are encouraged to document the treatment of trips to vacation homes and include this description as part of the tourism statistics metadata (see paras. 9.10 to 9.13).

## B.5. Tourism trips and visits

2.29. Trips taken by visitors are tourism trips (see para. 2.9).

2.30. A domestic or an outbound tourism trip refers to the travel of a visitor from the time of leaving his/her usual residence until he/she returns: it thus refers to a roundtrip. An inbound tourism trip refers to the travel of a visitor from the time of arriving in a country to the time of leaving. A tourism trip is characterized by its **main destination**, among other characteristics (for example, main purpose).

2.31. The **main destination** of a tourism trip is defined as the place visited that is central to the decision to take the trip. However, if no such place can be identified by the visitor, the main destination is defined as the place where he/she spent most of his/her time during the trip. Again, if no such place can be identified by the visitor, then the main destination is defined as the place that is the farthest from the place of usual residence.

2.32. A **domestic trip** is one with a main destination within the country of residence of the visitor. An **inbound or outbound trip** is one with a main destination outside the country of residence of the visitor. An outbound tourism trip might include visits to places within the country of residence in the same way as a domestic trip might include visits outside the country of residence of the visitor. An inbound trip, however, includes only visits within the country of reference.

2.33. The term **tourism visit** refers to a stay in a place visited during a tourism trip. The stay does not need to be overnight to qualify as a tourism visit. Nevertheless, the notion of stay supposes that there is a stop. Entering a geographical area without stopping there does not qualify as a visit to that area. It is **recommended** that countries define the minimum duration of stops to be considered as tourism visits.

2.34. Observing tourism trips and visits is not the same as observing visitors, as an individual might make more than one trip or visit during the period of observation. In the statistics for the three forms of tourism (see paras. 2.39 and 2.40), the term **visitor** is often used instead of **tourism visit** or **tourism trip**. It is **recommended** that these concepts be clearly defined and differentiated in the statistical operations and presentation of the information.

## B.6. Tourism and being employed by a resident entity in the country visited

2.35. Any trip by a traveller whose main purpose is to be employed by a resident entity in the country visited and receive compensation for the labour input provided should not be considered as a tourism trip even though it is outside his/her usual environment and for less than 12 months. Nevertheless, if being employed and the payment received are only incidental to the trip, the traveller would still be a visitor (and the trip would still qualify as a tourism trip).



2.36. Whether a traveller is deemed to be employed in the country visited is based on the existence of an employer-employee relationship with a resident entity. This goes beyond the existence of a formal work contract between the provider of the labour service and a producer (businesses, government and non-profit institutions serving households) corresponding to a transaction between the traveller and a resident entity in the country visited. It should be based on the same criteria used in the balance of payments (see box 2.4) and labour force statistics to determine the cases in which the payment for the labour input provided has to be considered as compensation of an employee.

2.37. As a consequence, and applying this criterion, it is **recommended** that the following be excluded from visitors:

- (a) Travellers crossing the international (or administrative) border on a regular basis (see para. 2.20) in order to work in a country (or region) different from that of their place of usual residence (border workers);
- (b) Travellers employed under a short-term contract to work in a country (or region) other than that of their residence (seasonal workers in agriculture, construction, hotels, restaurants and other services, as well as other workers), with or without a formal work contract, as long as it might be considered that these travellers are involved in an employer-employee relationship between a resident and a non-resident.

#### Box 2.4

##### The employer-employee relationship

11.10. Compensation of employees presents remuneration in return for the labor input to the production process contributed by an individual in an employer-employee relationship with the enterprise. In the international accounts, compensation of employees is recorded when the employer (the producing unit) and the employee are resident in different economies. [...]

11.11. [...] Therefore, it is important to establish whether an employer-employee relationship exists between a resident individual and a non-resident employer or between a non-resident individual and a resident employer. An employer-employee relationship exists when there is an agreement, which may be formal or informal, between an entity and an individual, normally entered into voluntarily by both parties, whereby the individual works for the entity in return for remuneration in cash or in kind. The remuneration is normally based on either the time spent at work or some other objective indicator of the amount of work undertaken. [...]

11.12. When an individual performs work for an entity, it may not always be clear whether an employer-employee relationship exists between the individual and the entity. Provision of several types of services may pose such problems because entities may choose either to purchase a service from a self-employed worker or to hire an employee to perform the job. The status of the worker has important implications for the international accounts. If an employer-employee relationship exists between the worker and the producing entity, the payment constitutes compensation of employees. [...]

11.13. Several factors may have to be considered in determining whether an employer-employee relationship exists. An important test of whether an employer-employee relationship exists is that of control. The right to control or to direct, both as to what shall be done and how it shall be done, is a strong indication of an employer-employee relationship. [...]

2.38. On the other hand, **it is recommended** that the following travellers crossing the international (or administrative) borders for work or business purposes outside their usual environment be considered as visitors:

- (a) Employees of non-resident entities (of the country or region visited), as well as self-employed persons staying for a short period of time (less than a year) to provide a service such as the installation of equipment, repair, consultancy, etc., where there is no implicit employer-employee relationship with a resident entity;
- (b) Travellers entering in business negotiation with resident entities (in the country or region visited) or looking for business opportunities, including buying and selling.

## C. Forms of tourism

2.39. In relation to the country of reference, **it is recommended** that the following three basic forms of tourism be distinguished:

- (a) **Domestic tourism**, which comprises the activities of a resident visitor within the country of reference either as part of a domestic tourism trip or part of an outbound tourism trip (see para. 2.10 and box 2.5);
- (b) **Inbound tourism**, which comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip (see para. 2.10);
- (c) **Outbound tourism**, which comprises the activities of a resident visitor outside the country of reference, either as part of an outbound tourism trip or as part of a domestic tourism trip (see para. 2.10).

2.40. The three basic forms of tourism set forth above can be combined in various ways to derive other forms of tourism, in which case the following definitions should be used:

- (a) **Internal tourism**, which comprises domestic tourism and inbound tourism, that is, the activities of resident and non-resident visitors within the country of reference as part of domestic or international tourism trips;
- (b) **National tourism**, which comprises domestic tourism and outbound tourism, that is, the activities of resident visitors within and outside the country of reference, either as part of domestic or outbound tourism trips;
- (c) **International tourism**, which comprises inbound tourism and outbound tourism, that is, the activities of resident visitors outside the country of reference, either as part of domestic or outbound tourism trips and the activities of non-resident visitors within the country of reference on inbound tourism trips.

### Box 2.5

#### The scope of domestic tourism

The term “domestic” has different connotations in the context of tourism and the national accounts. In tourism, “domestic” retains its original marketing connotations, that is, it refers to the activities of resident visitors within the country of reference. In the national accounts, and from a demand perspective, the term “domestic” refers to the activities of resident consumers irrespective of the location of that activity. In the national accounts context, “domestic tourism” thus corresponds to what is called “national tourism” in tourism statistics.

## D. International and domestic visitors

### D.1. International visitors

2.41. **International travel** consists of both inbound and outbound travel, and refers to situations in which the country of residence of the traveller is different from the country or countries visited. Those who undertake international travel will be considered as **international travellers**. From the perspective of the country of reference, international travellers are either inbound or outbound travellers.

2.42. An international traveller qualifies as an **international visitor** with respect to the country of reference if: (a) he/she is on a tourism trip (see para. 2.29) and (b) he/she is a non-resident travelling in the country of reference or a resident travelling outside of it.

2.43. Therefore, among international travellers arriving at the border, it is possible to define two categories: that of *international visitors* (returning outbound visitors in the case of residents or arriving inbound visitors in the case of non-residents) and that of *other international travellers* who are not included in tourism.

2.44. *International visitors* are characterized by the main purpose of their trip (see para. 3.10), whereas *other international travellers* are characterized by the reason for which they are excluded from visitors: either (a) being in an employer-employee relationship (border, seasonal and other short-term workers) or (b) being within the usual environment (all other situations). A special mention needs to be made regarding individuals who are changing their country of residence: they should not be included in tourism. In principle, this refers both to those proceeding legally and to those proceeding without legal permit, although it has to be recognized that it is almost always impossible to identify the latter.

2.45. According to balance of payments and national accounts principles, diplomats, consular staff, military personnel of foreign Governments (other than locally engaged staff), as well as accompanying or joining dependants, are deemed not to enter the economic territory of the country in which they are stationed, as they are considered to be residents of the extraterritorial enclave that is part of the territory of the country they represent. As a consequence, they are not counted as visitors to the country in which they are stationed.

2.46. In the cases of nomads and refugees, special considerations apply. For nomads, by convention, all places they visit are part of their usual environment so that beyond the difficulty in certain cases of determining their country of residence, they are not visitors. For refugees or displaced persons with no place of usual residence, their place of stay is considered to be their usual environment, so they are not visitors either.

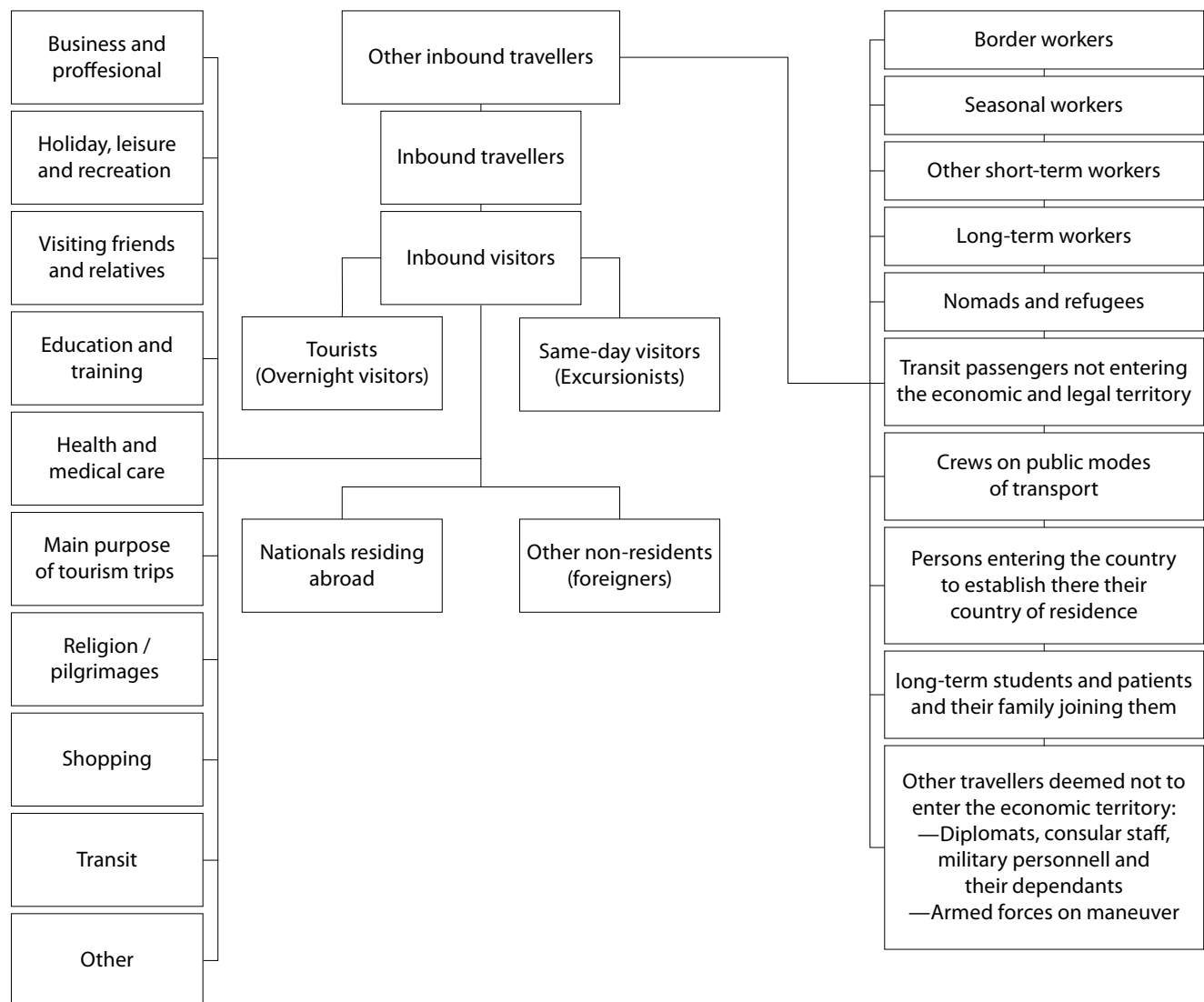
2.47. Armed forces on maneuver should also be excluded in order to be consistent with balance of payments criteria.

2.48. Figure 2.1 below illustrates the classification of inbound travellers to the reference country as inbound visitors and other inbound travellers. Inbound visitors are classified either as tourists or excursionists; tourists are further classified as nationals residing abroad but visiting the reference country and other non-residents visiting the reference country, and finally all inbound visitors are classified according to the main purpose of trip.

### D.2. Domestic visitors

2.49. From the perspective of the country of reference, a domestic traveller qualifies as a domestic visitor if: (a) he/she is on a tourism trip (see para. 2.29) and (b) he/she is a resident travelling in the country of reference.

Figure 2.1

**Classification of inbound travellers****E. Measuring flows of visitors****E.1. The usual environment: suggested criteria**

2.50. Some countries leave it to the respondent to decide whether a trip taken qualifies as a tourism trip. However, in order to ensure comparability between responses within the country and over time, **it is recommended** that national statistical offices, tourism authorities and/or other organizations with direct responsibility for tourism statistics be encouraged to establish national criteria to operationalize the concept of “usual environment”.

2.51. Because the measurement of flows of visitors and of all associated variables is highly sensitive to the definition of the usual environment, **it is further recommended** that neighbouring countries or countries belonging to supranational organizations consult with each other in order to ensure compilation of comparable statistics.

2.52. There are often differences in density of population, transportation accessibility, cultural behaviours, proximity to national or administrative borders, etc., between countries. These differences hinder the development of a unique worldwide statistical determination of the usual environment of an individual. Nevertheless, the determination of the usual environment should be based on the following criteria:

- (a) Frequency of the trip (except for visits to vacation homes);
- (b) Duration of the trip;
- (c) The crossing of administrative or national borders;
- (d) Distance from the place of usual residence.

2.53. In addition to using the frequency and duration criteria to determine the usual environment, **it is recommended** that in practice the crossing of administrative borders be combined with the distance criterion to establish the limits of the usual environment for the following reasons:

- (a) Administrative units might have very different sizes even within a country;
- (b) Metropolitan areas may stretch over administrative borders even though they represent a compact or contiguous geographical area;
- (c) The place of usual residence of some individuals may be very close to the administrative borders so that their crossing might not be relevant for tourism analysis.

## E.2. Flows of inbound visitors

2.54. The interest in measuring flows of inbound travellers, and some of their subsets is also shared by balance of payments and national accounts compilers. **It is recommended** that countries promote joint efforts of national tourism administrations, national statistical offices, central banks, border control authorities and other relevant agencies to perform and improve these measurements.

2.55. **It is recommended** to combine, as far as possible, the use of different data sources (for example, administrative controls and surveys) in an integrated manner.

2.56. In the case of countries where the administrative controls at the borders have disappeared and where surveys of travellers at the border cannot be implemented, **it is recommended** that surveys of travellers at places of accommodation be used in parallel with other sources (for example, surveys at popular tourism sites or other destinations).

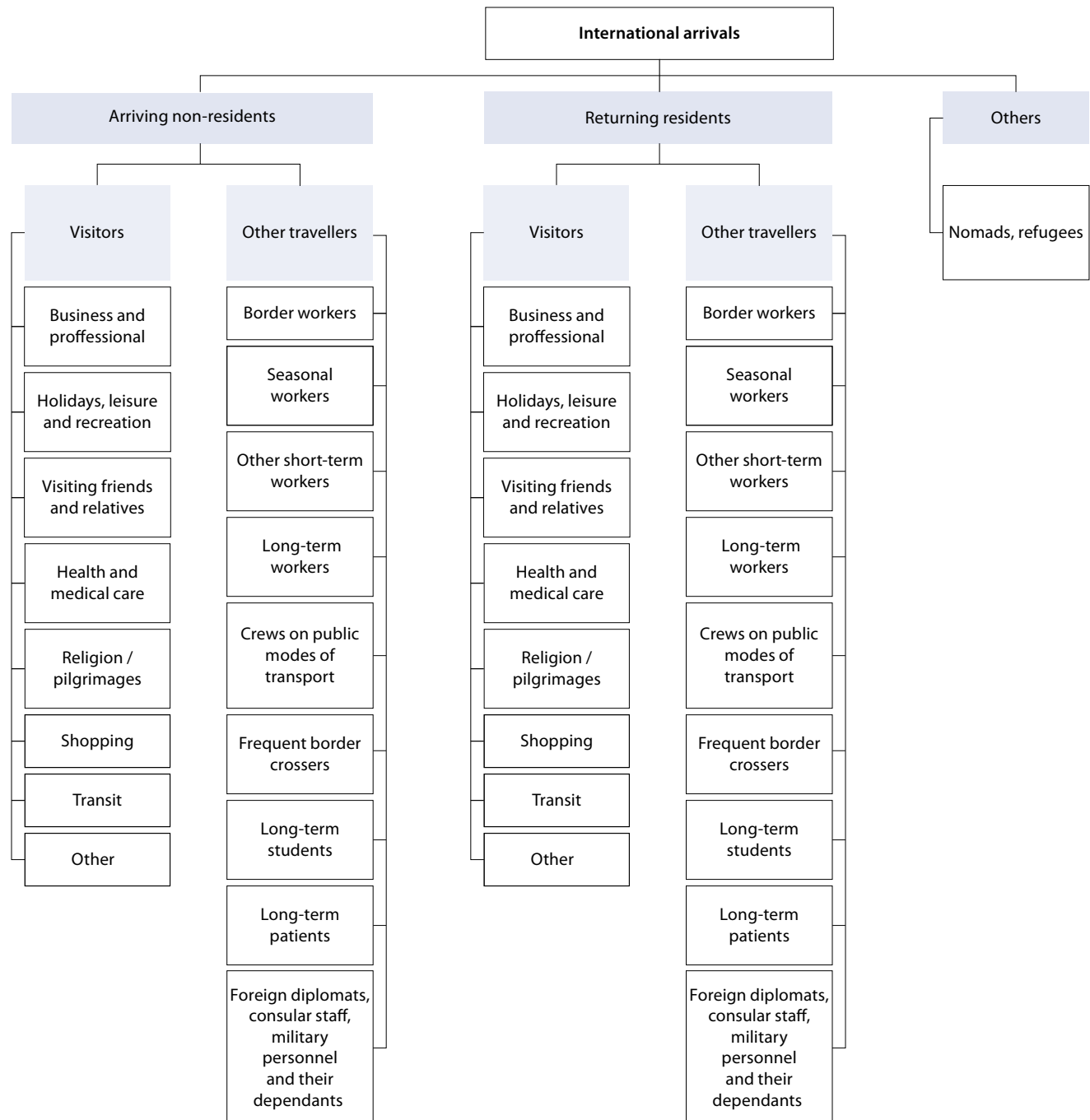
2.57. When the measurement of inbound travel can be undertaken at the border, **it is recommended** that such administrative means of control as entry/departure cards be complemented with (or substituted by) surveys of travellers at the border (or in its vicinity), mostly at the moment the travellers leave the country.

2.58. Figure 2.2 below illustrates the different categories of visitors and other travellers that can be identified at international borders upon arrival: some of them are non-resident (first block) and some resident (second block). Finally, nomads and refugees have a special status and are treated separately.

2.59. The main aim of tourism statistics is to identify visitors from other subsets of travellers. For this purpose, some categories of non-resident travellers are especially relevant for compilers and for analysis:

- Nationals residing abroad;
- Transit passengers;
- Crews;

Figure 2.2  
Relationship between international arrivals and different categories  
of visitors and other travellers



- Cruise ship passengers and yachters;
- Frequent border crossers;
- Students;
- Patients;
- Business and professionals visitors.

2.60. *Nationals residing abroad.* Because immigration authorities are often not interested in collecting information on this group of non-residents entering the country, some countries exclude those presenting a national passport or a national identification card from the obligation of filing entry/departure cards. However, these persons are non-residents with respect to the country of reference and should be included in the scope of non-resident travellers. If relevant, the subset of visitors among these travellers could be shown separately for analytical purposes.

2.61. *Transit passengers.* In principle, only those persons making a stop (see para. 2.33) and entering the legal and economic territory should be considered as visitors and their purpose of trip should be transit (see para. 3.17/1.7). Those who do not stay overnight in the country visited should be considered as excursionists, while all those spending at least a night in the country visited should be considered as tourists (see para. 2.13).

2.62. *Crews on public mode of transport,* either regular or irregular, should be considered as within their usual environment and thus excluded from visitors. Crews on private mode of transport (corporate jet, yacht, etc.) are considered as visitors.

2.63. For some countries, *cruise ship passengers and yachters* represent a significant tourism market. Because of the required consistency of the notions of residence and economic territory with those used in the national accounts and balance of payments (see paras. 2.15 and 2.16), their treatment in tourism statistics will depend upon the application of these concepts to the cruise ship on which they arrive and leave.

2.64. *Frequent border-crossers.* For countries having a land border and where, for a variety of reasons, including family visits, work opportunities, shopping on own account, or for business, etc., there is an important movement of persons over the border, the measurement and qualification of these flows in terms of tourism activity might present theoretical and practical difficulties. From a conceptual perspective, **it is recommended** that the concept of usual environment be used and applied in a coordinated way with the country sharing the border. From a practical perspective, difficulties might derive from the fact that the population living on the border is often exempted from filing entry/departure cards or they pass through border crossings without interacting with customs officials or immigration authorities. As a consequence, the follow-up of these movements is often poor and might lead to misclassifications. If relevant, a subset of such travellers could be shown separately as a memorandum item for analytical purposes.

2.65. In addition to these subsets of travellers, some other categories may require more information than the declaration of the main purpose of the trip (see para. 3.10) in order to be able to identify the visitors among them. This is the case for those declaring to be travelling for “education and training”, “health and medical care” or “business and professional” purposes.

2.66. *Students.* Those taking short-term courses (less than one year) are visitors, whereas those taking long-term courses (one year or more) should be considered within their usual environment in their place of study and be excluded from visitors although, in both cases, they are considered as non-residents. If administrative data generated by immigration authorities cannot be used to identify the actual situation of foreign students, in particular when they have only a renewable one-year visa, another



source of information will be required. Additionally, counts might be made more difficult owing to the fact that students might interrupt their stay with short-term visits either in their country of origin or elsewhere while their place of study continues to be part of their usual environment.

2.67. *Patients.* The same type of issues arises with long-term patients. In the balance of payments and national accounts, these travellers are considered as residents of their country of origin irrespective of their length of stay in the place where they are receiving their medical treatment. In tourism statistics, those staying one year or more should be considered as within their usual environment. Those staying for less than one year on the other hand should be treated as visitors. The identification of such cases should be developed with the help of immigration authorities.

2.68. *Business and professional visitors.* Identifying business and professional visitors separately from other travellers coming for work purposes, who are to be considered as non-visitors, usually requires the collection of more information than can be obtained through entry/departure cards. Border workers need first to be identified on the basis of the frequency of their border crossing. Other short-term workers who are not visitors are characterized by the existence of either an explicit or an implicit employer-employee relationship with a resident employer. An explicit relationship will usually be coupled with the requirement of a specific visa, whereas an implicit relationship might be more difficult to identify.

2.69. Besides the compilation of tourism statistics, the measurement of specific subsets of travellers is of special interest to some users. For example, in the case of the General Agreement on Trade in Services (GATS) negotiations, the estimate of the flow of persons crossing borders to supply services (GATS mode 4) (see box 2.6) is closely linked to information collected at the borders (both administrative controls, entry/departure cards and visa control as well as border surveys).

### E.3. Flows of domestic visitors

2.70. The awareness of the economic importance of domestic tourism has grown significantly in recent years. Even though many countries have left the statistical measurement of domestic tourism to a further stage, its economic contribution, as

#### Box 2.6

#### About mode 4 and the General Agreement on Trade in Services negotiations

*In GATS, trade in services is defined as "the supply of a service*

1. From the territory of one [World Trade Organization (WTO)] member into the territory of any other [WTO] member;
2. In the territory of one [WTO] Member to the service consumer of any other [WTO] Member;
3. By a service supplier of one [WTO] Member, through commercial presence in the territory of any other [WTO] member;
4. By a service supplier of one [WTO] Member, through presence of natural persons of a [WTO] member in the territory of any other [WTO] members".

These modes of supplying services are generally referred to as mode 1, or cross-border supply of services; mode 2, or consumption abroad; mode 3, or commercial presence; and mode 4, or presence of natural persons.

**Source:** World Trade Organization. The Legal Text: The Results of the Uruguay Round of Multilateral Trade negotiations Geneva, 1995



the Tourism Satellite Account exercise has frequently shown, is often more important than that of inbound tourism.

2.71. Because there are no international borders to cross, the observation of the flows of domestic tourism requires the use of different statistical procedures. As far as **overnight tourism** is concerned, accommodation statistics are an important statistical source of information on domestic and inbound visitors. Measurement challenges nonetheless arise with these statistics in terms of separating out visitors from other travellers, and domestic from inbound visitors. Information can also be obtained from household surveys by interviewing people about trips undertaken in a specified period.

2.72. Household surveys based on a stratified sample using spatial, demographic and socio-economic criteria can be efficient and suitable instruments for measuring domestic tourism activity and related expenditure. They can provide comprehensive information on both same-day and overnight visitors ([see para. 2.13](#)).

2.73. Sample size and design are strongly related to the significance and accuracy of the variables to be estimated. Two different issues need to be taken into consideration when designing domestic surveys to analyse tourism: the unequal distribution of tourism over the national territory and the high degree of heterogeneity of the population in terms of its tourism behaviour.

2.74. From a general household survey perspective, it is possible to observe round trips taken by visitors ([see para. 2.30](#)) and not only visits as is the case when observing visitors during their trips, at certain points of their movement. This provides a more global vision of the tourism behaviour of the visitor.

2.75. In household surveys on tourism, the trip is the core variable. In accommodation statistics, the number of nights spent is the variable measured and is a good indicator of the magnitude of travel within the country as it not only reflects the visit itself but also the length of stay.

2.76. Accommodation statistics are often based on a census operation covering establishments providing paid accommodation, though very often using a threshold in terms of a specified number of bed places or of bedrooms. The part of overnight travel which is attributed to unpaid accommodation (for example, stays with friends and relatives, trips to owner-occupied vacation homes) is excluded.

2.77. Accommodation statistics provide important short-term indicators for the evaluation of domestic and inbound overnight travel, as they are generally available quickly. Owing to the fact that such statistics are mostly collected on a census basis, it is possible to obtain data for a deeper regional breakdown. By connecting data about the localities where the accommodation establishments are located, which can often be derived from existing registers without additional workload for the respondents, it is possible to enrich the information directly collected with additional information about for example, the type of localities where travel takes place.

#### **E.4. Flows of outbound visitors**

2.78. **It is recommended** to use one of three methods, or a combination of these to determine the flows of outbound visitors: using an entry/departure card; a specific survey at the border, or observing them from household surveys because they belong to resident households. In the latter case, the information on outbound trips is usually collected at the same time as that on domestic trips.

## Chapter 3

# The demand perspective: characterization of visitor and tourism trips

3.1. A trip can be classified by the visitor's socio-economic characteristics or by specific features of the trip (see chap. 2). Throughout this chapter, different recommendations are provided regarding the identification and measurement of visitor and trip characteristics.

3.2. Visitors are at the centre of the observation of tourism. Nevertheless, visitors do not always travel alone; they might travel in parties in which they share all or parts of the activities, visits and expenditures associated with their trip. A *travel party* is defined as visitors travelling together on a trip and whose expenditures are pooled.

3.3. Although many characteristics of visitors can be separately identified for each individual member of a travel party, some of them might not be so identified, as in the case of economic variables; and this issue will be introduced in paragraph 4.36 (i).

3.4. For this reason, **it is recommended** that the membership of an individual visitor in a travel party be identified as well as the size of the party.

3.5. Visitors might also travel in a (*travel*) *group* that is made up of individuals or travel parties travelling together: examples are people travelling on the same package tour or youngsters attending a summer camp.

## A. Characteristics of the visitor

3.6. Personal characteristics of visitors should be collected either through administrative procedures (for example, entry/departure cards, control information collected in collective accommodation establishments, etc.) or through household or border surveys or at specific places or in particular circumstances associated with the trip. Visitor characteristics refer to the following:

- Sex;
- Age;
- Economic activity status;
- Occupation;
- Annual household, family or individual income;
- Education.

3.7. When relevant, other characteristics should also be included, such as the population of the place of usual residence (see box 2.3), place of birth and proximity to the national or administrative borders, since these factors influence propensity to travel.

3.8. Regarding socio-demographic characteristics, ILO and United Nations Educational, Scientific and Cultural Organization (UNESCO) international standards should be used, as adjusted by countries.

## B. Characteristics of tourism trips

3.9. Trips associated with different forms of tourism (see paras. 2.39 and 2.40) may be characterized by:

- Main purpose;
- Types of “tourism product”;
- Duration of a trip or visit;
- Origin and destination;
- Modes of transport;
- Types of accommodation.

### B.1. Main purpose of a tourism trip

3.10. The main purpose of a trip is defined as the purpose in the absence of which the trip would not have taken place.

3.11. The main purpose of a trip helps to determine whether it qualifies as a tourism trip and the traveller qualifies as a visitor. For instance, as long as it is incidental to the trip, a visitor might earn some income during his/her stay (for example, youths backpacking). Nevertheless, if the main purpose is to be employed and earn an income, then the trip cannot be a tourism trip and he/she cannot be considered as a visitor but as an “other traveller” (see para. 2.35).

3.12. Information on the purpose of the tourism trip is useful for characterizing tourism expenditure patterns. It is also important in identifying key segments of tourism demand for planning, marketing and promotion purposes.

3.13. In the case of travel parties in which members might have different individual purposes, the main purpose of the trip should be the one that is central to the decision to take the trip.

3.14. The classification presented below elaborates on previous classifications and incorporates new categories that have been gaining in importance since the issuance of the 1993 *Recommendations on Tourism Statistics*.

3.15. The classification of a trip according to its main purpose should be related to the main activities undertaken while on the trip. Based on this criterion, incentive trips organized and paid for by employers as a reward for their employees and in which

Figure 3.1

#### Classification of tourism trips according to the main purpose

1. Personal
1.1. Holidays, leisure and recreation
1.2. Visiting friends and relatives
1.3. Education and training
1.4. Health and medical care
1.5. Religion/pilgrimages
1.6. Shopping
1.7. Transit
1.8. Other
2. Business and professional

participants engage in leisure, sport or recreation activities, should be included, when feasible, in category 1.1. *Holiday, leisure and recreation*. Where relevant, incentive trips should be separately identified.

3.16. Each tourism trip has one and only one main purpose though a visitor can also undertake secondary activities while on his/her trip.

3.17. Each main purpose (except the case of 1.7. *Transit*) is associated with a group of main activities undertaken during the trip as follows:

1. *Personal*. This category includes all purposes of tourism trips that are not classified as business and professional (see 2. *Business and professional* below):

1.1. *Holidays, leisure and recreation*. This category includes, for example, sightseeing, visiting natural or man-made sites, attending sporting or cultural events, practicing a sport (skiing, riding, golfing, playing tennis, diving, surfing, hiking, trekking, mountain climbing, etc.) as a non-professional activity; using beaches, swimming pools and any recreation and entertainment facilities, cruising, gambling, attending summer camps for youngsters, resting, honey-mooning, fine dining, visiting establishments specialized in well-being (for example, wellness hotels), fitness except in the context of a medical treatment (in which case the purpose would be 1.4 *health and medical care*), staying in a vacation home owned or leased by the household, etc.

