International Recommendations for Tourism Statistics 2008 Draft Compilation Guide

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Statistics and Tourism Satellite Account Programme

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Foreword

Within the UN System to which UNWTO belongs, there is an accepted understanding[1] that the adoption of an international statistical standard and a set of international recommendations (which is the case of the *International Recommendations for Tourism Statistics 2008 (IRTS 2008*) should be followed by:

a. the development of an implementation programme;
b. the development of compilation guidelines;
c. the development of databases;
d. the selection of best practices; and,
e. the development of data quality frameworks

The *implementation programme* to be developed should consist of supporting training materials, workshops and technical assistance programmes to assist countries in basic data collection and compilation of the data considered in the recommendation.

Compilation guidelines should provide practical recommendations, based on best practices on how to collect data for the agreed list of variables presented in the international recommendations. These operational companion guides should address statistical aspects like units to be used, sample frameworks and design, source data, national adaptations of classifications, statistical techniques for validation and editing, etc.

Databases should include related metadata and be accessible to users.

The selection of *best practices:* This activity will be carried out by UNWTO and be related dynamically with the compilation guideline that will be updated periodically on this basis.

Data quality frameworks should be established to assess (1) the conceptual compliance with the recommendations and (2) the scope of countries' implementation hereof. They will form the basis for assessing the extent of implementation on a regular basis.

The application of the *IRTS 2008* will be supported by other documents:

- the *IRTS 2008 Compilation Guide* will be the basic document and will provide further clarifications and "practical recommendations, based on best practices on how to collect data for the agreed list of variables presented in the international recommendations" such as those that appear in the new Compendium of Tourism Statistics;

- the *Technical Guide on Best Practices of Measuring Employment in the Tourism Industries* will provide further clarifications and "practical recommendations based on best practices on how to measure comprehensively quantitative and qualitative dimensions of employment in order to better understand its impact on the tourism economy in a given country and provide better quality data for the TSA and beyond its framework. The *Practical Guide* will be accessible through a special hyperlink to *Chapter 7*: *Employment in the tourism industries* of the e-version of the *IRTS 2008*;

[1] "What defines an international statistical standard and other types of international statistical publications in economic statistics" by Alessandra Alfieri, Ralf Becker and Ivo Havinga, 2007. Paper presented at the UNSD / FSO Work Session convened by the Friends of the Chair Group on Integrated Economic Statistics, Bern 6-8 June 2007

- the *IRTS 2008 Complementary guidance* will include additional indication on how to face such issues as the revision of series, the regional dimension, reconciliation in a broader context, visits to vacation homes, prices and prices indexes, etc…); and

- other complementary documents as deemed appropriate.

In order to keep them relevant, all these documents will be e-documents with a suitable structure that will make it possible to update them as new best practices are identified and countries provide the latest information on different statistical issues.

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
ILO	International Labour Organization
IMF	International Monetary Fund
IRTS 2008	International Recommendations for Tourism Statistics 2008
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
TSA	Tourism Satellite Account
TSA:RMF 2008	Tourism Satellite Account: Recommended Methodological Framework, 2008
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNWTO	World Tourism Organization
VAT	Value Added Tax
WTO	World Trade Organization

Acknowledgments (PENDING)

Presentation of IRTS 2008 *Compilation Guide*

Context

In February 2008, the UN Statistical Commission adopted the International Recommendations for Tourism Statistics 2008 (*IRTS 2008*) and requested that UNWTO will develop a programme of technical assistance to countries to promote the use of *IRTS 2008*. That programme will include the preparation of a *compilation guide*. The *Compilation Guide* is the basic document for the *IRTS 2008* world-wide implementation program allowing for a more comprehensive set of basic data and indicators supporting international comparability of tourism. Consistently with this objective and focus, UNWTO has updated the Compendium of Tourism Statistics, its more comprehensive general statistical publication.

The structure of the *Compilation Guide* is fully aligned with the *IRTS 2008* with more information on some typical compilation issues, and is as follows:

- Chapter 1 describes the setting up of the System of Tourism Statistics and identifies the basic information framework for the international comparability of tourism statistics;
- Chapter 2 gives a general overview of the system;
- Chapter 3 describes the different measurement issues related to the flows of visitors, and the observation of their characteristics, the processes by which countries might observe them and the types of tables that they might elaborate to present their results;
- Chapter 4 turns to tourism expenditure, describes the different issues associated with its measurement and describes some of the instruments that are available to perform it, as well as the tables to present the results;
- Chapter 5 discusses the topic of classifications used in tourism statistics, in particular those related to products and activities;
- Chapter 6, measuring supply of tourism industries, focuses, for the time being, on accommodation under all its forms.

7 annexes complement these discussions and are as follows:.

- **Annex 1**: Questionnaire proposed by UNWTO to measure flows and expenditure associated to inbound tourism
- **Annex 2**: List of consumption products grouped by purpose, according to their categorization as internationally comparable tourism characteristic products
- **Annex 3**: List of tourism characteristic activities (tourism industries) and grouping by main categories according to ISIC Rev. 4 and explanatory notes
- **Annex 4**: List of tourism characteristic products and grouping by main categories according to CPC Ver. 2 and explanatory notes
- **Annex 5**: Tourism expenditure vs. tourism consumption
- **Annex 6**: Statistical vocabulary

- **Annex 7**: Coherence and consistency in tourism statistics: an overview; this annex will provide guidance on two different but related issues not specifically addressed in *IRTS 2008*: checking consistency in survey data and reconciliation between data derived from different sources.

The *Compilation Guide* will have two different formats:

- The main format will be an e-document with hyperlinks to *IRTS 2008*, countries case studies and complementary material as deemed appropriate. It will be regularly updated as previously stated. The language will be English;

- The Guide will also be released in PDF format and will probably be translated to other languages (except hyperlinks, case studies and complementary material)

Objective and Expectations

The general guidelines proposed by the UNWTO aim at promoting the development and formulation of a System of Tourism Statistics in countries with a view to:

- fostering the more efficient design and follow-up of policies of a strictly tourism related nature (especially in the area of marketing);

- guiding the development of statistics in order to obtain a set of data that are sufficiently accurate to allow for more advanced international comparability;

- enabling countries to identify their statistical gaps and providing guidance on how to reduce them.

This *Compilation Guide* reflects UNWTO's conviction that the improvement and standardization of statistical data collection and measurement instruments in the field of tourism are conducive to increasingly reliable and comparable figures in a worldwide context.

Chapter 1 The role of the International Recommendations for Tourism Statistics (IRTS 2008)

A. Introduction

1.1. This *Compilation Guide (CG)* refers to the setting up of a national System of Tourism Statistics (STS).

1.2. The System of Tourism Statistics (STS) should be understood, as that part of the National Statistics System (NSS) providing reliable, consistent and appropriate statistical information on the socio-economic aspects of tourism, integrated within the systems of economic and social statistics related to other fields, at different territorial levels (national –or federal, where appropriate-, infra-national and international).

1.3. It should be viewed as the basic coordination and integration framework of the statistical information produced on tourism. Concepts, definitions, classifications, data, indicators, aggregates and tables of results, designed so as to provide an exhaustive description of the tourism phenomenon in all its aspects (physical, social, economic, etc.) and a measurement of its economic contribution within a context of international comparability are a structural part of the STS.

1.4. The development of a national STS is closely linked with the implementation of a Tourism Satellite Account (TSA). In fact, the TSA provides the conceptual framework and the organizational structure for the integration of most tourism statistics among themselves as well as with other economic statistics (mainly with national accounts and balance of payment data). In order for the TSA to be such an integrated framework, the same conditions as those required for the SNA 2008 should apply: tourism statistics should be coherent (the same concepts, definitions and classifications apply to all related components) and consistent (measurements related with each component should be commensurate so as to be integrated within a unique analytical framework.

1.5. This explains why the new *International Recommendations for Tourism Statistics 2008* (*IRTS 2008*) emphasises the fact that the development of a STS is closely linked to the implementation of the other international recommendations regarding tourism statistics: the *Tourism Satellite Account – Recommended Methodological Framework* (*TSA:RMF 2008*). That not only ensures the internal consistency of tourism data, but also their external consistency with the major systems of macroeconomic information, e.g. the National Accounts and any other system of information linked to it. (*IRTS 2008*, paras. 1.34. to 1.38., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)).
In this context, it should be quoted the following paragraph of the UN Statistical Commission (UNSC) final report of the thirty-ninth session (E/2008/24) in which UNSC supported the following conclusion of the Friend of the Chair on integrated economic statistics report: "Affirmed the role of the System of National Accounts as the integrating framework in economic statistics, and recognized the importance of increasing the coherence of basic economic statistics for enhancing the quality and analytical value of both basic economic statistics and macroeconomic statistics".

1.6. The design of a national STS as part of a National System of Statistics (NSS) should be viewed as the basic coordination and integration framework of the statistical information concerning tourism and produced by all types of stakeholders. (*STS: Basic References, section A: The System of Tourism Statistics and its links with the National Statistical System*, http://www.unwto.org/statistics/sts/description/sts_text.pdf)

1.7. The STS can be defined as a set of components of a statistical nature which are structurally mutually connected, comprising:

- the statistical sources themselves;
- the corresponding data derived from them (i.e. statistics drawn from surveys, administrative records, or of a synthetic nature – like the TSA - etc.);
- the specific tools, methodological references and instruments used at some stages of the process of generation of statistics (as is the case of concepts, definitions, classifications, databases, etc.); as well as
- the instrumental and organizational resources used in all these processes.

The STS encompasses in particular the technical aspects of field operation, the creation of the statistical infrastructure, the elaboration of the results, and integration of the data into a genuine system of information.

1.8. It is recommended that a national STS be developed in line with the *IRTS 2008*. National STSs which are designed that way will make international comparisons possible, and will ensure also their conceptual and actual integration within the National System of Statistics (*STS: Basic References*, *section B: National System of Tourism Statistics and international comparability*, http://www.unwto.org/statistics/sts/description/sts_text.pdf).

1.9. In addition to the basic data that are referred to in the *IRTS 2008*, countries might also develop and integrate other data and indicators derived from official and non-official sources, such as on tourism motivation, tourism satisfaction, tourism "products" (like sun and beach, cultural tourism, etc.), attractions visited, etc., as well as complementary information needed and requested by relevant users.

1.10. Tourism Administrations might be tempted to develop their own set of information, based on existing data produced. For instance, by Immigration authorities (for the flow of foreign travellers), by hotels association (from which to infer average length of stay in accommodation establishments, and some forms of expenditure, by domestic airlines, bus companies or national railways and statistics on tolls to estimate the movement of "internal" visitors, etc. and additionally, use their own definition of tourism (often restricted to personal travel) to develop and approximate measurement of its main characteristics. They might consider that in so doing, they have a sufficient general picture of tourism to use for general tourism policy decision making without bothering with trying to comply with international recommendations.

1.11. Although this can be an interesting start to get a first approximation of the possible importance of tourism in a country, staying at that stage might be misleading and miss the point of heralding the importance of tourism by possibly leaving aside some important features as the following ones. For instance, those linked to the difference between nationals and residents, more important in countries, with an important history of migration (either immigration or emigration), or the difference between international travellers and visitors. Estimating visitors via travellers staying in establishments providing accommodation for visitors (even when sorting for foreigners only) might present a similar type of distortion, as a significant number of visitors might stay with family and relatives, and present an antycyclical type of behaviour when the economic situation tightens.

1.12. More importantly, these data would lack the necessary credibility and would not allow international comparison because their definitions are inconsistent with international standards and recommendations. Neither would such data allow analysis within a consistent national macroeconomic framework (like Balance of Payments or National Accounts), which would make advocating the importance of tourism more difficult at government level.

B. Setting up an internationally consistent System of Tourism Statistics (STS): The conceptual framework

1.13. It is worth recalling that the general guidelines for most of its work on the international harmonization of tourism concepts and statistics were determined at UNWTO's fifth General Assembly held in New Delhi in 1983. The *1993 Recommendations on Tourism Statistics* (adopted by the United Nations Statistical Commission (UNSC) in 1993 and published in 1994) represent the first international recommendations; a second one (the *Tourism Satellite Account: Recommended Methodological Framework 2000*) was adopted by UNSC in 2000 and published in 2001. Both recommendations determine the basic foundations of the System of Tourism Statistics as understood by the international community. Since then, there have been many contributions from institutions and individuals, finally setting up the necessary basis for enhancing the credibility of the measurement of tourism's economic importance and other related variables.

1.14. The new *International Recommendations for Tourism Statistics 2008* (*IRTS 2008*) and *Tourism Satellite Account: Recommended Methodological Framework 2008* (*TSA:RMF 2008*) constitute the updated reference framework for any national STS. As a consequence, both documents are to be referred for the harmonization, coordination and integration of statistical information on tourism. It should be observed though that, in the future, this information might stretch beyond the still restricted domain these recommendations touch upon. Such extensions might include, for instance:

- extending guidance for the measurement of consumption to include other components of demand (such as collective consumption and gross fixed capital formation) and consequently, identifying the supply of the corresponding products;
- developing the sub-national perspective; and possibly
- developing the link with other statistical system (such as environmental accounts), etc.

1.15. Although it is each country's responsibility to carry out the development of its own STS, the UNWTO recommends this development should follow the Basic Principles of Official Statistics approved by the United Nations Statistical Commission (11/15 April 1994) as indicated in *IRTS 2008* Chapter 9 "Supplementary topics".

1.16. Those principles provide guidelines for establishing and maintaining credible statistics. They should therefore be understood as a necessary condition to maintain users' confidence in tourism statistics as well as the public access to the statistics at a level of detail that allows their extensive use by a variety of users while guaranteeing the integrity, transparency and confidentiality of the individual data through, for instance, the possibility of access to microdata once the confidentiality of individual data has been ensured.

1.17. The development of a national STS is closely linked to the implementation of the Tourism Satellite Account (TSA). In fact, the TSA provides the conceptual and integration framework, as well as the organizational structure, for the coherence and consistency of most tourism (related) statistics, internally within the sector as well as with statistics referring to other economic domains and presented within the framework of a System of National Accounts. From this perspective, the exercise of trying to set up a TSA might be initially viewed as a guide for the assessment of the scope and quality of existing data sources, an instrument for the identification of data gaps as well as the motor for the development of new sources of information.

1.18. One of the characteristics of tourism is that it is a cross-section field of interest. As such, it cannot be defined either by a set of products or by specific production activities, although some are to be identified as particularly relevant. (This is the case of tourism characteristic products and (productive) activities (see chapter 6)). Rather tourism is defined by the activity of those considered as "visitors". This means that in the setting up of the STS, it will be necessary to work in collaboration with other subject areas that partly share coverage, such as for instance, passenger transportation, numerous personal service activities, migration, and naturally Balance of Payments due to the importance of visitors within the flows of international travellers.

1.19. The specific role of the TSA within this STS needs to be highlighted. It should be understood as:

- the instrument to identify and measure the importance of tourism in the national economy in line with the National Account framework and, therefore, to allow for comparisons with any other economic sector;

- a systematic effort to achieve total coverage in terms of visitors, their expenditure, the industries serving visitors and a reasoned reconciliation of the different statistical sources, in order to reach consistency among these different sources. In that respect, as already mentioned, trying to set up a TSA should be viewed as an important step in the construction of an authentic system of tourism statistics as it requires evaluating the quality, consistency and limitations of existing tourism statistics towards the design of an increasingly highly consistent STS;

- a genuine part of a legitimate system of information, in which individual sources of information are mutually related (for instance, annual data are consistent with monthly or quarterly ones; demand data match supply information; specific analyses are consistent with general ones, etc.);

- a macroeconomic tool to develop structural relationships with other macroeconomic frameworks, particularly Balance of Payments and National Accounts; this relationship should not be only conceptual, but also based on the sharing of data analysis and the coordination of statistical operations.