1.2. *Visiting friends and relatives*. This category includes, for example, activities such as visiting relatives or friends; attending weddings, funerals or any other family event; short-term caring for the sick or old, etc.

1.3. *Education and training*. This category includes, for example, taking short-term courses paid either by employers (excluding “on-the-job” training classified in *Business and professional*) or others, which should be identified separately, where relevant (see para. 2.66); following particular programmes of study (formal or informal) or acquiring specific skills through formal courses, including paid study, language, professional or other special courses, university sabbatical leaves, etc.

1.4. *Health and medical care*. This category includes, for example, receiving services from hospitals, clinics, convalescent homes and, more generally, health and social institutions, visiting thalassotherapy and health and spa resorts and other specialized places to receive medical treatments when they are based on medical advice, including cosmetic surgeries using medical facilities and services. This category includes only short-term treatments because long-term treatments requiring stays of one year or more are not part of tourism (see para. 2.67).

1.5. *Religion/pilgrimage*. This category includes, for example, attending religious meetings and events, pilgrimages, etc.

1.6. *Shopping*. This category includes, for example, purchasing consumer goods for own personal use or as gifts except for resale or for use in a future productive process, (in which case the purpose would be business and professional), etc.

1.7. *Transit*. This category consists of stopping at a place without any specific purpose other than being en route to another destination.

1.8. *Other*. This category includes, for example, volunteer work (not included elsewhere), investigative work and migration possibilities; undertaking any other temporary non-remunerated activities not included elsewhere, etc.

2. *Business and professional*. This category includes the activities of the self-employed and employees as long as they do not correspond to an implicit or explicit employer-employee relationship with a resident producer in the country or place visited, those of investors, businessmen, etc. It also includes, for example, attending meetings, conferences or congresses, trade fairs and exhibitions; giving lectures, concerts, shows and plays; promoting, purchasing, selling or buying goods or services on behalf of non-resident pro-

ducers (of the country or place visited); participating in foreign Government missions as diplomatic, military or international organization personnel, except when stationed on duty in the country visited; participating in non-governmental organization missions; participating in scientific or academic research; programming tourism travel, contracting accommodation and transport services, working as guides or other tourism professionals for non-resident agencies (of the country or place visited); participating in professional sports activities; attending formal or informal on-the-job training courses; being part of crews on a private mode of transport (corporate jet, yacht, etc.), etc.

3.18. Some countries might find it difficult to implement these details and wish, more simply, to use the one-digit breakdown, and identify only the *personal purposes* on the one hand, and the *business and professional purposes* on the other, and within *personal*, identify separately visitors for health purposes and those for education purposes. This split between “business” and “personal” and the identification of trips for health and education purposes would at least help to satisfy the minimal requirements for the compilation of the balance of payments accounts (see paras. 8.20 and 8.21).

3.19. In some countries, one or more of these categories may be sufficiently important to justify an additional level of classification. In this case, a hierarchical structure is **recommended**, one in which subcategories are developed to those proposed above.

3.20. For instance, the business and professional purpose could be split into “attending meetings, conferences or congresses, trade fairs and exhibitions” and “other business and professional purposes” to highlight purposes relevant to the meetings industry (see para. 5.23). With regard to the holidays, leisure and recreation purpose, visiting vacation homes (see paras. 2.27 and 2.28) and incentive trips could be specified as a separate subcategory.

3.21. Besides the activities associated with the main purpose of the trip, visitors may undertake additional activities considered as secondary, the identification of which may be relevant for planning, promotion and other analytical purposes. In particular, it may be useful to know how visitors are responding to a destination’s major diversification of activities and to strategies designed to extend stays in the country, region or place visited.

## B.2. Types of “tourism product”

3.22. A “tourism product” represents a combination of different aspects (characteristics of the places visited, modes of transport, types of accommodation, specific activities at destination, etc.) around a specific centre of interest, such as nature tours, life on farms, visits to historical and cultural sites, visits to a particular city, the practice of specific sports, the beach, etc. This notion of “tourism product” is not related to the concept of “product” used in economic statistics, but rather to that used by professionals in the tourism business to market specific packages or destinations.

3.23. It is then possible to speak of specific types of “tourism products”, such as culinary tourism, ecotourism, city tourism, sun-and-sand tourism, agro-tourism, health tourism, winter tourism, etc. This classification is increasingly requested and used by tourism stakeholders as a marketing tool.

3.24. Because these “products” are still not sufficiently characterized in a uniform way, there is no international recommendation for the use of this type of classification.

### B.3. Duration of a trip or visit

3.25. The volume of tourism can be characterized by the number of trips, and also by the number of nights. The duration of a trip is an important input in assessing the level of demand for tourism services, such as overnight accommodation services. Determining its duration is essential for estimating expenditure associated with a trip or visit.

3.26. The total duration of a trip as perceived and reported by a visitor may be different from the sum of the durations of the stays in the places visited, because of the time spent travelling to/from and between places (see para. 2.33).

3.27. The duration of a trip that includes an overnight stay is expressed in terms of the number of nights. No adjustment should be made to take into consideration trips beginning early on the first day and finishing late on the last day of the trip. Trips that do not involve an overnight stay have to be considered same-day trips irrespective of the number of hours spent on the trip (see para. 2.13).

3.28. Overnight trips can be grouped according to their duration. Each country (or regional organization) should determine the categories that are relevant in its own context. For instance, countries may separate long stays (four nights and more) from short stays (less than four nights). In the case of international tourism, long stays might be further subdivided consistently with the different categories of stays approved by immigration authorities so as to facilitate collaboration and exchange of information. In some countries, in particular in the case of domestic tourism, it will be relevant to identify short and long weekends, involving one, two or even three nights. In countries where the tourism of retirees visiting their vacation homes is important, some categories of very long stays might need to be established.

### B.4. Origin and destination

3.29. For inbound trips, it is essential to classify all arrivals by country of residence rather than by nationality (see paras. 2.16 and 2.27 and paras. 2.19 and 2.20). It is in the country of residence where the decisions are taken and implemented regarding the organization of the trip. For outbound trips, departures should be classified according to the main destination of the trip.

3.30. The same classification of countries and territories should be used for classifying both residence and outbound destination and should be based on the *Standard Country or Area Codes for Statistical Use* of the United Nations Statistics Division.

3.31. For subnational analysis of domestic tourism (see chap. 8), it is also essential to characterize trips according to the place of usual residence of the visitor, his/her personal characteristics (see para. 3.6) and the main destination of the trip. This information, usually collected through household surveys, is often represented in matrices showing the number and duration of trips by origin and destination.

### B.5. Modes of transport

3.32. The modes of transport usually refer to the main mode used by the visitor on the trip. This main mode might be established in different ways and be based, for example, on:

- (a) The mode on which the most miles/kilometres are travelled;
- (b) The mode on which most time is spent;
- (c) The mode which has the highest share of the total transport cost.

3.33. In the case of international travel, the main mode of transport is often established on the basis of the main distance covered or on the mode used to cross the borders of the country or countries visited, particularly in the case of island countries or territories.

3.34. The classification presented in figure 3.2, below, can be used when countries wish to categorize trips according to modes of transportation used during the trip. This type of standard classification was developed by UNWTO and has been traditionally used in tourism statistics.

## B.6. Types of accommodation

3.35. Overnight visitors usually require some type of accommodation in which to spend the night, and accommodation often represents a significant share of the overall trip expenditure. An important field of tourism policy has to do with the development of hotels and other types of accommodation, and tourism authorities request statistics on the type of short-term accommodation used by visitors in order to forecast demand for different types of accommodation.

3.36. Short-term accommodation might be provided either on a commercial (market) basis, that is, as a paid service, even when the value charged to the user might be subsidized, or on a non-commercial (non-market) basis, that is, as a service provided by family, friends or relatives, without charge, or on own account (owner-occupied vacation homes). Visitors might also choose not to use any type of produced accommodation service, as is the case of backpackers sleeping in the open.

3.37. While outright purchase of vacation or holiday homes has always been an alternative to using other types of short-term accommodation, recently, new forms of

Figure 3.2

**Standard classification of modes of transport**

Major groups	Minor groups
1. Air	1.1. Scheduled flight
	1.2. Unscheduled flight
	1.3. Private aircraft
	1.4. Other modes of air transport
2. Water	2.1. Passenger line and ferry
	2.2. Cruise ship
	2.3. Yacht
	2.4. Other modes of water transport
3. Land	3.1. Railway
	3.2. Motor coach or bus and other public road transportation
	3.3. Vehicle rental with driver
	(i) Taxis, limousines and rental of private motor vehicles with driver
	(ii) Rental of man or animal drawn vehicles
	3.4. Owned private vehicle (with capacity for up to 8 persons)
	3.5. Rented vehicle without operator (with capacity for up to 8 persons)
	3.6. Other modes of land transport: horseback, bicycle, motorcycle, etc.
	3.7. On foot



acquisition and leasehold of holiday homes have emerged. These include timeshares, condo hotels, fractionals, private clubs and other forms of shared use and ownership that blur the line between what is described as paid accommodation and what is described as ownership of real estate or vacation homes. Given the nature and complexity of these arrangements, it becomes difficult for the visitor to identify and inform precisely about the type of accommodation or real estate services used.

3.38. Owing to the newly revised international classifications of activities and products (the International Standard Industrial Classification of All Economic Activities (ISIC, Rev. 4 and the Central Product Classification (CPC), Ver. 2) which now form the basis of the lists of tourism characteristic products and activities for the analysis of visitor accommodation services (see [Annexes 3](#) and [4](#)), the standard classification of tourism accommodation in the 1993 *Recommendations* needs to be revised. An international consultation process including national statistical offices, national tourism authorities and international organizations will be launched once agreed to and once the companion guide to ISIC, Rev. 4 and the CPC, Ver. 2 are finalized.

## C. Measuring the characteristics of visitors and tourism trips

3.39. In all surveys and procedures regarding visitors and tourism trips, the data collected should provide information on the visitors, for their correct identification as visitors and for analytical purposes, in order to identify the nature and characteristics of the different target groups or markets.

3.40. The classifications used in the collection of these additional data, for example, types of accommodation, modes of transport and country of origin, should be identical to those used in expenditure surveys of the same universe of visitors and in the observation of supply, so that links, references and expansions to the corresponding universe of visitors can be performed.

3.41. In many countries, the characteristics of trips and visitors are established through questions on the entry/departure cards, in surveys at the borders, at destination (accommodation surveys) or as part of household surveys (for domestic and outbound tourism). In the case of inbound tourism, UNWTO has developed a model border survey that countries can follow. Only a few issues related to the duration of stay will be underlined here.

3.42. The entry/departure cards, or records of entry and departure, captured and reconciled by the immigration authorities are often the basic source for establishing the flows of inbound and outbound visitors. These cards usually collect information on a census basis on name, sex, age, nationality, current address, date of arrival (of departure in the departure card), purpose of trip, main destination visited and length of stay (expected on arrival and actual on departure for inbound visitors; expected on departure and actual on arrival for outbound visitors).

3.43. Usually, immigration authorities provide data based on arrivals, in which case, for inbound travellers, the data that are collected refer to the expected length of stay. Some countries reconcile entry and exit cards by matching their identification number in order to establish the actual length of stay. Some difficulties might arise in this operation owing to the existence of unmatched cards as a consequence of errors in the process (lost cards, errors in the capture of the data), lack of coordination in recording authorizations of change in status, or change in expected stays (illegal immigrants who entered as tourists being also a possible source of discrepancy).



3.44. Countries lacking an exhaustive control of travellers at national borders often use, as a substitute, surveys of guests staying at collective accommodation. The users of these surveys without complementary operations to correct coverage shortfalls should bear in mind some limitations: first of all, not all visitors stay at collective accommodation, and those who do not might have very different patterns of behaviour than those who do. Second, a visitor while on a trip might stay in more than one collective accommodation, resulting in an overestimation of the number of visitors and an underestimation of the total duration of the trips.

3.45. The duration of stay is the first criterion (though not the only one) to be applied in order to determine whether an arrival relates to a (potential) resident or a non-resident, and if a non-resident, whether it relates to a visitor.

3.46. In some cases, such as countries with significant numbers of foreign retirees, it is extremely difficult to determine the main place of residence of certain travellers as they move frequently from one place (or country) to another while none of the places is visited significantly more often than the others ([see para. 2.18](#)).

3.47. The classification of these persons presents specific challenges, as information collected by immigration authorities might not be sufficient to take a decision (as information such as duration of this trip being less than a year or declaration of a home address different from that in the country visited are not sufficient to elucidate the situation).

3.48. For countries in which these situations are frequent, it would seem reasonable that they allow for a “grey” category in which to classify such individuals and to extend this type of classification and treatment to the analysis of expenditure (and investment, with the acquisition of dwellings (vacation home, principal dwelling or others)).

3.49. A similar situation might also occur when trying to determine whether the place visited by students or patients might be considered as falling within their usual environment even though their stay may be interrupted by short stays in their country (or place) of origin or elsewhere. In that case, the identification of long-term students or patients should be based on the length of the course they are taking or of the treatment they are following ([see paras. 2.66 and 2.67](#)).

## Chapter 4

# The demand perspective: tourism expenditure

4.1. In addition to the traditional measurement of the characteristics and activities of visitors by means of physical (non-monetary) indicators (see chaps. 2 and 3), the measurement of the contribution of tourism to the economy requires the use of monetary variables. The present chapter provides a definition of tourism expenditure, its coverage, timing and location, and its different categories and classifications. It also provides some recommendations about its measurement.

### A. Coverage of tourism expenditure

4.2. *Tourism expenditure* refers to the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips. It includes expenditures by visitors themselves, as well as expenses that are paid for or reimbursed by others.

4.3. It excludes the acquisition of certain items such as social transfers in kind that benefit visitors, the imputation of accommodation services from owned vacation homes and financial intermediation services indirectly measured. These are included in the more inclusive concept of tourism consumption in the Tourism Satellite Account. Other categories of exclusions are mentioned in paragraphs 4.6 and 4.7.

4.4. All individual goods and services that the System of National Accounts 2008 considers as consumption goods or services (those that satisfy the wants and needs of individuals) can potentially be part of tourism expenditure. This includes the typical services acquired by visitors like transportation, accommodation, food and beverage, etc., but also other items such as valuables (paintings, works of art, jewelry, etc.) irrespective of their unit value and acquired on trips because of their role as stores of value over time (see para. 5.16), durable consumer goods (computers, cars, etc) irrespective of their unit value and purchased on trips, all food prepared and without preparation, all manufactured items whether locally produced or imported, all personal services, and so on.

4.5. In addition to the monetary expenditure on consumption goods and services paid for directly by visitors, tourism expenditure includes in particular:

- (a) Monetary expenditure on consumption goods and services paid for directly by the employer for employees on business travel;
- (b) Monetary expenditure by the visitor refunded by a third party, either employers (businesses, government and non-profit institutions serving households), other households or the social insurance scheme;
- (c) Monetary payments made by visitors for the individual services provided and subsidized by Government and non-profit institutions serving households in the areas of education, health, museums, performing arts, etc.;

- (d) Out-of-pocket payments for services provided to employees and their families on tourism trips financed principally by employers, such as subsidized transport, accommodation, stays in holiday residences of employers or other services;
- (e) Supplementary payments made by visitors to attend sports or any other cultural events on the invitation of, and principally paid for by, producers (business, government, non-profit institutions serving households).

4.6. Tourism expenditure does not include all types of payments that visitors might make. Excluded are all payments that do not correspond to the acquisition of consumption goods and services, and in particular:

- (a) The payment of taxes and duties that are not part of the purchasers' prices of the products acquired by the visitor;
- (b) The payment of all classes of interest, including those on expenditures made during and for trips;
- (c) The purchase of financial and non-financial assets, including land and real estate, but excluding valuables;
- (d) The purchase of goods for resale purposes, either on behalf of third parties (producers or others) or on own account;
- (e) All transfers in cash, such as donations to charities or to other individuals (in particular to family and relatives), as they do not correspond to the purchase of consumption goods or services.

4.7. The purchase of housing, real estate, and all expenditure related to major repairs and improvements thereof are considered by the System of National Accounts 2008 and by the balance of payments as capital expenses even in the case of households purchasing them and, therefore, are also excluded from the concept of consumption. **It is recommended** to exclude them also from tourism expenditure. Current expenses related to vacation homes, such as those usually incurred by an owner as a producer of accommodation services, should also be excluded from tourism expenditure.

## B. The timing of tourism expenditure and the economies concerned

### B.1. Timing

4.8. The issue of the timing of tourism expenditure is relevant, as often items such as transportation, accommodation, etc., are booked and paid for before being "consumed". The corresponding payment might also happen after consumption when paying off a credit card or a special loan drawn for this specific purpose.

4.9. 4.10. Following the rules of the System of National Accounts 2008 ([see box 4.1](#)), final consumption by households (individuals) is deemed to occur at the moment of the transfer of ownership of goods or that of the delivery of services, and not the time of its payment. Tourism expenditure follows the same rules. Consumption expenditure on transport services occurs when being transported, on accommodation services, when staying in the place of accommodation, on travel agency services, when the information is provided and the travel services are booked, etc.

4.11. The acquisition of all goods and services during a tourism trip is, in principle, part of tourism expenditure.

4.11. Moreover, all services delivered before the trip and clearly related to the trip, (for example, inoculations, passport services, medical control, travel agency serv-

**Box 4.1****Timing of expenditure**

Accrual accounting records flows at the time economic value is created, transformed, exchanged, transferred or extinguished. This means that flows that imply a change of ownership are entered when the change occurs, services are recorded when provided, output at the time products are created and intermediate consumption when materials and supplies are being used. The SNA favours accrual accounting because [...] (para. 3.166)

The time of recording of the acquisition of goods is the moment when the economic ownership of those goods changes hands. When change of ownership is not obvious, the moment of entering in the books of the transaction partners may be a good indication and, failing that, the moment when physical possession and control is acquired [...] (para. 3.169)

Services are recorded in the SNA when they are provided. Some services are special in the sense that they are characteristically supplied on a continuous basis. Examples are operating leasing, insurance and housing services (including those of owner-occupied dwellings). These services are recorded as provided continuously over the whole period the contract lasts or the dwelling is available. (para. 3.170)

**Source:** Commission of the European Communities, International Monetary Fund, Organization for Economic Cooperation and Development, United Nations and World Bank, *System of National Accounts 2008*

ices, etc.) are included in tourism expenditure. All goods acquired before the trip that are intended to be used on the trip (specific clothes, medicines, etc.) or brought along as gifts, should also be included.

## **B.2. Economies benefiting from tourism expenditure**

4.12. For macroeconomic analysis of tourism and its effect on a specific territory, it is crucial to know in which economy the producer of a good or service purchased by a visitor is resident. The intention in this case is to identify the economy from which the service is delivered, as opposed to where it is delivered or consumed. In most cases, these will be identical, although there are some exceptions. For example, in the case of international transportation, the economy from which the service is delivered will be that of the carrier and not necessarily the economy in which the expenditure or consumption occurs (which might be anywhere).

4.13. The economy benefiting from tourism expenditure cannot always be derived directly from the places visited during the trip. There is not always a strict relationship between the places visited on the one hand and the economy(ies) affected on the other. For instance, not all expenditure associated with international trips occurs outside the economy of origin of the visitor and, in particular, some services might be acquired from producers resident in the country of origin or in any other country (international transport in particular, or any expenditure made while en route).

4.14. Though tourism expenditure always relates to persons travelling or intending to travel outside their usual environment, the acquisition of goods and services may well occur within the usual environment of the visitor or in any of the places visited during the trip. This might depend on the nature of the good or service purchased (vehicle fuel, travel agency services, inoculations required for the trip) or on the particular behaviour of a visitor (some prefer purchasing clothes, gear, or other goods to be used on the trip before leaving, while others prefer doing it on the trip as part of their tourism experience).

## C. Categories of tourism expenditure

4.15. Symmetrical to the three forms of tourism defined in paragraph 2.39, three categories of tourism expenditure based on the country of residence of the transactors involved, can be defined as follows:

- (a) **Domestic tourism expenditure** is the tourism expenditure of a resident visitor within the economy of reference;
- (b) **Inbound tourism expenditure** is the tourism expenditure of a non-resident visitor within the economy of reference;
- (c) **Outbound tourism expenditure** is the tourism expenditure of a resident visitor outside the economy of reference.

4.16. Not all expenditures attached to a specific trip will fall under the same category. Moreover, domestic and inbound tourism expenditure might include goods imported from another economy, but these goods need to be acquired within the economy of reference from a resident provider to be part of domestic or inbound tourism expenditure.

4.17. A specific case is that of transportation services delivered in an economic territory to residents by a non-resident carrier, a situation that might increasingly occur in the case of open skies and mentioned specifically in the balance of payments (see para. 8.16). Another problematic case is that of goods purchased for a domestic trip (with no visit outside the country) on the Internet from an international provider. In this case, there is the purchase of a service (transport or retail trade services) provided by a non-resident that would intuitively be considered as part of domestic tourism expenditure because there is no visit outside the economic territory. For the sake of conceptual consistency, these expenditures, which are resident-to-non-resident transactions, are included in outbound tourism expenditure although the visitor does not cross the geographical border.

4.18. Inbound tourism expenditure includes only acquisitions that occur in the economy of reference. By adding inbound tourism expenditure related to a trip with the expenditures in other economies on the same trip, the resulting total may be of interest for policymaking purposes in order to compare the total costs associated with a trip to the economy of reference from other countries.

4.19. Outbound tourism expenditure does not include all acquisition of goods and services by outbound visitors, but only those that occur outside the economy of reference. Acquisitions of goods and services in the economy of residence of outbound visitors is included in domestic tourism expenditure.

4.20. In the same way as already defined (see para. 2.40), other categories of tourism expenditure can be derived from the three basic ones:

- (a) **Internal tourism expenditure** comprises all tourism expenditure of visitors, both resident and non-resident, within the economy of reference. It is the sum of domestic tourism expenditure and inbound tourism expenditure. It includes acquisition of goods and services imported into the country of reference and sold to visitors. This indicator provides the most comprehensive measurement of tourism expenditure in the economy of reference;
- (b) **National tourism expenditure** comprises all tourism expenditure of resident visitors within and outside the economy of reference. It is the sum of domestic tourism expenditure and outbound tourism expenditure.

4.21. International tourism expenditure can also be defined, but has no real economic meaning, as it would combine tourism expenditure of non-resident visitors

within the economy of reference (an export) with tourism expenditure of resident visitors outside this economy (an import).

4.22. The valuation of tourism expenditure depends on the form of acquisition of the goods and services concerned. In the case of a market transaction, the price to be used is the purchaser's price, which corresponds to the unit value paid by the visitor. This price should include all taxes, as well as voluntary and compulsory tips which are prevalent in accommodation and food serving services. Discounts and sales tax or value added tax (VAT) rebates to non-residents, even when made at the border, should also be taken into consideration when relevant, as they lower the actual price paid by the visitor.

## D. Classification

4.23. In order to be able to relate demand by visitors to the supply in the economy, **it is recommended** that information be collected not only on the total value of tourism expenditure, but also on the components of this total.

4.24. Establishing the demand associated with tourism for specific goods and services, and relating this demand to the supply of these goods and services in the economy, requires an interface between supply and demand. This can be done only through the use of a common classification of goods and services in both the demand and the supply side statistics. In industrial statistics and in the national accounts, products are usually analysed in classifications derived from the Central Product Classification (CPC).

4.25. Nevertheless, the product breakdown of tourism expenditure is usually based on direct information provided by visitors and therefore will need to be as easy as possible for visitors to understand and report.

4.26. As a consequence, the classification recommended for collection of tourism expenditures data is according to their purpose. The most common way of finding out from visitors about their expenditure is to ask them to group the expenditures according to their purpose. This should be done so as to facilitate the linkage to the Classification of Individual Consumption by Purpose (COICOP), an international classification of products linked to CPC and mostly used for the description of personal consumption in general statistics and surveys concerning households. For tourism analysis, the categories that are commonly used and recommended are the following:

- i. Package travel, package holidays and package tours
- ii. Accommodation
- iii. Food and drink
- iv. Local transport
- v. International transport
- vi. Recreation, culture and sporting activities
- vii. Shopping
- viii. Others

4.27. **It is recommended** that wherever surveys break down expenditure data into the goods and services acquired ([see paras. 5.20 and 5.21](#)), this information be cross-classified with relevant characteristics of the visitors or travel party ([see paras. 3.6 and 3.7](#)) and/or of the trip (purpose of the trip, place of stay, organization of the trip, length of the stay, etc.). While this might impose stringent requirements in terms of the size of the sample and its design, it is key to making full use of the information collected.

## E. Measuring tourism expenditure

4.28. It is **recommended** that countries include a specific expenditure module in surveys of inbound visitors, either at the border or at any other place where they can be observed.

4.29. Border surveys might be carried out on an ongoing basis (monthly, quarterly, annually), or conducted only at certain moments (high season, low season). Some countries might decide to set up such an operation only from time to time, but using an adequate sample size and design so as to be able to interpolate or extrapolate using a modelling procedure. Similarly, only a selected number of border posts might be surveyed.

4.30. In the case of open land borders in which it is difficult to conduct surveys at the borders, some countries might use a combination of surveys collected from guests at places of paid accommodation and of “mirror statistics”, that is, statistics on outbound visitors and outbound tourism expenditure from the countries of origin of their non-resident visitors. This can be complemented with other data sources such as credit card records.

4.31. In the case of domestic and outbound tourism expenditure, either a tourism-specific household survey or a periodic module (monthly, quarterly, annually) attached to a general household expenditure survey can be used. The survey can be conducted on an ongoing basis. However, if the pattern of consumption is relatively stable in the short run, the survey could be done less frequently and be associated with an estimation procedure based on a model, as is the case for inbound tourism expenditure.

4.32. In the measurement of domestic tourism expenditure, it is **recommended** that the economy from which services are delivered or goods acquired be identified in order to assign the economic effects associated with the movement of visitors to the local economies concerned.

4.33. Alternative estimation methods may consider the use of different types of administrative data (such as bank reporting systems, credit card reports, transportation expenditures provided by travel agencies, companies or transportation regulatory authorities).

4.34. Asking visitors to report in detail their expenditures related to specific trips or visits requires special attention and expertise to insure an adequate degree of accuracy, especially when the reference period is lengthy or distant in time (recall bias).

4.35. In some countries, the information is collected under a reduced number of categories, with a combination of a classification by purpose (the general purpose of the expenditure) and a payment approach. For example, visitors might be asked to report the total value of their hotel bill and the means of payment used. However, this bill, besides accommodation, might include food and other services, such as laundry, telephone and the use of facilities such as business centre, spa and recreation facilities provided in the same location. Consequently, it may not be feasible to separately identify these different items and some additional estimation procedures might be required.

4.36. Some relevant measurement issues are outlined below:

- (a) It is important to identify clearly the key characteristics of visitors and their trips, in a way that allows this information to be linked with the universe of visitors observed in other statistical procedures and to expand properly the data that have been collected;



- (b) Because the acquisition of goods and services by a visitor is classified as inbound, domestic or outbound tourism expenditure according to the country of residence of the visitor and of the provider, **it is recommended** that the residency of both be clearly identified. This is particularly important in the case of acquisitions made before the trip, especially in the case of international transport;
- (c) For visitors travelling on a package tour, information should be collected on the total amount paid, the components of the package and the country of residence of the tour operator or travel agent from whom the package was purchased, in addition to the country of residence of the different providers (particularly international transport) and of the visitor;
- (d) The modes of transport used to arrive at, travel within and leave the country should be clearly stated (identifying the carrier whenever possible to permit the identification of its country of residence), including when the service is part of a package;
- (e) In order to estimate tourism expenditure, some countries might find it useful to make frequent measurement of flows of visitors and their characteristics (for instance on a monthly basis), but only to survey their expenditure less frequently (for instance, every two or five years). Tourism expenditure could then be estimated for a current period using modelled spending of visitors while on trips on the basis of these detailed observations and extrapolating the values using relevant volume (that of flows of visitors) and price indexes;
- (f) It is important not only to determine clearly those expenditures that the visitor has made out of his/her own resources, but also to obtain a good estimate of those expenditures made by others for his/her benefit;
- (g) Most of the items included in tourism expenditure are part of household final consumption. Nevertheless, some expenditures are not, as is the case of expenditure on accommodation and transportation by visitors on business and professional trips that the system of national accounts considers as part of the intermediate consumption of the employing entity. This is also the case of valuables that are not considered as part of household final consumption expenditure but correspond to a non-consumption category of final demand (see chap. 5). **It is recommended** that these tourism expenditures be presented separately in order to facilitate comparisons with other macroeconomic frameworks;
- (h) Valuables and consumer durables acquired by visitors during their trip are part of tourism expenditure irrespective of their unit value. By contrast, those whose value is above a country's customs threshold are to be included under merchandise trade for the compilation of balance of payments and national accounts and thus excluded from the travel spending by non-residents in the economy or by residents abroad. As a consequence, **it is recommended** to present them separately since their inclusion with other acquisitions would affect the comparability with the above-mentioned frameworks;
- (i) As mentioned above (paras. 3.2 to 3.4), travel parties deserve special attention due to the following:
  - The pooling of some or all expenditures within a travel party so that different data reported in an expenditure survey will often refer to the travel party and not to each member;

- Some countries might find it relevant to define equivalence scales for all or some items of tourism expenditure (see box 4.2), as is the current practice in some household budget analyses. This takes into account the fact that sharing expenditures may lead to a lower per capita expenditure, as in the case of accommodation (various persons sharing a room) or transportation (various persons sharing a car or special rates for groups of persons travelling by railways or other modes of public transport) in order to be able to compare per capita expenditure when travelling within parties or individually;
- (j) Information should also be collected on places visited and duration of stay in each of them.

**Box 4.2****Equivalence scales**

The needs of a household grow with each additional member but—due to economies of scale in consumption—not in a proportional way. Needs for housing space, electricity, etc. will not be three times as high for a household with three members than for a single person. With the help of *equivalence scales* each household type in the population is assigned a value in proportion to its needs. The factors commonly taken into account to assign these values are the *size of the household* and the *age of its members* (whether they are adults or children).

**Source:** OECD Social Policy Division: *What are equivalence scales?* (Paris 2005).

## Chapter 5

# Classifications of products and productive activities for tourism

5.1. The aim of this chapter is to provide recommendations for the classification of products and productive activities required for tourism measurement and analysis that would be both internationally comparable and nationally relevant. The classifications refer to (a) products, mainly (though not exclusively) those belonging to tourism expenditure (see paras. 4.2 to 4.7), and (b) productive activities that are the basis for defining tourism industries (see para. 6.5).

5.2. The main focus of the chapter is on those goods and services directly acquired by visitors that are part of individual consumption expenditure incurred by households (the scope of the COICOP classification) and main productive activities serving visitors and in direct contact with them (see para. 6.2) but it will also consider valuables that might be acquired by visitors (see para. 4.4). It therefore excludes goods that belong to tourism investment or services provided as support services to producers or strongly related to tourism but not acquired directly by visitors, such as promotion and administrative services and consulting services for tourism development.

5.3. The Tourism Satellite Account is the conceptual framework for comprehensive reconciliation of tourism data with supply and demand (see para. 8.4) and contemplates a more extended scope of tourism demand that includes not only tourism consumption, but also tourism collective consumption and gross fixed capital formation. For this reason, the presented classification satisfies two different types of needs: those related to the measurement of tourism consumption and those related to the measurement of the broader concept of tourism demand. With this in mind, the classification includes, besides consumption products, all those other products that circulate in the economy of reference in relation to tourism: therefore, two main sub-groups are defined (consumption products and non-consumption products).