1.20. The general guidelines proposed by the UNWTO aim at promoting the development and formulation of a System of Tourism Statistics with a view to:

- fostering the more efficient design and follow-up of policies of a strictly tourism-related nature (especially in the area of marketing);

- guiding the development of statistics in order to obtain a set of data that are sufficiently accurate to allow for more advanced international comparability; and also,

- enabling countries to identify their statistical gaps and providing guidance on how to reduce them.

1.21. This *Compilation Guide* reflects UNWTO's conviction that the improvement and standardization of statistical data collection and measurement instruments in the field of tourism are conducive to increasingly reliable and comparable figures in a worldwide context.

C. Setting up an internationally consistent System of Tourism Statistics (STS): International comparability of data and indicators

1.22. In the UN System, Tourism is included under "Economic Statistics" as it covers statistics regarding visitor's activity (such as arrivals / departures, overnight stays, expenditure, main purpose of the trip, etc.) associated with the different forms of tourism (inbound, domestic and outbound), tourism industries production activity and infrastructure, employment and tourism satellite accounts.

1.23. With the approval by the United Nations Statistical Commission of *IRTS 2008*, there is a need to define the new information framework that should support international comparability of tourism. But first, as is the case in all statistical systems, we need to relate this set of basic data and indicators has to be related with the corresponding statistical units.

C.1. Identifying the statistical units

1.24. The System of Tourism Statistics deals with *statistical units* that are observed through statistical procedures, and the information on these units is then classified, broken down, aggregated, analysed, etc.

1.25. In the study of tourism from the demand or consumption perspective, what are observed are usually *visitors, trips and visits* (see chapter 2, section B.3. "Observation units"). Travel parties and groups of visitors might also provide information on their membership and trips taken together. From the supply perspective, what are observed are producing units, of the establishment type, grouped into industries. When dealing with employment, both the individuals being employed and the industries as providers of jobs are observed.

1.26. The precise definition of these units as *observation units, analytical units, reporting units, statistical units* might not always be clear cut, and will depend on the type of observation procedure used. In a household survey, individuals (visitors) will be observed, as well as their (round) trips. In some cases, individuals will additionally be asked to describe some of their trips. If an observation is made at the border or in countries visited, visits will be observed, and visitors will then be defined in their personal characteristics from the visits they have made. In such a case, no information will be collected on other legs of the same trip by the same individual identified as a visitor to the country or place of reference, as they will be out-of-scope for that country or place.

1.27. The current vocabulary that is often used in the different statistical operations tends to blur the differences between not only the types of units, but also between the units themselves: for instance, in statistics collected at the border, the statistical unit tends to be called a visitor whereas, strictly speaking, the information that is collected refers to a specific visit made by a visitor to the country (or outside the country) during a trip. During a trip (a round trip from the perspective of its point of departure), it might also happen that a same individual makes more than one trip to the country (or place) of reference, during the period of reference.

1.28. Although conceptually, in this *Compilation Guide*, we will try to be extremely precise as to how the variables and attributes are described and named, it might also often be the case that a unit of observation is not strictly consistent with the framework that is being developed.

1.29. *Reporting units* are those entities from which information is collected by means of questionnaires or interviews. Reporting units will, in most cases, coincide with the units for which statistics are compiled, but in many important cases, reporting units are not considered suitable for this purpose, for instance because they are not homogeneous enough or do not act as transactors in the economy. In trying to observe establishments, (statistical units, parts of enterprises), information might be collected from enterprises (reporting units) about their establishments. For the observation of domestic tourism, resident households will be used as reporting units in order to collect information on trips taken by their members as each person belongs to a unique household; nevertheless the household as such does not usually travel and is not the proper statistical unit on which to collect information.

1.30. *Statistical units* are the entities for which information is sought and for which statistics are ultimately compiled. These units can, in turn, be divided into *observation units* and *analytical units*. *Observation units* are those entities on which information is received and statistics are compiled. On the other hand, *analytical units* are created by statisticians, often by splitting or combining observation units with the help of estimations and imputations in order to compile more detailed and more homogeneous statistics than is possible using data on observation units. An example of an analytical unit is the homogeneous unit of production used in advanced input-output analysis.

C.2. The basic information framework for international comparability of tourism statistics

1.31. The following scheme illustrates the basic components of this framework, highlighting the basic concepts, the units of the system and their main characteristics, the classifications to be used, and a summarized understanding of the main topics that should be touched upon in the tables summarizing the main interrelationships of the variables of the system.

1. Conceptual framework

Concepts	Observation units	Main related characteristics
Visitor	Visitor	Classes (Overnight visitor-tourist-/same-day visitor-excursionist) Country of residence / regions Demographics
	Travel party	Size
Trip	Tourism trip	Main purpose Duration Main destination

Concepts	Observation units	Main related characteristics
		Modes of transport Types of accommodation used Organization Expenditure
Tourism industries	Establishment	Monetary Output Intermediate consumption Gross value added Compensation of employees Gross Fixed Capital Formation Non-monetary Non-monetary characteristics specific to each tourism industry
Employment	Establishment (in the tourism industries) Households	Persons Size Status in employment Jobs Duration of work Full-time equivalent jobs

2. Classifications

2.1. Forms of tourism
2.2. Classification of consumption products acquired by visitors
2.3. Classification of productive activities serving visitors
2.4. Other classifications

3. Tables of results

3.1. Inbound tourism
3.2. Domestic tourism
3.3. Outbound tourism
3.4. Tourism industries
3.5. Employment
3.6. Complementary indicators

1.32. In the coming chapters, reference will be made to each of the elements that make up the STS, principally from the perspective of the set of information (basic data and indicators) which, since the adoption of the *IRTS 2008* should be the basis of the international comparison of tourism. Beyond the data requested by UNWTO, countries should take into consideration their tourism specificities and to extend the scope of the basic data and indicators that appear in the sections named "Tables of results" in chapters 3, 4 and 6 of this *Compilation Guide*, with any complementary information that would respond to the needs of the National Tourism Administrations and key national stakeholders of their tourism sector (*STS: Basic References*, paras. 17 and 18, http://www.unwto.org/statistics/sts/description/sts_text.pdf).

Chapter 2 Conceptual background and related observation issues: general overview

A. Introduction

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

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

2.3. The activities carried out by a visitor and that are of interest in this framework focus on those involving the acquisition of a good or a service on the market or the provision of non-market services by government or non-profit institutions to visitors. In other words, these activities represent the actions and behaviours of people in preparation for and during a trip in their capacity as consumers.

2.4. Tourism has an impact on the place of origin of the visitor, on the economy visited, on the natural and built environment, on the local population at the places visited, and on the visitors themselves. It might also have consequences in other economies (for instance the production of souvenirs in China for the whole world, the consumption of gas that increments the world demand on crude oil, the use by residents of country A visiting B of carriers resident in a third country), consequences, that in a first approximation, will not be taken into consideration as tourism consumption in the system as it is set up as this country has no control on this tourism activity outside its borders and in which its residents are not involved.

2.5. The *IRTS 2008* focuses on the activities carried out by visitors and on measuring these activities using both monetary (expressed in money value) and non-monetary indicators (other quantitative measures). Its purpose is to provide a common reference framework for all countries to use in the compilation of tourism statistics towards, among others, the measurement of the contribution of tourism to the national economy.

B. The basic tourism conceptual framework

2.6. The basic concepts used in tourism statistics (country of reference, country of residence, nationality, usual environment, visitors, tourism and traveller) are explained in Chapter 2 of *IRTS 2008* (and can also be found in its "Glossary of terms", http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf) :

2.7. The present chapter will develop the most important aspects related with the definitions and measurement of those concepts.

B.1. Country of residence/ Place of residence

2.8. The concepts of country of residence and of economy of reference are shared with other related frameworks such as the System of National Accounts 2008 (SNA 2008) and the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and are based on the same criteria.

2.9. In macroeconomic statistics, individual transactors are not identified by their nationality but by their country of residence; the residence of transactors is the basic criterion to differentiate economic transactions that have to do with the national economy (residents) and those involving the rest of the world (non-residents): this is applicable to the case of individuals taking trips and productive activities serving them.

2.10. The country of residence of a traveller is defined according to the country of his/her predominant centre of economic interest (usually the place of his/her principal dwelling). In those cases in which various places compete as centre of economic interest, it will be necessary to define the predominant one, a decision that has to be taken within the Interinstitutional Platform to ensure that decisions are consistently taken in all the related compilation frameworks (National Accounts, Balance of Payments, Migration Statistics, Tourism Statistics). International visitors should be classified according to their country of residence and not according to their nationality. The country of residence that is assigned following this criterion might be different from the legal country of residence.

2.11. Doubts might also arise with specific kinds of persons such as retired persons, who spend large periods of times in different homes. The application of the Balance of Payments criterion as enounced (BPM6 para. 4.126) should be sufficient to determine their country of residence.

2.12. Additionally, from an analytical perspective, it is more useful to group visitors according to their country of residence rather than following their nationality in order to target geographically the marketing campaigns (and this has particularly to do with the case of family members of residents living abroad).

The place of usual residence

2.13. As tourism statistics are not only concerned with international tourism but also with flows of visitors within their country of residence (domestic tourism), the notion of place of usual residence within a country needs also to be determined.

2.14. In tourism statistics, (*IRTS 2008* para. 2.18., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)), the place of usual residence is defined in accordance with the definition that has been adopted for household surveys that usually follows the "principles and recommendations for population and housing censuses" issued by the United Nations. "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 …." (*IRTS 2008* paras. 2.20. to 2.24.). This place is usually that of his/her principal dwelling, that is, where most of the time is spent (http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)).

2.15. In these United Nations recommendations, there is no strict indication on a threshold beyond which the place of stay converts into the place of residence, and each country is free to determine such threshold according to its own conditions. Most countries use a 6 months threshold in their populations and household statistics that is, the minimum duration for a place to be considered as the place of usual residence of an individual, and of a household. This criterion is different from that used in the case of the determination of the country of residence in National Accounts, Balance of Payments and Tourism Statistics where this threshold is a year.

2.16. In the case of the threshold in statistics derived from household surveys being less than a year, this seeming lack of consistency can be resolved by defining a logical procedure as follows. It is suggested that first the country of residence be determined, using the one year criterion, and once the country of residence is defined, then the 6 months criterion can be used to determine the usual place of residence within this country as needed for domestic tourism analysis.

2.17. The Manual on Balance of Payments (BPM6) gives additional indications on how to establish the residence of households, indications that are also applicable in the case of place of usual residence, and which are quoted here again for easy reference:

Box 2.1. The residence of households according to the Balance of Payments

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.

4.126 Some individuals have close connections with two or more territories, for example, they have dwellings in more than one territory in which they spend significant amounts of time. For individuals who do not have continuous actual or intended presence in any one territory for one year, the territory of the principal dwelling they maintain is the key consideration. In cases of no principal dwelling, or two or more principal dwellings in different economies, the territory of residence is determined on the basis of the territory in which the predominant amount of time is spent in the year. While these individuals need to be classified as residents of a single economy for statistical purposes, additional information may be needed in recognition of strong ties to another economy…."

International Monetary Fund. Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6), (Washington D.C. 2010).

B.2. The usual environment of an individual

2.18. The concept of usual environment is specific to tourism statistics: it is used neither in Balance of Payments, nor in National Accounts. In tourism statistics, it is used as a condition, additional to that of residence (which is a Balance of Payments and National Accounts concept).

2.19. In tourism statistics, the concept of usual environment plays a major role, as a trip to be a tourism trip must take a traveller outside his/her usual environment (*IRTS 2008* para. 2.9., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf).

2.20. *IRTS 2008* provides the following definition (para 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.

2.21. Because of the differences in density of population, transportation accessibility, cultural behaviours, vicinity to national or administrative borders, etc., between countries and often also within countries, it has not been possible to develop a unique world-wide statistical definition of the usual environment of an individual (see para. 2.25.). Although more crucial for domestic tourism, it is also important to define clearly the usual environment for international tourism, in particular for populations living in the vicinity of national borders, and when specific conditions exist that facilitate their crossing of the border.

2.22. In fact, a working group, under the leadership of the Canadian Tourism Commission (CTC) and the Instituto de Estudios Turísticos (IET) of Spain was setup in 2002 in order to study different country experiences in defining the usual environment and to present an operative proposal. (Research on National Practices Defining the Usual Environment: Basic Findings: www.unwto.org/statistics/material/usualenv.pdf).

2.23. Within this framework, the IET included a research on the effect on the number of tourism trips (other than short trips to vacation homes) of choosing different criteria to define the usual environment.

2.24. Some important consequences that derive from this research deserve to be quoted:

"… It has been empirically demonstrated by research in both Spain and Canada that differences in the choice of operational definitions of the usual environment concept… produce significant differences in the size of estimates in the total volume of tourism…
No international or domestic consistency exists in the operational definitions employed by different countries, or within some national jurisdictions, in their domestic travel surveys and analyses;
Using the usual environment concept as a respondent category introduces subjectivity, confusion and unsystematic variation in reported travel activity;

Using a simple travel distance criterion, on the other hand, introduces a false appearance of objectivity by masking subjective differences in respondents' abilities to recall and accurately measure travel distance, thereby contributing to increased uncontrolled variance and volatility in subsequent data;

A different measurement criterion for a departure from the usual environment – "crossing an administrative boundary" – could potentially provide an arbitrary gross standard as a 'minimum basis of comparison' for the purpose of international reporting, cumulative statistics and analysis;

For Canada however (and possibly other countries with very large areas and similarly low population densities such as Australia and Russia), the exceedingly large size of some administrative units in sparsely settled regions (which are larger than many other whole countries) requires some supplementary criterion …."

2.25. Based on the evidences and the reflections induced by this research as well as *IRTS 2008* recommendations (*IRTS 2008* paras. 2.21. to 2.28. and 2.50. to 2.53. (http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf))), the operational definition should allow for flexibility in every country and they should clearly refer to the main and complementary criteria used when disseminating data. The following indications are provided as general guidance:

- determine the change of environment using as the main criterion the crossing of an administrative border combined, if needed, with distance (expressed in terms of physical distance); as a consequence, in some small countries,(in particular small island countries), all displacements of residents within the country are within the usual environment and consequently, the concept of domestic tourism does not apply;

- a place visited frequently within the regular life routine is considered part of the usual environment: regular shopping trips that might even happen over national borders (and make it difficult and may be meaningless to count all such trips);

commuting for work or study; weekly visits to church, hospital, to visit family members, etc. Nevertheless, vacation homes, though frequently and routinely visited are considered as outside the usual environment, as they are visited as a breakaway from the current routine of (mostly urban) life.

- the repetition of trips by an individual has an influence on their consideration or not as tourism trips:

  - routine visits (once a week or more frequently) to the same place might lead to the inclusion of this place within the usual environment of the traveller so that trips to that place are no longer considered as tourism trips (the frequency criterion applied to the definition of the usual environment);

  - trips undertaken (frequently or not) by students between the place of usual residence of the household to which they belong and their place of study are also outside the scope of tourism, as both places are within their usual environment.

Box 2.2. The repetition of trips

Nevertheless, for the purpose of marketing analysis, identifying the "repetition" of trips by the same individuals is often viewed as an important indicator of satisfaction. In fact, many countries, in the information they collect from travellers, include questions on the repetition of trips, tabulate such results and consider that a high incidence of repetitions is a positive indication of interest of the destination for visitors.

B.3. Observation units

B.3.1. Tourism trip

2.26. *IRTS 2008* defines a tourism trip as a trip taken by a traveller to a main destination outside his/her usual environment, for less than a year, for any main purpose other than to be employed by a resident entity in the country or place visited.

2.27. A visitor is defined as a traveller taking a tourism trip. Hence the importance of understanding first of all the nature of a trip and within this general category, to typify those qualified as tourism trips.

2.28. A trip can be viewed from two different perspectives: from that of the person taking the trip (after completion), and from that of the place(s) visited during the journey.

2.29. Viewed from the perspective of the person taking the trip (origin perspective), and this is the perspective when observing tourism from household surveys, the term trip refers to a round trip, that is, a journey undertaken by a traveller from his/her place of origin (usually, the usual residence, or any other place within his/her usual environment (see the previous description)), away and then back to his/her usual environment considered globally as his/her point of departure.

2.30. From the perspective of a place visited by a traveller, (destination perspective; this is the perspective used in border statistics for instance, or in statistics collected at tourism destinations) the term "trip" refers usually only to visiting this specific country or place and then leaving. What is observed is the arrival and the departure of the traveller at and from this destination, and it is this particular visit that will be the object of analysis and which is obviously of interest from the perspective of this destination.

2.31. In some cases this fraction will be called "trip" (or a traveller as is the case in border statistics), and in particular when it refers to a section of a trip within a specific country; in other cases, this fraction will be called "visit", and it will usually refer to smaller geographical areas (a region within a country, a specific destination within a region, etc.).

2.32. The definition of a trip entails necessarily a geographical dimension. Taking a trip always involves some movement of the traveller from one place to another, and potentially back to the place of origin, although, as previously noted, the return is sometimes implicit and not observed as not being of interest from the perspective of the country/place visited.

B.3.2. Visitor

2.33. A visitor is a traveller taking a tourism trip; a tourism trip is a trip taken by a visitor: the two definitions and concepts are in a total one to one relationship.

2.34. Visitors are a subset of travellers (an "implicit" Balance of Payments concept as BPM6 no longer uses the terminology "traveller", but resident / non-resident) and making a distinction between visitors and travellers is crucial for the compilation of tourism data.

2.35. The fact of being a visitor is a transient situation and refers to the relationship between a traveller and a country/place that he/she visits. A visitor must be a visitor to a place (being defined for instance as a municipality, region, country or other territorial entities). For a place to be considered as visited by a traveller so that he/she could be considered as a visitor, it requires that there is a minimum stay: driving through a place without stopping is not considered as a visit in tourism statistics, although for studies of mobility, driving through without stopping might be a relevant type of information to define the required road infrastructure for instance.

B.3.3. Travel party and travel group

2.36. A travel party is defined in the *IRTS 2008* as visitors travelling together on a trip and whose expenditures are pooled. A typical travel party is made of members of a family travelling together. A travel party may also be made of friends or other persons related by any type of link as long as what makes most of the expenses is shared. In a travel party, except for some expenses considered rather as pocket money of its members, it is not possible to identify individual expenditures corresponding independently to each of the members of the travel party in particular for what relates to transportation, accommodation, food serving services that usually constitute the bulk of tourism expenditure. As a consequence, the expenditure of persons travelling together in a travel party will be estimated as the average expenditure of the travel party (a simple average or a more complex one, that takes into consideration the age structure of its membership for the part that is common to all of them plus their individual expenditure (*IRTS 2008* para. 4.36. (i) and Box 4.2. http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)).

2.37. A travel group is another different type of tourism unit. A travel group is made of visitors (individuals) or travel parties travelling together: examples are people travelling on the same package tour or youngsters attending the same summer camp: each individual of the group participates in the common expenses which cover an established set of services: usually transportation, accommodation, and others. However, they maintain total individual control on other expenses. The share of common expenses corresponding to each person in the travel group is totally defined and corresponds to the amount paid to belong to the travel group.

2.38. A trip is a variable to be associated with a visitor or a travel group or party: nevertheless a trip taken by a group or party of *n* persons corresponds to *n* trips. This individual might be anyone: an adult, male or female, or a child.

2.39. Besides the interest of observing these new units for different marketing purposes (number of either travel parties or travel groups and their corresponding composition and sizes), expenditure associated with a travel party as well as the main purpose of their common trip are issues that require discussion and guidance and will be discussed later on (see section C.3. "Characteristics of travel parties").

C. Characteristics of the observation units

C.1. Characteristics of tourism trips

2.40. The characteristics of tourism trips are the following:

- Main purpose
- Type of "tourism product"
- Duration
- Origin and destination
- Modes of transport
- Types of accommodation

2.41. For the purpose of the analysis of expenditure, the type of organization of the trip (travelling or not on a packaged tour) is also a relevant characteristic and will be analysed in Chapter 4.

C.1.1. Main purpose

2.42. As explained in *IRTS 2008* "the main purpose of a trip is defined as the purpose in the absence of which the trip would not have taken place". When considering tourism trips, this main purpose must be "for any (business, leisure or other personal) purpose other than to be employed by a resident entity in the country or place visited".

2.43. It should be noted that each tourism trip has only one main purpose though a visitor can also undertake secondary activities not proper to this main purpose while on his/her trip. For instance, a person on a business trip might also spend a couple of days for recreation purposes.

2.44. The purpose of a trip is strongly linked with the main activities a traveller will deploy during his/her stay and determines importantly the level and pattern of his/her expenditure. For instance, a person coming for business will usually stay in a different type of hotel than families coming for recreation or to visit family and friends; he/she will be interested in different services, for instance the availability of a business centre, whereas a family would rather be interested in a space with activities for children. Additionally, for tourism policy design, business visitors will respond to different incentives, will have specific needs, that will have to be met accordingly.

2.45. *IRTS 2008* para 3.13. specifies that "in the case of travel parties, in which members might have different individual purposes, the main purpose of trip (for each of its members) should be the one that is central to the decision to take the trip": for instance for a family

member accompanying another member on a business trip, but developing activities related with leisure, recreation and holiday, his/her main purpose would be "business" (if this was the first motivation for the trip to be taken) and his/her secondary purpose would be "holiday, leisure and recreation", that is, his own individual purpose that has driven his/her participation to the trip.

2.46. Trips to a place with the main purpose of undertaking a work activity, by which the traveller will be in an employer-employee relationship will not be considered as tourism trips: for instance, seasonal workers to be employed in agriculture, construction, tourism services, for specific tasks such as picking fruits, attending restaurants, working in public works, whether the formal employer is a resident entity or any contractor (even if resident in the country of origin of the traveller) that recruits labour to work for a special task, for a given time and a specific business. (*IRTS 2008* paras. 2.35. to 2.38. (http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)).

2.47. On the other hand, a performer going to present a show, a lecturer invited to give conferences or speeches, a technician sent in to install or repair equipment will be considered as visitors, even though they might be paid in the country visited, because they are not in a relationship in which a resident producer manages and controls their work (i.e. they are not employed by the resident producer).

2.48. The *IRTS 2008* identifies two main categories, as personal purpose and business purpose, and eight subcategories regarding personal purpose of the trip: countries are encouraged to develop additional sub-categories (*IRTS 2008* paras. 3.19. and 3.20. (http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)) for instance, within business and professional purposes if one or more of them are sufficiently important for a particular country. Nevertheless, these subcategories need to be defined in such a way that they follow the same hierarchical structure so that the international classification can be obtained through aggregation, and international comparison is still possible. If needed, and if the number of cases is insufficient to make an internationally defined category meaningful, it might be necessary to merge categories. In any case, the split between "business" and "personal" and the identification of trips for health and medical care as well as for education purposes would at least meet the requirements for the compilation of the Balance of Payments Accounts travel supplementary subcomponents (see BPM6 paras. 10.87.).

2.49. The classification of main purposes of tourism trips presented in *IRTS 2008* (*IRTS 2008* paras. 3.14. to 3.21. (http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)) elaborates on previous classifications, describes the possible content of each category and incorporates new categories that have been gaining in importance worldwide since the *1993 Recommendations on Tourism Statistics*.

2.50. The main categories are recalled below:

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*

2.51. Besides the activities associated with the main purpose of the trip, visitors may undertake additional activities considered as secondary purposes, the identification of which may be relevant for planning, promotion and other analytical purposes (see para. 2.43.). 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.

2.52. Determining which is the main purpose and which a secondary purpose of visit is not always straightforward, even for an individual traveling alone. For example, a person visits a destination for two days to conduct business. While there, he/she stays on for a further three days to sightsee. Applying the criterion in which the main purpose is "the purpose in the absence of which the trip would not have been made", then it is a business trip whereas the secondary purpose may be categorised as "Holidays, leisure and recreation" – even though a longer period of time (and possibly greater expenditure) relates to the leisure activity.

Box 2.3. Modifying the proposed list of purposes

Countries might wish to simplify the proposed list or on the contrary to use a classification that differs from the international recommendation and is more detailed. This is possible, but the consequences should be valued.

When creating new categories or introducing recommended ones, countries should be aware that each category should correspond to a sufficient number of cases so that the answers that are collected, usually through a sample, will be sufficient for the results obtained to be statistically significant.

For instance, some Caribbean Islands are promoting "honeymooning" as a new niche; as a consequence, marketing departments have insisted in including it as a distinct category of purpose: nevertheless, the risk is that there will be too few observations in the sample to be able to develop a statistically sound observation of this small group of persons. In such a case, it would be better to select directly those persons, for instance by using a questionnaire in the place of accommodation in order to collect information on their characteristics.

2.53. Another example refers to those countries in which visitors arrive on cruise ships or yachts; a specific category should be provided for them to classify themselves in, as "taking a cruise or yachting" is a purpose in itself with neither other purpose nor other specific destination, a subclassification of "holidays, leisure and recreation". Additionally, isolating those visitors is important, as they have specific needs and consumption behaviour. Usually, their observation will require specific types of procedures.

2.54. It should be observed that the differentiation of those travelling for personal reasons and those for business might not be possible when observing travellers at places of accommodation since the purpose of travel is usually not collected from hotels.

C.1.2. Types of "tourism products"

2.55. The notion of "tourism product" has been introduced, mainly by travel agencies and packagers as a marketing concept, in order to focus the supply to specific markets, interested in particular aspects to be present in the places visited: these might be eco tourism, green tourism, cultural tourism, city tourism, etc.

2.56. For the time being, there is no specific recommendation in the *IRTS 2008* on this issue, and countries should weigh whether this characterization is meaningful for the analysis of their demand before introducing the "type of tourism product" within their classifications and questionnaires as visitors might not have a clear perception of this characteristic when interrogated on their trip, mainly if it is organized by themselves and not acquired as a package.

C.1.3. Duration

2.57. As will be discussed later on, the "volume" of tourism is not only estimated using the number of visitors (trips), but the length of their stay is also an obvious component of this "volume" as the pressure on many elements of supply depends on this length. Expenditure is also highly dependent on this variable. The *IRTS 2008* requires separation of stays including an overnight (tourists) from those stays without an overnight (excursionists) highlighting again the importance of staying overnight in the place visited as a typical tourism activity.

Box 2.4. Other relevant classification of duration of stay

On top of this distinction, countries may find it relevant to create additional categories: it is the case of Eurostat (European Community recommendation on tourism statistics 1998) that requires from its member states the use of the following classification in major and minor groupings as follows:

1. 1 to 3 nights
   - 1.1. One night
   - 1.2. 2-3 nights
2. 4 to 7 nights
3. 8 to 28 nights
   - 3.1. 8 to 14 nights
   - 3.2. 15 to 21 nights
   - 3.3. 22 to 28 nights
4. 29 to 91 nights
   - 4.1. 4.1 29 to 42 nights
   - 4.2. 43 to 56 nights
   - 4.3. 57 to 70 nights
   - 4.4. 71 to 91 nights
5. 92 to 365 nights
   - 5.1. 92 to 182 nights
   - 5.2. 5.2 183 to 365 nights

No specific recommendation is given in *IRTS 2008* as it depends on the observed (or expected) distribution of the lengths of stays by visitors. As a rule of thumb, no category should include less than 5% of the total number of trips, to avoid difficulty in obtaining statistically valid observations from samples.

2.58. Duration of the trip has to be actual duration of stay and not the authorized duration of stay because it is during the actual period of stay that tourism happens. This might generate a difference with some immigration statistics based on declarations by visitors upon arrival.

2.59. Duration of stay in the places visited is different from duration of absence from the place of usual environment as displacement is not instantaneous. This has to be taken into consideration when comparing data from an origin or from a destination perspective (see **Annex 7**).

2.60. For visitors using commercial forms of accommodation, average length of stay of guests as measured in accommodation statistics might be different from average length of stay as observed from visitors, as during a visit, an individual might use the services of more than one accommodation provider.

2.61. Duration of the trip should usually be expressed in terms of nights. If there is no overnight, then the visitor is an excursionist: when there is an overnight stay, then he/she is a tourist. Nevertheless, the question of what is an overnight stay might be relevant when some activities undertaken by the visitor extend beyond midnight as for instance when attending a football match, a show, a party outside one's usual environment. It is recommended that in those cases, activities undertaken beyond midnight but not involving finding a place to rest until the next morning should not be considered as overnight stays. Nevertheless, taking an evening rest on a bench, on the beach or any other place should be considered as being on an overnight stay, even when no more suitable place to rest is used.

C.1.4. Origin and destination

2.62. The "origin" of a tourism trips is usually defined as being the usual place of residence of the visitor.

2.63. 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. 2.32.). This definition is consistent with the definition of the main purpose of a trip.(http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)). 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 away from his/her place of usual residence. Each trip should be associated with a main destination.

2.64. Cruises have no destination, and if relevant, a special category could be created such as: "on a cruise".

2.65. To match origin with destination can be important information from the perspective of marketing. Nevertheless, it might be challenging to generate and process statistically significant data obtained by surveys, mostly, if the classification used in the universe of reference comes from administrative data as it is not always evident that information collected by Immigration authorities follow the definition as indicated above.

2.66. The geographical origins of trips might represent a relevant explanatory variable for the cost of reaching a given place, and can be used to check the consistency of the data on expenditure.

C.1.5. Modes of transport

2.67. This refers to the main mode of transport used on the trip, usually to reach the country or place visited. Some caution should be used with this variable as visitors usually combine different forms of transport, so that, a precise definition needs to be given among the following ones: (*IRTS 2008* para. 3.32. (http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)): because the cost per kilometres are so different from one mode of transport to the other, it is suggested that the main mode of transport should be defined as the mode on which most distance is travelled.

2.68. In some countries, (such as island countries), there are scarcely any choices, but in others, the main mode of transport used is a useful marketing information, as well as an often relevant explanatory variable for daily average expenditure.

2.69. The *IRTS 2008* proposes a detailed breakdown of possible modes of transport. (*IRTS 2008* figure 3.2. (http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)) Countries should review and adapt this to their national situation as not always all modes are relevant: some island countries have no land borders so there is no border crossing by road; others do not have an international railway; others do not have sea or river borders, so that no water transportation is relevant, etc.

C.1.6. Types of accommodation

2.70. The different types of accommodation used on a tourism trip, are important characteristics to be collected, for various reasons:

- first of all, types of accommodation used are strong determinants of behaviour and of expenditure in many other items, such as food serving services, transportation, recreation. It is particularly important to identify if the (market) accommodation service provided only refers to the provision of a specific shelter to rest and sleep, or if it also includes food serving services (breakfast, half board, full board), or even other associated service, as is the case of all inclusive plans;

- many countries tend to overlook the fact that staying with family and friends or in one's own vacation home might be important types of accommodation used during a trip, and not only for domestic tourism. Such accommodation will also have strong influence on the overall level and structure of expenditure; in periods of downturn in the economic situation, it is often a type of accommodation that better resists the bad times, and even results in increased used as a substitute for market accommodation;

- additionally, identifying the different types of accommodation used during the whole duration of a trip, and the nights spent in each of them will provide useful information for the check and adjustment of accommodation statistics that countries often collect in parallel to their observation of visitors.

2.71. The classification of types of accommodation will be a special topic of concern for countries and will be discussed in chapter 5.

C.1.7. Organization of trips

2.72. Visitors often do not travel alone: they might come in groups or in parties. In a group, the trip has often been organized by a professional, as a packaged tour that will charge (explicitly or implicitly) for the services provided.

2.73. Tour operators often negotiate special low rates with service providers, as they book (and sometimes pay partially) in advance, purchase in bulk, though putting their own conditions. They sometimes operate their own charter company for flights, or their own fleet of tour buses.