5.4. The CPC classification serves both these needs and will thus be used as a reference. Additionally, there is a well-established concordance between products classified using CPC and productive activities classified using ISIC. The classification of tourism products and activities is based on the recent revisions of these two international standards (CPC, Ver. 2 and ISIC, Rev. 4) approved by the United Nations Statistical Commission in 2006.

5.5. The CPC has five different levels, whereas the ISIC is organized in four levels, as shown below:

CPC		ISIC	
Section	1 digit	Section	Letter
Division	2 digits	Division	2 digits
Group	3 digits	Group	3 digits
Class	4 digits	Class	4 digits
Subclass	5 digits		

5.6. The issue of consumption goods and valuables acquired by visitors and the activities associated with the production and sale of those goods presents specific features and is discussed in a separate section (section D).

## A. The basic principles

5.7. The Tourism Satellite Account provides the conceptual framework and the organizational structure for the reconciliation of most tourism statistics within the broader framework of national economic statistics (see para. 1.37). Because the Tourism Satellite Account is structurally linked with the System of National Accounts 2008, its recommendations for the establishment of satellite accounts should be followed.

5.8. In accordance with the System of National Accounts 2008 chapter 29, excerpts of which are reproduced in box 5.1 below, the establishment of a tourism satellite account should begin with the identification of *tourism-related products*, made up of two subcategories, *tourism characteristic products* and *tourism connected products*, that have to be based on the significance of their link to tourism either worldwide or in the economy of reference. These subcategories will refer exclusively to consumption products (see para. 5.3).

5.9. For *tourism characteristic products*, there is particular interest in showing how they are produced, to describe the production process and the inputs of capital, intermediate consumption and labour that are required and to compare the production and tourism use of these products over time and among countries. **It is recommended** that international comparability of tourism should be limited to *tourism characteristic products* and related activities.

5.10. Tourism characteristic products are those that satisfy one or both of the following criteria:

- (a) Tourism expenditure on the product should represent a significant share of total tourism expenditure (share-of-expenditure/demand condition);
- (b) Tourism expenditure on the product should represent a significant share of the supply of the product in the economy (share-of-supply condition). This criterion implies that the supply of a tourism characteristic product would cease to exist in meaningful quantity in the absence of visitors.

5.11. *Tourism characteristic activities* are the activities that typically produce *tourism characteristic products*. As the industrial origin of a product (the ISIC industry that produces it) is not a criterion for the aggregation of products within a similar CPC category, there is no strict one-to-one relationship between products and the industries producing them as their principal outputs. Two products of similar characteristics but produced by two different ISIC industries would be classified in the same CPC category.

5.12. In the case of *tourism connected products*, their significance within tourism analysis for the economy of reference is recognized although their link to tourism is limited worldwide. Consequently, lists of such products will be country specific.

5.13. Some consumption products, though acquired by visitors, are not related to being on a trip and fall outside these two other categories. Consequently, they are assigned to a residual category.

## B. Classification of tourism products and activities

5.14. Section C.1 below provides the list of products and corresponding activities to be considered as tourism characteristic worldwide for which detailed international comparisons will be sought. Section C.2 below provides guidance on how countries should identify country-specific tourism characteristic products and tourism connected products.

5.15. A distinction will be made between products that can belong to individual consumption expenditure of households, as defined in COICOP, to be referred to as **consumption products**, and all other goods and services, to be referred to as **non-consumption products** (see para. 5.3). It must be observed that when acquired by a producer, a product considered in this classification will be part of either its intermediate consumption or its gross fixed capital formation.

5.16. The classification that has been developed and its basic elements are defined as follows:

<b>A. Consumption products:</b>	
<b>A.1. Tourism characteristic products:</b>	comprising two subcategories;
A.1.i.	<i>Internationally comparable tourism characteristic products</i> , which represent the core products for international comparison of tourism expenditure;
A.1.ii.	<i>Country-specific tourism characteristic products</i> (to be determined by each country by applying the criteria of paragraph 5.10 in their own context). For both products mentioned above, the activities producing them will be considered as tourism characteristic, and the industries in which the principal activity is tourism characteristic will be called tourism industries;
<b>A.2. Other consumption products</b>	made up of two subcategories, both to be determined by each country and, consequently, country specific:
A.2.i.	<i>Tourism connected products</i> comprising other products according to their relevance for tourism analysis but that do not satisfy the criteria in paragraph 5.10;
A.2.ii.	<i>Non-tourism-related consumption products</i> comprising all other consumption goods and services that do not belong to the previous categories.
<b>B. Non-consumption products:</b> This category includes all products that by their nature cannot be consumption goods and services and, therefore, can neither be a part of tourism expenditure, nor a part of tourism consumption, except for valuables that might be acquired by visitors on their trips. Two subcategories are defined:	
<b>B.1. Valuables</b>	(see para. 4.2);
<b>B.2. Other non-consumption products</b>	comprising those products associated with tourism gross fixed capital formation and collective consumption.

5.17. In accordance with paragraph 5.11., *tourism characteristic activities* will refer to both subcategories of tourism characteristic products (A.1.i and A.1.ii). A list of consumption products is included in annex 2. Applying the criteria already mentioned (see para. 5.10), some of the products are categorized as characteristic. These products and the corresponding activities support international comparability in terms of both CPC subclasses and ISIC classes.

5.18. Figure 5.1 below presents the typology of tourism characteristic consumption products and activities grouped in the 12 categories to be used in the Tourism Satellite Account tables. Categories 1 to 10 comprise the core for international comparison (see paras. 5.25 to 5.30) and are described in annexes 3 and 4 in terms of ISIC classes and CPC subclasses. The two other categories are country specific, with category 11 covering tourism characteristic goods and the corresponding retail trade

Figure 5.1

**List of categories of tourism characteristic consumption products and tourism characteristic activities (tourism industries)**

Products	Activities
1. Accommodation services for visitors	1. Accommodation for visitors
2. Food and beverage serving services	2. Food and beverage serving activities
3. Railway passenger transport services	3. Railway passenger transport
4. Road passenger transport services	4. Road passenger transport
5. Water passenger transport services	5. Water passenger transport
6. Air passenger transport services	6. Air passenger transport
7. Transport equipment rental services	7. Transport equipment rental
8. Travel agencies and other reservation services	8. Travel agencies and other reservation services activities
9. Cultural services	9. Cultural activities
10. Sports and recreational services	10. Sports and recreational activities
11. Country-specific tourism characteristic goods	11. Retail trade of country-specific tourism characteristic goods
12. Country-specific tourism characteristic services	12. Other country-specific tourism characteristic activities

activities ([see para. 5.41](#)) and category 12 referring to tourism characteristic services and activities. ([see para. 5.34](#)).

### C. Identifying tourism expenditure products and activities

5.19. Information from visitors on their tourism expenditure is to be collected on the basis of the classification recommended ([see para. 4.26](#)), with the following groupings:

- i. Package travel, package holidays and package tours
- ii. Accommodation
- iii. Food and drink
- iv. Local transport
- v. International transport
- vi. Recreation, culture and sporting activities
- vii. Shopping
- viii. Others

5.20. Each of the groupings described above contains both goods and services. The classification in a grouping is based on the purpose of the expenditure irrespective of its physical nature or mode of production.

5.21. Goods as well as services are assigned to the purpose for which they are purchased: for instance, gas, spare parts, etc. are grouped with transport services in the *local transport* and *international transport*; the purchase of equipment to practice sport or outdoor activity while on a trip is classified within *recreation, culture and sporting activities*; the *food and drink* purpose includes food and beverage serving services as well as food purchased for consumption (fruits, biscuits, sweets, drinks, etc.) or to be used for the preparation of meals by the visitors. According to similar principles, reservation services are included with the services sold: cruises within *package travel*, transport within *transport*, shows and events within *recreation, culture and sporting activities*, etc. The last category “*Others*” (the content of which is related to

category A.2.ii *Non tourism-related consumption products* (see para. 5.16)) comprises goods and services that cannot be associated with any of the explicitly mentioned purposes of the preceding categories, such as newspapers and magazines, current health care products and occasional health services. It is **recommended** to use this classification as the first basis of selection.

5.22. A list of services, in terms of CPC subclasses, that could potentially be related to tourism expenditure has been extracted and shown under the groupings by purpose in annex 2. Because of the specific treatment of consumption goods and valuables in tourism statistics, which will be explained further in Section C.2. below, they are only mentioned in general terms in annex 2.

5.23. The fact that a CPC subclass is included in the list does not mean that all products belonging to this subclass relate to tourism, but rather that it contains products belonging to tourism expenditure. For instance, CPC 67190 *Other cargo and baggage handling services* is listed because of the tips that visitors pay to baggage handlers; the remaining elemental products included in this category are usually purchased by producers. Similarly, CPC 85961 *Convention assistance and organization services* and CPC 85962 *Trade show assistance and organization services* are included because of the possibility of direct payment of attendance or entrance fees by visitors; the rest of the services to be found within this subclass are purchased by producers or other categories of participants (who are not visitors).

5.24. The inclusion of certain levels of the CPC classification in this list needs some further justification:

- (a) Division 66 refers to the *Rental services of transport vehicles with operators*. Because tour packages are treated in a net mode (see paras. 6.51 and 6.52), the part corresponding to the *rental services of buses and coaches with operator* (66011) that is actually purchased by tour operators is assigned to tourism expenditure (that is, it is deemed to be purchased directly by visitors);
- (b) Services that are included in division 67 *Supporting transport services* refer either to services provided to passengers in railway stations, bus stations, airports, highways, bridges, etc., or to services provided to visitors as owners or lessees of private modes of transport such as vehicles, vessels and aircrafts;
- (c) Group 859 refers to *other support services*, which are of two kinds: services provided to business visitors and other visitors, either by business centres in hotels or by independent establishments (85954 *Document preparation and other specialized office support services*), and registration fees paid by visitors to attend conventions, trade shows, etc. (8596 *Convention and trade show, assistance and organization services*);
- (d) The items included in divisions 92 (*Education services*) and 93 (*Human health and social care services*) refer to expenditures by visitors on education and health, generally when short-term education or medical treatment constitutes the main purpose of their trip.

### C.1. Internationally comparable tourism characteristic products and activities

5.25. All CPC subclasses belonging to the groupings of tourism expenditure by purpose (see para. 5.19) except for viii. *Others*, should be included in the measurement of tourism expenditure by product. Following the System of National Accounts 2008 principles (see box 5.1) these products would be candidates to be considered as A.1.i



## Box 5.1

**Satellite accounts and other extensions***Determining the products of interest*

For any field of interest, the starting point is to identify the products specific to this field. It is customary, in the context of a satellite account, to identify these as characteristic products and connected products. Characteristic products are those that are typical of the field; for instance, for health, characteristic products are health services, public administration services, education and R&D services in health. (para. 29.59)

The second category, connected goods and services, includes products whose uses are interesting because they are clearly covered by the concept of expenditure in a given field, without being typical, either by nature or because they are classified in broader categories of products. In health, for example, transportation of patients may be considered connected services; also pharmaceutical products and other medical goods, such as spectacles, are very often treated as connected goods and services. (para. 29.60)

Together characteristic products and connected products are referred to as specific products (para. 29.61)

*Measuring production*

For characteristic products, the satellite account should show the way these goods and services are produced, what kinds of producers are involved, what kinds of labour and fixed capital they use and the efficiency of the production process and, hence, of the allocation of resources. (para. 29.62)

For connected products, there is no particular interest in their conditions of production because they are not typical of the field of interest. If the conditions of production are important, then the items should be considered characteristic products and not connected products. For example, pharmaceutical products might be considered characteristic in the account for health of a country in the first stages of developing a domestic industry. The precise borderline between characteristic and connected products depends on the economic organization in a given country and the purpose of a satellite account. (para. 29.63)

*Production and products*

As with key sector accounts, it will almost always be useful to develop a set of supply and use tables for the characteristic and connected products of interest and the producers of the characteristic products. This may be extended to cover the generation of income account also and non-monetary data concerning employment and indicators of output. (para. 29.83)

*Physical data*

Data measured in physical or other non-monetary units should not be considered a secondary part of a satellite account. They are essential components, both for the information they provide directly and in order to analyse the monetary data adequately. (para. 29.84)

**Source:** Commission of the European Communities, International Monetary Fund, Organization for Economic Cooperation and Development, United Nations and World Bank. System of National Accounts, 2008

*internationally comparable tourism characteristic products. It is recommended that countries identify goods separately from services.*

5.26. Nevertheless, the only services that would be considered as tourism characteristic worldwide are those that meet the criteria recommended in paragraph 5.10. The industries that produce these services as their principal outputs are shown in annex 2 alongside the services in order to facilitate the process of analysis and selection.

5.27. The inclusion of certain categories of the CPC classification in the lists of *internationally comparable tourism characteristic products* needs some explanation:

- CPC 63399 *Other food serving services* relates to food provided by refreshment stands, fish-and-chip stands, fast-food outlets without seating, take-away facilities, ice-cream parlours and cake serving places, vending machines, motorized or non-motorized carts, etc.
- Division 72, *Real estate services* includes services related to vacation homes, principal dwellings rented short-term to visitors, and timeshare properties such as 72111 *Rental or leasing services involving own or leased residential property*, 72123 *Trade services of time-share properties*, as well as 7221 *Property management services on a fee or contract basis*.

5.28. In addition, the exclusion of certain CPC subclasses needs some justification:

- For example, visitors consume different products that are typical of ISIC 4921 *Urban and suburban passenger land transport*, such as CPC 64111 *Urban and suburban railway transport services of passengers*, 64112 *Urban and suburban scheduled road transport services of passengers* and 64113 *Mixed mode urban and suburban transport services of passengers*. However, visitor consumption of such services is usually small as compared to the total consumption of the population that is within its usual environment, and the inclusion of such services as tourism characteristic activities would clearly lack interest. This explains why these products are not considered as tourism characteristic in annex 2. By contrast, products that are typical of ISIC 4922 *Other passenger land transport* are consumed mostly by visitors in all countries so these products are considered as tourism characteristic).
- The same arguments can be used to exclude Division 68, *Postal and courier services*, division 84 *Telecommunications, broadcasting and information supply services* and some of the components of division 97 *Other services* which refer to business and personal services that visitors use and that are provided as separately invoiced services in hotels or in independent establishments, or that are related to the reception of mail or other types of postal services while being away from home.

5.29. The *internationally comparable tourism characteristic activities* are grouped in 10 main categories that are related to ISIC and are presented in figure 5.1. This figure also presents the corresponding categories of *internationally comparable tourism characteristic products*. The detailed ISIC classes that correspond to each category are presented in annex 3. Annex 4 includes the description of CPC subclasses.

5.30. The CPC classification is more relevant for the analysis of production and supply than the classification by purpose that was recommended (see para. 5.19) because of its immediate link to the analysis of supply. For example, all activities and products related to reservation and similar services are grouped under a unique category (group 8). In addition, long distance passenger transport is grouped by mode of transport. The CPC classification is also used in the Tourism Satellite Account.

## C.2. Establishing the list of country-specific tourism characteristic and connected products

5.31. Each country may complement the list of *internationally comparable tourism characteristic products and activities* (figure 5.1, categories 1 to 10) with *country-specific tourism characteristic products* (category A1.ii) and activities and connected

*products* (category A.2). It is **recommended** that countries identify goods separately from services.

5.32. CPC subclasses that appear in annex 2 have been provisionally identified as potential tourism consumption products. Those not previously identified as the basis of international comparison (those classified as characteristic in annex 2) constitute a set from which countries may determine their national lists of tourism characteristic and connected products. In due time, UNWTO will review these country-specific lists to determine whether or not modification of the list of *internationally comparable tourism characteristic products and activities* is required.

5.33. The criteria recommended for selecting *country-specific tourism characteristic products* should be those already mentioned in paragraph 5.10. These criteria should be applied in each country to the greatest degree possible of disaggregation.

5.34. Country-specific tourism characteristic products and country-specific tourism characteristic activities constitute categories 11 and 12 of the detailed classification of tourism characteristic products and activities (see figure 5.1). They can include any of the products and activities listed in annex 2, whatever their classification by purpose.

5.35. Eventually, each country will determine its list of *tourism connected products* (category A.2.i) on the basis of their importance for the understanding of tourism.

5.36. Countries might also decide, when relevant, to create specific subcategories of some of the CPC subclasses that are listed in annex 2 in order to focus more specifically on the measurement of a product of particular interest. The same would apply to any eventual disaggregation at the 5-digit level of important 4-digit ISIC classes.

## D. The case of goods

5.37. Tourism expenditure does not only include services: consumption goods and valuables (see para. 4.4) might also be purchased by visitors and the classification of tourism by purpose recognizes that the acquisition of some of these goods (*Shopping*) might also be the main purpose of tourism trips (see para. 3.17/1.6).

5.38. Some goods, such as handicrafts, are usually more intensively purchased by visitors than by non-visitors. Nevertheless, there is no specific category in CPC under which to find them because their denomination as handicrafts is based only on production processes that either are traditional or use a very low level of technology, which can result in a great variety of products. Souvenirs are also more intensively purchased by visitors; they may also belong to a wide range of CPC categories. Gas for motor vehicles (or for boats in island countries) might also represent an important expenditure on goods in countries. Other goods purchased might also relate to the types of activities undertaken by visitors in a specific country or region, such as sports gear.

5.39. It is not possible to establish a standard list of tourism-related goods acquired for and during trips that would be meaningful worldwide because it is not possible to achieve sufficient homogeneity among countries in terms of the goods purchased by visitors.

5.40. An additional issue has to do with the productive activities to be associated with consumption goods and valuables. In the case of services, production, acquisition and consumption by users are simultaneous events. This is not the case for goods. The producers of goods purchased by visitors do not usually sell these goods to visitors. Instead, goods are made available to visitors through a chain of intermediaries or wholesalers, who are responsible for the transportation, storage, and delivery

of the goods to the retailer, who makes the goods available to the final purchaser. In addition, goods and, more importantly, valuables are often produced at a time and place that is different from those of their final sale. They might have been produced in different economies and at different time periods. The only activity in direct relationship with the visitors is retail trade activity. For this reason (see para. 5.2), it is the retail trade activity that will be associated with consumption goods and valuables in tourism analysis.

5.41. Each country will have to determine on the basis of the criteria in paragraph 5.10 which consumption goods and valuables and retail trade activities will make up category 11 of the classification (*Country-specific tourism characteristic goods* for products, and *Retail trade of country-specific tourism characteristic goods* for activities) (see figure 5.1 and annex 3). Countries might also classify some of these goods as *tourism connected* if they do not satisfy the criteria in paragraph 5.10.

5.42. Acquisitions of valuables by visitors should be separately identified to be consistent with figure 5.1. (see also para. 4.36(h)) and be included in *B.1. Valuables*.

5.43. The relationship between the production of goods purchased by visitors and tourism-related measurements should be considered in a more elaborate analysis of the impacts of tourism, a topic that constitutes an extension to the Tourism Satellite Account framework (see *Tourism Satellite Account: Recommended Methodological Framework*, annex 5).



## Chapter 6

# The supply perspective

6.1. In order to attract visitors, goods and services must be available in the form and in the quantity that visitors might demand. It is through supply as it responds to demand that the economic contribution of tourism can be traced and measured, hence the interest in studying the supply of consumption goods and services to visitors in order to understand and describe tourism in a country.

6.2. Tourism supply is understood as the *direct* provision to visitors of the goods and services that make up tourism expenditure (see para. 5.2).

6.3. The analysis of tourism supply consists, first, in showing how the conditions are created that enable producers to provide goods and services to visitors, and, second, in describing the processes, the production costs and the economic performance of the suppliers in the tourism industries.

### A. The statistical unit

6.4. From the perspective of supply, the object is to describe the productive activities that provide the goods and services that visitors acquire.

6.5. To begin, it is important to determine the type of statistical unit for which information is sought and data compiled.

6.6. Different statistical units are appropriate for different forms of analysis. The most common ones are institutional units and establishments.

6.7. *Institutional units* are the core units of the System of National Accounts, around which the system is built. They can be a household or a legal, social or economic entity that may own goods and assets, incur liabilities, enter into contracts, and take decisions and actions for which they are responsible. When studying production processes, institutional units are not particularly adequate, as one unit may engage simultaneously in a variety of activities.

6.8. In recognition of this heterogeneity, the System of National Accounts recommends the use of *establishment* as the unit which provides data that are more suitable for analyses of production. The establishment (or local kind of activity unit in the European Union lexicon) is defined operationally as “an enterprise, or part of an enterprise, that is situated in a single location and in which only a single productive activity is carried out or in which the principal productive activity accounts for most of the value added” (System of National Accounts 2008 para. 5.14).

6.9. The establishment is used for the analysis of production and production processes in tourism statistics and the tourism satellite account, as in the System of National Accounts.

6.10. Establishments that cater to visitors often have more than one productive activity. Whether they have more than one or not (from a statistical point of view), will depend upon whether it is possible to delineate their different outputs. For example,

hotels often offer food services and manage convention centres in addition to providing accommodation; trains may sell meals and sleeping facilities in addition to transporting passengers; and so on.

6.11. Each hotel, each restaurant or each travel agency belonging to a chain and operating in a different location will be considered as a separate establishment.

6.12. In tourism, many producing entities operate on very small scale in a single location as unincorporated enterprises, family businesses or even as informal units of production (sometimes also designated as the grey economy), with only one establishment in activities such as food and beverage serving services, hotels and other personal services. Irrespective of their form of organization, each of these entities should be considered as a separate establishment if it can provide the data required to calculate operating surplus.

6.13. Compilers should be particularly aware of the existence of these types of units, which might behave differently from the big formal units that often are the focus of statistical procedures and official registers.

## B. Classifications

6.14. In supply-side statistics, establishments are classified according to their main activity, which, in turn, is determined by the activity that generates the most value added.

6.15. As a consequence, the grouping of all establishments with the same main activity which serves visitors directly and is one of the tourism characteristic activities (as defined in the previous chapter) constitutes a *tourism industry* (see paras. 5.2 and 6.2).

6.16. Thus each tourism industry is composed of all establishments whose main activity is a particular tourism characteristic activity that serves visitors directly.

6.17. As the classification of an establishment is based on its main activity, establishments having a particular tourism characteristic activity as a secondary activity should not be included in the tourism industry that is characterized by this activity. For example, if a travel agency service is carried out as a secondary activity by a supermarket, then this travel agency service will be part of the total output of the retail trade industry and will not appear as part of the travel agency industry. The activity will only show up as a secondary output of the retail trade industry.

6.18. By the same token, many establishments belonging to tourism industries have secondary activities that are not tourism characteristic or have other tourism characteristic secondary activities.

6.19. Tourism industries might produce a mix of different tourism characteristic products: this is typically the case of the hotel industry, which also has an important activity as provider of food and beverage serving services.

6.20. As a consequence, the output of tourism industries might not consist exclusively of tourism characteristic products, and the output of other non-tourism industries may include some tourism characteristic products. This situation is illustrated in figure 6.1 below. The main output of tourism industries (the first set of columns) is by definition tourism characteristic products, but they may also produce tourism connected products and other products. The main output of other industries might be anything other than tourism characteristic products. The total output of any product is the sum of the output of this product from all of the industries in the economy.



## C. Characterization of tourism industries

6.21. The characteristics to be measured for each tourism industry (and the corresponding establishments) should have a double objective: the analysis of the industry as such, and the generation of data with which to reconcile demand by visitors in a fairly detailed way, in terms of both value (tems a to e, below) and, when possible and relevant, quantity or non-monetary units (items f to j, below). For example:

- (a) Total value of output and output broken down by products (with special emphasis on tourism characteristic products) at basic prices and producer prices (when relevant);
- (b) Total value of intermediate consumption broken down by main product categories (if possible) at purchaser prices;
- (c) Total gross value added at basic prices (the difference between total value of output at basic prices and the total value of intermediate consumption at purchaser prices);
- (d) Total compensation of employees: wages and salaries (in cash and in kind) and social contributions; globally and for specifically identified categories of employees (see chap. 7);
- (e) Gross operating surplus;

Figure 6.1

Relationship between tourism industries, other industries and products

	Tourism Industries (TI)				Other Industries (OI)				Total output by product
	TI (1)	TI(2)	...	TI (n)	OI (1)	OI (2)	...	OI (p)	
<b>Characteristic products (CHP)</b>									
CHP1	XXX	X	X	X	X	X	X	X	$\Sigma$ CHP1
CHP2	X	XXX	X	X	X	X	X	X	$\Sigma$ CHP2
...	...	...	...	...	...	...	...	...	....
CHPn	X	X	X	XXX	X	X	X	X	$\Sigma$ CHPn
<b>Connected products (Cp)</b>									....
Cp1	X	X	X	X	X?	X?	X?	X?	$\Sigma$ Cp1
Cp2	X	X	X	X	X?	X?	X?	X?	$\Sigma$ Cp2
...	...	...	...	...	...	...	...	...	....
Cpn	X	X	X	X	X?	X?	X?	X?	$\Sigma$ Cpn
<b>Other products (Op)</b>									....
Op1	X	X	X	X	X?	X?	X?	X?	$\Sigma$ Op1
Op2	X	X	X	X	X?	X?	X?	X?	$\Sigma$ Op2
...	...	...	...	...	...	...	...	...	....
Opn	X	X	X	X	X?	X?	X?	X?	$\Sigma$ Opn
<b>Total output of the industries</b>	$\Sigma$ TI (1)	$\Sigma$ TI (2)	...	$\Sigma$ TI (n)	$\Sigma$ OI (1)	$\Sigma$ OI (2)	...	$\Sigma$ OI (p)	$\Sigma$ rows = $\Sigma$ columns

**Notes:** XXX indicates that the value in the cell is the most important of the column (the principal output of the industry).

X indicates that a value is possible in the cell.

X? indicates that any of these cells can be the most important of the column (the principal output of the industry).

- (f) Gross fixed capital formation by asset class;
- (g) Net acquisition of land and intangible assets (such as franchises);
- (h) Number of establishments classified (and if possible cross-classified) in categories that should be country relevant, such as formal/informal, market/non-market, by legal form of organization, employment size, etc.
- (i) Information on employment (because of the strategic importance of employment, this issue is developed in chap. 7);
- (j) Relevant non-monetary indicators (specific to each activity) showing both capacity (supply) and the amount of demand that has been met (for example, occupancy or capacity utilization rates for transportation and accommodation for instance), annually or more frequently if highlighting seasonality seems to be relevant and required.

## D. Selected tourism industries: basic references

### D.1. Accommodation for visitors

6.22. Because they spend a night outside their usual environment, tourists will need a specific place to stay overnight.

6.23. Short-term accommodation services are considered so important for tourism that many countries consider the establishments providing them as well as those providing food and beverage serving services and travel agency services as constituting their whole tourism industry.

6.24. Accommodation services are provided, either on a commercial (market) basis, that is as a paid service, though the price might be subsidized or on a non-commercial (non-market) basis, either as a service provided without charge by family or friends or on own account (owner-occupied vacation homes). Time share properties also fall under the latter category but are treated differently.

6.25. The services provided on a commercial basis and the establishments providing them must be appropriately classified in order to obtain the information required for analysing different segments of demand and the producers servicing those segments which may vary in forms of organization, size and range of services offered. For example, the accommodation units provided can take many forms: fully serviced and furnished guest rooms or suites; completely self-contained units of one or more rooms with kitchen, with or without daily and other regular housekeeping services. They can consist of shared accommodation units such as in youth hostels. The services provided may include a range of additional ones, such as food and beverage services, parking, laundry services, the use of swimming pools, exercise rooms, recreational facilities and conference and convention facilities. One or more of these characteristics can be chosen for setting up market segments.

6.26. Data collection on accommodation services from the supply side offers the opportunity to cross-classify with information on the types of destinations where the accommodation establishments are located. These may be characterized by classes based on population size, geographic characteristics (seaside, mountains, etc.) or other characteristics, such as spa resorts, places of historical interest, native accommodation. The linking of this information on type of locality with the results of data collection on accommodation services offers an interesting approach to more in-depth analysis of different market segments on the basis of the data collected within the survey. This information can mostly be obtained directly from existing registers.

6.27. Creating internationally comparable categories has proven to be difficult because there is no agreement on common relevant discriminant characteristics because of the great diversity of services provided that are also associated with differences in economic development and factor costs (mainly labour costs) among countries. In addition, the terminology used for groups of establishments providing similar accommodation services often differ across countries and languages and even within countries. Establishments with the same or similar category names may not provide identical services and identical services can be provided by establishments with different category names. Certain types of establishments exist in some countries and not in others. Finally, an establishment might provide different services identified in different CPC categories under the same management (traditional hotel, private residence clubs, timeshare units).

6.28. Until common groupings of activities can be agreed upon for international comparison (see para. 3.38), countries are encouraged to make their own groupings for national or regional application. The groupings should provide a relevant segmentation of the broad categories of productive activities shown in ISIC, to be applied nationally or regionally in supply statistics, in business registers, and in the collection of information on demand (for example, nights spent in different types of accommodation) on each trip. The different products should also be identified.

6.29. For reasons explained above, accommodation is sometimes marketed as an implicit package in which other services, such as food serving services, recreation services, spa, use of swimming pools, fitness centres, etc., are also provided and are not separately invoiced. It might be relevant for countries to take these different accommodation “packages” into account in their national classification of establishments and of products, as the differences have an impact both on the prices charged and on the amounts spent by visitors on other goods and services (provided as a package in the former case, to be purchased separately otherwise).

6.30. Regarding the economic measurement of the output, countries should be particularly aware of additional charges that might be invoiced to guests or directly paid by them, such as special taxes or additional service charges and tips (voluntary, but also sometimes compulsory) that might not be reported as income in the accounts of the service provider. These should be taken into consideration in order to value supply at actual basic prices (including service charge and voluntary tips) and relate it to consumption at purchaser prices (in which case the specific tax should also be determined and added or deductible VAT should be subtracted).

6.31. There is already a long tradition of using non-monetary indicators collected from the supply side to monitor the capacities and use of the accommodation establishments and to depict the flows of both domestic and inbound tourism. It is an important source of information not only for the accommodation industry but also for tourism policy, administration and promotion.

6.32. For many countries, surveys of accommodation establishments are the most important short-term information source on supply as they are in general, rather quickly available. In a more detailed regional breakdown, the data of the accommodation statistics are most frequently the only source of information on tourism flows. To depict tourism flows, the number of arrivals and nights spent are the most used indicators. Of these two, nights spent are more appropriate to reflect the performance of the accommodation industry and the impact of the tourists stay for the place visited, as this indicator takes into account the full effect of the duration of the stay.

6.33. Dividing the number of nights spent by the number of arrivals provides the average length of stay, which can be used as an analytical indicator to offer additional information on the kind of tourism in a country or region.

6.34. The following variables are most frequently used to describe the accommodation capacities:

- Months operating in the year;
- Number of rooms or accommodation units (gross, net) (the net indicator takes into consideration the fact that rooms might not always be available for guest accommodation);
- Number of bed places (gross, net) (the net indicator takes into consideration the fact that bed places might not always be available for guest accommodation);
- Occupancy rates (gross, net) by rooms or accommodation units (an indicator to be associated with revenue per room);
- Occupancy rates (gross, net) by bed places (an indicator to be associated with flows of visitors);
- Revenue per available room.

## **D.2. Food and beverage serving activities**

6.35. A feature of food and beverage serving activities is that, although they are considered tourism characteristic activities, establishments in these industries also cater to a large degree to non-visitors or local residents. For some establishments and also for the industry as a whole, these non-visitors might represent the majority of customers, permanently or at certain times of the year only.

6.36. Just as in the case of accommodation for visitors, food and beverage serving activities can be provided on a non-market basis by family, friends or relatives or on own account. For this reason, it is important to classify visitors by type of accommodation (identifying separately non-market accommodation) as well as purpose of trip (identifying visiting family and friends) in order to be able to validate the amount of expenditure in food and beverage serving services by different categories of visitors.