2.74. Using a package for a trip might result cheaper for the visitor than booking each service individually, so that, as a consequence, the place visited also receives less income than in the case of persons having organized their trip by themselves. Trips organized by tour operators will provide less flexibility to the visitor so that if a country aims at diversifying its supply, it might need first of all to discuss it with tour operators operating in the country.

2.75. Finally, when trying to get information on expenditure, the visitor using a package will usually not be able to provide detailed information on the costs of each of the services included in the package. Additionally, the total value reported might include items that are not all part of the tourism expenditure in the country of reference (case of inbound visitors who purchase within their package some services provided within their country of reference, in particular reservation services (see chapter 4).

C.2. Characteristics of visitors

2.76. Visitors have personal characteristics that countries are encouraged to collect, such as age, gender, economic activity status, occupation, annual household / family / individual income, education, etc. (*IRTS 2008* paras. 3.6. to 3.8. (http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf))) although they are not required for international comparison purposes. These data might be useful to determine different markets: families with small children, middle age, young people, retirees, high income, etc.

2.77. The *IRTS 2008* does not provide specific recommendations on the use of these characteristics: each country should evaluate the relevance of collecting information on some or all of these variables, and in particular, evaluate the use it might give to such information, considering the constraints the collection of such information imposes on the statistical design of the procedure of observation (greater size if cross-classification of characteristics is also required).

2.78. If these personal characteristics are considered meaningful variables, the statistical design of the sample should take it into consideration, in particular in the case of travel parties: the characteristics of each individual or these parties should then be identified, as they are different from those of the actual (or self-designed) head or leader of the party.

2.79. Other characteristics are crucial for the determination of the different forms of tourism: that of country of residence of a visitor and that of place of usual residence (within a country). These aspects will be discussed further on (see section D. “Forms of tourism: inbound/domestic/outbound”) in particular when looking how they can be established.

C.3. Characteristics of travel parties

2.80. Travelling alone or travelling in parties has incidence on the types of services required in the places visited, and on the average expenditure per day of individuals, as some of the expenses can be shared (for instance, sharing a hotel room usually reduces average expenditure for accommodation; sharing a car reduces costs of transportation; some airlines, railways, provide reduced prices to families or other travel parties). When travelling in parties, one individual should be identified to report about such characteristics.

C.3.1. Size

2.81. Collecting information on the size of a travel party is relevant, as it has a direct influence on the average expenditure per capita per day of their members, a main analytical variable in tourism analysis (see chapter 4).

C.3.2. Composition

2.82. The composition of a travel party is also an important information item to collect. This is particularly so in the case of families with children, that constitute a very special market, with specific centres of interests and needs (baby sitters, activities for kids, specific types of supervision, etc.). Also, in this case, the average expenditure per capita per day will be influenced, not only by the size of the travel party but also by the age composition of its members. (*IRTS 2008* paras. 3.2. to 3.5. http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf))

Box 2.5. Travel parties made of persons belonging to different households

As a travel party might include persons, that are not all part of the same household, (grandparents travelling with their children and/or grandchildren, groups of friends travelling together and sharing expenses, etc.) this fact should be taken into account when expanding the data collected at household level to the universe of residents (case of domestic and outbound tourism), as the probability of selection of those person-trips will be different from those in which only persons belonging to the household travel together, as the travel party might be associated with any of the households to which one or more of their members belong to this party and partake to the travel.

C.3.3. Main purpose

2.83. In the case of travel parties, the general principle when measuring expenditure is that the main purpose of the trip should be the one that is central to the decision for the travel party as a unit to take the trip. However, it is evident that each individual member might have a different particular purpose. As a consequence, if each individual is asked separately for their main purpose, different answers might be given. The value of this information will depend on the use to be given to this information. In specific circumstances, for instance for marketing analysis, it might be interesting to know the specific purpose of each individual within the party (that could be considered as a secondary purpose): for instance, if a visitor comes to a place to attend a conference, and is accompanied by his/her family, the general purpose of the trip for the travel party is "to attend a conference" as this is the primary reason for the trip to be taken. Nevertheless, the accompanying party is not going to attend the meeting, and possibly has come along because there were other types of attraction that influenced their decision. Marketing departments might be interested in knowing the attractions that have influenced on the decision of the members of this party to come along. This specific purpose will be considered as a secondary purpose of the trip for those of the accompanying party.

2.84. A particular issue refers to children that quite often are not the object of specific observations. (In survey operations, they are often excluded from the universe of selection, a situation that, for some countries and circumstances, might require some specific adjustments). Nevertheless, they should be counted as visitors.

Box 2.6. Treating children in the sample design

The existence of children among visitors creates some particularities in the statistical design and expansion of data collected on a reduced number of observations that are expanded to the universe. This will be particularly relevant in destinations that are family destinations, that is, where families travel often with children. Usually, children travel within a party (a family or an organized group of children with responsible adults). Some children travel alone but they constitute usually a non-statistically relevant group of visitors. As children are usually part of a party, the characteristics associated with their trips will usually be taken care of as soon as parties are selected.

- A statistical issue araises when the statistical design is based on the selection of individuals (this is often the case in surveys at the border) and derives from the combination of various situations: When an adult is selected in the sample, he/she reports on the total expenditure of the travel party to which he/she belongs and the expenditure that is assigned is the average expenditure of the party, including adults and children; usually children are not selected so that their probability of selection is 0, but their expenditure is taken into consideration in the average of the party to which they belong; the probability of selection of an adult is related with the number of adults in the universe and not to the total number of persons (including children).

- Usually, when an adult belonging to a party has been selected, no other member of the party is selected which means that implicitly, what are selected are parties, that is to say, clusters of persons but the distribution of these clusters in the universe is unknown;

Usually, grossing up using total expenditure does not take into consideration these considerations, which would not be a major problem except that the number of persons that travel together is an important explanation factor of average expenditure per person per day because many of the important expenditure can be shared (accommodation, transportation when by car or when special rates are applicable to family groups, etc…)

D. Forms of tourism: inbound/domestic/outbound

2.85. Visitors might move around the world, within their country of residence or abroad.

2.86. As explained in *IRTS 2008* (para. 2.10.), a domestic, inbound or outbound traveller on a tourism trip is called a domestic, inbound or outbound visitor, respectively. When speaking of international travellers, or international visitors, we refer to inbound and outbound travellers or visitors, that is, those taking trips that take them outside their country of residence.

2.87. Because tourism supposes that the individuals having a tourism activity are moving, and because of the existence of political and administrative borders, to which economic measurements are referred, it is important to qualify tourism with respect of those borders in order to be able to determine the economy (national or local) that is going to feel the economic effects of tourism. That is what the concept of forms of tourism is about.

2.88. Based on the definition of the main destination of a trip, *IRTS 2008* (para. 2.32.) gives the following definitions:

"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".

2.89. Based on these, the following forms of tourism can be defined (*IRTS 2008* para. 2.39., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)):

(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;

(b) **Inbound tourism**, which comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip;

(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.

2.90. As previously explained (see para. 2.9.), international visitors should not be classified according to their nationality but according to their country of residence.

2.91. When tabulating the information concerning the country of residence of inbound visitors or country of destination of outbound visitors, consideration should be given to the difference between "country" and "territory", in particular when trying to define geographical groupings related to marketing policies (proper to the country and/or internationally comparable…). For international travellers, it is recommended to use the UNSD classification of *territories* (http://unstats.un.org/unsd/methods/m49/m49alpha.htm), and we might be speaking of *territories* and not necessarily of *countries* in the political sense: for instance, visitors/travellers coming from or travelling to the French or Dutch territories in the Caribbean should be identified as coming from or travelling to the Caribbean and not from Europe. Additionally, it is worthwhile encouraging countries to develop their own grouping of territories based on their geographical closeness, and their relative importance within the flows of visitors/travellers; for instance, countries might wish to identify in detail the flows of visitors/travellers coming from neighbouring countries, that of the region (or country grouping) to which they belong, and then identify separately a few other countries from which the flows of visitors/travellers are important within a grouping by regions, and then group the remaining ones in major regional categories.

2.92. Enumerating all possible countries of the world in tabulating tourism statistics, as is often the case in migration statistics, might be misleading and lack statistical significance as figures that are too small might present important fluctuations from year to year, that from a statistical perspective, are viewed as totally random. In this regard, it is necessary to resist the pressure of users who sometimes express a need for country details that are not statistically meaningful, as for instance if the total population of reference falls under numbers as small as 50 units.

Chapter 3 Measuring flows and characteristics of tourism trips and visitors

A. Introduction

3.1. Although the focus of the present *Compilation Guide* is the development of tourism statistics, it should not be forgotten that these statistics should be set up within the perspective of the National Statistical System (NSS) of each country. The various relevant organisations working together within the NSS bring important benefits to the quality and recognition of the estimations and their consistency.

3.2. The Balance of Payments has a requirement to measure "*expenditure on goods and services for own use or to give away acquired from an economy by non-residents during visits to that economy and conversely 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). Taking into consideration the fact that this expenditure needs to be measured by estimating the flows of international travellers and their average daily expenditure, countries will need to measure the intensity of flows of all categories of short-term resident and non-resident travellers over the border, their stay and their main characteristics, as expenditure depends strongly upon these variables.

3.3. As a consequence, the present chapter will cover both the measurement of flows and characterization of all types of visitors (a tourism concern), and the measurement of flows of international travellers (a concern for the compilation of Balance of Payments).

3.4. As already mentioned (see para. 2.2.), tourism is a subset of travel; consequently, when measuring visitors we need first to identify the total number of travellers and secondly, to identify which of them qualify as visitors. This link between tourism and travel explains why throughout this chapter both terms might used. However, when referring to trips, these refer exclusively to tourism trips (that is, trips taken by visitors).

3.5. Countries should understand that the guidelines given here are of a general kind, and that each country should only adopt those recommendations that best correspond to their situation after having made a thorough review of the particularities of their tourism flows.

B. Measurement issues and some general characteristics

3.6. The vocabulary used in tourism statistics from the demand side - tourism trips, visitors, and travel parties- (see Chapter 2/section B.3. "Observation units"), need to be understood when used in the cases of the different forms of tourism. Specifically, in the case of domestic and outbound tourism, the term "trip" refers to a round trip whereas in the case of inbound tourism, the term "trip" refers only to the travel within the country or territory of reference.

3.7. For inbound tourism/travel and outbound tourism/travel, what are usually observed are movements of persons over the borders that will be called "trips" (The only notable exception has to do with trips for personal purposes undertaken by diplomats of foreign representation within the country as they are considered as non-residents in their displacements within this territory, but are not counted as visitors when they enter the country on duty). If the observation is made on the border, it is impossible to associate to an individual all the trips he/she might have taken during the period of reference and although the statistics might be speaking of visitors, what are observed are actually visits. Consequently, countries are encouraged to use a precise terminology in a consistent way in all publications disseminating tourism statistical data.

3.8. In the case of domestic tourism, if data are collected using a household survey (see para. 3.16.), trips that will be observed are round trips. It is then possible to associate to any persons all the trips he/she has taken during the period of reference. In this case, a distinction will be made between a trip and the person taking the trip, and the characteristics will be unambiguously assigned to either of these observation units. The same would apply to outbound tourism data.

B.1. Objectives

3.9. The measurement of the different forms of tourism and their characteristics will usually need to be implemented in two different phases:

- in the phase one, the flow of travellers and visitors will be measured and total travellers (a concept used in Balance of Payments, for instance) should be tabulated as the addition of two subsets: visitors and other travellers;

- in the phase two, the characteristics of visitors and their trips will be identified, most of the time using a sample survey. Consequently, the establishment of a national System of Tourism Statistics highly depends on this phase.

3.10. In phase one, it can be useful to collect additional information which would assist in the appropriate stratification of the universe being sampled in phase two (e.g. different types or characteristics of travellers/visitors to which in phase two, it would be possible to associate a specific consumption behaviour).

3.11. For this reason, the present guidelines will first focus on the measurement of the flows of visitors and travellers, and whatever additional information that can be collected on the universe. The explanation will then extend on how a sample survey can be used to observe the characteristics of visitors and travellers and of their trips that have not been identified in phase one and are required for the establishment of the System of Tourism Statistics and for Balance of Payments purposes.

3.12. Some countries nevertheless, have developed procedures to make both observations of flows and their characteristics at the same time, and comments and recommendations will also be provided on such procedures.

3.13. For **inbound/outbound tourism**, guidance will be provided on:

- establishing the universe of non-residents (international travellers) on an inbound trip and of residents returning from an outbound trip for a given period of time;

- identifying, within these universes, international visitors and other international travellers;

- establishing the main characteristics of international visitors' trips in terms of:
  - Duration
  - Main purpose
  - Modes of transport
  - Types of accommodation used
  - Other characteristics (either of the trip or of the international visitor)

3.14. In the case of international tourism, the main sources of information will be administrative records (border control, reports by airports and operators of public transportation (bus, airlines, railways), physical counts of flows), as well as surveys designed to collect supplementary information, either at the border or in its vicinity, surveys at tourism attractions and surveys at accommodation establishments (only applicable in the case of inbound tourism).

3.15. For **domestic tourism**, the measurements will refer to:

- determining from the total population of residents those travelling over a given period of time;
- identifying domestic visitors and other domestic travellers;
- characterizing domestic visitors;
- establishing tourism trips and their characterization according to:
  - Duration
  - Main purpose
  - Modes of transport
  - Types of accommodation used
  - Other characteristics

3.16. Information will be obtained mainly through tourism household surveys or through modules attached to more general multipurpose household surveys. In these cases, the statistical sample will be derived from the most recent Population Census or any other updated Registers of households/persons. Additionally, as in the case of inbound tourism, surveys at accommodation establishments and at tourism attractions might also be used but in such cases it is quite likely that what will be observed are legs/fractions (instead of a round trip).

B.2. Frequency of measurement

3.17. By its very nature, tourism is a seasonal phenomenon-though many countries present tourism statistics mostly on a yearly basis. This might not be sufficient, in particular for policy making and for the compilation of Balance of Payments that usually should be at least on a quarterly basis. In most countries of the world, tourism, and particularly international tourism, presents seasonal variations related to climatic conditions (in the country of origin or of destination), religious celebrations, holiday seasons or other factors that affect with varying intensity the different markets of origin and destination.

3.18. The pattern of seasonality should be analysed in each of the three forms of tourism. For policy purposes this is a significant issue. For example, to make decisions regarding the building of accommodation premises (or any other tourism facilities), it is not sufficient to know the total number of arrivals and the average length of stay of visitor over the year, but it is also important to know how this demand is spread over the year, in order to be able to establish whether the supply of rooms (and other tourism facilities) is always sufficient all over the year, or if, for instance, new rooms need to be built (or other solutions should be promoted such as renting space of accommodation from other types of providers) to respond to the temporary peaks of demand associated with a markedly high season.

3.19. In the cases in which the basic information necessary to measure international tourism flows is collected through administrative procedures (basically Immigration data, data from carriers, ports, airports, etc), observation is permanently ongoing. However, data might not be processed or turned over to tourism administrations at a constant flow. It is very common for the NTAs to meet difficulties in getting the information on time, in an almost constant and up-to-date flow mostly when immigration processes are not totally computerized. If that is the case, it is advisable for NTAs to try to get the information at least every quarter. Additionally, the information should be provided in a way that allows cross-classification using the different variables that have been collected simultaneously with the basic count. In general, Tourism Administrations should receive the microdata (in which personal identification has been erased) in a user friendly electronic format.

3.20. If information has to be collected through a sample (this is mainly the case of tourism by residents and getting additional information in the case of international travel), the frequency of observation is an issue basically dependent on costs: the more frequent, the more costly it will be. Nevertheless, it is important to recognize that the number of visitors is one of the basic key variables of the whole system, and serious consideration needs to be given to ensuring that the data collected is sufficient to ensure accuracy and reliability if the significance of such numbers is relevant (which is not always the case regarding same-day visitors). A shorter period of reference will require more resources, financial and technical, because more observations will be required, if similar statistical significance of the results is sought for this shorter period of reference as fewer persons travel as the period of reference become shorter. A shorter period of reference will reduce the effects of recall.

3.21. As a consequence, countries will need to weigh benefits and costs before taking decisions regarding the frequency of measurement and the corresponding periods of reference. A particular case is that of international tourism as the Central Bank might also be interested in participating in such decisions (and not just the National Tourism Administration and the National Statistical Office). Central Banks are usually in charge of compiling the Balance of Payments, and should provide quarterly results, hence require quarterly information.

C. Inbound tourism

3.22. As previously mentioned, *IRTS 2008* places tourism statistics in relation to other conceptual frameworks such as Balance of Payments and National Accounts. In this section, the focus will be on tourism as an internationally traded service. Consequently, its measurement is not only related to the BPM6 *Compilation Guide* but also to the Manual on Statistics in International Trade in Services *Compilation Guide* (http://unstats.un.org/unsd/tradeserv/TFSITS/newsletter.htm).

3.23. It is strongly recommended that in phase one (as per para. 3.9.) a selected number of main characteristics of the trip and visitor (such as country of residence, mode of transport and main purpose of the trip) be also collected. This information would make it possible to design a more diversified stratification of the universe of visitors (see para. 3.43.), that will improve the quality of the expansion procedure of the data.

3.24. Some countries, nevertheless, have developed procedures to make both observations of flows and their characteristics at the same time, and comments and recommendations will also be provided on such procedures.

C.1. Phase one: Measuring the total number of international travellers and visitors

3.25. A first question is: at which point a traveller entering the country should be counted - as he/she enters or leaves the county of reference?

3.26. The general practice is to count inbound travellers when they enter the country. Nevertheless, characteristics of visitors, mostly those related to the stay itself, will usually be collected once the stay is over, that is, upon departure. Less frequently, these characteristics might also be collected during the trip (see subsection C.2.1.).

3.27. Some countries, within their border control procedures, measure both arrivals and departures and reconcile the flows over a given period of time using matching procedures (often a card/form to be split in two pieces, the bottom part of which has to be surrendered at departure; or a computerized system, with electronic reading of passports both upon arrival and departure). This is not a tourism requirement, but is often required for Immigration controls in order to identify illegal immigrants who stay beyond their authorized length of stay. In those countries using Entry / Departure cards and with a regular and efficient systematization process in place, the estimate of the visitor's average length of stay, obtained by checking dates of entry and departure should be, in principle, the best possible estimate. Nevertheless, the drawback is that the final corrected data is only available after all authorized tourists of a period have left (usually 3 months).

3.28. The observation of the flows of international visitors and other international travellers inevitably requires the cooperation of various bodies and institutions. These usually include the inmigration authorities, entities responsible for road border traffic, the State security forces and the authorities responsible for the administration of ports, cruise terminals, airports, land terminals, and that of the traffic of passengers in the various means of access to the country. All of these should provide support in the design of the observation procedure and act as sources of information to be used as checks and controls to the final data.

3.29. The cooperation of the private sector, in particular that of passenger land, air, and water transport companies may also be required. Also, in the case of particular subsets of travellers (such as those for whom the main purpose of the trips are "education and training" or "health and medical care"), cooperation of different specialized organizations and bodies is required.

3.30. In the case of foreign students enrolled in national education programs, or of national students enrolled in similar types of program in foreign countries, it might be necessary also to rally the collaboration of other institutions such as the Ministry of Education, Ministry of Foreign Affairs, or Boards of Universities with established programs for foreigners or exchange programs with other academic centers abroad (for instance European Erasmus).

3.31. Consequently, completeness and quality of arrival figures are closely linked to efficient inter-institutional cooperation. Chapter 9 will discuss the different ways of setting up such an Interinstitutional collaboration.

Box 3.1. Dealing with Unknown Reference Populations in Border Surveys on Inbound Tourism

Since 1996, the Ufficio Italiano dei Cambi (UIC) has been carrying out an extensive inbound-outbound border survey on Italy's international tourism. The survey is run on a continuous basis through a representative sample of around 130,000 face-to-face interviews per year, allowing the observation of several qualitative and quantitative attributes (Ufficio Italiano

dei Cambi, 1997). The data from this survey serve both the compilation of the Travel item of the balance of payments and the satisfaction of the information needs of tourism operators and analysts. The paper focuses on the consequences of the lack of knowledge on the reference population, a typical problem in tourism statistics but not yet adequately investigated. The solution adopted by the UIC in order to operationally tackle this issue is illustrated; counting operations are performed (> 1,000,000 per year), in order to determine the number and the nationality of cross-border visitors. An approach for the measurement of the additional sampling errors due to the procedure adopted in Italy is described.
(UNWTO *"Tourism as an international traded service"*, Annex 11, www.unwto.org/statistics/border.pdf)

C.1.1. Typology of the different modes of transport to arrive to or depart from a country

3.32. Countries will need to identify with precision the different modes of transport used to arrive or to depart from a country, as each of them might require a different kind of observation methodology for measuring the flows of inbound travellers and visitors.

3.33. The following typology has been established:

- **Air transport**

  Air transport may occur under the following modalities:

  - *public transport* operated on a regular basis or through charter flights operated by regular airlines or specific charter operators; these usually operate at a few international airports, and their immigration procedures are usually well under control;

  - *private transport*: in this case, private transport might be provided by specific operators that rent their services, usually to businesses; businesses and some individuals might also own their own aircrafts. In some countries, private transport operates in the same airports as commercial flights, but in others, all or some private flights operate from different airports. In these airports, the immigration procedures might be more on an adhoc basis.

  In case of air transport, there will usually be an established control, maybe with some exception, as in the case of movements within zones having abolished their internal borders (case of European countries belonging to the Schengen Zone (see para. 3.34.)).

  Arriving passengers might be in transit, either as a stop within the same flight, or with a stop including change of flight or even airport. Their definition and later treatment is explained in *IRTS 2008* para. 2.61. (http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)).

- **Land borders**

  Land borders might be crossed either by rail or by road.

  - *railways:* operators might be from one of the two countries involved or be managed as a multi-territory enterprise. Immigration controls often operate on board.

  - *other land public transport*: Land public transport may take different forms such as buses, taxis, mototaxis, etc. Buses are usually well organized businesses, although the number of authorized operators might be high,

whereas taxis and mototaxis are often operated on an independent or informal basis with little or no organization. Some operators are long haul and with a formal organization, whereas others operate locally, as within a zone of free movements, and controls are scarce if any;

- *land private transport*: Land borders can also be crossed on private cars (either owned or rented); freight vehicles sometimes also carry passengers besides their crew; other forms of vehicles might also be used, such as bicycles, motorcycles, animal drawn carts, and those often correspond to travellers within their usual environment that routinely cross the border mainly for shuttle trade or other personal activities;

- *pedestrians*: People living/working close to the border point might walk across the border. It might also be the case of nomads.

Flows at land borders are undoubtedly the most difficult to measure. All types of situation might occur: control for all border crossers, no control to any border crossers (Schengen type border), and all possible intermediate situations.

- **Sea and river**

In the case of water transportation, similar types of situation occur:

- *public passenger transport including ferries and cruises* is usually operated by established businesses, and boats arrive at organized moorings; their control by immigration and port authorities is usually strictly organized, with some exceptions;

- *private passenger transport* (including yachts, sail boats, canoes, etc.) operates often more informally; although the obligation usually exists for boats to call at authorized moorings only and report to the local Port Authority, this does not always occur;

- although it is increasingly less frequent, freight ships might also carry passengers on board besides their crew and these should usually be counted as visitors.

Usually, control will be performed easily if landing occurs in organized ports. Otherwise, the situation is very much similar to land border crossing.

C.1.2. Complexity of the measurement of flows

3.34. The following examples illustrate the need for compilers to develop the appropriate methods of observation :

- **Countries belonging to a zone where controls of all movements within this zone have been abolished**

This case is typically that of the European countries belonging to the Schengen zone in which, for all travellers, controls have been abolished. Controls only exist at borders of the zone with the rest of the world. Specific statistical procedures have to be developed, usually based on automatic counts, coupled or not with a survey procedure, as there is no administrative procedure in place (see box 3.4.).

- **Land borders with special border zones for countries that usually have border controls**:

  In the case of land borders, the existence of special border zones is frequent. In these special border zones, there is a de-facto implicit free movement of persons, with little or no control nor count by immigration authorities of the movements of the population living on both sides of the border. In some cases, persons exempt from control need to hold a special permit, but this is not always the case. Most of these movements correspond to trips within the usual environment and should not be included in tourism statistics, but some of them are also for tourism purposes (recreation or non-regular shopping for instance), with or without an overnight stay. All those flows and their corresponding expenditure should be taken into consideration when estimating the "travel" item in the compilation of the Balance of Payments. For analytical purposes, the measurement of this subset of travellers might also be of interest for National and Regional Tourism Administrations.

- **Movements of persons between two non-contiguous parts of the national territory by land**:

  Going from one part of the territory to another (a domestic trip) in certain cases involves transiting another (different) national territory (case of Oman, Russia (Kaliningrad), Malaysia, etc.):

  Applying the rules that have been established, as the destination of the trip (the furthest point from the point of origin) is part of the economic territory, the trip as such undertaken by a resident is a domestic trip that has a leg that is an outbound trip (the purpose of which is transit). For the country that is crossed, it should be considered as an inbound trip, for which the purpose is transit. For the other country, it is a domestic trip. Nevertheless, as will be seen further on (see Chapter 4), expenditure occurring during the transit of the country being crossed is part of outbound tourism expenditure, as it is a resident-to-non-resident transaction.

- **Cruises**

  Cruises present a particular situation. First of all because cruise ships are usually enormous vessels that need to be received at special moorings where it is possible for passengers to disembark safely, to control their movement, and also to provide the ship with all the procurements its requires (water, electric power, easy access to fuelling, etc.). Additionally, there are some specificities of passengers that need to be taken into consideration as arriving passengers might stay on board, disembark to visit, disembark to finish their cruise in the port of call or disembark from this cruise ship to embark later on another one (hop in, hop out system). Other passengers from the country visited or from other countries might be embarking at this stop, either to initiate their cruise, or within a hop in, hop out system. Each of these situations requires a specific treatment in terms of tourism statistics. Their crew might also disembark and embark during a short stay within the cruise, or use the call to get on board or leave the ship according to their work schedule.

Box 3.2. The case of passengers on board cruise ships

In terms of tourism analysis, the treatments should be as follows:

- All passengers on board a cruise ship, except the residents of the country of reference, should be considered as visitors (inbound visitors);

- *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;

- Some ports have an important movement of travellers disembarking or embarking on cruise ships and leaving or arriving by air and connecting with the cruise. Some countries might have developed special arrangements with their Immigration authorities so that these persons are exempted from clearing immigration and customs through regular procedures (case of some destinations in the Caribbean Islands). Nevertheless, they should be given the same treatment as other non resident passengers changing modes of transport in the country of reference and should be counted as visitors (usually excursionists; if they do not stay overnight) (see paras. 2.8. to 2.12.).

- **Case of international cruises calling at different ports of a same country**: the difficulty in this case is that, while the ship is staying in the continental waters, it is deemed to be in the economic territory so there is a unique visit to the country including different visits to different places within this country whereas if applying strictly the definition, if it leaves those waters, then this is no longer true, and each call should be considered as a different visit (within a unique trip, but for inbound tourism, tourism statistics measure visits, not trips…). Countries where such situation occurs (case of the Bahamas, St Vincent and the Grenadines, Argentina, to name a few), could consider the following suggestion: passengers on cruise ships for which such a situation occurs are separately counted so that cruise ship passengers might make one, two or more calls within a same trip.

C.1.3. Main sources for the measurement of global flows

3.35. The main sources that are available for the observation and measurement of the flows of international travellers[2] when entering the country of reference, are the following:

- *Official administrative sources*: this covers Immigration records using, or not, an Entry/Departure card (E/D), manifests (sea and river), and Advanced Passenger Information (mainly air);

  Data provided by those administrative sources are produced on a continuous basis and are usually aggregated monthly.

- *Complementary sources*: Information from airlines, bus companies, ferries, etc. on passengers transported, those that have embarked or disembarked, movements in airports of arriving and leaving passengers, counts at the borders (land borders), counts at toll booths in the vicinity of the border, etc.

  Some of them are not publicly accessible; if published, their frequency might not always be monthly.

- *Specific statistical sources*: In those countries where no such administrative sources exist, statistical sources are the only possible alternative to estimate the universe of the flows of arrival of non-resident travellers.

  Furthermore, mirror data mainly from neighbouring countries (inbound data via outbound data from partner countries) may serve as a source.

[2] This subsection as well as sections B.2 and B.3 are based on UNWTO *"Tourism as an international traded service - a guide for measuring arrivals and associated expenditures of non-residents"*, Madrid, September 2005 (www.unwto.org/statistics/border.pdf)

Reference to such possible surveys (household surveys or accommodation establishments surveys) are discussed later on (see section C.2.2. "Statistical sources").

3.36. As previously mentioned (see para. 3.23.) "it is strongly recommended that a selected number of main characteristics of the trip and visitor (such as country of residence, mode of transport and main purpose of the trip) be also collected".

3.37. It is also recommended that countries first review administrative sources for their possible use as a general reference or framework or even as the basic source to provide directly all or part of the information that is needed (see box 6.7.).

3.38. Before moving to the description of official and complementary administrative sources, it is worthwhile looking at the following diagram that highlights the complexity for the creation of the universe of the arrival of international travellers (UNWTO *"Tourism as an international traded service"*/section 2.E "Guidelines for the creation of the statistical universe of non-resident visitors" / paras. 2.46 to 2.58, www.unwto.org/statistics/border.pdf)

GUIDELINES FOR THE CREATION OF NON-RESIDENT VISITORS STATISTICAL UNIVERSE

INSTRUMENTS FOR THE COLLECTION OF BORDER INFORMATION

USING EXISTING BORDER ADMINISTRATIVE PROCEDURES

A. Migratory control at national borders
(Direct questions, Visa, Passport, Entry/Departure cards, etc)
AIR BORDERS | **LAND BORDERS** | **WATER BORDERS**

- Provide reliable and exhaustive figures of non-resident travellers
- NOT Provide reliable and exhaustive figures of non-resident travellers

B. Other type of administrative information available at national borders:

a. From air-traffic management: number and type of flights, passengers, slots, etc..

b. From land-traffic management: number and type of land vehicles, number of trains, passengers, etc..

c. From water-traffic management: number and type of ships, number of cruisers, passengers, etc..

Additional administrative information is required

The available information on non-resident travellers allows to know their **country of residence**, **length of stay** and **purpose of the visit**?

- No
- Yes

Additional statistical information is required

IMPLEMENTING BORDER STATISTICAL PROCEDURES

Sample countings of travellers could be made at mayor borders together with sample surveys

WTO TOURIST CARD

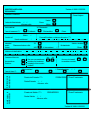
- Country of usual residence
- Length of stay
- Purpose of the trip

Additional information

- Nationality
- Country of birth
- Type of visa
- Mean of transportation
- Type of accommodation
- Organization of the trip

NON-RESIDENT VISITORS STATISTICAL UNIVERSE

Clarification Issues



*The **WTO 2005 Entry/Departure Card Proposal** provides the NTA with the ideal instrument to obtain a rigurous estimation of the incoming visitors by using the existing migratory control system.*

*The **migratory border control system** not always presents the same effectiveness when checking traveller flows (i.e. land borders present more deficiencies in comparison with air ones; in Europe as a consequence of country agreemments checks of persons at national borders for certain nationalities have been removed and there is a lack of information).*

Regarding tourism statistics and analysis of inbound tourism flows, arrivals figures provided in most cases by migration authorities, should normally be complemented with other data.