6.37. Moreover, because of the relatively small initial investment in facilities and equipment for small-scale operations, such as street vendors, sale of home-cooked meals, home-made beverages, etc., the “informal” segment of the industry can be quite important in some countries. Therefore, special care should be taken to identify properly informal types of providers of food and beverage services.

6.38. In most countries, tipping is a frequent practice; many countries also include a compulsory service charge that is not always included as revenue in the accounts of producers. Both are part of the basic price of the service (with a counterpart in compensation of employees).

6.39. Different categories of establishments providing food and beverage services in each country should be identified, although there is no general classification that would fit all the variants. For example, there are generally full-service restaurants with or without beverage service, sometimes referred to as fine dining, family restaurants with full service, self-service restaurants or cafeterias with seating, take-out or take-away establishments, stands or street vendors with fixed locations, bars, night clubs, etc.

6.40. Some additional non-monetary information associated with formal and organized types of producers is of interest:

- For restaurants with seating:
  - Total number of clients that can be accommodated per serving;
  - Number of tables;
  - Number of seats;
  - Number of meals that can be served daily;
  - Number of meals actually served.
- For take-out establishments:
  - Number of meals that can be served daily;
  - Number of meals actually served.
- For bars and night-clubs:
  - Number of customers;
  - Number of drinks actually served.

### D.3. Passenger transportation

6.41. Long distance passenger transport activities are to be considered as tourism characteristic activities. The expenditure on transportation often represents an important share of total tourism expenditure by visitors, particularly in the case of visitors travelling by air.

6.42. For analytical purposes, passenger transportation is usually considered under two different categories: transportation to or from the destination, and transportation at the destination. This is particularly important in the case of international travel because of the need to identify the economy that will benefit from the expenditure associated with transportation. In order to do this, it is necessary to identify the residence of the carrier(s), a process which might be problematic when more than one carrier is involved. In the case of domestic travel, it is necessary to identify where the service is delivered and who is the service provider in order to identify the economy (at the national or local level) that benefits from the expenditure.

6.43. Travel does not always entail the acquisition of a service provided by an organized provider of such services: the movement might have taken place using informal providers or the visitors own resources: on foot, on his/her own bicycle, on horseback, using one's own means of transport (or a rented one), such as motor vehicle, boat, airplane, motorcycle, or provided free of charge by a third party (family, friend, employees).

6.44. The characterization of a trip by the main mode of transport used to arrive at the destination does not necessarily account for all the types of transportation used while on the trip that might need to be identified.

6.45. Some additional non-monetary information associated with the supply of transportation services, are of interest:

- Long distance public transportation:
  - Number of vehicles for road transport/aircrafts, vessels, for air and water;
  - Number of available seats;
  - Number of passengers transported;
  - Capacity utilization;
  - Number of passenger-kilometres/miles produced.
- Rental of vehicles:

- Number of vehicles (cars, vans, caravans, boats, yachts, etc.) available for rent without operator;
- Number of vehicle-days available for rent in a given period (month, year);
- Number of vehicle-days actually rented.

#### D.4. Travel agencies and other reservation activities

6.46. Visitors (or potential visitors), when planning and organizing their trip, often use the services of travel agencies in order to get information on alternatives and for making their bookings (transport, accommodation, recreation activities either packaged or individually purchased, etc.). Their function consists mainly of selling the right to use a certain service provided by others at a certain moment in time and within certain conditions. Their role is to provide information and other services to the visitor and they are the intermediary in the purchase of certain services, although they might also provide additional services such as accompanying tours, guiding services, etc. Finally, it should be mentioned that travel agencies are under the specific jurisdiction of most national tourism administrations.

6.47. These agencies and reservation services operate in some ways as “retailers” of these services that are sold to the public. However, their function is different from that of a retailer of a good because it is still the producer of the service who finally serves the consumer. There is no substitution of relationships, only an efficient way for producers to make their products available to the public and sell them.

6.48. The value of travel agency services is not always invoiced explicitly or separately to the user of the service (the visitor) although such direct invoicing might exist and is current in the case of other reservation services different from travel agency services. In some cases, travel agencies buy tickets at a discounted price from airlines (or discounters) and sell them to their customers at a marked-up price, earning revenue from the difference between the price they pay and the price they charge. In other cases, the visitor pays for airline transport or some other “tourism product” at a set price established by the producer of the service. Income is earned by the travel agency as a fee or commission on the sale that is established by the provider of the service: in that case, it is as if the service of the travel agency was purchased by the provider of the service that is sold to the visitor. Finally, travel agencies increasingly charge their customers fees to make up for the corresponding reduction (and in some cases elimination) of fees or commissions from suppliers.

6.49. As a consequence, gross revenues of travel agencies on reservation services are of three kinds:

- (a) Those collected directly from visitors through a specific invoice; this is most common in the case of reservation services other than travel agencies, but is increasingly the case also for travel agencies;
- (b) Gross commercial margins representing retail trade services when travel agents remunerate themselves implicitly through a retail trade operation (buying from the producers of the services (for instance, airlines), or wholesale traders and selling the product back to travellers);
- (c) Commissions paid by the providers of tourism services when they operate as their agents, similar in operation to retail trade services on a fee or contract basis.

6.50. Whatever the procedure through which a travel agency (or a reservation) service generates its revenue, the total value paid by customers will be split in two

parts: one corresponding to the value of the travel agency (or reservation) service (the gross margin earned), and the other corresponding to the value of the tourism services included (the revenue of the producer net of the commission paid to the provider of reservation services).

6.51. From this perspective, travel agencies and other reservation activities are viewed as selling a service directly to the visitor so that they can be considered as tourism industries (see paras. 5.2 and 6.2).

6.52. This treatment has important consequences for the precise content of domestic tourism expenditure, inbound tourism expenditure and outbound tourism expenditure, both in terms of products and of the corresponding values when the customer, the provider of the services and the provider of reservation services are not resident of the same economy, an issue that will be further developed in the *Tourism Satellite Account: Recommended Methodological Framework* 2008, updated version.

6.53. In addition to the information on their own activity, travel agencies and other reservation activities constitute an important source of information on the services that are purchased through their intermediation, both in monetary terms and in non-monetary terms.

6.54. Travel agencies should be able to provide quantitative information on the number and value of products sold, categories of destinations, types of clients, for example business, others (trips and/or packages either domestic/outbound/inbound), and other information:

- Domestic trips
  - Trips without package;
  - Domestic packages.
- International trips
  - Inbound trips without package;
  - Outbound trips without package;
  - Inbound package;
  - Outbound package.

## E. Measuring the supply of services of tourism industries

6.55. Depending on the degree of development of surveys of service industries, countries might already include tourism industries within their general programme of economic surveys.

6.56. Countries might also make use of administrative records as well as of economic censuses. Household surveys might also provide information on informal producers.

6.57. Generalized annual surveys will usually provide economic information on establishments, including the number of units, classified by industry, output by source of revenue or main product (with a certain product detail) and intermediate consumption, (so that value added can be derived), employment and compensation of employees, investment in inventories/stocks and capital assets and sometimes non-monetary information, with few, if any, activity-specific questions.

6.58. In order to ensure that the observation of tourism industries is developed at a relevant degree of breakdown that allows some detailed analysis of their specific activities, **it is recommended** that when possible, the ISIC 4-digit level be used. The



surveys should also take into consideration certain specific features that are of particular importance when trying to relate the supply by productive activities and the demand by visitors, in particular:

- In the case of accommodation:
  - Care should be taken that the classifications of types of accommodation adopted in tourism statistics are also applied in the statistical system as a whole. This classification should not only be used to classify supply statistics, but it should also be used in the classification of information collected from visitors about their overnight stays by type of accommodation;
  - The issue of the measurement of the providers of accommodation that are unincorporated businesses (private rooms in homes, apartments, etc.) should be addressed; additionally, it is necessary to focus on the measurement of accommodation services provided to others by owners of vacation homes or homeowners, and other forms of vacation property even if only non-monetary indicators are used. (The imputation of the value of services received for own use of vacation homes and properties is beyond the scope of these *International Recommendations 2008* (see para. 4.3) but will be included in the *Tourism Satellite Account: Recommended Methodological Framework 2008*, updated version);
  - Information on availability of beds and rooms and occupancy rates should also be regularly collected for each or most of the categories of organized market providers. This information might be collected through a specific procedure (usually monthly or quarterly), applied to a sample of establishments or coupled with the previously described procedure. In that case, the permanent update of the universe of reference of the sample (number of establishments, number of rooms) should be a current concern.
- In the case of food and beverage serving services, tourism analysts should be aware of the importance of informal providers and be sure that they are adequately covered;
- In the case of travel agencies and other reservation services, it is necessary to ensure that proper methods of valuation are used, or, in their absence, that information is available to convert data collected on a gross basis (that is, including the value of the service sold; transportation, accommodation, sightseeing tour, etc.) into information on a net basis (unbundling their different components is a prerequisite for the compilation of a Tourism Satellite Account and the balance of payments, at least for the international transport item);
- In the case of car rental establishments, the existence of additional non-monetary information, such as the number of vehicles available for rent and actually rented and the number of vehicles-days sold in the period, might be useful.

## F. The particular case of tour operators and package tours

6.59. Tour operators are businesses that combine two or more travel services (for example, transport, accommodation, meals, entertainment, sightseeing) and sell them through travel agencies or directly to final consumers as a single product (called a package tour) for a single price. The components of a package tour might be pre-established or can result from an “à la carte” procedure where the visitor chooses from a pre-established list the combination of services he/she wishes to acquire.

6.60. Tour operators usually operate in their own name and on their own behalf. The operator initially acquires from the tourism industries different services, often a long time ahead and at specially negotiated prices, that are combined and offered as a single, complex product to customers, either directly or through travel agencies. As enterprises, they might also directly provide some services, such as international transportation using charter airlines of their property or part of the same group of enterprises. This product usually embodies the service of transportation and one or more from accommodation, meals, sightseeing, entertainment and other services visitors require, as well as the service of the tour operator himself. In most cases, the visitor is not aware of the distribution of costs among the components, and has no direct contact with the providers of the services prior to departure. Often, the tour operator puts himself at risk with the providers of the services included within the package tour, and must pay them penalty fees if the products do not sell in the quantities that have been booked.

6.61. A package tour might be seen to consist of a completely new “product”. However, in tourism statistics, a package tour should not be viewed as a product per se, but rather as the sum of its components, including the gross margin of the tour operator and that of the travel agency that sells it to the public.

6.62. All components of a package tour, including the value of the service of the tour operator and of the travel agency, are considered as directly purchased by visitors. This entails a valuation of the principal output of tour operators as the “gross margin” earned (applying the “net valuation” approach).

6.63. Tour operators are considered to be a certain type of retailer of tourism services although, as in the case of travel agencies, they are not a substitute for the providers of the services that are included in the package. A value for the service provided by tour operators should be calculated, equal to the gross margin earned, as the difference between what the tour operator charges for the package tours sold and the costs of the components, including the commission paid to travel agencies selling the package tours to the public.



## Chapter 7

# Employment in the tourism industries

7.1. As in any other sector of the economy, employment is an important dimension in the characterization of tourism and in the acknowledgement of its importance from the productive, social and strategic points of view.

7.2. Because, tourism characteristic activities are generally labour intensive, Governments are particularly keen in measuring the contribution of tourism in terms of generating jobs and providing people with access to income.

7.3. While labour can be associated with the total output of an establishment, it cannot be assigned to any particular output without the use of specific assumptions and modelling procedures. For this reason, tourism employment, referring to the employment strictly related to the goods and services (tourism characteristic, tourism connected and other) acquired by visitors and produced by either tourism industries or other industries cannot be directly observed. Its measurement would require techniques that go beyond the present recommendations.

7.4. As a result, the recommendations in this chapter are restricted to employment in the tourism industries (see chap. 6). As already mentioned (see paras. 6.15 to 6.20) in each country, the tourism industries will include all establishments whose main activity is a tourism characteristic activity. These tourism industries are common to all countries except for the individual country-specific tourism characteristic activities (categories 11 and 12; see para. 5.34). It should be noted that persons engaged in secondary tourism characteristic activities of an establishment belonging to a non-tourism industry (for example, all establishments whose principal activity is not a tourism characteristic activity) will not be included in “employment in the tourism industries” although they would be counted in “tourism employment”. On the other hand, persons employed in an establishment belonging to a tourism industry who participate in the establishment’s secondary non-tourism-characteristic activities will be included in “employment in the tourism industries” but not included in “tourism employment”.

7.5. Besides data on *persons employed* and the number of *jobs* in the tourism industries, other measures, such as *hours worked* or *full-time equivalent employment* are also required in order to gauge the amount of labour assigned to a particular tourism industry. The different concepts and definitions of employment in the tourism industries and their interrelations are given below.

## A. Concepts and definitions

7.6. It should be noted that labour statistics have their own international standards<sup>3</sup> that comprise a full range of concepts, definitions and classifications which should be referred to and used when collecting employment statistics. Consequently, the concepts and definitions presented in this chapter should primarily be used for statistical purposes as well as a basis for data reconciliation procedures for the production of Tourism Satellite Account and System of National Accounts employment tables.

<sup>3</sup> Within the United Nations system, the International Labour Organization (ILO) is responsible for developing international standards in the field of labour statistics. The standards can be found in [http://www.ilo.org/global/What\\_we\\_do/lang—en/index.htm](http://www.ilo.org/global/What_we_do/lang—en/index.htm); and International Labour Office, “Resolution concerning statistics of the economically active population, employment, unemployment and underemployment adopted by the Thirteenth International Conference of Labour Statisticians (October 1982),” in *Current International Recommendations on Labour Statistics: 2000 Edition* (Geneva, 2000), pp. 24–28.

7.7. In general terms, a person having a job is considered to be employed and is part of the economically active population (see box 7.1).

7.8. Persons may have two or more jobs during a given reference period, and all, some or none of these jobs may be undertaken in the tourism industries. This leads to three different measures of employment in the tourism industries that treat differently the distinction between *employed persons* and *jobs*.

7.9. Figure 7.1 illustrates this situation. Employment in tourism industries may be measured as a count of the persons employed in tourism industries in any of their jobs (1, 3 and 4a in figure 7.1), as a count of the persons employed in tourism industries in their main job (1 and 3 in figure 7.1), or as a count of the jobs in tourism industries (1, 3, 3a and 4a in figure 7.1).

7.10. Each measure serves different purposes, and countries may adopt one or more of them depending on the intended use. If the intent is to determine the number of people who depend to some extent for their livelihoods by working in the tourism industries, then a count of persons with a job (main or other) in these industries would be appropriate. The measure based on employment in the main job would serve to gauge those with significant attachment to the tourism industries, for instance. If the intent is to make a comparison between tourism and non-tourism industries or between the tourism industries and the economy overall, then a count of jobs in the tourism industries would be more appropriate.

7.11. Countries may also be limited to one or other measure depending on their unique circumstances in terms of sources of data available. For example, in order to count the persons employed in tourism industries (all jobs), it is necessary to have information on the industry of each job of multiple job holders. If this information is not available, the count would necessarily be restricted to persons employed in tourism industries in their main jobs.

7.12. In respect of each of the jobs in the tourism industries persons employed in the tourism industries can be classified in one of the following categories: (a) paid employment or (b) self-employment.

### Box 7.1 Job

[...] The agreement between an employee and the employer defines a job and each self-employed person has a job. The number of jobs in the economy thus exceeds the number of persons employed to the extent that some employees have more than one job. An individual with more than one job may do these successively as when the person works for part of the week in one job and the rest of the week in another or in parallel as when the person has an evening job as well as a daytime job. In some cases, too, a single job may be shared by two persons.<sup>a</sup>

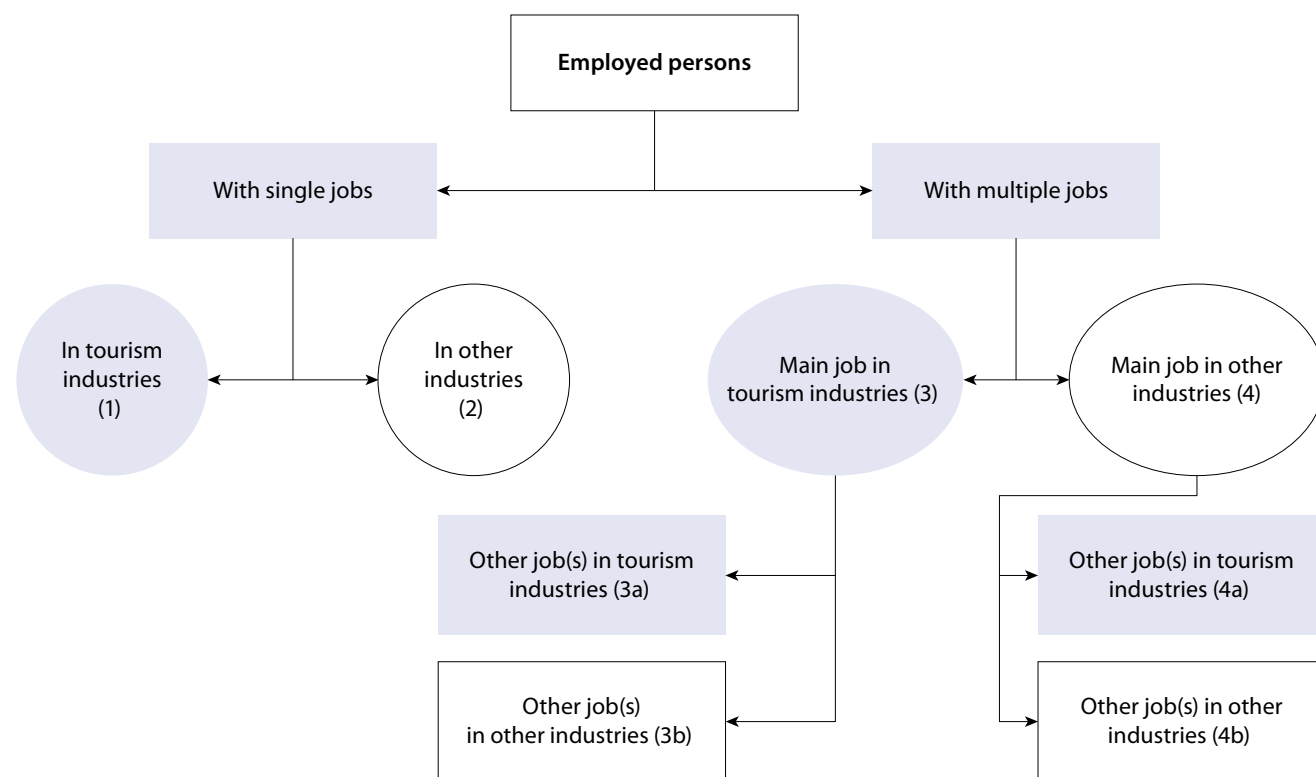
#### *Economically active population*

The **economically active population** or **labour force** comprises all persons of either sex who furnish the supply of labour for the production of goods and services as defined by the **System of National Accounts** during a specified time-reference period. Activities that fall within the production boundary of the System may be summarized as follows: (a) The production of all individual or collective goods or services that are supplied to units other than their producers, or intended to be supplied, including the production of goods or services used up in the process of producing such goods or services...<sup>b</sup>

<sup>a</sup> **System of National Accounts 2008, para. 19.30.**

<sup>b</sup> International Labor Office. "Resolution concerning statistics of the economically active population, employment, unemployment and underemployment adopted by the Thirteenth International Conference of Labour of Statisticians (October 1982)" in *Current International Recommendations on Labour Statistics, 2000 Edition*. Geneva, 2000, p. 24; and **System of National Accounts 2008, para. 6.27.**

Figure 7.1.

**Single versus multiple job holders in the tourism industries**

Persons employed in the tourism industries (all jobs) = 1, 3, 4a

Persons employed in the tourism industries (main job) = 1, 3

Jobs in the tourism industries = 1, 3, 3a, 4a

(a) *Paid employment:*

*At work:* persons who during the reference period performed some work for wage or salary in cash or in kind;

*With a job but not at work:* persons who, having already worked in their present job, were temporarily not at work during the reference period and had a formal attachment to their job;

(b) *Self-employment:*

*At work:* persons who during the reference period performed some work for profit or family gain, in cash or in kind;

*With an enterprise but not at work:* persons with an enterprise, which may be a business enterprise, a farm or a service undertaking, who were temporarily not at work during the reference period for any specific reason.<sup>4</sup>

7.13. *Self-employment jobs* are those jobs where the remuneration is directly dependent on the profits (or the potential of profits) derived from the goods and services produced.<sup>5</sup>

7.14. *Self-employed* can be divided into two groups: those with and those without paid employees. Those with paid employees are classified as *employers* and those without paid employees are classified as *own-account workers*. In addition, *self-employed* also includes contributing family workers and members of producers' cooperatives.

7.15. Box 7.2 contains the definitions of *employees* and *employers* and identifies a number of special categories of persons that can be found among those employed in the tourism industries.

<sup>4</sup> International Labour Office. "Resolution concerning statistics of the economically active population, employment, unemployment and underemployment, adopted by Thirteenth International Conference of Labour Statisticians (October 1982)" in *Current International Recommendations on Labour Statistics, 2000 Edition* (Geneva, 2000), p. 25.

<sup>5</sup> International Labour Office. "Resolution concerning the International Classification of Status in Employment (ICSE), adopted by the Fifteenth International Conference of Labour Statisticians (January 1993)," in *Current International Recommendations on Labour Statistics: 2000 Edition*, (Geneva, 2000), pp. 20-23.

## Box 7.2

**Status in employment: basic definitions**

- (i) **Employees** are all those workers who hold the type of jobs defined as “paid employment”. There is an agreement, which can be either formal or informal, between an enterprise and a person, whereby the person works for the enterprise in return for remuneration in cash or in kind. **Employees with stable contracts** are those “employees” who have had, and continue to have, an explicit (written or oral) or implicit contract of employment, or a succession of such contracts, with the same employer on a continuous basis. “On a continuous basis” implies a period of employment, which is longer than a specified minimum determined according to national circumstances. (If interruptions are allowed in this minimum period, their maximum duration should also be determined according to national circumstances). **Regular employees** are those “employees with stable contracts” for whom the employing organization is responsible for payment of relevant taxes and social security contributions and/or where the contractual relationship is subject to national labor legislation.
- (ii) **Employers** are those workers who, working on their own account or with one or a few partners, hold the type of job defined as a “self-employment job” and, in this capacity, on a continuous basis (including the reference period) have engaged one or more persons to work for them in their business as “employee(s)”.
- (iii) **Own-account workers** are those workers who, working on their own account or with one or more partners, hold the type of job defined as a “self-employment job”, and have not engaged on a continuous basis any “employees” to work for them during the reference period. It should be noted that during the reference period the members of this group might have engaged “employees”, provided that this is on a non-continuous basis. (The partners may or may not be members of the same family or household.)
- (iv) **Casual workers** are workers who have an explicit or implicit contract of employment, which is not expected to continue for more than a short period, whose duration is to be determined by national circumstances.
- (v) **Workers in short-term employment** are workers who hold explicit or implicit contracts of employment which are expected to last longer than the period used to define “casual workers”, but shorter than the one used to define “regular employees”.
- (vi) **Workers in seasonal employment** are workers who hold explicit or implicit contracts of employment where the timing and duration of the contract is significantly influenced by seasonal factors such as the climatic cycle, public holidays and/or agricultural harvests.
- (vii) **Outworkers** are workers who: (a) hold explicit or implicit contracts of employment under which they agree to work for a particular enterprise, or to supply a certain quantity of goods or services to a particular enterprise, by prior arrangement or contract with that enterprise; but (b) whose place of work is not within any of the establishments which make up that enterprise. They may be classified as “employers” if they engage other workers on terms as described in para. (ii) above.

Workers in categories (iv)–(vii) may be classified as being “employees” or “own-account workers” according to the specific characteristics of the employment contract.

**Source:** International Labour Office. “Resolution concerning the International Classification of Status in Employment (ICSE), adopted by the Fifteenth International Conference of Labour Statisticians (January 1993)”, in *Current International Recommendations on Labour Statistics. 2000 Edition*, Geneva, 2000, pp. 20–22.



7.16. Figure 7.2 below illustrates and summarizes the categories of persons employed in tourism industries, as defined above.

## B. Employment as demand and supply of labour

7.17. Work means an activity that contributes to the production of goods and services within the production boundary of the System of National Accounts. In that framework, labour markets can be characterized by demand for and supply of labour.

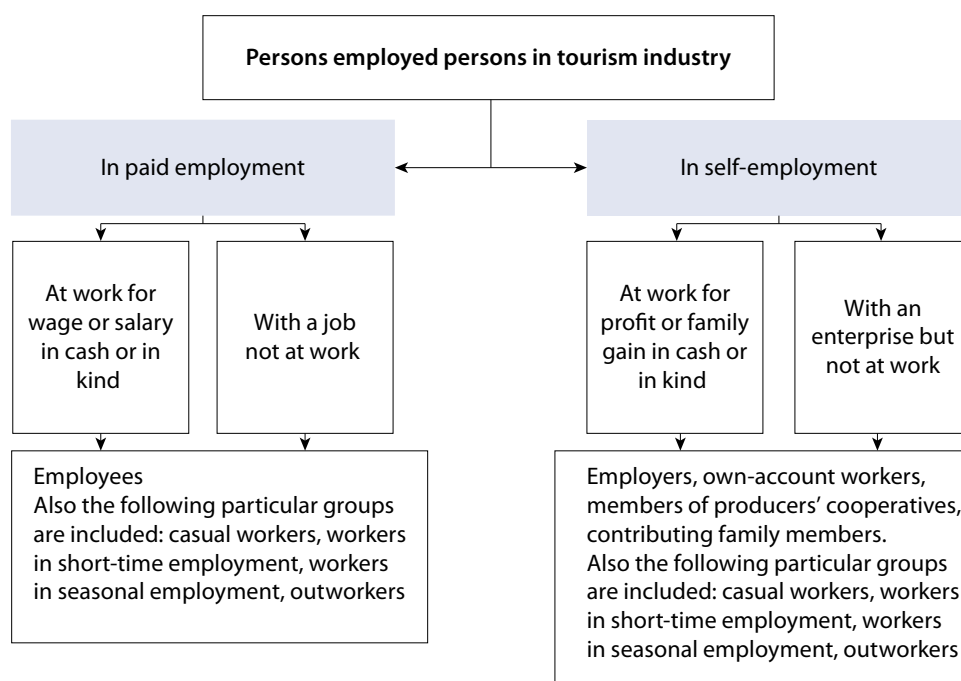
7.18. Establishments need people to work at various posts and these posts can be either vacant (vacancies) or filled (jobs). This is the demand side of labour. In the latter case, the statistical unit is a **job**. A person, occupying a post, performs the work, thereby supplying his labour in return for payment in cash or in kind, or profit. This is the supply side of labour. The statistical unit here is a **person employed**. Payment for the work performed translates into income for those employed and into part of labour costs for their employers.

7.19. Some employed persons may have more than one job, in which case one of the jobs will be the primary job (defined on the basis of time spent or income generated) and other(s) will be secondary job(s). Conversely, two or more persons may fill one post in taking two or more part-time jobs. As a consequence, the number of jobs (demand side) and the number of persons employed (supply side) are not similar categories and therefore usually do not match.

7.20. Stemming from the above, employment in the tourism industries can be expressed as a count of jobs in the tourism industries or as a count of persons employed. From the demand perspective (the former case) and when looking at the number of posts occupied by persons engaged in productive activity, it is the number of jobs and their characteristics that can be established rather than those of persons employed: the primary job plus a secondary job plus other additional jobs equals a

Figure 7.2.

### Employment in the tourism industries: basic categories of employed persons



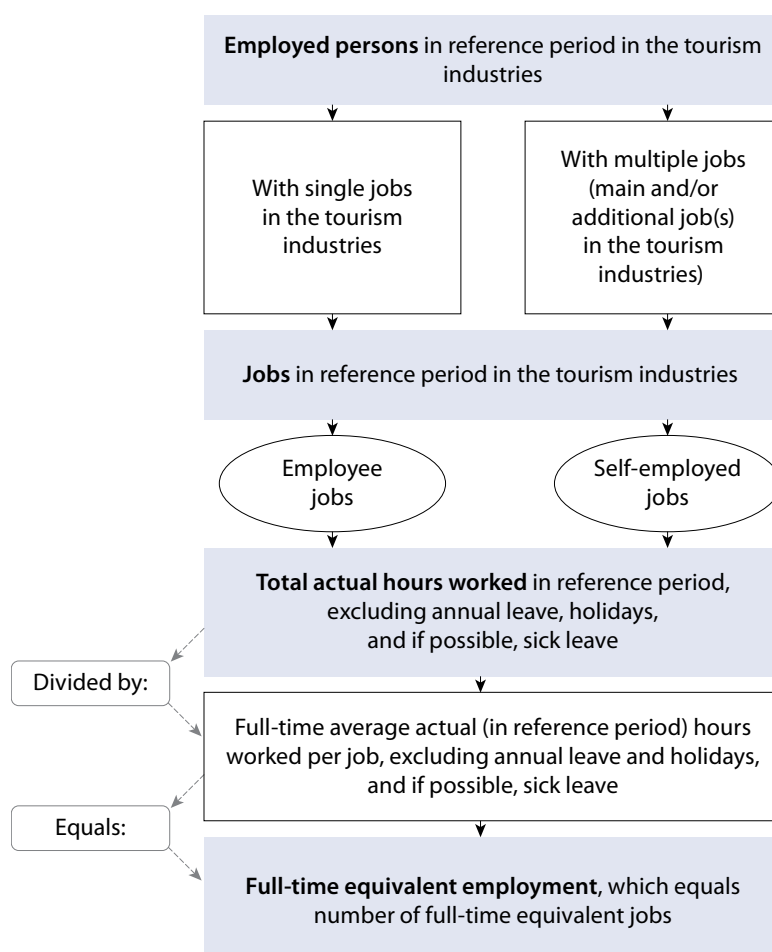
total number of jobs of a given person. The aggregation of jobs (in tourism) over all persons employed in tourism industries will yield a total number of jobs in a given establishment or tourism industry, etc. As for the supply side, a person may occupy more than one job involved in tourism-characteristic activities, which may be located in different establishments belonging to different tourism industries. Therefore, the total number of persons employed in the tourism industries may not be equal to the sum of persons employed in individual tourism industries.

7.21. The intensity of work may vary from job to job, industry to industry and from period to period. Jobs may differ by working time of persons employed and therefore be expressed in terms of full- or part-time jobs. For this reason, it is not sufficient to have data on the number of jobs or persons employed in order to obtain information on the volume of labour performed during a specified period of time (for example, a month or a year). Data on the total number of working hours will be required. Finally, if all jobs are converted into full-time equivalent employment or annual total hours worked,<sup>6</sup> the total volume of labour of a given tourism industry for a given period can be obtained.

7.22. Figure 7.3 below illustrates the relationship between employed persons and jobs, and the types of measurement that have been suggested.

<sup>6</sup> As defined by the System of National Accounts 2008 paras. 19.43 to 19.54.

Figure 7.3.  
Relationship between different measures of tourism employment in a given period



7.23. To summarize all the above, depending on user needs, employment in the tourism industries can be expressed in terms of:

- Number of persons;
- Number of jobs (full-time/part-time);
- Number of hours of work;
- Full-time equivalent employment.

## C. Characteristics of employment

7.24. In order to provide information on the composition of jobs in tourism industries and to identify more homogeneous groups for analytical purposes, and as a basis for comparisons of statistics over time and between countries, the employment measures should be classified according to various characteristics of the industries and of the persons occupying the jobs.