*The setting up of a **Non-resident Visitor Statistical Universe** should be an outcome of complementing Entry / exit cards data with available border administrative information with additional statistical information.*

Some countries use a stratified sampling method to select just a sample of the Entry cards collected by the migratory control. This sample of entry cards are processed and analysed for tourism purposes (see the case of Australia with short-term movements).

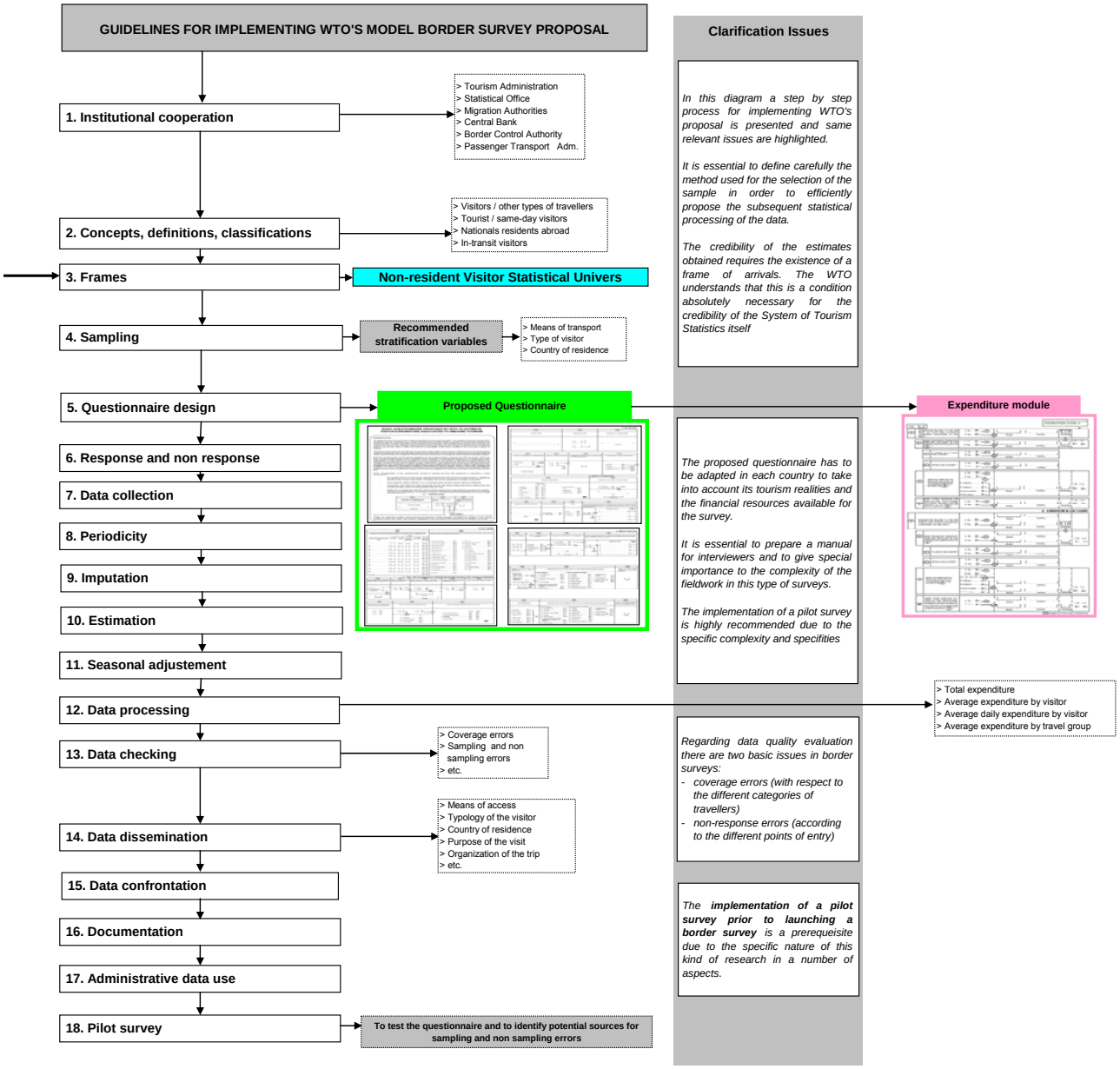
According to the definition a traveller is qualified as a visitors by the three characteristics: country of residence, purpose of the visit, and length of stay.

International visitor
"any person who travels to a country other than that in which s/he has his/her usual residence but outside his/her usual environment for a period not exceeding 12 mothns and whose main purpose of visit is other than the exercise of an activity remunerated from within the country visited". (Recommendations on Tourism Statistics).

In those cases where the information provided by the Migratory control is not enough to characterize the flow of travellers the **WTO Tourist Card** (WTO-TC) could be a good alternative source of information.

The WTO-TC applied to a sample of travellers (preferably at the airports before leaving the country) allows the NTA to obtain from total figures of travellers provided by migration an estimation of total figures of visitors.

*Either from a statistical or analytical perspective **further characterization** of the Non-resident Visitor Statistical Univers may be envisaged. The Tourism Card or the Migratory entry / exit cards could be good sources of information to expand core tourism characteristics with additional ones .*



C.1.3.1. Official administrative sources

3.39. In the case of the measurement of inbound tourism flows, three main official information sources such as border controls, manifests collected by port authorities, and Advanced Passenger Information will be reviewed. (UNWTO *"Tourism as an international traded service"*/section 2.B "Measuring the number of travellers at national borders and deriving tourism statistics: National practices, www.unwto.org/statistics/border.pdf)

Border controls

3.40. As a result of the current activity of border control authorities, reports on all individuals crossing the borders, whether nationals or non-nationals, residents or non-residents, are usually generated. These individual reports, when they exist, might be the basis for the measurement of the flows of inbound visitors and travellers.

3.41. Nevertheless, before thinking of using these reports as a basic source of information, in all cases of border crossing, or only in some specific ones, it is recommended to have an overall review that should focus on and clarify different issues. For instance:

- although not all border crossings need to be observed using the same instrument, it is necessary to establish *the geographical coverage of such operations*: which are the border crossing points and the types of border crossing covered by border control operations? Does this control only cover air passengers, or also other types of arrivals (by sea, by land, by river, etc.)? This issue is particularly relevant for countries having extensive land borders or borders delimited by rivers, where the geography makes crossing the border an easy task, or where not all border crossings have actually a determined control. Border control authorities will have an estimate of what is left out, but this estimation might have been done globally at some earlier point in time without any current updating;

- *the actual coverage in terms of persons*: are there specific conditions that exclude some persons from this control? In many countries, nationals are often excluded from border controls or from providing more detailed reports (in particular they might be exempted from the obligation of filling an E/D card if such cards exist) though from a tourism analysis point of view, nationals might be residents (and thus excluded from the flow to be measured) or non-residents (and thus included); frequent border crossers might have special permits, or might be excluded altogether from the control, or giving rise to only a global figure about their flow: they might be visitors or non-visitors. Finally, certain types of border crossings might be subject to different, lighter procedures (for instance in private airports), in particular for certain types of populations (case of land borders for example, in which there might be specific conditions for nationals of border countries);

- *the temporal coverage of the flows*: are the controls uniformly intensive irrespective of the hour of the day, if working day / free day, weekends vs rest of the week? If not, the relative importance of these lighter controls should be established (and periodically updated);

- *relevance of bus traffic*: are there records or evidence about the need to consider bus traffic as a special case?

- *the actual content of the data that are collected*, the form of the data base and the access to the detailed micro data for the tourism analysts that allows debugging, correction of invalid codes, etc. In general, countries should not expect border control operations to provide all the information that is needed to measure the flow of travellers and visitors, and to observe all needed variables. This issue has to be further analysed as some countries are sometimes satisfied with the sole existence of such a source, without further interrogations on the actual existence of the specific information that is needed for tourism measurement. In the best of cases, the data provided will be sufficient to set the frame for a border survey (see section C.2.2.1. "Border surveys") from which to estimate the characteristics of interest. Additionally, in a given country, not all controls will be the same at all border points, and not all will ask the same questions (in particular, in the case of land borders, the questions asked might be restricted to the very basic ones);

- *the quality of the data that is collected*: there are general types of inconsistencies that are always found in administrative sources because of their specific function. Because border control authorities are mainly interested in issues of control of the flows of non-nationals, data that are not actually of their direct interest (such as detailed purpose of trip (as long as the declared purpose is consistent with the type of visa, for instance, or the control on the declared place of stay) is not always well collected. Revisions, checks and controls are needed in order to be able to use such information that is of major interest for tourism analysis.

3.42. Data collected by migration authorities, either through direct capture using optical or machine reading of the passport, through direct questions to the passenger, or by means of an E/D card, might be more limited than UNWTO proposal, mainly regarding those that are not strictly related to the border control operation itself.

UNWTO proposal for Entry/Departure card

Information items	Usefulness for tourism statistics
Date	Useful to cross check with other sources
Name	Not useful for tourism statistics
Surname	Not useful for tourism statistics
Sex	Useful
Civil status	Useful
Date of birth	Useful
Place of birth	Not particularly specially useful for tourism statistics
Nationality	Useful
Occupation	Useful
Current country of residence	Useful (also for stratification of the universe)
Address in visited country	Could be useful for tourism statistics along with port of entry in multiple destination countries
Passport number	Not useful for tourism statistics
Place of issue	Not useful for tourism statistics
Date of issue	Not useful for tourism statistics
Type of passport	Not useful for tourism statistics
Type of visa	Useful to identify certain categories of border crossers and to determiner if non-tourist:
Port of entry	Useful (also for stratification of universe)
Mode of transport	Useful (also for stratification of universe)
Flight number or name of ship	Useful to cross check with other sources (a)
Airline	Useful to cross check with other sources (a)
Intended length of stay	First approximation to actual length of stay; needs to be confirmed
Accommodation	First approximation to actual accommodation; needs to be confirmed
Purpose of travel	First approximation to actual purpose of travel (also useful for stratification of universe)

(a) They are also useful to determine whether there is an economic effect in the country of reference, and whether an air fare is part of inbound, outbound or domestic tourism expenditure.

3.43. As mentioned (see para. 2.9.) travellers should be classified according to the country of residence. If no question is asked regarding the country of residence (usually approximated using the current address), the migration statistics would not provide a basic count of non-residents entering the country of reference, and a sampling frame for further observation. If this question is asked and provides valid answers, then out of the 23 information items, proposed by the UNWTO Entry/Departure card, 7 are of no interest for tourism analysis, while 7 allow identifying some important characteristics of the reference population. Others (3) are useful for cross checking with other sources.

3.44. UNWTO Entry / Departure card proposal (UNWTO *"Tourism as an international traded service"*/sections 2C "On characterizing international traveller flows: UNWTO's proposals of Entry/Departure cards in perspective (1981-1997) and 2D "Designing tourism statistics

in a context of free movement of natural persons: 2005 UNWTO's proposal for a new entry/departure (E/D) card", www.unwto.org/statistics/border.pdf) combines information useful for border control purposes as well as a minimum set of additional information for tourism statistics purposes.

3.45. Regarding questions related to address in the visited country, intended length of stay, accommodation and purpose of visit, usually two limitations apply in respect of their usefulness for tourism analysis.

3.46. First of all, answers might be biased by the fact of the traveller responding to migration authorities. In certain countries, migration authorities apply a condition granting the entry on, for instance, the determination of a precise place of stay or of a purpose that totally fits the type of visa that is presented. For example, answering "recreation" if the visa is for tourism would be acceptable; nevertheless answering "attending a meeting" could prompt the officer to ask for the invitation to corroborate the fact; or answering the name of a well-known hotel if it is known that the officer will not ask for a reservation voucher, instead of responding that the place of accommodation has not yet been decided. This means that it should be used for its information value, but not necessarily as corresponding to the actual characteristics of travellers, as the information collected would require further verification.

3.47. Second, because of the circumstances in which the information is collected, it is not possible to enter into much detail to specify better some important dimensions. For instance, asking for the expected duration of the course for a student, identifying different forms of accommodation being used (e.g. whether fully owned, type of accommodation establishments, timeshare, etc.), or the circumstances of the purpose of the trip, is not possible so that usually the information that is collected, using exclusively this instrument, will not be totally sufficient, for tourism purposes.

3.48. It would be especially helpful to reach an agreement with the Immigration authorities on access to their entry/departure databases so that their records, duly anomymised, could be reviewed for consistency and subjected to statistical debugging so as to obtain an estimate of the average length of stay of the various groups, broken down by country of residence. This is a basic characteristic in the analysis of visitors' behaviour, and a much more precise estimate can be achieved by using migration records (since they represent the actual population) than by carrying out surveys (except in countries that use sufficiently large samples for their border surveys and that additionally cover each month of the year).

Manifests

3.49. A manifest is an instrument used mainly in maritime transportation. In the case of cruise ships, ferries, yachts and all type of recreation boats, the captain is usually requested to provide the port authority with a list of passengers on board as well as that of its crew, indicating their identification (name, surname, nationality, passport number, and complementary information requested by such authority). Often, a head tax is payable on this basis. Usually, no more information is provided.

3.50. In the case of arriving passengers staying on board, all are usually considered to be non-resident visitors. Nevertheless, for those disembarking definitely, some additional information will need to be collected (for instance using an E/D card similar to that previously mentioned as they disembark), as some might be residents and others non-residents of the country of reference (crews on public mode of transport should be excluded form visitors (*IRTS 2008* paras. 2.62. and 2.63. (http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)).

Advanced Passenger Information (API)

3.51. Advanced Passenger Information (API) is made of a set of data generated on passengers arriving by air, built up from "digital prints" left by the traveller in his/her process of booking, paying, and travelling. These data bases are managed by a private business that sells the product, under a variety of forms, to migration authorities, so that they can receive clear, detailed and standardized records for each passenger on each incoming flight, ahead of arrival, and also to tourism authorities, that can, by this mean, receive information on incoming travellers (in that case, the database is anonymous).

3.52. The great benefit of this source is its coverage, reliability of data and opportunity, although no information is available on country of residence, an information item that might be approximated by "country of origin of a round trip" in the case of a round trip, or country of origin of the trip, if only a one way journey.

C.1.3.2. Complementary sources

3.53. Complementary sources include different counts of passengers, including in some cases information that allows for estimating both personal characteristics and/or characteristics associated to the trip. These sources refer to information from airlines, international bus companies, railways, automatic counts of vehicles at the (land) border or in the vicinity of such border (toll booths).

3.54. Airlines and airports systematically generate data on the flows of passengers in airports, including the number of passengers in each flight, with sometimes other types of breakdown (nationality, port of embarkation). This information can be usefully used to check immigration data, as immigration data is also available classified by airline, days and flights, or to substitute counts, if such border controls do not exist (e.g. Schengen zone).

3.55. Buses on international lines are often required to present also some type of manifest as they cross the border, similar to the manifest for ships, which include identification, type of passport and passport number, of their passenger.

3.56. Railway companies might be able to give some type of information on their passengers, when crossing international land borders, through basically this information will restrict to flows between stations.

3.57. In busy land borders, authorities might have developed an automatic count of vehicles, that identifies the type of vehicle (light passenger car, buses, trucks, and other vehicles) and/or its license plate (to determine the country of origin). Assigning an average number of passengers per vehicle, (that is frequently manually assessed in some time interval and then assigned to vehicles), it is possible to estimate the number of non-residents crossing the border (non-residents being associated with foreign license plates).

3.58. In some countries in which toll booths are located in the vicinity of border posts, instead of using an automatic count of vehicles at the border, which in all cases requires the acquisition and maintenance of specific equipment, it might be possible to substitute this count by the implicit count of the flow of vehicles occurring at the toll booth, and trying, in that operation, to add some additional information, that could allow separate identification of residents from non-residents. In this case, it might be necessary, from time to time, to complement the count of vehicles with some observation of license plates and number of persons per vehicles, in order to approximate flows of visitors.

3.59. Finally, compilers should be well aware that, even when using E/D cards that usually include detailed questions, information is still lacking in order to determine precisely certain classes of travellers, as for instance, the data that are required to identify frequent border crossers, border workers and long-term students and patients, who should not be considered as visitors but as "other travellers".