7.25. Thus, a job, in addition to classification by working time of person(s) employed, can also be classified by demographic, educational and social characteristics of person(s) occupying it. Also, remuneration linked to a given job is an important characteristic and should be classified separately.

7.26. For the purpose of international comparisons, the classifications of statistics on employment in the tourism industries should adhere or be convertible to the standard international classifications most recently adopted, such as:

- (a) International Standard Industrial Classification of All Economic Activities (ISIC) Rev. 4 and its application for tourism statistics;
- (b) International Standard Classification of Occupations (ISCO-08);<sup>7</sup>
- (c) International Standard Classification of Education (ISCED-97);
- (d) International Classification of Status in Employment (ICSE-93).<sup>8</sup>

7.27. In order to adequately analyse employment in the tourism industries, **it is recommended** that countries collect the following key variables for each of the tourism industries as identified in chapter 6 above and for the tourism industries as a whole:

- Employment by age group, sex and nationality/country of residence (if relevant);
- Employment by type of establishments (size, formal, informal<sup>9</sup>, etc.);
- Employment classified by occupation and status in employment;
- Permanent/temporary employment expressed in terms of number of jobs, hours of work, full-time equivalent, etc.;
- Employment by educational attainment;
- Hours of work (normal/usual, actually worked, paid for);
- Working time arrangements.

7.28. As employment variables are eventually used for an in-depth analysis of a country's tourism industries within a social and economic context, countries should also collect the following variables characterizing the monetary aspect of labour:

- *Compensation* of employees that includes wages and salaries payable in cash or in kind, and the value of the social contributions payable by employers<sup>10</sup>, for each industry and by categories of workers;

<sup>7</sup> International Labour Office. "International Standard Classification of Occupations (ISCO-08)". (Geneva, 2008).

<sup>8</sup> "Resolution concerning the International Classification of Status in Employment (ICSE), adopted by the Fifteenth International Conference of Labour Statisticians (January 1993)," in *Current International Recommendations on Labour Statistics: 2000 Edition* (Geneva, 2000), pp. 20-23.

<sup>9</sup> "Resolution concerning statistics of employment in the informal sector", adopted by the Fifteenth International Conference on Labour Statisticians (January 1993), in *Current International Recommendations on Labour Statistics: 2000 Edition*. (Geneva, 2000), pp. 32-40.

<sup>10</sup> As defined in the System National Accounts 2008, chap. 7, "The distribution of income accounts", paras. 7.5 and 7.29.

<sup>11</sup> International Labour Office, "Resolution concerning statistics of labour cost, adopted by the Eleventh International Conference of Labour Statisticians (October 1966)," in: *Current International Recommendations on Labour Statistics: 2000 Edition* (Geneva, 2000), pp. 41–43.

<sup>12</sup> As described in the **System of National Accounts 2008**, chap. 7, "The distribution of income accounts", paras. 7.9 and 7.12.

<sup>13</sup> For more ample information on statistical sources see: International Labour Office. "Survey of economically active population, employment, unemployment and underemployment: an ILO manual on concepts and methods" (Geneva, 1990).  
— "Resolution concerning statistics of employment in the informal sector, adopted by the Fifteenth International Conference of Labour Statisticians (January 1993)," in *Current International Recommendations on Labour Statistics. 2000 Edition* (Geneva, 2000), pp. 32–38.  
— "Guidelines concerning statistical definition of informal employment endorsed by the Seventeenth International Conference of Labour Statisticians (December 2003)," *Report of the Conference*, Geneva, Seventeenth Conference of Labour Statisticians, 24 November—3 December 2003.  
— "An integrated system of wages statistics: A manual on methods" (Geneva, 1979).  
— "Labour statistics based on administrative records: guidelines on compilation and presentation". ILO/EASMAT, ILO Regional Office for Asia and the Pacific (Bangkok, 1997).

<sup>14</sup> Organization for Economic Cooperation and Development. "Guidelines for a Tourism Satellite Account: the employment module", (Paris 1999).

- *Labour cost* that besides remuneration for work performed also includes cost to the employer for vocational training, welfare services and miscellaneous items that are not necessarily included in compensation of employees, such as transport of workers, work clothes and recruitment, together with taxes regarded as labour costs;<sup>11</sup>
- *Mixed income* of self-employed persons.<sup>12</sup>

## D. Measuring employment

7.29. The collection of data on employment in the tourism industries should be integrated in the regular national statistical system. By its nature, employment in the tourism industries can be undertaken either in paid employment or self-employment. It is unlikely that a complete picture of employment in the tourism industries can be obtained from a single statistical source. In order to achieve a better coverage and get more detailed characteristics of persons employed, countries should, as far as possible, use the following major sources of data collection: (a) household-based sample surveys; (b) establishment-based sample surveys; and (c) administrative records.

7.30. Household labour force surveys are an important data source that can in principle cover the entire population of a country, all industries and all categories of workers, including the self-employed and casual workers. They can also capture economic activity in both formal and informal sectors, as well as informal employment.

7.31. Importantly, the household labour force surveys collect data from individuals and thus provide information on persons who may be employed in more than one job (multiple-job holders) and different industries (tourism or non-tourism).

7.32. Establishment-based sample surveys are another important data source for jobs and persons employed. When the interest is in specific industries, which is the case with tourism industries, establishment surveys, given an adequate sampling frame, can provide an in-depth picture of target industries. It should be noted though that informal establishments are not covered by conventional establishment surveys. Reliable and detailed information on topics related to jobs and employment (for example, earnings, remuneration and labour costs) can be obtained in establishment surveys, especially when they can draw upon payrolls and other available records.

7.33. Statistics based on *administrative records* (such as social security files, tax reports, employment reports) are usually by-products of administrative processes. They are often based on continuous operations and can, therefore, be a useful source of flow statistics and other longitudinal data. However, they can also have various shortcomings, such as limited coverage (the exclusion of informal establishments) and content, inflexible concepts and definitions, incompleteness, inconsistencies and restricted access due to legal or administrative constraints.<sup>13</sup>

7.34. As it is hardly feasible to comprehensively gauge and analyse employment in tourism industries on the basis of only one statistical source, the integration of data from different sources is a preferable solution. This method yields more comprehensive information, provides a better overview and a more consistent picture, and results in a more accurate analysis.

7.35. Although significant progress has been made in recent years in developing methodological frameworks for the integration of information on tourism employment with other macroeconomic aggregates and improvement of international data comparability, such as the Tourism Satellite Account (see chap. 8) and the OECD employment module<sup>14</sup> work is still under way to find a better way or develop a more comprehensive framework for integrating data from different sources and establishing better links with the System of National Accounts.

## Chapter 8

# Understanding tourism in its relationship with other macroeconomic frameworks

8.1. This chapter indicates some areas where future extensions of *International Recommendation* 2008 will be possible. First of all, the Tourism Satellite Account approach by which tourism statistics are linked within the mainstream of macroeconomic analysis is introduced. Then, the link between inbound and outbound tourism and the balance of payments is highlighted, recognizing the increasing importance of tourism as an international traded service. The need for measurements of tourism at the subnational level is then stressed, and the links between the national level and the subnational levels, which might not totally coincide but provide complementary points of view on the activities associated with tourism in a given geographical territory, are presented. Finally, mention is made of the issue of sustainability of tourism and its measurement.

### A. The Tourism Satellite Account approach

8.2. The establishment of a Tourism Satellite Account at the national level and the design of an international recommendation for this conceptual and analytical framework have been on the agenda of tourism statisticians worldwide for more than two decades.

8.3. In recognition of the special features of tourism, which stretch beyond the description of visitors, their consumption of transportation, accommodation, food services, and the activities of those serving them, tourism statisticians also understood very rapidly that tourism could not be described and analysed apart from its broader socio-economic context.

8.4. This is the reason why tourism has been an ideal area for satellite accounting. The adaptation of the general concepts, definitions, classifications, aggregates and tables of the System of National Accounts, 2008 to tourism was rapidly considered an important initiative. A tourism satellite account was deemed relevant for several key reasons:

- As an instrument that recognized that tourism cuts across many products and productive activities, facilitating a deeper understanding of tourism's linkages to other economic areas;
- As a structural link to the System of National Accounts, the balance of payments and the statistics of international trade in services, and as a consequence, to other macroeconomic frameworks;
- As a structural link to national accounts aggregates and their general estimation approach, from which to derive credibility and legitimacy for tourism statistics data and development programmes;
- As a methodology and framework for a comprehensive reconciliation of tourism data related mainly to supply by tourism industries and other industries

and demand by visitors and other types of associated variables, in particular those related to the characterization of visitors, tourism trips and employment in the tourism industries;

- As the unique framework through which to properly compile tourism *gross domestic product* (GOP) considered as the basic macro aggregate to characterize the size of tourism, among other aggregates;
- As a reference and milestone for future statistical developments and economic research on tourism.

8.5. The Tourism Satellite Account is essentially a conceptual framework for understanding tourism from a macroeconomic perspective. It focuses on the description and measurement of tourism in its different forms (inbound, domestic and outbound). It also highlights the relationship between consumption by visitors and the supply of goods and services in the economy, principally those from the tourism industries. With this instrument, it is possible to estimate tourism GDP, to establish the direct contribution of tourism to the economy and to develop more complex and elaborated schemes building on the intrinsic relationship of the Tourism Satellite Account with the System of National Accounts and the balance of payments.

8.6. Two types of consistency are provided by the Tourism Satellite Account: first, between the measurement of tourism from the perspective of visitors through their consumption activity and that of the supply of goods and services by all industries (and mainly tourism industries) to meet their demand; and second, between the general use and supply of all products and all agents in the economy and the demand generated by visitors.

8.7. The Tourism Satellite Account comprises a set of 10 interrelated tables that articulate the different categories of consumption by visitors associated with the different forms of tourism (tables 1 to 4), the production by tourism industries and other industries of tourism characteristic products, tourism connected products and other products (tables 5 and 6) and allows the calculation of tourism GDP; employment in the tourism industries (table 7), tourism gross fixed capital formation (table 8), government administrative expenditures associated with the support and control of tourism (tourism collective consumption, table 9) and finally some important non-monetary indicators (table 10) to support the analyses of the economic data in tables 1–9.

8.8. These tables are consistent with the general supply and use tables established by countries at national level to describe the general economic balance of goods and services and the production accounts of the producers following the System of National Accounts, 2008. A Tourism Satellite Account can thus be considered as the global consistency framework of basic tourism economic statistics.

8.9. UNWTO will provide, in due time, future guidance regarding a staged plan and process to develop the Tourism Satellite Account and related extensions.

## B. Tourism and balance of payments

8.10. The balance of payments focuses on the description of the economic relationship between residents and non-residents. It obviously includes transactions associated with international tourism that have been defined on the basis of a concept of residence that is similar to that used in the balance of payments and the System of National Accounts. The following paragraphs identify the differences between tourism statistics and the balance of payments travel and passenger transport components.



8.11. In the context of the balance of payments of a country, the term “travel” does not refer to all activities of individuals while on visits outside their country of residence but only to the value of expenditure of individuals during these journeys. Travel credits cover goods and services for own use or to give away acquired from an economy by non-residents during visits to that economy. Travel debits cover goods and services for own use or to give away acquired from other economies by residents during visits to other economies.

8.12. According to this general definition, the value of tourism expenditure (excluding that on tourism related services in passenger transport) associated with international visitors while on trips would be part of “travel”: inbound tourism expenditure would be part of travel credit and outbound tourism expenditure would be part of travel debit. Nevertheless, the precise boundaries that are later assigned to this general definition make this initial simple view rather more complex.

8.13. Differences have to do with (a) the scope of the individuals whose transactions are included, and (b) the scope of expenditures that are covered. These differences are indicated in figure 8.1, which mentions that the link with tourism statistics requires the consideration of tourism related services in passenger transport.

8.14. Regarding the scope of individuals whose expenditure is included, the “travel” item includes the expenditure of travellers who are not considered visitors, such as border workers, seasonal workers and other short-term workers, frequent border crossers who are within their usual environment, students taking long-term courses outside their country of residence and long-term patients who are being treated outside their country of residence.

8.15. On this basis, the “travel” item has a broader scope than tourism statistics.

8.16. Regarding the goods and services covered by the “travel” item and by tourism expenditure, the differences are:

- The notion of acquisition used in the “travel” item is broader than the notion of tourism expenditure. In particular, it also includes imputed values, such as the provision of accommodation free of charge. In that regard, the scope of

#### Box 8.1

##### The “travel” item

10.86. *Travel credits cover goods and services for own use or to give away acquired from an economy by non-residents during visits to that economy. Travel debits cover goods and services for own use or to give away acquired from other economies by residents during visits to these other economies. [...]*

10.87. The standard component breakdown of travel is between business and personal travel, with supplementary data for groups of special interest, such as border, seasonal and other short-term workers. A separate supplementary breakdown of travel into types of goods and services is suggested. (see paragraph 10.95).

10.95. [...] To highlight the link between travel and passenger transport services and tourism statistics, an approximation to tourism expenditure may be shown as a supplementary item that identifies relevant tourism-related goods and services in the travel and passenger transport items.\*

\* This supplementary item includes all personal travel and that part of business travel that does not cover expenditure of border, seasonal, and other short-term workers, as well as passenger transport services.



Figure 8.1

Bridge table between the "travel" and "passenger international transport services" items of balance of payments and inbound/outbound tourism expenditure

Balance of payments		Tourism statistics
"Travel" item		<i>Inbound/outbound tourism expenditure</i>
<p>Travel credits cover goods and services for own use or to give away acquired from an economy by non-residents during visits to that economy. Travel debits cover goods and services for own use or to give away acquired from other economies by residents during visits to these other economies.</p> <p><i>Passenger international transport item</i></p> <p>"Passenger services" covers the transport of people. It covers all services provided in the international transport of non-residents by resident carriers (credit) and that of residents by nonresident carriers (debit). Also included are passenger services performed within a territory by nonresident carriers. The valuation of passenger transport should include fees payable by the carriers to travel agencies and other providers of reservation services. Excluded are passenger services provided by residents to non-residents within the territory of residence of the carrier where these are provided/purchased separately from international travel; these are included in travel.</p>		<p>Tourism expenditure refers to the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips. It includes expenditures by visitors themselves, as well as expenses that are paid for or reimbursed by others:</p> <p>(a) Inbound tourism expenditure is the tourism expenditure of a non-resident visitor within the economy of reference;</p> <p>(b) Outbound tourism expenditure is the expenditure of a resident visitor outside the economy of reference.</p>
Definition		
Scope		
Arriving non-residents/leaving residents		
International visitors: non-resident travellers taking tourism trips outside their usual environment for less than a year, for a purpose other than being employed by a resident entity in the country visited.		
Persons	Diplomats, consular staff, military personnel (other than locally engaged staff) and their dependants	No
	Border workers	No
	Seasonal workers	No
	Other short term workers	No
	Crews	Considered as visitors except for regular as well as occasional crews on public modes of transport
	Students	Only those taking courses for less than a year (short-term)
	Patients	Only those under treatment for less than a year (short-term)
	Nomads, refugees and displaced persons	No
	Yes if for stay less than a year	

Scope	Travel		
	Transactions on goods and services that do not imply a monetary transaction and represent social transfers in kind or require imputations	Yes	Not included in tourism expenditure but in the more inclusive concept of tourism consumption used in the tourism satellite account approach.
International transport	Acquisition of consumption goods and services other than international transport	Yes	Yes
	Acquisition of valuables	Yes, if under the customs threshold	All, if acquired on trips
	Acquisition of consumer durable goods	Yes, if under the customs threshold	All, if acquired on trips
	Expenditure on education for those whose main purpose is education	Yes	Yes, if course for less than a year (short-term)
	Expenditure on health for those whose main purpose is health	Yes	Yes, if treatment for less than a year (short-term)
	Expenditure other than acquisition of goods and services	No in principle, nevertheless, the BPM5 text book (para. 337) recommends that fees such as airport taxes or traffic violations be included under travel although they should be considered as current transfers.	No
	Transport to and from the country of reference in a resident to non-resident transaction	Yes	Yes
	Transport between two points outside the country of reference as a resident to non-resident transaction	Yes	For the country of residence of the carrier, the traveller is not a visitor to, from or within that country; for the country of residence of the traveller, part of outbound tourism expenditure if the traveller is an outbound visitor
	Transport within an economy by non-resident carriers as a resident to non-resident transaction	Yes	Part of outbound tourism expenditure for the country of residence of the traveller if he/she is a visitor; not in tourism statistics for the country of residence of the carrier
	Intermediation of travel agencies	If remunerated by a fee or commission paid by the carrier, whatever the country of residence of the travel agency, its service is included in the valuation of international passenger transport and included or excluded whether the purchase of international passenger transport is a resident to non-resident transaction or not. If a separate fee is paid by the traveller, it is included under travel but only if it represents a resident to non-resident transaction.	In all cases, the service is valued using the gross margin: it is acquired by the visitor. It is included in inbound, outbound or domestic tourism expenditure depending on the country of residence of the travel agency and of the visitor
	Package tours	The fee or commission of a tour operator is part of the value of the package. For the fee or commission paid by the service provider, the treatment is similar to that of the intermediation of travel agencies. The value of the service of the tour operator on top of the services purchased from providers will be included under travel only if it represents a resident to non-resident transaction.	In all cases, the service is valued using the gross margin: it is acquired by the visitor; it is included in inbound, outbound or domestic tourism expenditure depending on the country of residence of the tour operator, the travel agency and the visitor

the notion of tourism consumption used in the Tourism Satellite Account is closer to that of “travel”;

- Purchases of valuables and consumer durables are included in inbound/outbound tourism expenditure (irrespective of their unit value) whereas the “travel” item in the balance of payments includes only those purchases whose value is below the custom’s threshold. The *International Recommendation 2008* recommends that, in order to facilitate reconciliation, such purchases be separately identified (see para. 4.36 (h));
- Expenditure on international transportation when representing a resident to non-resident transaction is part of international tourism expenditure but is not included in the “travel” item. It is included under the “passenger services” item of the balance of payments. However, the whole value of this item does not represent the expenditure by inbound or outbound visitors.

Box 8.2 shows:

- (a) That the “passenger services” item of the balance of payments also includes passenger services provided to travellers who are not visitors;
- (b) That “passenger services” also includes services provided between two destinations outside the country of residence of the carrier. For the country of residence of the carrier, the travellers that are transported under this condition, even though they might be international visitors (from the perspective of their country of residence), are not on a trip to, from or within this country, and as a consequence, they are not considered as visitors and their consumption is not part of inbound tourism expenditure; nevertheless, for their country of origin, they are outbound visitors and their consumption involving a resident-to-non-resident transaction is part of outbound tourism expenditure;
- (c) That “passenger services” also includes services provided to residents within a country by a non-resident carrier. It is a resident-to-non-resident transaction and is included in outbound tourism expenditure for the country of reference (see para. 4.17). For the country of residence of the carrier, this transaction is not part of tourism expenditure because the traveller is not a visitor to, from or within this country (see (b) above).

8.17. Additional issues have to do with the way the intermediation of travel agencies, other reservation services and tour operators are recorded in both systems.

8.18. Box 8.2 mentions the fact that passenger services should include “fees payable by the carriers to travel agencies and other providers of reservation services” and that passenger services “include fares that are a part of package tours”.

8.19. The scheme that follows (figure 8.1) illustrates the relationship between the items in the balance of payments under “travel” and “passenger services” and tourism statistics. It separates the issue of the scope of individuals from that of the scope of expenditure.

8.20. As a first breakdown, the balance of payments requires countries to present the “travel” item separately for business and personal purposes. Business travel covers goods and services acquired by persons going abroad for all types of business activities. Personal travel covers goods and services acquired by persons going abroad for purposes other than business, such as vacations, participation in recreational and cultural activities, visits with friends and relations, pilgrimages, and education and health-related purposes.

## Box 8.2

**Passenger services**

10.76. Passenger services cover the transport of people. It covers all services provided in the international transport of nonresidents by resident carriers (credit) and that of residents by nonresident carriers (debit). Also included are passenger services performed within a territory by nonresident carriers. The valuation of passenger transport should include fees payable by the carriers to travel agencies and other providers of reservation services. Passenger services provided within a territory by residents to nonresidents and provided/purchased separately from international transport are excluded from passenger transport; these services are included in travel.

10.77. Passenger services include fares and other expenditure related to the carriage of passengers. They also include any taxes levied on passenger services, such as sales or value added taxes. Passenger services include fares that are a part of package tours. Cruise fares are included in travel. Passenger services include such items as charges for excess baggage, vehicles, or other personal accompanying effects and food, drink, or other items purchased on board carriers. Also included in passenger services are rentals, charters, and leases of vessels, aircraft, coaches or other commercial vehicles with crews for the carriage of passengers. Excluded are rentals or charters that are financial leases (included in loans), and rentals and time charters without crew (included in operational leasing services).

**Source:** International Monetary Fund. *Balance of Payments and International Investment Position Manual*, Sixth Edition (BPM6), pre-publication draft (December 2008).

8.21. This breakdown corresponds roughly to that of “personal” and “business and professional” used for classification of tourism trips by purpose (see paras. 3.14 and 3.17) although the differences in scope between balance of payments and tourism statistics must be taken into account:

- The expenditures included under “business” in the balance of payments include the spending on tourism trips with a business or professional main purpose, as well as those on travel by seasonal, border workers and other short-term workers and crews; this scope is broader than that of tourism statistics which only include the expenditures of visitors on business trips;
- The expenditures included under “personal” in the balance of payments include those made on tourism trips with a personal main purpose, those of long-term students and patients, and others.
- The scope of expenditures included under “travel” both for “business” and “personal”, in the balance of payments, and inbound/outbound tourism expenditure in tourism statistics is different (see paras. 8.15, 8.16 and figure 8.1).

8.22. As a secondary breakdown, and in line with the intention of closing gaps between the approaches followed in different conceptual frameworks, the Balance of Payments Manual, sixth edition, recommends the presentation of the “travel” item broken down into goods, local transportation services, accommodation services, food serving services, and other services, a breakdown that would adjust fairly well with the classification by purpose recommended for tourism expenditure (see para. 4.26) and improve the consistency of the measurements with the Tourism Satellite Account, as well as with the supply and use tables (see para. 8.6).

8.23. The travel item of the balance of payments, complemented with international passenger service, is extensively used as a first approximation to the total amount of tourism expenditure. Nevertheless, the differences in scope regarding the individuals and their expenditure might be relatively significant in some countries,

when the flows of non-visitors within travellers are important, or when international passenger carriers operate mainly between foreign countries.

8.24. It is **recommended** that tourism statistics should allow tourism related expenditure to be identified in “travel” and “international passenger transport” as a supplementary item to the standard components of the balance of payments. This is also a recommendation that is explicitly mentioned for the balance of payments compilation (see box 8.1).

8.25. International organizations have recognized the importance for countries to work internationally in a coordinated manner in order to foster joint observation procedures that would provide information for the compilation of both balance of payments and tourism statistics. This collaboration should be the basis for a better understanding of the similarities and the differences of the two focuses (see chap. 9 sect. D, “Inter-agency cooperation”).

### C. Measuring tourism at subnational levels

8.26. Increasingly regional tourism authorities are interested in regional statistics and possibly some form of Tourism Satellite Account at regional level as a means of providing useful indicators for tourism enterprises and organizations in identifying possible business opportunities, assessing the volume and intensity of tourism business and determining the extent to which private and public regional tourism networks and clusters are interconnected.

8.27. This interest stems from the specific features of tourism across the regions of a country, as well as different needs of regional tourism authorities, including, among others:

- (a) The need to highlight or emphasize the importance of specific features of regions as tourism destinations;
- (b) The fact that characteristics and expenditure pattern of visitors going to a region can vary markedly across regions;
- (c) The need to design policies to attract visitors (such as the type of demand that needs to be met) and investments (such as the infrastructure that needs to be put in place) that are specific to regional objectives;
- (d) The need to adapt classifications of tourism characteristic products and of tourism industries by adding more details where relevant, while preserving the overall structure of the classification;
- (e) The need to be able to make comparisons of tourism, in terms of visitor numbers, characteristics and expenditure, across regions and between the regional and national levels.

8.28. Nevertheless, there are some statistical limitations in producing regional data, especially in the absence of a national collection framework for tourism statistics: defining survey frames for tourism sample surveys conducted at the subnational level is particularly difficult due to the lack of control at the corresponding administrative borders. In addition, regional estimates of tourism might not be compatible with those for other regions, therefore undermining the credibility of tourism estimates both for the regions and for the country as a whole.

8.29. Consequently, it is **recommended** as a first approach that national statistical offices, tourism authorities and/or other organizations with direct responsibility for tourism statistics promote the use of national instruments to collect tourism data at the regional and local levels using a common set of definitions, based on the present

*International Recommendations*, permitting national tourism statistics to be “built-up” from data at the regional and local levels.

8.30. There are often differences between density of population, transportation accessibility, cultural behaviours, proximity to administrative borders, etc., within a country. Consequently, it is crucial that the operational definition of usual environment be reviewed and discussed among regional and national entities. **It is recommended** that a consensus be forged around a common definition that satisfies previous recommendations (see paras. 2.50 to 2.54) and takes into account these regional differences.

8.31. If this first approach is not feasible or is not considered completely satisfactory, especially in those regions where tourism is particularly relevant, the regional tourism authorities might wish to complement national data with other data in order to design policies and foster economic analysis tailored specifically to their own regions. In this case **it is recommended** that these new data follow international and national statistical standards and recommendations.

8.32. When developing tourism statistics at the subnational level, it is important to be able to separate visitors to a region who have their place of usual residence within this region from those who come from other regions or other countries. **It is therefore recommended** that three subsets of visitors to or in this region be identified: residents from other countries (inbound visitors for the country as a whole), residents from another part of the national territory and residents from this region.

## D. Tourism and sustainability

8.33. The issue of tourism and sustainability is an increasingly important one and any measurement of tourism and its effect on an economy must take into account the social, economic and environmental impacts. Links with the latter component should be a high priority.

8.34. Nature in its pristine form (mountains, beaches, tropical forests, deserts, etc.) or transformed by humans (landscapes, cultural heritage, etc.) is an important attraction for some visitors.

8.35. But tourism also contributes to irreversible damage to the environment, through pressure on fragile ecosystems, through construction of resorts or roads that destroy the natural sites and heritage, through the pressure that is exerted on land, water and air and through diverse processes of all kinds generating pollution, discharge of residuals, erosion, deforestation, etc.

8.36. This damage may also affect the feasibility of new tourism development in given locations or the profitability of present tourism investments and, consequently, affect job creation and employment.

8.37. In the last 10 years, the growing awareness about the negative impacts associated with certain tourism practices, along with the general acceptance of the principle of sustainable development, has led the world community to reassess tourism activity in the light of its long-term economic, social and environmental sustainability.

8.38. In recent years, beyond the measurement of the economic contribution of tourism in terms of Tourism Satellite Account aggregates and other complementary and/or alternative modelling exercises, an increasing number of initiatives have appeared at subnational levels in order to generate indicators for analysing, monitoring or evaluating the environmental implications of tourism development in specific areas.

8.39. Both approaches (macro-accounting and indicators) have their potential and challenges for measuring at different territorial levels the links between tourism



and the environment and thus **are recommended** as the first priority regarding tourism sustainability issues.

8.40. The existence of both the Tourism Satellite Account and the system of environmental and economic accounts (SEEA) allows a country where both international recommendations are being developed to estimate the links between tourism and the environment at the level of the national economy. This could be done in two ways:

- (a) Incorporating tourism as a specific set of industries and of consumers within the hybrid flow accounts of the environmental accounts;
- (b) “Greening” the tourism GDP that is derived from the Tourism Satellite Account, taking into consideration the cost of the degradation of the environment and the use of the natural capital by tourism; expenditures that prevent degradation could also be taken into consideration as a further adjustment.

8.41. The core of this macro-approach at national level consists in establishing a more complex type of input/output matrix in which not only the “usual” inputs are considered, but also environment inputs are established in quantity, and output also includes waste, greenhouse gas emissions and other environmentally significant by products. Consumption of fixed capital would also include estimation of the degradation of the environmental assets. As the core of the Tourism Satellite Account is a representation of tourism industries and tourism consumption within a supply and use framework, it could be adapted into this type of analysis, provided both the Tourism Satellite Account and environmental accounts are compiled at a sufficient level of detail to allow some type of mutual integration. Nevertheless, leaving aside conceptual issues, there is increasing evidence that developing each type of account is not a straightforward exercise.

8.42. The second approach is more empirical and might be more appealing to countries in which existing tourism regions and destinations would be interested in the design of concrete and geographically-oriented goals and policies in terms of developing a more environmentally-friendly tourism with which all stakeholders might be associated, including visitors.

8.43. In this case, the focus would be to develop a set of indicators to highlight an interface between tourism and environmental issues that might identify phenomena or changes that require further analysis and possible action. Like other indicators, these indicators are only tools for evaluation and have to be interpreted in context to acquire their full meaning. They might need to be supplemented by other qualitative and scientific information, notably to explain driving forces behind indicator changes, which form the basis for an assessment.

8.44. These indicators might be used as a central instrument for improved planning and management, bringing managers the information they need when it is required and in a form that will empower better decisions.

8.45. **It is recommended** that linking tourism and sustainability be considered a priority.



## Chapter 9

### Supplementary topics

9.1. The purpose of this chapter is to discuss several issues that were not included or sufficiently covered in the 1993 *Recommendations*, but whose importance became more apparent in view of the need to further improve tourism statistics and harmonize them with other official statistics. These issues include the quality of tourism statistics, metadata, dissemination, inter-agency cooperation, programme implementation and updating policy.

#### A. Quality

9.2. *Concept of quality.* Tourism statistics are the end product of a complex process comprising many stages, from the collection and processing of raw data to dissemination of data in standardized format. Quality measurement of tourism statistics is concerned with providing the user with sufficient information to judge whether or not the data are of adequate quality for their intended use, that is, to judge their fitness for use. For example, users must be able to verify that the conceptual framework and definitions employed in collecting and processing the basic information, the methods used for collecting it and the accuracy of the resulting data, satisfy their needs.

9.3. *Data quality assessment frameworks*<sup>15</sup>. Most international organizations and countries have developed definitions of quality that outline the various dimensions (aspects) of quality and quality measurement and have integrated them into a quality assessment framework. Although the various existing quality assessment frameworks differ to some extent in their approaches to quality in terms of the number, name and scope of the quality dimensions (see box 2.4 for reference), they complement each other and provide comprehensive and flexible structures for the qualitative assessment of a broad range of statistics.

- (a) *The IMF Data Quality Assessment Framework* takes a holistic view of data quality and includes the governance of statistical systems, core statistical processes and statistical products. The Framework is organized in a cascading structure covering five dimensions of quality: assurance of integrity, methodological soundness, accuracy and reliability, serviceability and accessibility;
- (b) *The European Statistical System* focuses more on statistical outputs and defines six criteria: relevance, accuracy, timeliness and punctuality, accessibility and clarity, comparability and coherence;
- (c) *The OECD Quality Measurement Framework* views quality as a multifaceted concept. Like the Eurostat approach, the quality characteristics depend on the user perspective, needs and priorities, which vary across groups of users. Quality is viewed in terms of seven dimensions: relevance, accuracy, credibility, timeliness, accessibility, interpretability and coherence.

<sup>15</sup> IMF Data Quality Assessment Framework. <http://dsbb.imf.org/Applications/web/dqrs/dqrsdqaf/>; Eurostat, "Assessment of quality in statistics," (Luxembourg, October 2003); OECD, "Quality framework for OECD statistics", Paris, June 2002; United Kingdom Office for National Statistics, Guidelines for Measuring Statistical Quality; Statistics Canada, Quality Assurance Framework; Statistics Finland, Quality Guidance for Official Statistics, etc.; Lucie Laliberte (IMF), Werner Grunewald, and Laurent Probst (Eurostat), Data Quality: A Comparison of IMF's Data Quality Assessment Framework (DQAF) and Eurostat's Quality Definition". (January 2004).

9.4. The overall aim of these three quality assessment frameworks is to standardize and systematize statistical quality measurement and reporting across countries. They allow an assessment of national practices to be made against internationally (or regionally) accepted statistical approaches for quality measurement. The quality assessment frameworks could be used in a number of aspects, including: (a) to guide a country's efforts to strengthen their statistical systems by providing a self-assessment tool and to identifying areas of improvement; (b) for technical assistance purposes; (c) to review particular statistical domains performed by international organizations; and (d) for assessment by other groups of data users.

9.5. *Dimensions of quality and quality indicators.* Agencies responsible for tourism statistics can decide to implement one of the existing frameworks for quality assessment with any type of statistics, including tourism statistics, or to develop their own national quality assessment framework in line with their country's practices and circumstances. Quality is a multidimensional phenomenon. Each dimension reflects a particular aspect of the characteristics of statistical outputs and should be measured either directly (for example, the time lag from the reference date to the release of particular tourism statistics is a direct quality measure) or by means of quality indicators (to be developed in the *International Recommendations 2008* Compilation Guide) which provides evidence about the quality of the data. **It is recommended** that the following dimensions of quality (including prerequisites of quality) be adopted in tourism statistics:

- (a) *Prerequisites of quality.* Prerequisites of quality refer to all institutional and organizational conditions that have an impact on the quality of tourism statistics. The elements within this dimension include the legal basis for compilation of data; the adequacy of data sharing and coordination among data producing agencies; assurance of confidentiality; the adequacy of human, financial, and technical resources for implementation of tourism statistics programmes and implementation of measures to ensure the cost-effectiveness of such programmes; and quality awareness;
- (b) *Relevance.* The relevance of tourism statistics reflects the degree to which tourism statistics meet users' needs. The compilers challenge is to identify various user groups, weigh and balance the differing requirements of current and potential users and produce a programme that goes as far as possible in satisfying the most important needs within given resource constraints. Absence of significant gaps between the key user needs and compiled tourism statistics in terms of variables, coverage and details is an indicator of relevance;
- (c) *Credibility.* The credibility of tourism statistics refers to the confidence that users place in the data based on the image of the agency responsible for production and dissemination of the data. Tourism statistics should be perceived as being produced professionally in accordance with appropriate statistical standards and using transparent data compilation and dissemination policies and practices. Indicators of credibility should provide evidence that production of tourism statistics is not manipulated and that their release is not timed in response to political pressure;
- (d) *Accuracy.* The accuracy of tourism statistics is the degree to which the data correctly estimate or describe the quantities or characteristics they are designed to measure. It has many attributes and in practice there is no single aggregate or overall measure of accuracy. In general, accuracy can be characterized in terms of errors in statistical estimates and is traditionally

decomposed into bias (systematic error) and variance (random error) components. In the case of tourism statistics based on sample surveys, the accuracy can be measured using such indicators as completeness of coverage and sampling errors, non-response errors, response errors, processing errors, etc. It must be underlined that accuracy and its measurement are also applicable to those statistics based on administrative procedures, which are quite extensive in the case of tourism (border and traffic control, employment and social security agency records, etc.) Accuracy, taken broadly, might be assessed with reference to validity, reliability and precision, which are briefly described below. *Validity* refers to whether a data collection tool or concept truly captures what it is intended to measure. In other words, a variable or measure is valid if the values estimated are close to the true values. Validity is influenced by potential bias sources in data that consistently overestimate or underestimate true values. It can be a particular concern when a simple variable is intended to represent a more complex phenomenon. *Reliability* of data refers to whether the instrument or source of the data would produce consistent results under identical circumstances regardless of who uses it. Reliability is usually not a problem with competently done large-scale quantitative sources of data, such as the collection of border-crossing statistics. However, it can be an issue for surveys based on small samples, or for qualitative data sources that might deal with sensitive issues<sup>16</sup>. *Precision* refers to an aspect of the reporting of data, or of statistics or indices derived from original data and is not, in itself, an intrinsic quality of the original data. Data results may thus be presented at a high level of precision (for example, reporting percentages in a frequency distribution to thousandths of a percentage point), but this does not necessarily indicate the data are accurate, reliable or valid. In other words, one needs to guard against spurious precision, that is, reporting results at a more detailed level than the data really support;

- (e) *Timeliness.* The timeliness of tourism statistics refers to the delay between the end of the reference period to which the data pertain and the date on which the data are released and available to the public. Timeliness can be measured by the length of such a delay. Timeliness is closely related to the existence of a publication schedule. A publication schedule may comprise a set of target release dates or may involve a commitment to release tourism data within a prescribed time period from their receipt. This dimension usually involves a trade-off against accuracy. The timeliness of information also influences its relevance, as accurate data that are not timely are of limited usefulness;
- (f) *Methodological soundness.* The methodological soundness of a data source refers to the application of international standards, guidelines and good practices in production of tourism statistics. The adequacy of the definitions and concepts, target populations, variables and terminology underlying the data and the information describing the limitations of the data, if any, largely determine the degree of adherence of a particular data set to international standards. Metadata provided along with tourism statistics play a crucial role for assessing the methodological soundness of data (see section B below for details). They inform users on how close to the target variable (for example, any of the data items) the input variables used for their estimation are. When there is a significant difference, it should be explained to what extent this may cause a bias in the estimation of data items. The methodological soundness is closely related to the interpretabil-

<sup>16</sup> Measures of reliability are often developed through a retesting process, or the splitting of a data set into random halves and comparing the means (or other descriptive statistics) between the two halves. Poor reliability degrades the precision of data and can cast doubt on the accuracy of estimates derived from the original data source.

ity of data. The interpretability depends on all aspects of information on tourism statistics mentioned above. It reflects the ease with which the user may understand and properly use and analyse the data;

- (g) *Coherence*. Taking into account that tourism statistics are compiled by several agencies and cover different aspects of tourism, particularly supply and demand, and monetary and non-monetary variables, coherence is an important dimension of its quality. Coherence reflects the degree to which the data are logically connected and mutually consistent, that is, they can be successfully brought together with other statistical information within a broad analytical framework and over time. The use of standard concepts, classifications and target populations promotes coherence, as does the use of common methodology across surveys when relevant. Coherence does not necessarily imply full numerical consistency. Coherence has four important subdimensions: (i) *coherence within a data set* implies that the elementary data items are based on compatible concepts, definitions and classifications and can be meaningfully combined; (ii) *coherence across data sets* implies that the data are based on common concepts, definitions and classifications, or that any differences are explained and can be allowed for; (iii) *coherence over time* implies that the data are based on common concepts, definitions and methodology over time, or that any differences are explained and can be allowed for; and (iv) *coherence across countries* implies that the data are based on common concepts, definitions and methodology over countries, or that any differences are explained and can be allowed for;
- (h) *Accessibility*. The accessibility of tourism statistics refers to the ease with which they can be obtained from those agencies active in tourism statistics. This includes the ease with which the existence of information can be ascertained, as well as the suitability of the form or the media of dissemination through which the information can be accessed. Accessibility requires the development of an advance release calendar so the users will be informed well in advance about when the data will become available, and where and how to access them. The availability of metadata significantly improves accessibility and is, together with the existence of user support services, an indicator of this quality dimension.

9.6. The dimensions of quality that have been listed above are overlapping and interrelated. Any action taken to address or modify one aspect of quality will tend to affect other elements of quality. For example, there may be a trade-off between aiming for the most accurate estimation of total annual tourism expenditure and providing it in a timely manner. **It is recommended** that countries handle this particular trade-off by producing provisional estimates that are available soon after the end of the reference period but are generated from a rather limited database. These estimates are to be revised at a later date with information that is based on more comprehensive data sets but that is less timely than its provisional version.

9.7. It is recognized that direct quality measures are difficult to develop. For example, in the case of accuracy, it is almost impossible to measure non-response bias as the characteristics of non-respondents can be difficult and costly to ascertain. In this instance, the response rate is often used as a proxy quality indicator which provides a measure of the possible extent of non-response bias. While defining the quality indicators for tourism statistics **it is recommended** that the following criteria be satisfied: (a) indicators cover part or all of the dimensions of quality as defined previously; (b) the methodology for their compilation is well established; and (c) the indicators are easy to interpret.

9.8. Because deriving a single quantitative measure of quality for tourism statistics is not possible, countries **are encouraged** to develop a tourism statistics quality framework based on the above mentioned dimensions and to regularly issue quality reports as part of their metadata. Such reports should contain a system of quality indicators appropriate under the country circumstances and will allow users to judge for themselves whether any given data set meets their particular quality requirements. **It is recommended** that a quality review of tourism statistics be undertaken every four to five years or more frequently if significant methodological changes or changes in the data sources occur.

9.9. *Data quality assessment frameworks for tourism statistics.* UNWTO, in cooperation with United Nations Statistics Division, is to develop data quality assessment frameworks applicable to tourism statistics (DQAF-TS) on the basis of existing similar frameworks in other areas of statistics and to promote their use among tourism statistics compilers. Countries are encouraged to adapt such frameworks to their specific circumstances and to establish, on that basis, long-term programmes aimed at enhancing the quality of tourism statistics. While doing this, countries should maintain an appropriate balance between different dimensions of quality and **are encouraged** to develop and use a minimum set of quality indicators to monitor progress.

## B. Metadata

9.10. *Metadata in the context of tourism statistics.* The term metadata refers to all kinds of information used to describe other data. Metadata reflects not only the form and contents of data but also relevant administrative facts (for example, who creates data and when) and how data were collected and processed before they were disseminated or stored in a database. Without appropriate metadata, it would not be possible to fully understand statistical data. There is a bidirectional relationship between metadata and quality. On the one hand, metadata describe the quality of statistics. On the other hand, metadata are themselves a quality component that improves the accessibility and interpretability of statistical data.

9.11. *Users and uses of metadata.* There are many types of users and uses for any given set of data. The wide range of possible users and uses means that a broad spectrum of metadata requirements has to be addressed. As a minimum segmentation, the following two levels of metadata **are recommended**: (a) *structural metadata* presented as an integral part of the data tables, and (b) *reference metadata* providing details on the content and quality of data that may accompany the tables or be presented separately via the Internet or in occasional publications.

9.12. *Metadata and international comparability of data.* Metadata provide a mechanism for comparing national practices in the compilation of statistics. This may help and encourage countries to implement international standards and to adopt best practices. Better harmonization of approaches adopted by different countries will improve general quality and coverage of key statistical series.

9.13. Countries **are encouraged** to give the development of metadata a high priority and to publish the metadata as an integral part of the dissemination of tourism statistics. UNWTO has a project for the development of metadata that document tourism statistics and that can be found on the website: [www.unwto.org/statistics/metadata/metadata.pdf](http://www.unwto.org/statistics/metadata/metadata.pdf). The different metadata developed by countries are also available on this website. Countries **are encouraged** to cooperate with UNWTO in this project and implement such recommendations in their statistical practices.

## C. Dissemination

9.14. Data dissemination is one of the key activities in which the compilers of tourism statistics are involved. It is a way of providing the policy makers, business community and other users with the statistical information that meets their needs. Providing respondents with the aggregate results that derive from the data they have initially provided is also a way of motivating the participation of respondents in statistical surveys.

9.15. *Data dissemination timetable.* In producing statistical information, there is usually a trade-off between the timeliness with which the information is prepared and the accuracy and level of detail of the published data. A crucial element, therefore, in the well-established relations between the producers of tourism statistics and the user community is devising an appropriate compilation and release schedule that at the same time is realistic for compilers and useful for users. Countries **are encouraged** to announce in advance the precise dates at which particular data series will be released. The advance release calendar should be posted at the beginning of each year on the websites of the agencies responsible for the dissemination of tourism statistics.

9.16. Timeliness of release of initial monthly, quarterly and annual tourism data varies greatly from country to country, mainly reflecting different perspectives on the timeliness-reliability-accuracy trade-off. In keeping with sound statistical practices, countries **are encouraged** to disseminate data internationally as soon as they become available for national users. It should be recalled that the following time-lines are considered the minimum requirement: for annual data, 18 months; for quarterly data, 3 months; for monthly data, 45 days. **It is recommended** that monthly and quarterly data refer to a discrete month or quarter. Most countries use a separate system for compilation of annual tourism statistics. In this case the data for the fourth quarter (respectively, the twelfth month) need to be published in their own right, and not derived as a difference between the annual totals and the sum of the first three quarters (or 11 months).

9.17. *Dissemination of metadata.* The provision of adequate metadata and the quality assessment of tourism statistics are as important to users as the provision of the data themselves. Countries **are encouraged** to disseminate metadata following the recommended structure,<sup>17</sup> which considers: (a) coverage, periodicity and timeliness of data; (b) access by the public; (c) integrity; (d) data quality; (e) summary of the applied methodology; and (f) dissemination formats. **It is recommended** that countries indicate in the metadata all deviations from internationally accepted statistical standards and guidelines.

9.18. *Dissemination formats.* Data can be disseminated both electronically (online or in various media) and in paper publications. Countries should assess data users' capabilities and choose the dissemination format that best suits users' needs and circumstance. For example, press releases of tourism statistics have to be disseminated in ways that facilitate re-dissemination by the mass media; more comprehensive or detailed statistics have to be disseminated in paper and/or in electronic formats. If resources permit, current statistics and longer time series can be organized and accessed through the electronic databases maintained by the compiling agency. In addition to statistics routinely disseminated, tourism data can be made available on request. For some specific purposes, customized tabulations of data (non-standard activity classification, specific types of units, etc.) can be provided. **It is recommended** that countries make users well aware of the availability of additional statistics and the procedures for obtaining them. **It is recommended** that country users be well aware of the availability of additional statistics and the procedures for obtaining them. UNWTO

<sup>17</sup> UNWTO. Metadata project: general guidelines for documenting tourism statistics (2005)



will study the country experiences and available means of dissemination, including the possible use of the Statistical Data and Metadata Exchange initiative (SDMX)<sup>18</sup> to provide guidance on best practices in this area.

9.19. *Data revisions.* Revisions are an essential part of data compilation. They occur as a consequence of the trade-off between the timeliness of published data and their reliability, accuracy and comprehensiveness. To address this trade-off, the responsible agencies **are encouraged** to compile and disseminate the provisional data that are revised when new and more accurate data become available. Although, in general, repeated revisions may be perceived as reflecting negatively on the reliability of official tourism data, the attempt to avoid them by producing accurate but very untimely data will result in failing to satisfy the users' needs. It is important to emphasize that the revisions of tourism statistics are conducted for the benefit of users, in order, to provide them with data that are as timely and accurate as possible.

9.20. *Revision policy.* To deal with the issues surrounding revisions of tourism statistics, countries **are encouraged** to develop a well-designed revision policy that should be carefully managed and coordinated with other areas of statistics. The development of such a policy should aim at providing users with the necessary information to cope with revisions in a more systematic manner. The absence of coordination and planning of revisions is considered a quality problem by users. Essential features of a well-established revision policy are a predetermined schedule, reasonable stability from year to year, openness, advance notice of reasons for the revision and its effects, easy access of users to sufficiently long time series of revised data, as well as adequate documentation of revisions included in the statistical publications and databases.

9.21. **It is recommended** that the revision policy requires that errors (statistical or data processing errors) be corrected as soon as they are detected. In some cases, the compiling agency may decide to carry out a special revision for reasons of reassessing the data coverage and/or data compilation methods, which could lead to significant changes in the historical time series. **It is recommended** that such revisions be announced in advance and the reasons for such revisions, as well as assessment of their possible impact on the available data, should be given.

9.22. *Statistical confidentiality.* One of the most important policy concerns relevant to data dissemination is the preservation of statistical confidentiality. Statistical confidentiality is necessary in order to gain and keep the trust of both respondents to statistical surveys and users of the statistical information. The sixth United Nations Fundamental Principles of Official Statistics ([see box 9.1.](#) below) stipulates that individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons or not, are to be strictly confidential and used exclusively for statistical purposes.

9.23. Legal provisions governing statistical confidentiality at the national level are set out in the countries' statistical laws or other supplementary government regulations. National definitions of confidentiality and rules for micro data access may differ, but they should be consistent with this fundamental principle. This is especially relevant for countries where the distinction between statistical and non-statistical use of micro data does not have a long tradition or is not laid down clearly in legislation. **It is recommended** that the protection of confidentiality be mandatory for all agencies involved in the collection, processing and dissemination of tourism data.

9.24. *Confidential data and methods of protecting confidentiality.* Data should be considered confidential when they allow statistical units to be identified, either directly or indirectly, and thereby disclose individual information. To determine whether a statistical unit is identifiable, account shall be taken of all means that might

<sup>18</sup> The Statistical Data and Metadata Exchange initiative (SDMX) has been developed as an inter-agency cooperative project.



## Box 9.1

**Fundamental Principles of Official Statistics**

*Principle 1.* Official statistics provide an indispensable element in the information system of a democratic society, serving the Government, the economy and the public with data about the economic, demographic, social and environmental situation. To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical agencies to honor citizens' entitlement to public information.

*Principle 2.* To retain trust in official statistics, the statistical agencies need to decide according to strictly professional considerations, including scientific principles and professional ethics, on the methods and procedures for the collection, processing, storage and presentation of statistical data.

*Principle 3.* To facilitate a correct interpretation of the data, the statistical agencies are to present information according to scientific standards on the sources, methods and procedures of the statistics.

*Principle 4.* The statistical agencies are entitled to comment on erroneous interpretation and misuse of statistics.

*Principle 5.* Data for statistical purposes may be drawn from all types of sources, be they statistical surveys or administrative records. Statistical agencies are to choose the source with regard to quality, timeliness, costs and the burden on respondents.

*Principle 6.* Individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes.

*Principle 7.* The laws, regulations and measures under which the statistical systems operate are to be made public.

*Principle 8.* Coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system.

*Principle 9.* The use by statistical agencies in each country of international concepts, classifications and methods promotes the consistency and efficiency of statistical systems at all official levels.

*Principle 10.* Bilateral and multilateral cooperation in statistics contributes to the improvement of systems of official statistics in all countries.

United Nations Statistics Division.  
Development of National Statistical  
Systems: Fundamental Principles  
of Official Statistics, <http://unstats.un.org/unsd/methods/statorg/FP-English.htm>.

reasonably be used by a third party to identify it. There are two forms of confidentiality of tourism data: primary and secondary. Tourism data are *primary confidential* if their dissemination would permit the identification of the data for a particular statistical unit. Data that are not primary confidential, but whose dissemination, when combined with other data, permits the identification of a unit are *secondary confidential*.

9.25. The most common practices to protect the disclosure of primary confidential data include *aggregation and suppression*. Aggregation consists in combining primary confidential data with other data. Only the aggregate is the object of dissemination. Suppression means removing records from a database that contains confidential data. In cases when countries prefer suppression as a method for protecting confidentiality of tourism data, it is **recommended** that any data deemed confidential be reported in full detail at the next higher level of applicable classification that adequately protects confidentiality. It is **recommended** that in respecting confidentiality, countries adopt the following commonly accepted rules: (a) a tabulation cell should comprise at least three units; and (b) for cells with large numbers, the three units with the largest values should not together dominate the cell value, that is, they should not

account for more than 70 per cent of it. In individual cases, this rule may be relaxed by requesting the permission of the dominating respondent(s) to authorize the statistical office to disclose the data. This last solution should be used in fields such as international transport, in which the national providers are usually very few.

9.26. *Statistical disclosure control.* Countries **are encouraged** to apply statistical disclosure control techniques to reduce the risk of disclosing information on individual reporters. Such techniques (or methods) are only related to the dissemination step and are usually based on restricting the amount of data or modifying the data release. Disclosure controls attempt to find an optimal balance between the improvement in confidentiality protection and the reduction in data quality. Different types of data pose different types of confidentiality problems and inevitably require different solutions.

9.27. *Internationalization of confidentiality.* The issue of confidentiality has not only a national dimension, but an international one as well for the following reasons: (a) increase of data dissemination over the Internet; (b) internationalization of users of statistical data (including international organizations); and (c) high interest in cross-country comparisons. As a result, there is a growing demand for countries' data at a very detailed level, even in some cases, demand for countries' micro data. Data collected and disseminated by international organizations depend to a large degree on the quality and completeness of the data supplied by the countries. This flow of data can be impeded by national confidentiality rules that make it impossible for countries to transmit some of the data requested. In this connection, **it is recommended** that countries do not impose confidentiality rules more strict than the rules applied at the national level.

## D. Inter-agency cooperation

9.28. It is recognized that tourism statistics compilers operating in different countries encounter different legal frameworks and regulations that define their missions. This may create both opportunities and challenges in the development of inter-agency cooperation.

9.29. Depending on country legislation and the organization of the Government, a number of agencies might be involved in the compilation and dissemination of tourism statistics, including national tourism administrations, immigration authorities, tourism associations, national statistical offices and central banks. All these agencies will have their own priorities and pursue their own missions. However, to the extent that they are involved in the compilation and dissemination of tourism statistics they must follow the United Nations Fundamental Principles of Official Statistics, which are presented in box [9.1](#), above.

9.30. **It is recommended** that these agencies establish and maintain the necessary working arrangements with each other to ensure the highest possible quality of tourism statistics, as well as to ensure the sustainability of improvements in their national systems of tourism statistics. These arrangements should be established according to the methods usually used in a given country to ensure collaboration between entities. Such arrangements should be documented and should specify for what kind of tourism statistics (data series) each agency is responsible and the methods used for the exchange of information and for the preservation of confidentiality, in particular when the private sector or the tax administration is involved.

9.31. **It is recommended** that joint data collection programmes be promoted, for example, the joint collection of data items relevant to tourism statistics, balance of payment statistics and to statistics on international trade in services. Such joint col-

lections will lead to the increased efficiency of data compilers and the reduction of the reporting burden of the respondents. Inter-agency cooperation may help to identify new ways to use the data that are already collected by recompiling it in order to satisfy the needs of other areas of statistics.

9.32. The development and maintenance of such close working relationships are essential to ensure that all agencies are aware of changes in policies and procedures that might affect the compilation of tourism statistics. **It is recommended** that all agencies active in tourism statistics periodically review their compilation and dissemination practices to ensure that the disseminated statistics are of high quality and are available to users in a timely fashion.

9.33. **It is recommended** that national statistical offices monitor the compilation and dissemination of tourism statistics to periodically assess compliance with the international recommendations on tourism statistics and other relevant statistical requirements. **It is further recommended** that national statistical offices provide assistance to other agencies active in compilation of tourism statistics on applicable statistical standards and methods.

## E. Implementation programme and updating policy

9.34. UNWTO, in cooperation with the United Nations Statistics Division, will develop an implementation programme that will include initiatives such as capacity-building programmes at the subregional level, technical assistance missions, preparation of compilation guidelines and related complementary technical documents in order to advise countries on how to implement the *International Recommendations 2008*.

9.35. The *International Recommendations 2008* Compilation Guide, which will be periodically updated, will complement the *International Recommendations 2008* framework and give indications to countries on how to implement the present *International Recommendations for Tourism Statistics 2008*. Although most chapters of the 2008 *IRTS* include some mention of measurement issues, the practical approaches to addressing these issues have to be developed in more detail in the above-mentioned guide.

9.36. It is recognized that the updating process of the *International Recommendations 2008* should be envisaged as a recurrent and well-organized procedure. While preparation of editorial amendments and clarification beyond dispute are to be done by UNWTO, issuing interpretations should be a cooperative responsibility of UNWTO and United Nations Statistics Division. Any proposed changes in the *International Recommendations 2008* should be developed jointly by UNWTO and United Nations Statistics Division endorsed by the United Nations Expert Group on Tourism Statistics and submitted to the United Nations Statistical Commission for approval.

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## Glossary of terms<sup>19</sup>

**Activity/activities**—In tourism statistics, the term *activities* represents the actions and behaviours of people in preparation for and during a trip in their capacity as consumers (IRTS 2008 [para. 1.2](#)).

**Activity (principal)**—The *principal activity* of a producer unit is the *activity* whose value added exceeds that of any other *activity* carried out within the same unit (SNA 2008, para. 5.8),

**Activity (productive)**—The (*productive*) *activity* carried out by a statistical unit is the type of *production* in which it engages. It has to be understood as a process, i.e. the combination of actions that result in a certain set of products. The classification of productive activities is determined by their *principal output*

**Business and professional purpose (of a tourism trip)**—The *business and professional purpose of a tourism trip* includes the activities of the *self-employed* and *employees*, as long as they do not correspond to an implicit or explicit *employer-employee relationship* with a *resident* producer in the country or place visited, those of investors, businessmen, etc. (IRTS 2008 [para. 3.17.2](#)).

**Business visitor**—A *business visitor* is a *visitor* whose main purpose for a tourism trip corresponds to the *business and professional* category of purpose (IRTS 2008 [para. 3.17.2](#)).

**Consumer durable goods**—A consumer durable is a good that may be used for purposes of consumption repeatedly or continuously over a period of a year or more. (SNA 2008, para. 9.42).

**Country of reference**—The *country of reference* refers to the country for which the measurement is done (IRTS 2008, [para. 2.15](#)).

**Country of residence**—The *country of residence* of a household is determined according to the *centre of predominant economic interest* of its members. If a person resides (or intends to reside) for more than one year in a given country and has there his/her *centre of economic interest* (for example, where the predominant amount of time is spent), he/she is considered as a *resident* of this country.

**Country-specific tourism characteristic products and activities**—To be determined by each country by applying the criteria of paragraph [5.10](#) in their own context; for these products, the activities producing them will be considered as *tourism characteristic*, and the *industries* in which the principal *activity* is *tourism-characteristic* will be called *tourism industries*. (IRTS 2008, [para. 5.16](#)).

**Destination (main destination of a trip)**—The *main destination of a tourism trip* is defined as the place visited that is central to the decision to take the trip. (IRTS 2008, [para. 2.31](#)).

**Domestic tourism**—*Domestic tourism* comprises the activities of a *resident visitor* within the *country of reference*, either as part of a *domestic tourism trip* or part of an *outbound tourism trip* (IRTS 2008, [para. 2.39](#)).

<sup>19</sup> In this glossary of terms, the definitions of the terms that derive from the *System of National Accounts 2008* or the *Balance of Payments Manual*, Sixth Edition (BPM6), pre-publication draft (December 2008) are extracted from the aforementioned documents. Those related specifically to tourism statistics are the definitions included in the present *International Recommendations* (IRTS 2008). Exceptionally some paragraphs have been included for clarification purposes although they are not included as such in IRTS 2008. As a general warning, it should be noted that the term “country” can be easily transposed, other things being equal, to a different geographical level, using the terms “region” or “place” instead (IRTS 2008, para. 2.3).

**Domestic tourism expenditure**—*Domestic tourism expenditure* is the *tourism expenditure* of a *resident visitor* within the *economy of reference*, (IRTS 2008, [para. 4.15\(a\)](#)).

**Domestic tourism trip**—A *domestic tourism trip* is one with a *main destination* within the *country of residence* of the *visitor* (IRTS 2008, [para. 2.32](#)).

**Domestic visitor**—As a *visitor travels* within his/her *country of residence*, he/she is a *domestic visitor* and his/her activities are part of *domestic tourism*.

**Dwellings**—Each household has a *principal dwelling* (sometimes also designated as main or primary home), usually defined with reference to time spent there, whose location defines the *country of residence* and *place of usual residence* of this household and of all its members. All other *dwellings* (owned or leased by the household) are considered *secondary dwellings* (IRTS 2008, [para. 2.26](#)).

**Economically active population**—The *economically active population* or labour force comprises all persons of either sex who furnish the supply of labour for the *production* of goods and services as defined by the system of national accounts during a specified time-reference period (ILO, Thirteenth ICLS, para. 6.18).

**Economic territory**—The term “*economic territory*” is a geographical reference and points to the country for which the measurement is done (*country of reference*) (IRTS 2008 [para. 2.15](#)).

**Economy (of reference)**—“*Economy*” (or “*economy of reference*”) is an economic reference defined in the same way as in the balance of payments and in the system of national accounts: it refers to the economic agents that are resident in the *country of reference* (IRTS 2008, [para. 2.15](#)).

**Employees**—*Employees* are all those workers who hold the type of *job* defined as “*paid employment*” (ILO, Fifteenth ICLS, pp. 20-22).

**Employers**—*Employers* are those workers who, working on their own account with one or more partners, hold the type of *job* defined as a “*self-employment job*” and, in this capacity, on a continuous basis (including the reference period) have engaged one or more persons to work for them in their business as “*employee(s)*” (ILO, Fifteenth ICLS, pp. 20-22).

**Employer-employee relationship**—An *employer-employee relationship* exists when there is an agreement, which may be formal or informal, between an entity and an individual, normally entered into voluntarily by both parties, whereby the individual works for the entity in return for remuneration in cash or in kind (BPM6, para. 11.11).

**Employment in tourism industries**—*Employment in tourism industries* may be measured as a count of the persons employed in tourism industries in any of their jobs, as a count of the persons employed in *tourism industries* in their main *job*, or as a count of the *jobs* in *tourism industries*. (IRTS 2008, [para. 7.9](#)).

**Establishment**—An *establishment* is an enterprise, or part of an enterprise, that is situated in a single location and in which only a single *productive activity* is carried out or in which the principal *productive activity* accounts for most of the value added (SNA 2008, para. 5.14).

**Inbound tourism**—*Inbound tourism* comprises the *activities* of a *non-resident visitor* within the *country of reference* on an *inbound tourism trip* (IRTS 2008, [para. 2.39](#)).

**Inbound tourism expenditure**—*Inbound tourism expenditure* is the *tourism expenditure* of a *non-resident visitor* within the *economy of reference* (IRTS 2008, [para. 4.15\(b\)](#)).

**Intermediate consumption**—*Intermediate consumption* consists of the value of the goods and services consumed as inputs by a *process of production*, excluding fixed assets whose consumption is recorded as consumption of fixed capital (SNA 2008, para. 6.213).

**Internal tourism**—*Internal tourism* comprises *domestic tourism* and *inbound tourism*, that is to say, the *activities* of *resident* and *non-resident visitors* within the *country of reference* as part of *domestic* or *international tourism trips* (IRTS 2008, para. 2.40(a)).

**Internal tourism expenditure**—*Internal tourism expenditure* comprises all *tourism expenditure* of *visitors*, both *resident* and *non-resident*, within the *economy of reference*. It is the sum of *domestic tourism expenditure* and *inbound tourism expenditure*. It includes acquisition of goods and services imported into the *country of reference* and sold to *visitors*. This indicator provides the most comprehensive measurement of *tourism expenditure* in the *economy of reference* (IRTS 2008, para. 4.20(a)).

**International tourism**—*International tourism* comprises *inbound tourism* and *outbound tourism*, that is to say, the *activities* of *resident visitors* outside the *country of reference*, either as part of *domestic* or *outbound tourism trips* and the *activities* of *non-resident visitors* within the *country of reference* on *inbound tourism trips* (IRTS 2008, para. 2.40(c)).

**International visitor**—An international traveller qualifies as an *international visitor* with respect to the *country of reference* if: (a) he/she is on a *tourism trip* and (b) he/she is a *non-resident* travelling in the *country of reference* or a *resident* travelling outside of it (IRTS 2008, para. 2.42).

**Job**—The agreement between an employee and the employer defines a job and each self-employed person has a job. (SNA 2008, para. 19.30).

**National tourism**—*National tourism* comprises *domestic tourism* and *outbound tourism*, that is to say, the *activities* of *resident visitors* within and outside the *country of reference*, either as part of *domestic* or *outbound tourism trips* (IRTS 2008, para. 2.40(b)).