C.2. Phase two: Establishing the characteristics of international visitors and of tourism trips

3.60. As compared to phase one of observation of global flows, when undertaking phase two, it is necessary first of all to obtain more details regarding the characteristics of the traveller, in order to determine whether he/she is a non-resident (many of the procedures previously described for phase one might not have provided sufficient information so as to identify this condition totally). Then, in the case of inbound flows if the traveller is a non-resident, information is needed to identify if the trip is tourism trip or not. If it is the case, then further information is needed on the characteristics of the visitor, the travel party to which he/she eventually belongs, and the conditions of the trip itself in terms of duration, purpose, modes of transport to arrive and leave the country of reference, the main type of accommodation used, the organization of the trip, etc.

3.61. The information to be requested should be useful for policy and analytical purposes, both for national authorities (mainly NTA, NSO and CB) and for other stakeholders of the tourism sector. For instance, whether persons come alone or in parties not only has an influence on average expenditure, but also on the type of accommodation that will be needed (rooms intended for single occupation, double occupation, multiple occupation with kids, etc.); persons coming for business will have different requirements in terms of time availability for touring or other types of recreation or cultural activities as compared to those coming for recreation; at the same time their global expenditure is usually higher than the average.

3.62. With very few exceptions, e.g. the possibility of collecting information using E/D cards that all visitors fill on departure, tourism authorities will need to use surveys in order to establish the characteristics of inbound visitors, and these surveys will usually need to be applied on departure, for two basic reasons:

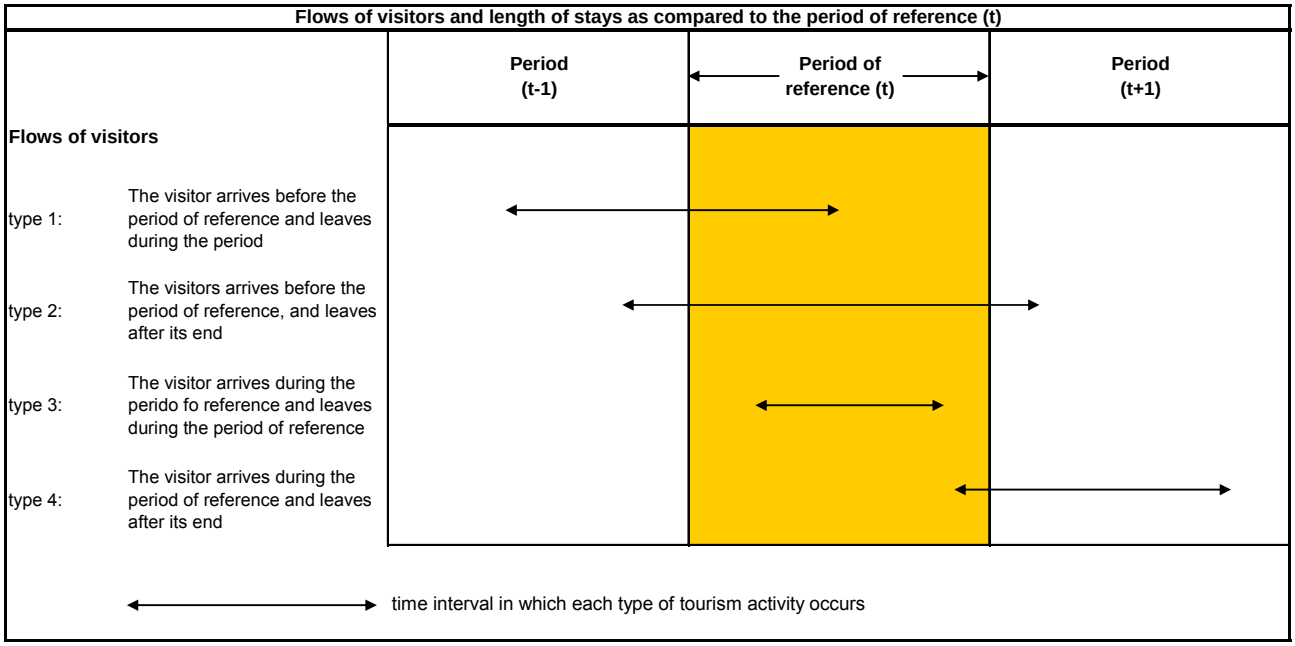
- to avoid lengthening the border transit when arriving and
- because it is more accurate to collect actual characteristics, particularly for expenditure and length of stay, and not expected ones.

If the interest is also to measure these characteristics regarding short-term travellers, the same procedure would apply.

C.2.1. The specificities of the observation of characteristics of inbound visitors

3.63. In most tourism observation procedures, characteristics of inbound trips and visitors are observed as the visitors leave the country but this information is assigned to arrival figures estimated for the period of reference (these figures are considered as equivalent to number of trips). There is no individual observation of the trips (see paras. 3.7. and 3.8.), as this would only be possible with a strict border control and a perfect match between incoming individuals and outgoing individuals.

3.64. To illustrate to compilers about he hidden assumptions behind the most frequently used procedure, the following scheme highlights that this practice is strictly appropriate only in one of the four possible cases.



(a) a person might have arrived at the place visited on a trip before the beginning of the period of reference, but leaves during the period of reference: he/she will be registered as arriving in period (t-1) although part of his/her activity will also take place in the period of reference. Consequently, the measurement of his/her activity (including expenditure) will be assigned to (t-1);

(b) a person might have arrived at the place visited on a trip before the beginning of the period of reference, and left after the end of the period of reference (t): the consequences are similar as type 1;

(c) a person might have arrived to the place visited on a trip during the period of reference, and left before the end of the period of reference: this would be the "ideal" case;

(d) finally, a person might have arrived at the place visited on a trip qualified as a tourism trip during the period of reference, but leaves after the end of the period of reference: he/she will be registered as arriving in the period of reference (t) although part of his/her activity will also take place in period (t+1).Consequently, the measurement of his/her activity (including expenditure) will be assigned to the period of reference (t).

3.65. In order to measure with precision the tourism activity in a period of time, the proper method of estimation should ideally consider separately each of the 4 types of circumstances as presented before, and allocate proportionally or otherwise the activities of the visitors over the periods of time in which their stay and the period of reference overlap. Its applicability depends on whether entry/departure data for each traveller is registered, as well as on the way the E/D cards have been stored.

3.66. In practice, however types 1, 2 and 4 are ignored assuming that those mismatches will be compensated along the year. Nevertheless these cases might distort short term analysis of arrivals figures.

Box 3.3. Treating "long term" visitors in the case of short term statistics

Although, in general, these implicit assumptions will have little effect, this might be particularly troublesome in the case of short term statistics (monthly for instance) when there are high seasonal differences of behaviours that "cross over" two contiguous periods (for instance, when tourism activity is high over New Year). In those cases, a more rigorous method of estimation might be needed, in which the dates of arrival and departure of the visitors would be used. This obviously generates delays for the estimation as it cannot be done properly before the departure of all persons that have arrived to the place visited during the period. It might also generate inconsistencies in periods in which, for some exogenous reason, there is a marked difference of behaviour between the two periods that are made to "compensate": in such circumstance, it would be necessary to take into consideration arrival and departure dates.

In countries in which the average length of stay of certain categories of persons (for example retirees in some Caribbean Islands) is particularly large, it might be necessary to use methods of estimation of their tourism activity proper to this category of visitors and consider an allocation of the tourism activity of such persons over the different periods of observation that are concerned by the stay.

It must be observed though that this recommended method of estimation of tourism activity has an effect on the coherence and consistency of data between demand and supply: a statistical discrepancy might appear for instance in hotels stays when using this method when compared to an estimation derived from hotel room occupancy as in this case, actual nights stayed in hotels during a given period are measured, irrespective of the period at which the visitor began his/her visit or will end it.

C.2.2. Statistical sources

3.67. In an increasing number of countries, the border control system is neither complete nor totally reliable: a clear example is that of European countries which are parties to the Schengen Treaty, where controls are limited to the outside border of the zone, with some limited inner control of movements of citizens from non-Schengen countries. In these cases, it will be necessary to look for other sources of information, whether of an administrative nature or principally statistical surveys, to measure the flow of non-resident travellers arriving in the country. Three classes of statistical sources are possible:

- Border surveys
- Surveys at accommodation establishments
- Household surveys in originating markets

If different types of surveys are available, their questionnaires should be mutually consistent, meaning that they should share definitions and classifications; questions should also be formulated in a similar way so that they can complement each other.

C.2.2.1. Border surveys

3.68. As already mentioned (see para. 3.62.), these surveys are carried out upon the visitor's departure from the country. They sometimes also include some type of measurement of expenditure. (This is usually through a unique question, or exceptionally by using an expenditure module - that is, a set of interconnected questions serving to elaborate on certain characteristics of the visitors' behaviour-) (see chapter 4/section B.3.1. "Border survey").

3.69. Countries that carry out this type of surveys usually draw on administrative data from official sources or from data provided by carriers such as airlines, shipping lines and scheduled bus lines, as well as vehicle counts at road border crossings, etc. in order to determine the universe of arrivals.

General design

3.70. Border surveys must be statistically designed so that the characterization of visitors and the corresponding tourism trips can be considered as representative of the whole population of international visitors. Consequently, designing such a survey requires the analysis of the country's information obtained from phase one (see section C.1. "Phase one: measuring the total number of international travellers and visitors") in order to evaluate its suitability as the population framework of reference from which the sample is to be selected and data are to be collected and expanded (UNWTO *"Tourism as an international traded service"*/section 3.B "The role of border surveys in tourism statistics", paras. 3.21 to 3.26, www.unwto.org/statistics/border.pdf).

3.71. Once this information has been analysed, and depending on the country and the type of border crossing one of the following situations will arise,:

(a) **There are comprehensive and reliable data on arrivals of international travellers**

In such situation, the variables linking the information in the survey and the universe of reference will be the characteristics appearing in the universe (such as country of residence and/or nationality) that need also to be recorded with similar type of breakdown and sufficient reliability in the sample.

In this case, the information obtained from the survey will serve to improve the classification and characterization of travellers flows based on the records of arrivals of international travellers.

However, it should be noted that normally only nationality, and not country of residence, is collected. In some countries border officials are told to also ask travellers for their country of residence, but experience shows that this information is not collected properly.

(b) **The data available on arrivals of international travellers are not totally reliable**

The survey will need to be designed in such a way so as to provide the required information to determine, within the inbound flows of travellers (for instance passengers on a railway, or at land border crossing), who is national/foreign, resident/non-resident, and within non-residents, find out the characteristics of visitors and of the corresponding tourism trips.

3.72. The information yielded by the survey, together with the information on border flows, will make it possible to segment the population frame or statistical universe by tourism-relevant variables.

Box 3.4. Estimating the number of international visitors within the Schengen area of free movement of people: the case of Spain

The practice in Spain may be considered a good example of the use of a combination of information sources for estimating the number of non-resident travellers arriving in a country. In Spain which, in common with many other countries of the European Union, dismantled a sizeable part of its border police controls in 1994, the result was the immediate disappearance of information, historically gathered by the security forces at national borders, on the number of travellers arriving from countries of the Schengen area. This obliged Spain to design and introduce a new system of measuring and characterizing traveller flows at borders in the light of administrative data from the various bodies responsible for the traffic on access roads, airports, ports and trains, and of the information yielded by direct surveys at all points of entry.

Spain has many methods of gathering information at borders, which is put to several uses:

- Border surveys: the NTA carries out two kinds of border survey, one on arrival and the other on departure. The former uses a short questionnaire which serves to classify travel flows according to seven basic characteristics (country of residence, purpose of the trip, type of accommodation, length of stay, organization of the trip, age and gender); surveys carried out on departure use a much broader questionnaire which, besides the same questions used on arrival, include a set of additional data on the trip (expenditure, frequency of visits, activities, satisfaction, etc.)

- Manual counts on roads: the NTA is also responsible for carrying out manual counts at the principal land borders so as to determine the number of vehicles crossing, the vehicle registration number and the number of occupants.

- Automatic traffic counts on roads: the road traffic authorities in Spain (Dirección General de Tráfico) provide the NTA every month with a record of vehicles entering Spain, as determined by the automatic counting positions that the NTA has at all road borders.

- Administrative record of passengers on international flights: the Spanish airports authority (AENA) provides the NTA with monthly records of passengers arriving at Spain's airports on international flights, according to country of origin and airport of destination.

- Administrative record of passengers arriving at ports: the authority responsible for passenger and goods traffic at national ports (Puertos de Estado) provides the NTA with a monthly record of passengers that have disembarked.

- Administrative record of passengers arriving on trains from abroad: the authority responsible for passenger traffic on national trains (RENFE) provides the NTA with monthly records of passengers arriving in Spain on trains with international connections.

Based on these official figures, the NTA makes a month-by-month estimate of the number of non-resident travellers arriving in Spain and identifies some basic characteristics, such as the type of visitor, country of residence, purpose of travel, type of accommodation and length of stay. Since 1995 it has used a sophisticated system, known as FRONTUR, which for each point of access makes it possible to combine the information from the administrative records, in some cases vehicles and in others passengers, with the data yielded by border surveys.

More information on the data source and methodology used by Spain for overseas arrivals is available at www.iet.tourspain.es

The sample

3.73. Usually the design of a statistical sample is relatively easy and feasible for all modes of transport except for land: official and complementary data sources exist so as to allow for structuring the statistical universe or sample frame. Nevertheless, the design should take into consideration different particularities of the population of travellers: first of all, that they often travel in groups or parties; second, that children are also part of such population.

3.74. Having access to administrative information on the flows of arrivals and departures of non-resident travellers at the various ports of entry, allows to establish a priori those ports and links that are most representative at each moment of the year, whether because of their volume, the more heterogeneous composition of their travellers, or the greater probability associated with them when the sample includes travellers of the same minority origin.

3.75. It is strongly recommended that National Statistical Offices be involved with the survey design and assume active participation in the establishment of minimum sizes and the sample selection (including its distribution according to: type of port of entry; type of modes of transport used with its characteristics as for instance, for flights (charter/scheduled, low-cost/conventional), time period (day and night), days of the week (working days, holidays, weekends), periods of the year, as well as other characteristics of the visitor or the tourism trip considered as relevant).

3.76. The sample size should take into consideration the minimum number of questionnaires to be collected to ensure that the results are representative of the entire set of travellers arriving at each port of entry, as well as of their distribution over time, with the aim of minimizing variance with the overall estimators.

3.77. The cooperation of the National Statistical Office should also be sought for the subsequent processing of the data collected, their entry, filtering, validation and tabulation, all of which are processes applied in traditional surveys and correspond to the NSO field of expertise.

3.78. It should be borne in mind that, unlike other phenomena where a given stratification and sampling assignation remains virtually stable over the years, in the case of travel flows, because of their considerable volatility in response to various factors, it will be necessary to ask the NSO to carry out a periodical revision of the initial sample design.

The questionnaire

3.79. UNWTO has developed a model border questionnaire that could serve as a starting point for countries to adapt to their tourism reality and their availability of resources. For example:

- in many countries the number of inbound same-day visitors or excursionists is not significant or, if it is, the cost of researching such visitors would be disproportionate to the benefit of including them;

- also, all the means of access may not be equally relevant for identifying inbound tourism, so some of them could be excluded (at least in the first stages of observation, in line with the principle of gradualism);

- additionally, it might be reasonable to use a more simplified version of the questionnaire in border crossing in which the time that can be allocated to the interview is short: availability of time is larger in airport operations than in road. (*IRTS 2008*, paras. 3.15. to 3.18. (http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf));

- questions related to the breakdown of transport could be further divided as indicated in *IRTS 2008* Figure 3.2 (http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf);

- it is recommended that each country uses in question 23 ("Types of accommodation") the classification it should have developed in which paid and market accommodation would be clearly separated from non-paid and non-market accommodation, because it is that classification that is relevant.