**National tourism expenditure**—*National tourism expenditure* comprises all *tourism expenditure* of *resident visitors* within and outside the *economy of reference*. It is the sum of *domestic tourism expenditure* and *outbound tourism expenditure* (IRTS 2008, para. 4.20(b)).

**Nationality**—The concept of “country of residence” of a traveller is different from that of his/her nationality or citizenship (IRTS 2008, para. 2.19).

**Outbound tourism**—*Outbound tourism* comprises the *activities* of a *resident visitor* outside the *country of reference*, either as part of an *outbound tourism trip* or as part of a *domestic tourism trip* (IRTS 2008 para. 2.39(c)).

**Outbound tourism expenditure**—*Outbound tourism expenditure* is the *tourism expenditure* of a *resident visitor* outside the *economy of reference* (IRTS 2008, para. 4.15(c)).

**Output**—*Output* is defined as the goods and services produced by an establishment,

- (a) excluding the value of any goods and services used in an activity for which the establishment does not assume the risk of using the products in production, and
- (b) excluding the value of goods and services consumed by the same establishment except for goods and services used for capital formation (fixed capital or changes in inventories) or own final consumption (SNA 2008. para. 6.89).

**Output (main)**—The *main output* of a (*productive*) *activity* should be determined by reference to the value added of the goods sold or services rendered (ISIC rev.4, para. 114).

**Place of usual residence**—The *place of usual residence* is the geographical place where the enumerated person usually resides, and is defined by the location of his/her *principal dwelling* (Principles and recommendations for population and housing censuses of the United Nations, paras. 2.20 to 2.24).

**Production**—Economic *production* may be defined as an activity carried out under the control and responsibility of an institutional unit that uses inputs of labour, capital, and goods and services to produce outputs of goods or services (SNA 2008, para. 6.24.).

**Purpose of a tourism trip (main)**—The *main purpose* of a *tourism trip* is defined as the purpose in the absence of which the *trip* would not have taken place. (IRTS 2008 para. 3.10.). Classification of *tourism trips* according to the *main purpose* refers to nine categories: this typology allows the identification of different subsets of *visitors* (business visitors, transit visitors, etc) (IRTS 2008, [para. 3.14](#)).

**Residents/non-residents**—The *residents* of a country are individuals whose *centre of predominant economic interest* is located in its *economic territory*. For a country, the *non-residents* are individuals whose *centre of predominant economic interest* is located outside its *economic territory*.

**Same-day visitor (or excursionist)**—A *visitor (domestic, inbound or outbound)* is classified as a *tourist (or overnight visitor)*, if his/her *trip* includes an overnight stay, or as a *same-day visitor (or excursionist)* otherwise (IRTS 2008, [para. 2.13](#)).

**Satellite accounts**—[...] There are two types of satellite accounts, serving two different functions. The first type, sometimes called an internal satellite, takes the full set of accounting rules and conventions of the SNA but focuses on a particular aspect of interest by moving away from the standard classifications and hierarchies. Examples are tourism, coffee production and environmental protection expenditure. The second type, called an external satellite, may add non-economic data or vary some of the accounting conventions or both. It is a particularly suitable way to explore new areas in a research context. An example may be the role of volunteer labour in the economy. [...]. (SNA 2008 para. 29.85)

**Self-employment job**—*Self-employment jobs* are those *jobs* where remuneration is directly dependent upon the profits (or the potential of profits) derived from the goods or services produced (International Labour Office. *Resolution concerning the International Classification of Status in Employment*, adopted by the Fifteenth International Conference of Labour Statisticians. “Current International Recommendations on Labour Statistics” (2000 Edition). Geneva 2000, pp. 20-23).

**Self-employed with paid employees**—*Self-employed with paid employees* are classified as *employers*. (International Labour Office. *Resolution concerning the International Classification of Status in Employment*, adopted by the Fifteenth International Conference of Labour Statisticians. “Current International Recommendations on Labour Statistics” (2000 Edition). Geneva 2000, pp. 20-23).

**Self-employed without employees**—*Self-employed without employees* are classified as *own-account workers*. (International Labour Office. *Resolution concerning the International Classification of Status in Employment*, adopted by the Fifteenth International Conference of Labour Statisticians. “Current International Recommendations on Labour Statistics” (2000 Edition). Geneva 2000, pp. 20-23).

**Tourism**—*Tourism* refers to the *activity of visitors* (IRTS 2008 [para. 2.9](#)).

**Tourism characteristic activities**—*Tourism characteristic activities* are the activities that typically produce *tourism characteristic products*. As the industrial origin of a product (the ISIC industry that produces it) is not a criterion for the aggregation of products within a similar CPC category, there is no strict one-to-one relationship between products and the industries producing them as their principal outputs (IRTS 2008, [para. 5.11](#)).

**Tourism characteristic products**—Tourism characteristic products are those that satisfy one or both of the following criteria:

- (a) Tourism expenditure on the product should represent a significant share total tourism expenditure (share-of-expenditure/demand condition);
- (b) Tourism expenditure on the product should represent a significant share of the supply of the product in the economy (share-of-supply condition). This criterion implies that the supply of a tourism characteristic product would cease to exist in meaningful quantity in the absence of visitors (IRTS 2008, [para. 5.10](#)).

**Tourism connected products**—Their significance within tourism analysis for the economy of reference is recognized although their link to tourism is very limited worldwide. Consequently, lists of such products will be country-specific (IRTS 2008, [para. 5.12](#)).

**Tourism consumption**—This concept is used in the *Tourism Satellite Account* framework and is an extension of the concept of *tourism expenditure*. Besides *tourism expenditure*, it also includes, for instance, the so called social transfers in kind that benefit *visitors*, the imputation of accommodation services provided by *vacation homes* to their owners, etc.

**Tourism expenditure**—*Tourism expenditure* refers to the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips. It includes expenditures by visitors themselves, as well as expenses that are paid for or reimbursed by others (IRTS 2008, [para. 4.2](#)).

**Tourism industries**—The *tourism industries* comprise all *establishments* for which the *principal activity* is a *tourism characteristic activity*. The term *tourism industries* is equivalent to *tourism characteristic activities* and the two terms are sometimes used synonymously in the IRTS 2008.

**Tourism Satellite Account**—The *Tourism Satellite Account* is the second international standard on tourism statistics that has been developed in order to present economic data relative to *tourism* within a framework of internal and external consistency with the rest of the statistical system through its link to the System of National Accounts. It is the basic reconciliation framework of tourism statistics.

**Tourism trip**—Trips taken by *visitors* are *tourism trips* (IRTS 2008, [para. 2.29](#)).

**Tourist (or overnight visitor)**—A *visitor* (*domestic, inbound or outbound*) is classified as a *tourist* (or *overnight visitor*), if his/her *trip* includes an overnight stay, or as a *same-day visitor* (or *excursionist*) otherwise (IRTS 2008, [para. 2.13](#)).

**Travel / traveller**—*Travel* refers to the *activity of travellers*. A *traveller* is someone who moves between different geographic locations, for any purpose and any duration (IRTS 2008, [para. 2.4](#)).

**Travel group**—A *travel group* is made up of individuals or *travel parties* travelling together: examples are people travelling on the same package tour or youngsters attending a summer camp (IRTS 2008, [para. 3.5](#)).



**Travel item (in balance of payments)**—*Travel* is an item of the goods and services account of the balance of payments: travel credits cover goods and services for own use or to give away acquired from an *economy* by *non-residents* during *visits* to that *economy*. Travel debits cover goods and services for own use or to give away acquired from other *economies* by *residents* during *visits* to other economies (BPM6, para. 10.86).

**Travel party**—A *travel party* is defined as *visitors* travelling together on a *trip* and whose expenditures are pooled (IRTS 2008, [para. 3.2](#)).

**Usual environment**—The *usual environment* of an individual, a key concept in *tourism*, is defined as the geographical area (though not necessarily a contiguous one) within which an individual conducts his/her regular life routines (IRTS 2008, [para. 2.21](#)).

**Usual residence**—The place of *usual residence* is the geographical place where the enumerated person usually resides. (Principles and recommendations for population and housing censuses of the United Nations, paras. 2.16 to 2.18).

**Vacation home**—A *vacation home* (sometimes also designated as a holiday home) is a secondary *dwelling* that is visited by the members of the household mostly for purposes of recreation, vacation or any other form of leisure (IRTS 2008, [para. 2.27](#)).

**Valuables**—*Valuables* are produced goods of considerable value that are not used primarily for purposes of production or consumption but are held as stores of value over time (SNA 2008, para.10.13).

**Visit**—A *trip* is made up of *visits* to different places. The term “tourism visit” refers to a stay in a place visited during a *tourism trip* (IRTS 2008, [paras. 2.7](#) and [2.33](#)).

**Visitor**—A *visitor* is a *traveller* 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 (IRTS 2008, [para. 2.9](#)).

## Annex 1

# Main differences between the International Recommendations for Tourism Statistics 2008 and the 1993 Recommendations on Tourism Statistics

Topics	1993 RTS	IRTS 2008
1. Introduction of definition of tourism trips and visits.	Trips and visits are not defined.	A trip is made up of visits to different places. The term "tourism visit" refers to a stay in a place visited during a tourism trip. The stay does not need to be overnight to qualify as a tourism visit. Nevertheless, the notion of stay supposes that there is a stop. Entering a geographical area without stopping there does not qualify as a visit to that area.
2. New definition of visitor: clarification regarding exclusion.	"Visitor" any person travelling to a place other than that of his/her usual environment for less than 12 months and whose main purpose of trip is other than the exercise of an activity remunerated from within the place visited (paras. <a href="#">2.9</a> , <a href="#">2.42</a> and <a href="#">2.49</a> ).	A <b>tourism trip</b> is one that takes a traveller to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal) other than to be employed by a resident entity in the place visited. A traveller who takes a tourism trip is called a visitor.
3. Travel party/group.	Not mentioned.	New observation unit/s.
4. Exclusion of vacation homes from usual environment.	Not mentioned.	Vacation homes are explicitly excluded from the usual environment.
5. Revision of the scope of visitors: inclusion of all transit visitors.	Some transit visitors are excluded, those passengers transferred directly between airports or other terminals.	Only those that do not enter the legal and economic territory are excluded.
6. Modification in the formulation of the definition of the different forms of tourism.	In relation to a given country, the following forms of tourism can be distinguished: <ul style="list-style-type: none"> <li>(a) Domestic tourism, involving residents of the given country travelling only within this country;</li> <li>(b) Inbound tourism, involving non-residents travelling in the given country;</li> <li>(c) Outbound tourism, involving residents travelling in another country.</li> </ul>	In relation to the country of reference it is recommended that the following three basic forms of tourism be distinguished: <ul style="list-style-type: none"> <li>(a) Domestic tourism, which comprises the activities of a resident visitor within the country of reference, either as part of a domestic tourism trip or part of an outbound tourism trip;</li> <li>(b) Inbound tourism, which comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip;</li> <li>(c) Outbound tourism, which comprises the activities of a resident visitor outside the country of reference, either as part of an outbound tourism trip or as part of a domestic tourism trip.</li> </ul>

Topics	1993 RTS	IRTS 2008
7. Revision of the classification of tourism related purposes of trips.	Classification of tourism trips according to purpose: <ol style="list-style-type: none"> <li>1. Leisure, recreation and holidays</li> <li>2. Visiting friends and relatives</li> <li>3. Business and professional</li> <li>4. Health treatment</li> <li>5. Religion/pilgrimages</li> <li>6. Other</li> </ol>	Classification of tourism trips according to the main purpose: <ol style="list-style-type: none"> <li>1. Personal               <ol style="list-style-type: none"> <li>1.1. Holidays, leisure and recreation</li> <li>1.2. Visiting friends and relatives</li> <li>1.3. Education and training</li> <li>1.4. Health and medical care</li> <li>1.5. Religion/pilgrimages</li> <li>1.6. Shopping</li> <li>1.7. Transit</li> <li>1.8. Other</li> </ol> </li> <li>2. Business and professional</li> </ol>
8. Revision of the classification of types of accommodation.	<ol style="list-style-type: none"> <li>1. <b>Collective tourism establishments</b> <ol style="list-style-type: none"> <li>1.1. <i>Hotels and similar establishments</i> <ol style="list-style-type: none"> <li>1.1.1. Hotels</li> <li>1.1.2. Similar establishments</li> </ol> </li> <li>1.2. <i>Specialized establishments</i> <ol style="list-style-type: none"> <li>1.2.1. Health establishments</li> <li>1.2.2. Work and holiday camps</li> <li>1.2.3. Public means of transport</li> <li>1.2.4. Conference centres</li> </ol> </li> <li>1.3. <i>Other collective establishments</i> <ol style="list-style-type: none"> <li>1.3.1. Holiday dwellings</li> <li>1.3.2. Tourist campsites</li> <li>1.3.3. Other collective establishments</li> </ol> </li> </ol> </li> <li>2. <b>Private tourism accommodation</b> <ol style="list-style-type: none"> <li>2.1. <i>Private tourism accommodation</i> <ol style="list-style-type: none"> <li>2.1.1. Owned dwellings</li> <li>2.1.2. Rented rooms in family homes</li> <li>2.1.3. Dwellings rented from private individuals or professional agencies</li> <li>2.1.4. Accommodation provided without charge by relatives or friends</li> <li>2.1.5. Other private accommodation</li> </ol> </li> </ol> </li> </ol>	<p>Due to the newly revised international classifications of activities and products (ISIC, Rev. 4 and CPC, Ver. 2) which now form the basis of the lists of tourism characteristic products and activities for the analysis of visitor accommodation services (see annexes 3 and 4), the standard classification of tourism accommodation in the 1993 <i>Recommendations</i> needs to be revised. An international consultation process including national statistical offices, national tourism authorities and international organizations will be launched once agreed to and once the companion guide to ISIC, Rev. 4 and the CPC, Ver. 2 are finalized.</p>
9. Revision of the classifications of products and productive activities.	<p>No product classification.</p> <p>SICTA for activities, defined from ISIC using a subclassification from the 4-digit ISIC, (Rev. 3)</p> <p>Loose relationship with the consumption by visitors.</p>	<p>Tourism characteristic and tourism connected products are defined in terms of the 5-digit CPC, (Ver. 2) category to which they belong; goods can be included; strict relationship with acquisition by visitors.</p> <p>Establishments whose principal output is tourism characteristic (tourism industries) are defined on the basis of the 4-digit ISIC (Rev. 4) category to which they belong; no production of goods is included, only their retail trade as tourism industries must directly serve visitors.</p>

Topics	1993 RTS	IRTS 2008
10. Review of the definition of tourism expenditure and tourism consumption.	<p>Tourism consumption, except when it corresponds to the intermediate consumption of enterprises, will thus conform to the concept of “final consumption” in the system of national accounts, regardless of type of consumer.</p> <p>Tourism expenditure is thus defined as “the total consumption expenditure made by a visitor or on behalf of a visitor for and during his/her trip and stay at destination”.</p> <p>Tourism consumption and tourism expenditure seem to be considered synonyms.</p>	<p><i>Tourism expenditure</i> refers to the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips. It includes expenditures by visitors themselves, as well as expenses that are paid for or reimbursed by others.</p> <p>It excludes the acquisition of certain items such as social transfers in-kind that benefit visitors, the imputation of accommodation services from owned-vacation homes and financial intermediation services indirectly measured (FISIM). These are included in the more inclusive concept of tourism consumption in the tourism satellite account. Other categories of exclusions are mentioned in <a href="#">para. 4.6</a> and <a href="#">4.7</a>.</p>
11. Clarification of the relationship with payment by visitors.	Ambiguous formulation using terms of payments, outlays, foreign exchange receipts and foreign currency expenditure.	Tourism expenditure is based on the principle of acquisition.
12. Treatment of consumer durable goods and valuables of high unit value .	Excluded.	Included in tourism expenditure if purchased on trips.
13. Clarification of the relationship between forms of tourism and categories of tourism expenditure (tourism consumption).	No clarification.	<p>Symmetrical to the three forms of tourism defined in para. 2.39, three categories of tourism expenditure based on the country of residence of the transactors involved can be defined as follows:</p> <p>(a) <b>Domestic tourism expenditure</b> is the tourism expenditure of a resident visitor within the economy of reference;</p> <p>(b) <b>Inbound tourism expenditure</b> is the tourism expenditure of a non-resident visitor within the economy of reference;</p> <p>(c) <b>Outbound tourism expenditure</b> is the tourism expenditure of a resident visitor outside the economy of reference.</p>
14. Employment in the tourism industries	Not mentioned.	Special chap. 7
15. Link with balance of payments	Not mentioned.	Special section in chap. 8.
16. Reference to wider scope: the tourism satellite account, subnational statistics, tourism and the sustainability	Not mentioned.	Special sections in chap. 8.



## Annex 2

# List of consumption products grouped by purpose, according to their categorization as internationally comparable tourism characteristic products<sup>20</sup>

<sup>20</sup> This list groups in terms of the eight categories used by the Classification of Individual Consumption by Purpose (COICOP) (see para. 4.26) a non exhaustive relation of consumption products. The absence of a cross (x) indicates that the product does not qualify as an internationally comparable tourism characteristic product but corresponds to any of the other typologies (see para. 5.16.). Consequently, its categorization corresponds to countries.

(Products are identified as in CPC Ver. 2 and their correspondence with ISIC Rev. 4, according to the main industry of origin)

CPC Ver. 2 subclass	Description	Categorization (1)	Corresponding activity ISIC Rev. 4
<b>Package travel, package holidays and package tours (a)</b>			
64122	Inland water transport services of passengers on cruises	X	5021
64232	Coastal and transoceanic water transport services of passengers on cruise ships	X	5011
85524	Reservation services for package tours	X	7911
85540	Tour operator services	X	7912
85523	Reservation services for cruises	X	7911
<b>Accommodation</b>			
63111	Room or unit accommodation services for visitors, with daily housekeeping services	X	5510
63112	Room or unit accommodation services for visitors, without daily housekeeping services	X	5510
63113	Room or unit accommodation services for visitors, in time-share properties	X	5510
63114	Accommodation services for visitors, in rooms with multiple occupancy	X	5510
63120	Camp site services	X	5520
63130	Recreational and vacation camp services	X	5520
63210	Room or unit accommodation services for students in student residences	X	5590
63290	Other room or unit accommodation services n.e.c.	X	5590
72111	Rental or leasing services involving own or leased residential property	X	6810
72123	Trade services of time-share properties	X	6810
72211	Residential property management services on a fee or contract basis except of time-share ownership properties (b)	X	6820
72213	Time-share property management services on a fee or contract basis	X	6820
72221	Residential building sales on a fee or contract basis, except of time-share ownership properties (b)	X	6820
72223	Sale of time-share properties on a fee or contract basis	X	6820

CPC Ver. 2 subclass	Description	Categorization (1)	Corresponding activity ISIC Rev. 4
85521	Reservation services for accommodation (b)	X	7911
85522	Time-share exchange services	X	7990
<b>Food and drink (c)</b>			
63310	Meal serving services with full restaurant services	X	5610
63320	Meal serving services with limited services	X	5610
63399	Other food serving services	X	5610
63400	Beverage serving services	X	5630
<b>Local and international transportation (d)</b>			
64111	Urban and suburban railway transport services of passengers		4921
64112	Urban and suburban scheduled road transport services of passengers		4921
64113	Mixed mode urban and suburban transportation services of passengers		4921
64114	Local special-purpose scheduled road transport services of passengers		4922
64115	Taxi services	X	4922
64116	Rental services of passenger cars with operator	X	4922
64117	Road transport services of passengers by man- or animal-drawn vehicles	X	4922
64118	Non-scheduled local bus and coach charter services	X	4922
64119	Other land transportation services of passengers, n.e.c.	X	4922
64121	Inland water transport services of passengers by ferries	X	5021
64129	Other inland water transport services of passengers	X	5021
64131	Sightseeing services by rail	X	4911
64132	Sightseeing services by land, except rail	X	4922
64133	Sightseeing services by water	X	5011, 5021
64134	Sightseeing services by air	X	5110
64210	Interurban railway transport services of passengers	X	4911
64221	Interurban scheduled road transport services of passengers	X	4922
64222	Interurban special-purpose scheduled road transport services of passengers	X	4922
64223	Non-scheduled long-distance bus and coach services	X	4922
64231	Coastal and transoceanic water transport services of passengers by ferries	X	5011
64239	Other coastal and transoceanic water transport services of passengers	X	5011
64241	Domestic scheduled air transport services of passengers	X	5110
64242	Domestic non-scheduled air transport services of passengers	X	5110
64243	International scheduled air transport services of passengers	X	5110
64244	International non-scheduled air transport services of passengers	X	5110
64250	Space transport services of passengers	X	5110
66011	Rental services of buses and coaches with operator		4922
66021	Rental services of passenger vessels for coastal and transoceanic water transport with operator		5011



CPC Ver. 2 subclass	Description	Categorization (1)	Corresponding activity ISIC Rev. 4
66022	Rental services of freight vessels for coastal and transoceanic water transport with operator		5012
66031	Rental services of passenger aircraft with operator		5110
67190	Other cargo and baggage handling services		5224
67390	Other supporting services for railway transport		5221
67410	Bus station services		5221
67420	Highway, bridge and tunnel operation services		5221
67430	Parking lot services		5221
67440	Towing services for commercial and private vehicles		5221
67511	Port and waterway operation services (excl. cargo handling), on coastal and transoceanic waters		5222
67512	Inland waterway operation services (excl. cargo handling)		5222
67521	Pilotage and berthing services on coastal and transoceanic waters		5222
67522	Pilotage and berthing services in inland waters		5222
67531	Vessel salvage and refloating services on coastal and transoceanic waters		5222
67532	Vessel salvage and refloating services in inland waters		5222
67610	Airport operation services (excl. cargo handling)		5223
67620	Air traffic control services		5223
67630	Other supporting services for air transport		5223
73111	Leasing or rental services concerning cars and light vans without operator	X	7710
73114	Leasing or rental services concerning other land transport equipment without operator		7730
73115	Leasing or rental services concerning vessels without operator		7730
73116	Leasing or rental services concerning aircraft without operator		7730
85511	Reservation services for air transport	X	7911
85512	Reservation services for rail transportation	X	7990
85513	Reservation services for bus transportation	X	7990
85514	Reservation services for vehicle rental	X	7990
85519	Other transportation arrangement and reservation services n.e.c	X	7990
87141	Maintenance and repair services of motor vehicles		4520
87142	Maintenance and repair services of motorcycles		4540
87143	Maintenance and repair services of trailers, semi-trailers and other motor vehicles n.e.c.		4520
87149	Maintenance and repair services of other transport equipment		3315
<b>Recreation, culture and sporting activities (e)</b>			
73240	Leasing or rental services concerning pleasure and leisure equipment		7721
85539	Reservation services for event tickets, entertainment and recreational services and other reservation services	X	7990
85550	Tourist guide services	X	7990

CPC Ver. 2 subclass	Description	Categorization (1)	Corresponding activity ISIC Rev. 4
85562	Visitor information services	X	7990
96150	Motion picture projection services		5914
96220	Performing arts event production and presentation services	X	9000
96310	Services of performing artists	X	9000
96411	Museum services except for historical sites and buildings	X	9102
96412	Preservation services of historical sites and buildings	X	9102
96421	Botanical and zoological garden services	X	9103
96422	Nature reserve services including wildlife preservation services	X	9103
96511	Sports and recreational sports event promotion services		9319
96512	Services of sports clubs		9312
96520	Sports and recreational sports facility operation services	X	9311
96590	Other sports and recreational sports services	X	9319
96620	Support services related to sports and recreation		9319
96910	Amusement park and similar attraction services	X	9321
96929	Other gambling and betting services	X	9200
96930	Coin-operated amusement machine services	X	9329
96990	Other recreation and amusement services n.e.c.	X	9329
<b>Shopping (f)</b>			
Goods purchased by visitors within their shopping activity			
<b>Other</b>			
71134	Credit card loan services		6419, 6492
71331	Motor vehicle insurance services		6512
71334	Other property insurance services		6512
71337	Travel insurance services		6512
71592	Foreign exchange services		6612
73260	Leasing or rental services concerning textiles, clothing and footwear		7729
73290	Leasing or rental services concerning other goods n.e.c.		7729
83811	Portrait photography services		7420
83820	Photography processing services		7420
85954	Document preparation and other specialized office support services		8219
85961	Convention assistance and organization services		8230
85962	Trade show assistance and organization services		8230
87290	Maintenance and repair services of other goods n.e.c.		3313, 9529
92330	Upper secondary education services general		8521
92340	Upper secondary education services, technical and vocational		8522
92410	Post-secondary non-tertiary education services, general		8530
92420	Post-secondary non-tertiary education services, technical and vocational		8530

CPC Ver. 2 subclass	Description	Categorization (1)	Corresponding activity ISIC Rev. 4
92510	First stage tertiary education services		8530
92520	Second stage tertiary education services		8530
92911	Cultural education services		8542
92912	Sports and recreation education services		8541
92919	Other education and training services, n.e.c.		8549
92920	Educational support services		8550
93111	Surgical services for inpatients		8610
93112	Gynecological and obstetrical services for inpatients		8610
93113	Psychiatric services for inpatients		8610
93119	Other services for inpatients		8610
93121	General medical services		8620
93122	Specialized medical services		8620
93123	Dental services		8620
93191	Childbirth and related services		8690
93192	Nursing services		8690
93193	Physiotherapeutic services		8690
93194	Ambulance services		8690
93195	Medical laboratory services		8690
93196	Diagnostic imaging services		8690
93199	Other human health services n.e.c.		8690
	Other unidentified services		
	Other unidentified goods		

- (a) The value of the components of the package would also be included
- (b) It only refers to vacation homes
- (c) It also includes the direct purchase to be consumed or to be prepared
- (d) It also includes the purchase of goods such as fuel, spareparts, etc.
- (e) it also includes goods related to this purpose
- (f) It only includes goods: single purpose consumer durables, souvenirs, handicrafts, and any other goods principally to bring along back home



## Annex 3

### List of tourism characteristic activities (tourism industries) and grouping by main categories according to ISIC Rev. 4

Tourism industries	ISIC Rev. 4	Description
1. Accommodation for visitors		
	5510	Short term accommodation activities
	5520	Camping grounds, recreational vehicle parks and trailer parks
	5590	Other accommodation
	6810	Real estate activities with own or leased property*
	6820	Real estate activities on a fee or contract basis*
2. Food and beverage serving activities		
	5610	Restaurants and mobile food service activities
	5629	Other food service activities
	5630	Beverage serving activities
3. Railway passenger transport		
	4911	Passenger rail transport, interurban
4. Road passenger transport		
	4922	Other passenger land transport
5. Water passenger transport		
	5011	Sea and coastal passenger water transport
	5021	Inland passenger water transport
6. Air passenger transport		
	5110	Passenger air transport
7. Transport equipment rental		
	7710	Renting and leasing of motor vehicles
8. Travel agencies and other reservation service activities		
	7911	Travel agency activities
	7912	Tour operator activities
	7990	Other reservation service and related activities
9. Cultural activities		
	9000	Creative, arts and entertainment activities
	9102	Museums activities and operation of historical sites and buildings
	9103	Botanical and zoological gardens and nature reserves activities
10. Sports and Recreational activities		

Tourism industries	ISIC Rev. 4	Description
	7721	Renting and leasing of recreational and sports goods
	9200	Gambling and betting activities
	9311	Operation of sports facilities
	9319	Other sports activities
	9321	Activities of amusement parks and theme parks
	9329	Other amusement and recreation activities n.e.c.
11. Retail trade of country-specific tourism characteristic goods		
		Duty free shops**
		Specialized retail trade of souvenirs**
		Specialized retail trade of handicrafts**
		Other specialized retail trade of tourism characteristic goods**
12. Other country-specific tourism characteristic activities		

\* Part related to second homes and timeshare properties

\*\* Not a 4 digit ISIC

## Explanatory notes

These explanatory notes refer exclusively to internationally comparable tourism characteristic activities and follow the same order as in Annex 3 above.

They have been extracted from *International Standard Industrial Classification of All Economic Activities (ISIC), Rev. 4*. Statistical papers (Series M No. 4/Rev.4), United Nations. New York, 2008.

The complete document can be consulted in <http://unstats.un.org/unsd/cr/registry/regdntransfer.asp?f=135>

## Accommodation for visitors

### 5510 Short term accommodation activities

*This class includes* the provision of accommodation, typically on a daily or weekly basis, principally for short stay by visitors. This includes the provision of furnished accommodation in guest rooms and suites or complete self-contained units with kitchens, with or without daily or other regular housekeeping services, and may often include a range of additional services such as food and beverage services, parking, laundry services, swimming pools and exercise rooms, recreational facilities and conference and convention facilities.

*This class includes* the provision of short-term accommodation provided by:

- hotels
- resort hotels
- suite / apartment hotels
- motels
- motor hotels
- guesthouses
- pensions
- bed and breakfast units

- visitor flats and bungalows
- time-share units
- holiday homes
- chalets, housekeeping cottages and cabins
- youth hostels and mountain refuges

*This class excludes:*

- provision of homes and furnished or unfurnished flats or apartments for more permanent use, typically on a monthly or annual basis, see division 68

#### **5520 Camping grounds, recreational vehicle parks and trailer parks**

*This class includes:*

- provision of accommodation in campgrounds, trailer parks, recreational camps and fishing and hunting camps for short stay visitors
- provision of space and facilities for recreational vehicles

*This class also includes accommodation provided by:*

- protective shelters or plain bivouac facilities for placing tents and/or sleeping bags

#### **5590 Other accommodation**

*This class includes* the provision of temporary or longer-term accommodation in single or shared rooms or dormitories for students, migrant (seasonal) workers and other individuals.

*This class includes accommodation provided by:*

- student residences
- school dormitories
- workers hostels
- rooming and boarding houses
- railway sleeping cars

#### **6810 Real estate activities with own or leased property**

*This class includes:*

- buying, selling, renting and operating of self-owned or leased real estate, such as:
  - apartment buildings and dwellings
  - non-residential buildings, including exhibition halls, self-storage facilities, malls and shopping centers
  - land
- provision of homes and furnished or unfurnished flats or apartments for more permanent
- use, typically on a monthly or annual basis

*This class also includes:*

- development of building projects for own operation, i.e. for renting of space in these buildings
- subdividing real estate into lots, without land improvement
- operation of residential mobile home sites



*This class excludes:*

- development of building projects for sale, see 4100
- subdividing and improving of land, see 4290
- operation of hotels, suite hotels and similar accommodation, see 5510
- operation of campgrounds, trailer parks and similar accommodation, see 5520
- operation of workers hostels, rooming houses and similar accommodation, see 5590

#### **6820 Real estate activities on a fee or contract basis**

*This class includes* the provision of real estate activities on a fee or contract basis including real estate related services.

*This class includes:*

- activities of real estate agents and brokers
- intermediation in buying, selling and renting of real estate on a fee or contract basis
- management of real estate on a fee or contract basis
- appraisal services for real estate
- activities of real estate escrow agents

*This class excludes:*

- legal activities, see 6910
- facilities support services, see 8110
- management of facilities, such as military bases, prisons and other facilities (except computer facilities management), see 8110

### **Food and beverage serving activities**

#### **5610 Restaurants and mobile food service activities**

*This class includes* the provision of food services to customers, whether they are served while seated or serve themselves from a display of items, whether they eat the prepared meals on the premises, take them out or have them delivered. This includes the preparation and serving of meals for immediate consumption from motorized vehicles or nonmotorized carts.

*This class includes* activities of:

- restaurants
- cafeterias
- fast-food restaurants
- pizza delivery
- take-out eating places
- ice cream truck vendors
- mobile food carts
- food preparation in market stalls

*This class also includes:*

- restaurant and bar activities connected to transportation, when carried out by separate units

*This class excludes:*

—concession operation of eating facilities, see 5629

#### **5629 Other food service activities**

*This class includes* industrial catering, i.e. the provision of food services based on contractual arrangements with the customer, for a specific period of time. *Also included* is the operation of food concessions at sports and similar facilities. The food is often prepared in a central unit.

*This class includes:*

—activities of food service contractors (e.g. for transportation companies)  
—operation of food concessions at sports and similar facilities  
—operation of canteens or cafeterias (e.g. for factories, offices, hospitals or schools) on a concession basis

*This class excludes:*

—manufacture of perishable food items for resale, see 1079  
—retail sale of perishable food items, see division 47

#### **5630 Beverage serving activities**

*This class includes* the preparation and serving of beverages for immediate consumption on the premises.

*This class includes* activities of:

—bars  
—taverns  
—cocktail lounges  
—discotheques (with beverage serving predominant)  
—beer parlors and pubs  
—coffee shops  
—fruit juice bars  
—mobile beverage vendors

*This class excludes:*

—reselling packaged/prepared beverages, see 4711, 4722, 4781, 4799  
—operation of discotheques and dance floors without beverage serving, see 9329

### **Railway passenger transport**

#### **4911 Passenger rail transport, interurban**

*This class includes:*

—passenger transport by inter-urban railways  
—operation of sleeping cars or dining cars as an integrated operation of railway companies

*This class excludes:*

—passenger transport by urban and suburban transit systems, see 4921  
—passenger terminal activities, see 5221

—operation of sleeping cars or dining cars when operated by separate units,  
see 5590, 5610

## Road passenger transport

### 4922 Other passenger land transport

*This class includes:*

—other passenger road transport:  
—operation of telfers (téléphériques), funiculars, ski and cable lifts if not part  
of urban or suburban transit systems

*This class also includes:*

—other renting of private cars with driver  
—operation of school buses and buses for transport of employees  
—passenger transport by man- or animal-drawn vehicles

*This class excludes:*

—ambulance transport, see 8690

## Water passenger transport

### 5011 Sea and coastal passenger water transport

*This class includes:*

—transport of passengers over seas and coastal waters, whether scheduled  
or not:

*This class also includes:*

—renting of pleasure boats with crew for sea and coastal water transport (e.g.  
for fishing cruises)

*This class excludes:*

—restaurant and bar activities on board ships, when provided by separate  
units, see 5610, 5630  
—operation of “floating casinos”, see 9200

### 5021 Inland passenger water transport

*This class includes:*

—transport of passenger via rivers, canals, lakes and other inland waterways,  
including inside harbours and ports

*This class also includes:*

—renting of pleasure boats with crew for inland water transport

## Air passenger transport

### 5110 Passenger air transport

*This class includes:*

—transport of passengers by air over regular routes and on regular schedules  
—charter flights for passengers  
—scenic and sightseeing flights

*This class also includes:*

- renting of air-transport equipment with operator for the purpose of passenger transportation
- general aviation activities, such as:

## **Transport equipment rental**

### **7710 Renting and leasing of motor vehicles**

*This class includes:*

- renting and operational leasing of the following types of vehicles:

*This class excludes:*

- renting or leasing of vehicles or trucks with driver, see 4922, 4923
- financial leasing, see 6491

## **Travel agencies and other reservation service activities**

### **7911 Travel agency activities**

*This class includes:*

- activities of agencies primarily engaged in selling travel, tour, transportation and accommodation services to the general public and commercial clients

### **7912 Tour operator activities**

*This class includes:*

- arranging and assembling tours that are sold through travel agencies or directly by tour operators. The tours may include any or all of the following:

### **7990 Other reservation service and related activities**

*This class includes:*

- provision of other travel-related reservation services:
- provision of time-share exchange services
- ticket sales activities for theatrical, sports and other amusement and entertainment events
- provision of visitor assistance services:
- tourism promotion activities

*This class excludes:*

- activities of travel agencies and tour operators, see 7911, 7912
- organization and management of events such as meetings, conventions and conferences, see 8230

## **Cultural activities**

### **9000 Creative, arts and entertainment activities**

*This class includes* the operation of facilities and provision of services to meet the cultural and entertainment interests of their customers. This includes the

production and promotion of, and participation in, live performances, events or exhibits intended for public viewing; the provision of artistic, creative or technical skills for the production of artistic products and live performances.

*This class includes:*

- production of live theatrical presentations, concerts and opera or dance productions and other stage productions:
- operation of concert and theatre halls and other arts facilities
- activities of sculptors, painters, cartoonists, engravers, etchers etc.
- activities of individual writers, for all subjects including fictional writing, technical writing etc.
- activities of independent journalists
- restoring of works of art such as paintings etc.

*This class also includes:*

- activities of producers or entrepreneurs of arts live events, with or without facilities

*This class excludes:*

- restoring of stained glass windows, see 2310
- manufacture of statues, other than artistic originals, see 2396
- restoring of organs and other historical musical instruments, see 3319
- restoring of historical sites and buildings, see 4100
- motion picture and video production, see 5911, 5912
- operation of cinemas, see 5914
- activities of personal theatrical or artistic agents or agencies, see 7490
- casting activities, see 7810
- activities of ticket agencies, see 7990
- operation of museums of all kinds, see 9102
- sports and amusement and recreation activities, see division 93
- restoring of furniture (except museum type restoration), see 9524

## **9102 Museums activities and operation of historical sites and buildings**

*This class includes:*

- operation of museums of all kinds:
- operation of historical sites and buildings

*This class excludes:*

- renovation and restoration of historical sites and buildings, see section F
- restoration of works of art and museum collection objects, see 9000
- activities of libraries and archives, see 9101

## **9103 Botanical and zoological gardens and nature reserves activities**

*This class includes:*

- operation of botanical and zoological gardens, including children's zoos
- operation of nature reserves, including wildlife preservation, etc.

*This class excludes:*

- landscape and gardening services, see 8130
- operation of sport fishing and hunting preserves, see 9319

## Sports and recreational activities

### 7721 Renting and leasing of recreational and sports goods

*This class includes:*

—renting of recreational and sports equipment:

*This class excludes:*

—renting of video tapes and disks, see 7722

—renting of other personal and household goods n.e.c., see 7729

—renting of leisure and pleasure equipment as an integral part of recreational facilities, see 9329

### 9200 Gambling and betting activities

*This class includes:*

—bookmaking and other betting operations

—off-track betting

—operation of casinos, including “floating casinos”

—sale of lottery tickets

—operation (exploitation) of coin-operated gambling machines

—operation of virtual gambling web sites

*This class excludes:*

—operation (exploitation) of coin-operated games, see 9329

### 9311 Operation of sports facilities

*This class includes:*

—operation of facilities for indoor or outdoor sports events (open, closed or covered, with or without spectator seating):

—organization and operation of outdoor or indoor sports events for professionals or amateurs by organizations with own facilities

*This class includes* managing and providing the staff to operate these facilities.

*This class excludes:*

—renting of recreation and sports equipment, see 7721

—operation of ski hills, see 9329

—park and beach activities, see 9329

### 9319 Other sports activities

*This class includes:*

—activities of producers or promoters of sports events, with or without facilities

—activities of individual own-account sportsmen and athletes, referees, judges, timekeepers etc.

—activities of sports leagues and regulating bodies

—activities related to promotion of sporting events

—activities of racing stables, kennels and garages

—operation of sport fishing and hunting preserves

—activities of mountain guides

—support activities for sport or recreational hunting and fishing

*This class excludes:*

- breeding of racing horses, see 0142
- renting of sports equipment, see 7721
- activities of sport and game schools, see 8541
- activities of sports instructors, teachers, coaches, see 8541
- organization and operation of outdoor or indoor sports events for professionals or amateurs by sports clubs with/without own facilities, see 9311, 9312
- park and beach activities, see 9329

**9321 Activities of amusement parks and theme parks**

*This class includes:*

- activities of amusement parks or theme parks, including the operation of a variety of attractions, such as mechanical rides, water rides, games, shows, theme exhibits and picnic grounds

**9329 Other amusement and recreation activities n.e.c.**

*This class includes:*

- activities of recreation parks, beaches, including renting of facilities such as bathhouses, lockers, chairs etc.
- operation of recreational transport facilities, e.g. marinas
- operation of ski hills
- renting of leisure and pleasure equipment as an integral part of recreational facilities
- operation of fairs and shows of a recreational nature
- operation of discotheques and dance floors
- operation (exploitation) of coin-operated games
- other amusement and recreation activities (except amusement parks and theme parks) not elsewhere classified

*This class also includes:*

- activities of producers or entrepreneurs of live events other than arts or sports events, with or without facilities

*This class excludes:*

- fishing cruises, see 5011, 5021
- provision of space and facilities for short stay by visitors in recreational parks and forests and campgrounds, see 5520
- beverage serving activities of discotheques, see 5630
- trailer parks, campgrounds, recreational camps, hunting and fishing camps, campsites and campgrounds, see 5520
- separate renting of leisure and pleasure equipment, see 7721
- operation (exploitation) of coin-operated gambling machines, see 9200
- activities of amusement parks and theme parks, see 9321



## Annex 4

# List of tourism characteristic products and grouping by main categories according to CPC Ver. 2

<b>1.</b>	<b>Accommodation services for visitors</b>
63111	Room or unit accommodation services for visitors, with daily housekeeping services
63112	Room or unit accommodation services for visitors, without daily housekeeping services
63113	Room or unit accommodation services for visitors, in time-share properties
63114	Accommodation services for visitors, in rooms with multiple occupancy
63120	Camp site services
63130	Recreational and vacation camp services
63210	Room or unit accommodation services for students in student residences
63290	Other room or unit accommodation services n.e.c.
72111	Rental or leasing services involving own or leased residential property
72123	Trade services of time-share properties
72211	Residential property management services on a fee or contract basis except of time-share ownership properties
72213	Time-share property management services on a fee or contract basis
72221	Residential building sales on a fee or contract basis, except of time-share ownership properties
72223	Sale of time-share properties on a fee or contract basis
<b>2.</b>	<b>Food and beverage serving services</b>
63310	Meal serving services with full restaurant services
63320	Meal serving services with limited services
63399	Other food serving services
63400	Beverage serving services
<b>3.</b>	<b>Railway passenger transport services</b>
64131	Sightseeing services by rail
64210	Interurban railway transport services of passengers
<b>4.</b>	<b>Road passenger transport services</b>
64115	Taxi services
64116	Rental services of passenger cars with operator
64117	Road transport services of passengers by man- or animal-drawn vehicles
64118	Non-scheduled local bus and coach charter services
64119	Other land transportation services of passengers, n.e.c.
64132	Sightseeing services by land, except rail
64221	Interurban scheduled road transport services of passengers
64222	Interurban special-purpose scheduled road transport services of passengers
64223	Non-scheduled long-distance bus and coach services

<b>5. Water passenger transport services</b>	
64121	Inland water transport services of passengers by ferries
64122	Inland water transport services of passengers on cruises
64129	Other inland water transport services of passengers
64133	Sightseeing services by water
64231	Coastal and transoceanic water transport services of passengers by ferries
64232	Coastal and transoceanic water transport services of passengers on cruise ships
64239	Other coastal and transoceanic water transport services of passengers
<b>6. Air passenger transport services</b>	
64134	Sightseeing services by air
64241	Domestic scheduled air transport services of passengers
64242	Domestic non-scheduled air transport services of passengers
64243	International scheduled air transport services of passengers
64244	International non-scheduled air transport services of passengers
64250	Space transport services of passengers
<b>7. Transport equipment rental</b>	
73111	Leasing or rental services concerning cars and light vans without operator
<b>8. Travel agencies and other reservation services</b>	
85511	Reservation services for air transport
85512	Reservation services for rail transportation
85513	Reservation services for bus transportation
85514	Reservation services for vehicle rental
85519	Other transportation arrangement and reservation services n.e.c
85521	Reservation services for accommodation
85522	Time-share exchange services
85523	Reservation services for cruises
85524	Reservation services for package tours
85539	Reservation services for event tickets, entertainment and recreational services and other reservation services
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85550	Tourist guide services
85562	Visitor information services
<b>9. Cultural services</b>	
96220	Performing arts event production and presentation services
96310	Services of performing artists
96411	Museum services except for historical sites and buildings
96412	Preservation services of historical sites and buildings
96421	Botanical and zoological garden services
96422	Nature reserve services including wildlife preservation services
<b>10. Sports and Recreational services</b>	
96520	Sports and recreational sports facility operation services
96590	Other sports and recreational sports services
96910	Amusement park and similar attraction services
96929	Other gambling and betting services
96930	Coin-operated amusement machine services
96990	Other recreation and amusement services n.e.c.
<b>11. Country-specific tourism characteristic goods</b>	
<b>12. Country-specific tourism characteristic services</b>	

## Explanatory notes

These explanatory notes refer exclusively to internationally comparable tourism characteristic products and follow the same order as in annex 4 above.

They have been extracted from *Central Product Classification (CPC) Ver.2*.

The complete document can be consulted in: [http://unstats.un.org/unsd/cr/registry/docs/CPCv2\\_explanatory\\_notes.pdf](http://unstats.un.org/unsd/cr/registry/docs/CPCv2_explanatory_notes.pdf)

## Accommodation services for visitors

### 63111 Room or unit accommodation services for visitors, with daily housekeeping services

*This subclass includes:*

- accommodation services, typically provided on a daily or weekly basis, consisting of rooms or units with daily housekeeping services, for persons away from their place of residence

*This subclass does not include:*

- accommodation services in time-share properties, cf. 63113

### 63112 Room or unit accommodation services for visitors, without daily housekeeping services

*This subclass includes:*

- accommodation services, typically provided on a daily or weekly basis, consisting of rooms or units with housekeeping services provided less than daily, for persons away from their place of residence

*This subclass does not include:*

- accommodation services in time-share properties, cf. 63113
- accommodation services for semi-permanent residents in rooming or boarding houses, cf. 63290

### 63113 Room or unit accommodation services for visitors, in time-share properties

*This subclass includes:*

- accommodation services in time-share properties, for visitors away from their place of residence

### 63114 Accommodation services for visitors, in rooms for multiple occupancy

*This subclass includes:*

- accommodation services for persons away from their place of residence, in rooms for multiple occupancy typically provided on a daily or weekly basis, such as for example in youth hostels, mountain refuges or cabins

*This subclass does not include:*

- accommodation services at recreational and vacation camps, cf. 63130
- accommodation services for students in student residences, cf. 63210
- accommodation services in workers hostels or camps, cf. 63220

**63120 Camp site services**

*This subclass includes:*

- provision of space for a recreational vehicle or tent, for persons away from their place of residence, typically provided on a daily or weekly basis
- provision of space under protective shelters or plain bivouac facilities for placing tents and/or sleeping bags

**63130 Recreational and vacation camp services**

*This subclass includes:*

- provision of overnight accommodation, combined with food and recreational or training services in a combined package at a camp for adults, youth or children for which an all-inclusive fee is charged

*This subclass does not include:*

- services by sports instruction camps, cf. 92912

**63210 Room or unit accommodation services for students in student residences**

*This subclass includes:*

- room or unit accommodation services for students in student residences attached to schools and universities

*This subclass does not include:*

- provision of rooms or units to visitors in student residences during the summer holidays, cf. 6311
- provision of rooms and units in student residences to conference participants, cf. 6311

**63290 Other room or unit accommodation services n.e.c.**

*This subclass includes:*

- room or unit accommodation services for semi-permanent residents in rooming or boarding houses and residential clubs
- sleeping car services

**72111 Rental or leasing services involving own or leased residential property**

*This subclass includes:*

- rental or leasing services concerning residential properties by owners or leaseholders:

*This subclass does not include:*

- accommodation services provided by operating hotels, motels, rooming houses, school dormitories, camp sites and other lodging places, cf. 631

**72123 Trade services of time-share properties**

*This subclass includes:*

- sale on own account of time-share properties

**72211 Residential property management services on a fee or contract basis except of time-share ownership properties**

*This subclass includes:*

- management services concerning houses and other residential properties, on a fee or contract basis

- management services concerning multi-apartment apartment buildings (or multiple-use buildings that are primarily residential)
- management services concerning residential mobile home sites
- management services concerning dwellings in joint ownership
- rent collection services

*This subclass does not include:*

- time-share (ownership type) property management services on a fee or contract basis, cf. 72213

#### **72213 Time-share property management services on a fee or contract basis**

*This subclass includes:*

- management services concerning buildings or properties used on a time-share basis

#### **72221 Residential building sales on a fee or contract basis, except of time-share ownership properties**

*This subclass includes:*

- real estate agency and brokerage services related to the sale of houses, flats, apartment buildings and other residential properties, and similar intermediation services involving buying, selling and renting of residential buildings and associated land, on a fee or contract basis

*This subclass does not include:*

- sale of time-share properties on a fee or contract basis, cf. 72223
- sale of land on a fee or contract basis, cf. 72230

#### **72223 Sale of time-share properties on a fee or contract basis**

*This subclass includes:*

- real estate agency and brokerage services related to the sale of time-share properties

*This subclass does not include:*

- time-share exchange services, cf. 85522

#### **85522 Time-share exchange services**

*This subclass includes:*

- exchange and reservation services (often based on points) for owners of time-share units

*This subclass does not include:*

- sale of time-shares on a fee or contract basis, cf. 72223

### **Food and beverage serving services**

#### **63310 Meal serving services with full restaurant services**

*This subclass includes:*

- food preparation and related beverage services furnished by restaurants, cafes and similar eating facilities providing full service consisting of waiter service to individual customers seated at tables (including counters or booths) with or without entertainment

- food preparation and related beverage services furnished in hotels or other lodging places or in transport facilities, e.g., in trains or aboard ships. Normally a full service consisting of waiter service to individual customers seated at tables (including counters or booths) is provided.

- dining car services

*This subclass does not include:*

- serving services of beverages without prepared foods, cf. 63400

#### **63320 Meal serving services with limited services**

*This subclass includes:*

- meal serving services in limited- and self-service establishments, i.e. provision of seating but not waiter service, such as:

- *This subclass does not include:*

- operation of canteens on a concession basis, see 63393

- provision of food by facilities without waiter service and not normally offering seating, cf. 63399

- serving services of beverages without prepared foods, cf. 63400

#### **63399 Other food serving services**

*This subclass includes:*

- other food preparation and related beverages services provided by refreshment stands, fish-and chips stands, fast-food outlets without seating, take-away facilities, etc.

- services of ice-cream parlours and cake serving places

- provision of meals and snacks prepared on the premises dispensed through vending machines

- mobile food services, i.e. preparing and serving food and beverages for immediate consumption from motorized vehicle or non-motorized carts

### **These services are provided without seating or waiter services.**

*This subclass does not include:*

- provision of meals and snacks not prepared on the premises dispensed through vending machines, cf. 6242

#### **63400 Beverage serving services**

*This subclass includes:*

- beverage-serving services, of alcoholic or non-alcoholic beverages, such as provided in bars, beer halls, nightclubs, discotheques and similar facilities, with or without entertainment

*This subclass also includes:*

- such services provided by bars operated in hotels or other lodging places or in transport facilities, e.g., in trains or aboard ships

*This subclass does not include:*

- provision of meals, snacks and beverages dispensed through vending machines, cf. 6242

- meals services for food and related beverages, cf. 6331, 6332

## Railway passenger transport services

### 64131 Sightseeing services by rail

*This subclass includes:*

- sightseeing passenger rail transportation services

### 64210 Interurban railway transport services of passengers

*This subclass includes:*

- passenger transportation services provided by railway between non-contiguous cities, regardless of the distance covered and the class used, with service being available to all users
- transport of accompanying vehicles, luggage, animals and other items

*This subclass does not include:*

- passenger transportation services by railway within the confines of a single city or group of contiguous cities, available to all users, cf. 64111
- sleeping car services, cf. 63290
- dining car services, cf. 63310

## Road passenger transport services

### 64115 Taxi services

*This subclass includes:*

- passenger transportation services by motorized taxi within or between urban and suburban areas

*These services are generally rendered on a distance-travelled basis and to a specific destination. Connected reservation services are also included*

- non-scheduled airport shuttle services

*This subclass does not include:*

- scheduled airport shuttle services, cf. 64114
- chauffeur-driven car-hire services, cf. 64116
- man or animal-drawn taxi services, cf. 64117
- water taxi services, cf. 64129
- air taxi services, cf. 64242
- ambulance services, cf. 93194

### 64116 Rental services of passenger cars with operator

*This subclass includes:*

- chauffeur-driven car-hire services, wherever delivered, except taxi services

*These services are generally supplied on a time basis to a limited number of passengers and frequently involve transportation to more than one destination.*

### 64117 Road transport services of passengers by man- or animal-drawn vehicles

*This subclass includes:*

- passenger transportation services by man- or animal-drawn vehicles or conveyances such as rickshaws and by pack animals, provided that the services of an operator are provided with the vehicle or animals

*This subclass does not include:*

- man- or animal-drawn passenger vehicle rental services without the services of a driver, cf. 73114

**64118 Non-scheduled local bus and coach charter services**

*This subclass includes:*

- non-scheduled chauffeur-driven hired bus and motor coach services within urban and suburban areas, generally rendered on a time and distance basis and frequently involving transportation to more than one destination

*Unlike renting of a bus, which gives the client full control, this service is typically provided on a pre-determined route and time-table.*

*This subclass does not include:*

- sightseeing-bus services, cf. 64132
- renting of buses with driver, except chartering, cf. 66011

**64119 Other land transportation services of passengers, n.e.c.**

*This subclass includes:*

- cable-operated passenger transportation services, e.g., by funiculars, teleferics, ski lifts and similar services rendered on a scheduled basis
- other scheduled passenger land transportation services by mechanized land vehicle, not elsewhere classified
- passenger transportation services by non-scheduled vehicles with driver, not elsewhere classified
- transport of accompanying luggage, animals and other items that may be carried at no extra cost

**Incidental services not charged for separately (guides, provision of food, etc.) are included.**

*This subclass does not include:*

- sightseeing-bus services, cf. 64132

**64132 Sightseeing services by land, except rail**

*This subclass includes:*

- sightseeing passenger land transportation services, except by rail:

**64221 Interurban scheduled road transport services of passengers**

*This subclass includes:*

- passenger transportation services between non-contiguous cities over pre-determined routes on a predetermined schedule by motor bus, tramway, trolley bus and similar transport vehicles, with service being available to all users
- transport of accompanying luggage, animals and other items that may be carried at no extra cost

**64222 Interurban special-purpose scheduled road transport services of passengers**

*This subclass includes:*

- passenger transportation services between non-contiguous cities over pre-determined routes on a predetermined schedule by motor bus, tramway, trolley bus and similar, for a specific segment of users



—scheduled interurban shuttle services, e.g., airport shuttles

#### **64223 Non-scheduled long-distance bus and coach services**

*This subclass includes:*

—transportation services of passengers between urban and suburban areas or over long distances by chauffeur-driven hired bus and motor coaches, generally rendered on a time and distance basis and frequently involving transportation to more than one destination

*Unlike renting of a bus, which gives the client full control, this service is typically provided on a pre-determined route and time-table.*

*This subclass does not include:*

—renting of buses and coaches with operator, except chartering, cf. 66011

### **Water passenger transport services**

#### **64121 Inland water transport services of passengers by ferries**

*This subclass includes:*

—passenger transportation services on rivers, on canals and on other inland waters by ferries, including hydrofoils and hovercraft, whether on a scheduled or non-scheduled basis

—transportation services of accompanying vehicles, luggage, animals and other items

#### **64122 Inland water transport services of passengers on cruises**

*This subclass includes:*

—inland water cruises that include transportation, accommodation, food services and other incidental services in an all-inclusive fare

*This subclass does not include:*

—sightseeing and excursion boat services, cf. 64133

#### **64129 Other inland water transport services of passengers**

*This subclass includes:*

—passenger transportation services on rivers, canals and other inland waters on a scheduled or non-scheduled basis by vessels other than ferries, cruise ships, sightseeing and excursion boats

—water taxis

*This subclass does not include:*

—passenger transportation services by ferries, cf. 64121

—sightseeing boat services, cf. 64133

#### **64133 Sightseeing services by water**

*This subclass includes:*

—sightseeing passenger water transportation services

#### **64231 Coastal and transoceanic water transport services of passengers by ferries**

*This subclass includes:*

—coastal and transoceanic passenger transportation by ferries, including hydrofoils and hovercraft, on a scheduled or non-scheduled basis

- transport of accompanying luggage, animals and other items that may be carried at no extra cost

**64232 Coastal and transoceanic water transport services of passengers on cruise ships**

*This subclass includes:*

- services provided by sea cruises that include transportation, accommodation, food services, recreational and other entertainment services in an all-inclusive fare

**64239 Other coastal and transoceanic water transport services of passengers**

*This subclass includes:*

- coastal and transoceanic water transportation of passengers on scheduled or non-scheduled basis, regardless of the class of service, except by ferries and cruise ships
- transportation of passengers from port to port, including on freight ships
- transport of accompanying luggage, animals and other items that may be carried at no additional cost

**Air passenger transport services**

**64134 Sightseeing services by air**

*This subclass includes:*

- sightseeing passenger air transportation services

**64241 Domestic scheduled air transport services of passengers**

*This subclass includes:*

- passenger transportation services by air on pre-determined domestic routes and on predetermined schedules, in aircraft of any type, including helicopters
- transport of accompanying passenger baggage and other items that may be carried at no extra cost

**64242 Domestic non-scheduled air transport services of passengers**

*This subclass includes:*

- passenger transportation services by air on domestic routes, on a non-scheduled basis, supplied in aircraft of any type, including helicopters
- transport of accompanying passenger baggage and other items that may be carried at no extra cost

*This subclass does not include:*

- sightseeing passenger air transport services, cf. 64134
- rental services of passenger aircraft with crew, cf. 66031

**64243 International scheduled air transport services of passengers**

*This subclass includes:*

- passenger transportation services by air on pre-determined international routes and on predetermined schedules supplied in aircraft (including helicopters) of any type
- transportation of accompanying passenger baggage and other items that may be carried at no extra cost

**64244 International non-scheduled air transport services of passengers**

*This subclass includes:*

- passenger transportation services by air on international routes, on a non-scheduled basis, supplied in aircraft of any type, including helicopters
- transportation of accompanying passenger baggage and other items that may be carried at no extra cost

*This subclass does not include:*

- sightseeing passenger air transport services, cf. 64134
- rental services of passenger aircraft with crew, cf. 66031

**64250 Space transport services of passengers**

*This subclass includes:*

- transportation of passengers to, from and in outer space by any means

**Transport equipment rental services****73111 Leasing or rental services concerning cars and light vans without operator**

*This subclass includes:*

- leasing, rental or hiring of cars, light vans etc. without driver

*This subclass does not include:*

- leasing, rental or hiring services concerning private cars with driver, cf. 64116
- financial leasing of cars, cf. 71140

**Travel agencies and other reservation services****85511 Reservation services for air transportation**

*This subclass includes:*

- arranging reservations for airline tickets

**85512 Reservation services for rail transportation**

*This subclass includes:*

- arranging reservations for rail seats

**85513 Reservation services for bus transportation**

*This subclass includes:*

- reservation services for bus transportation

**85514 Reservation services for vehicle rental**

*This subclass includes:*

- arranging reservations for rental cars

**85519 Other transportation arrangement and reservation services n.e.c.**

*This subclass includes:*

- reservation services for ferry transportation
- reservation services for airport shuttle transportation
- all other transportation reservation services, n.e.c.

*This subclass does not include:*

—reservation services for cruises, cf. 85523

**85521 Reservation services for accommodation**

*This subclass includes:*

—arranging reservations for accommodation services for:

—arranging for the direct exchange of residential property such as homes or apartments/flats

**85523 Reservation services for cruises**

*This subclass includes:*

—arranging reservations for cruise bookings for:

**85524 Reservation services for package tours**

*This subclass includes:*

—arranging reservations for package tours for:

**85539 Reservation services for event tickets, entertainment and recreational services and other reservation services**

*This subclass includes:*

—arranging reservations for theatre performances, concerts or sporting events

**85540 Tour operator services**

*This subclass includes:*

—arranging, assembling, and marketing package tours:

- Such a package usually includes buying and reselling passenger and baggage transportation, accommodation, food and sightseeing services. The resulting package tours may be sold to individuals, travel agents or other tour operators

**85550 Tourist guide services**

*This subclass includes:*

—tourist guide services, i.e. providing direction and commentary on tourist attractions, typically of a cultural, historic, archaeological or natural type

*This subclass does not include:*

—services of mountain guides, hunting guides or fishing guides, cf. 96620

**85562 Visitor information services**

*This subclass includes:*

—provision of information to visitors or potential visitors regarding destinations, preparing brochures, etc.

**Cultural services**

**96220 Performing arts event production and presentation services**

*This subclass includes:*

—production and presentation services for:

*This subclass does not include:*

—production and presentation services for “sound and light” performances or fireworks, cf. 96990

**96310 Services of performing artists**

*This subclass includes:*

- services of actors, readers, singers, musicians, dancers, stunt people, television personality hosts/presenters and other performing artists
- services of independent models

**96411 Museum services except for historical sites and buildings**

*This subclass includes:*

- display services of collections of all kinds (art, science and technology, history)
- management and conservation services for such collections
- organization of travelling exhibitions for such collections

*This subclass does not include:*

- sale and display services furnished by commercial art galleries, cf. 62299
- services of historical sites and buildings, cf. 96412
- services of botanical and zoological gardens, cf. 96421

**96412 Preservation services of historical sites and buildings**

*This subclass includes:*

- operation of historical sites, monuments and buildings, including access and visiting services
- preservation services for historical sites, monuments and buildings

**96421 Botanical and zoological garden services**

*This subclass includes:*

- operation of botanical and zoological gardens, including access and visiting services
- conservation and maintenance services of botanical and zoological gardens

*This subclass does not include:*

- services of nature reserves, cf. 96422

**96422 Nature reserve services including wildlife preservation services**

*This subclass includes:*

- operation of national parks, nature parks and reserves, including supervision, access and visiting services
- conservation and maintenance services of national parks, nature parks and reserves

**Sports and recreational services****96520 Sports and recreational sports facility operation services**

*This subclass includes:*

- operation of and access to indoor and outdoor sports and recreational sports facilities, such as stadiums, arenas, rinks, swimming pools, sports fields, tracks, golf courses, bowling alleys, tennis courts, etc.
- services of riding academies

*This subclass does not include:*

- non-residential property management services on a fee or contract basis, cf. 72212

**96590 Other sports and recreational sports services**

*This subclass includes:*

- skydiving services
- hang-gliding services
- scuba-diving services

**96910 Amusement park and similar attraction services**

*This subclass includes:*

- amusement park services
- attractions and fun fair services
- operation of preserved railways

**96929 Other gambling and betting services**

*This subclass includes:*

- organization and selling services of lotteries, lottos, off-track betting
- casino and gambling house services
- gambling slot-machine services

**96930 Coin-operated amusement machine services**

*This subclass includes:*

- providing services of coin-operated amusement machines:
- providing services of coin-operated recreational games and rides:

*This subclass does not include:*

- renting of space to others to place rides or game machines, cf. 72112
- providing rides, games and attractions bundled with admission to an amusement arcade or theme park, cf. 96910
- gambling using electronic and mechanical gambling machines, such as slot machines and video lottery terminals, cf. 96929

**96990 Other recreation and amusement services n.e.c.**

*This subclass includes:*

- operation of, and access services to ballrooms, dance halls and other recreational facilities
- operation of ski hills
- recreation park and beach services
- production and presentation services for:

*This subclass does not include:*

- non-residential property management services on a fee or contract basis, cf. 72212
- personal theatrical or artistic agency services, cf. 85999
- motion picture, television and other theatrical casting services, cf. 85999
- services of operation of and access to sports and recreational sports facilities, cf. 96520