3.80. The proposed questionnaire (see **Annex 1**) is designed as a border survey but could also be used as reference for other types of surveys. It is divided into three blocks:

A. Travellers
B. Means of transport
C. About your stay

3.81. There are some warnings regarding the use of this model questionnaire:

- how to adapt it taking into account the particularities of tourism in the country should be the object of discussion with main tourism stakeholders as well as with Balance of Payment and National Accounts officials (UNWTO *"Tourism as an international traded service"*/Annex 12 "Adapting WTO's model border proposals questionnaire", www.unwto.org/statistics/border.pdf);

- because border surveys are expensive, they should be tested using a pilot exercise in order to guarantee that the final version is as efficient as envisaged;

- because border surveys are technically challenging it is necessary to ensure that the resources that are required have been committed, particularly the needed technical expertise;

- guidelines for field personal should be drafted and training must be taken seriously before the launching of the survey;

- alongside with the questionnaire, the tables of results that are expected should be designed and their content tested using the data collected through the pilot exercise, as the final objective of a questionnaire is to produce data that cross classify the main variables that have been observed;

- etc.

3.82. At this stage, no question on expenditure is included. In chapter 4 a proposed UNWTO expenditure module will be presented structured around different questions referring to block D. "Acquisition of services in your country or order country before arriving in our country" and block E. "Acquisition of goods and services in our country booked or paid either before, during or after the trip". The questions included are intended to serve to enhance the accuracy of the estimation of expenditure and to break it down into a number of categories.

3.83. It is strongly recommended that the expenditure module also be included in the border survey (and not just one question about total expenditure during the trip) that would therefore be divided into those five blocks (see **Annex 1**).

Box 3.5. Taking into consideration the special features of tourism in the country

Countries in which non residents own second homes, or timeshares, or it is a policy of the country to encourage non residents to do so, second homes and timeshares, should be specifically identified as forms of accommodation; in the same direction, countries that have an important emigrated population, staying with family and relatives should be particularly highlighted as a mode of accommodation; countries in which many international conferences and meetings are organized, it might be helpful to collect information on the secondary purpose, in particular for accompanying persons; in countries in which individuals come frequently as a family group, it might be useful to collect more information on the composition of the travel party (age structure in particular), etc.

Implementing the survey

3.84. Other aspects to bear in mind with regard to the procedure for implementing the survey are:

(a) *the survey vehicle used:* for the collection of the information, any method considered to be the most suitable may be used. The most desirable method is computer-assisted survey interviewing (which provides a high degree of reliability in the information collected, albeit at higher cost) or printed questionnaires filled in by the subjects (with a lower degree of reliability, a higher incidence of non-response, but at much lower cost);

(b) *possibly recording and grouping possible answer*: for instance, question 24 regarding activities deployed during the stay should be adapted to local conditions;

(c) *the target subjects:* in the case of air, once the flight is selected, all passengers on board should be given the questionnaire or asked for the relevant information. This is a necessary check as its allows comparing the number of questionnaires with the number of passengers (an information provided by the airline), and allows to control the relationship country of nationality/country of residence of all passengers in a given flight, so that this observed relationship might be applied to the whole universe of flights. An effort should be made to ensure the entire flight is covered, with one card per person; in other types of borders, as mentioned, a similar type of cluster design is desirable: all passengers of a land vehicle, all passengers of a train carriage, etc;

(d) *place of sampling:* in airports, preferably prior to the departure of the flight at the boarding gate waiting area, in order to collect data on inbound visits. However, care should be taken that the increasing use of airline lounges for special travellers might mean that an increasing number of passengers, of specific characteristics, may not be accessible to interviewers. In other types of border, in particular on land border posts, the strategy needs to be carefully planned because time is short, and the flow of travellers cannot easily be stopped. It might be necessary to look for alternatives, as using toll booths, or resting areas in the vicinity of the border post to select informants (although this procedure might involve some type of bias);

(e) *personnel conducting the sample:* preferably, the sampling should be carried out by personnel specially trained for this purpose by the NTA, possibly bilingual;

(f) *treatment of non-response or of outliers*: non-response and outliers inevitably leads to a systematic reduction of the sample size initially established and contributes to the generation of biases in the sample, which are difficult to control. For these reasons, non-response has a direct effect on the quality of the information collected and consequently impairs the final quality of the estimates. The review of the reasons leading to non-response should be carefully analysed in order to reduce their number.

Consequently, some conditions need to be considered in order to achieve high response rates such as: the place where the questionnaires are distributed or the questions are asked, the method used to collect the information, the degree of experience of the survey team, the language used to address the travellers, the country of residence of the subject (it has been observed that persons coming from some places are more reticent than others to answer an interviewer), legal requirements (whether or not it is compulsory to answer the survey), etc.

However imputation techniques might be used (i.e. by using similar, reliable and completed data sets) to complete/substitute missing and unreliable items.

3.85. For a comprehensive review of the implementation of a border survey see UNWTO *"Tourism as an international traded service"*/section D, www.unwto.org/statistics/border.pdf.

C.2.2.2. Surveys at commercial accommodation establishments

3.86. Surveys at commercial accommodation establishments are used (as is the case in many European countries) mainly for estimating the universe of non-resident arrival flows (as an alternative to administrative sources (see para. 3.35.)). Nevertheless, it should be noted that

these surveys do not allow for splitting visitors from other travellers which should be a key objective of inbound tourism statistics in those countries where the difference is relevant (see para. 3.9.). If used for such a purpose, it is recommended to evaluate its use in terms of its coverage, mainly in relation to different circumstances such as:

- existence of guest registers at least for main types of establishment;
- updating mechanism of such registers;
- the relevance of same-day travellers;
- visitors staying in the homes of friends or relatives, in private homes or in other means of accommodation that are not officially registered, as commercial establishments.

3.87. Attention should be given to using some form of exogenous information to overcome the underestimation and the bias resulting from taking only into consideration visitors staying at commercial accommodation establishments. If the flow of visitors not staying at such types of establishments is considered relevant, it is possible to estimate what happens with those visitors, for instance by including "tourism modules" in household surveys (to estimate the number of resident households that have received visits from non-resident relatives and friends or that rent rooms or apartments they own to visitors), as well as by including specific questions in surveys addressed to non-resident travellers (see para. 3.90).

3.88. Once overcome the limitations already mentioned in these paragraphs, surveys of visitors staying at commercial accommodation establishments might be used in order to characterize visitors and their corresponding tourism trips in a more precise and complete way than through border surveys (see paras. 3.72. to 3.85.).

3.89. More challenging is the estimate of expenditure as at the moment of the interview, the visitor has not concluded his/her stay in the country, and thus can only inform of what has happened up to the moment of the survey. In the case in which information on expenditure is also collected, biases might be important, as many persons often leave the purchases of souvenirs or things to bring back home to the very last moment before departure. Also the effect of unexpected events, either in the country of origin or the country visited (ranging from natural disaster, bad weather, political turmoil as well as personal reasons) might oblige the visitor to take different decisions from those that had been anticipated.

3.90. Instead of surveying travellers at commercial accommodation establishments, an alternative might be of surveying visitors at popular tourism sites. These procedures present similar types of difficulties, as a traveller might visit more than one of those sites, while many travellers might also not have visited any of these sites during their stay, mainly when their purpose of trip is different from recreation, or when they come mostly to visit family and relatives. For these types of surveys it is not always feasible to use a statistically designed sample, so that grossing up this information to the whole population of inbound travellers is really a challenge and can provide biased and misleading data.

C.2.2.3. Household surveys in originating markets

3.91. Household surveys use the number of residents belonging to individual households as the population frame or statistical universe. Consequently, one way of estimating the number of non-resident travellers' arrivals from country X to the country of reference Y, their characteristics and expenditure, could be using the number of residents in X having declared in a household survey that they have travelled to country Y in a given period, their

characteristics and expenditure. If N countries are willing to share this information (especially if those countries use a harmonized survey – the case of European countries –), the corresponding flows from all these countries to Y would allow for an estimate of arrivals of non-resident travellers and their expenditure.

3.92. This use of national estimates of other countries is what is called "**mirror statistics**"**.** Because most of the flows of non-resident visitors arriving in any country belonging to the European Union come from those same countries, Eurostat has repeatedly emphasized their usefulness for the countries of the European Union, because they make it possible to estimate the number and characteristics of inbound visitors using the data on outbound tourism provided by the other countries of the subregion. Although the procedure seems simple and attractive, it involves some challenging issues that might not have not received the proper attention by countries using this approach.

Box 3.6. Mirror statistics

"Measuring European Intra-regional tourism flows", a paper written for the Enzo Paci Papers on measuring the Economic Significance of Tourism volume 4 by Teresa Ciller and Marion Libreros from UNWTO (ref……) presented the challenge embodied in a reconciliation exercise of the flows of tourists as reported by the different countries, using available data. The differences were significant, when only considering global flows. It highlighted the need to share common definitions, methodologies, and possibly modify the collection procedures and contents in order for instance, not only to determine the final destination of an outbound trip, but also to describe all other countries visited (for instance on characterizing the destination of a trip as various countries might be crossed before arriving to the destination considered as final), to work at a very high degree of disaggregation, and separately for each mode of transport.

3.93. This procedure can indeed be applied, but under the condition that it should be possible to assume the consistency of the physical indicators par excellence (arrival and departure figures for international visitors), and by extension, also the figures for the corresponding tourism expenditure obtained by multiplying the total number of arrivals by the corresponding average expenditure per arrival.

C.3. Tables of results

3.94. The focus of this *Compilation Guide* is to assist countries to implement the *IRTS 2008* and develop national STS. Consequently, the data to be obtained should be classified using reference classifications (see Chapter 5) and allow for two complementary objectives: national purposes and international comparability. Data useful for national purposes will be much more detailed than the one requested for international comparability.

3.95. Regarding international comparability, the following data set and indicators for inbound tourism will be requested annually by UNWTO from Member and Non-member countries and will be disseminated in the *Compendium of Tourism Statistics*, the UNWTO more comprehensive general statistical publication.

COUNTRY X

	Basic data and indicators	Notes	Units	2005	2006	2007	2008	2009
1.	**INBOUND TOURISM**							
	Data							
	Arrivals	**(1)(2)**						
1.1	Total		('000)	..	..	..	..	..
1.2	♦ Overnight visitors (tourists)		('000)	..	..	..	..	..
1.3	♦ Same-day visitors (excursionists)	**(3)**	('000)	..	..	..	..	..
1.4	* of which, cruise passengers		('000)	..	..	..	..	..
	Arrivals by region	**(1)(2)**						
1.5	Total		('000)	..	..	..	..	..
1.6	♦ Africa		('000)	..	..	..	..	..
1.7	♦ Americas		('000)	..	..	..	..	..
1.8	♦ East Asia and the Pacific		('000)	..	..	..	..	..
1.9	♦ Europe		('000)	..	..	..	..	..
1.10	♦ Middle East		('000)	..	..	..	..	..
1.11	♦ South Asia		('000)	..	..	..	..	..
1.12	♦ Other not classified		('000)	..	..	..	..	..
1.13	* of which, nationals residing abroad		('000)	..	..	..	..	..
	Arrivals by main purpose	**(1)(2)**						
1.14	Total		('000)	..	..	..	..	..
1.15	♦ Personal		('000)	..	..	..	..	..
1.16	* holidays, leisure and recreation		('000)	..	..	..	..	..
1.17	* other personal purposes		('000)	..	..	..	..	..
1.18	♦ Business and professional		('000)	..	..	..	..	..
	Arrivals by mode of transport	**(1)(2)**						
1.19	Total		('000)	..	..	..	..	..
1.20	♦ Air		('000)	..	..	..	..	..
1.21	♦ Water		('000)	..	..	..	..	..
1.22	♦ Land		('000)	..	..	..	..	..
1.23	* railway		('000)	..	..	..	..	..
1.24	* road		('000)	..	..	..	..	..
1.25	* others		('000)	..	..	..	..	..
	Arrivals by form of organization of the trip							
1.26	Total		('000)	..	..	..	..	..
1.27	♦ Package tour		('000)	..	..	..	..	..
1.28	♦ Other forms		('000)	..	..	..	..	..
	Accommodation							
	Total							
1.29	♦ Guests		('000)	..	..	..	..	..
1.30	♦ Overnights		('000)	..	..	..	..	..
	Hotels and similar establishments	**(4)**						
1.31	♦ Guests		('000)	..	..	..	..	..
1.32	♦ Overnights		('000)	..	..	..	..	..
	Expenditure							
1.33	Total		US$ Mn	..	..	..	..	..
1.34	♦ Travel		US$ Mn	..	..	..	..	..
1.35	♦ Passenger transport		US$ Mn	..	..	..	..	..
	Expenditure by main purpose of the trip							
1.36	Total		US$ Mn	..	..	..	..	..
1.37	♦ Personal		US$ Mn	..	..	..	..	..
1.38	♦ Business and professional		US$ Mn	..	..	..	..	..
	Indicators							
1.39	Average size of travel party		Persons	..	..	..	..	..
	Average length of stay							
1.40	Total		Days	..	..	..	..	..
1.41	♦ For all market accommodation services		Nights	..	..	..	..	..
1.42	* of which, "hotels and similar establishments"		Nights	..	..	..	..	..
1.43	♦ For non market accommodation services		Days	..	..	..	..	..
1.44	Average expenditure per day		US$	..	..	..	..	..

3.96. Besides these data and indicators, additional information useful for key stakeholders of the tourism sector should be produced (see para. 1.29.). The following information items are just an example:

- number of travellers, visitors and other types of travellers by supra-national regions of residence and main countries of interest;

- number of tourists/excursionists classified by country of residence and main purpose of the trip;

- number of travellers, visitors and other types of travellers, by country of residence and duration of stay (intervals), and total number of overnights in each category and total;

- number of guests and overnights per main forms of accommodation and main purpose of the trip;

- number of visitors (cross classified by different characteristics) by size of the travel party and purpose of visit and forms of accommodation (detailed);

- number of visitors (cross classified by different characteristics) arriving on package tour and as a proportion of total number of visitors;

- etc.

D. Domestic tourism

3.97. As in the case of inbound tourism, countries currently use a two-phase process of observation (see paras. 3.9. and 3.15.) based in both cases on household surveys, either as a module within a general purpose survey, or as a specific tourism statistical operation. Some countries even use a permanent panel through which the travel behaviour of the population of residents (domestic visitors) is permanently monitored.

3.98. UNWTO has made some proposals on the subject, to be found in "Measuring domestic tourism and the use of household income/expenditure surveys (HI/ES)", a working paper posted at www.unwto.org/statistics/sts/strengthening/hi_es.pdf and developed in cooperation with ILO. Also United Nations Statistics Division as well as other International Organizations has published manuals and guidance on HI/ES.

3.99. If lacking household surveys, countries should in the meantime try to use supply side accommodation type data to estimate at least those resident visitors staying at market establishments providing accommodation services

3.100. Domestic tourism presents differences with inbound tourism, that have consequences, not only on the procedure of observation, but also on the type of results that can be obtained at the national level;

- first of all no specific geographical border is crossed, so that, usually, no counts will be possible in a specific point. A measurement procedure equivalent to an operative at the border cannot be made. In some specific circumstances, some countries have developed methods to count flows of vehicles (translated into persons) entering or leaving a closed (or almost closed) area (a place), usually a city, in order to simulate a border;

- in particular, related to same day visitors, data on domestic trips might be challenging, mainly due to a recall problem;

- on the other hand, after having taken a trip, it should be possible to approach any resident individual through a statistical operation, and ask about his/her tourism behaviour in a certain past period taken as reference. This is not possible in the case of non-residents taking trips in the country of reference, as once the trip is over they can no longer be approached for interview;

- because of this particularity, whole trips (round-trips) can be observed, and it will be possible to obtain information on its different legs and the different places visited during the trip;

- National Tourism Administrations are also often interested in measuring those who did not travel in a given period, identifying their personal characteristics and that of the household to which they belong, as well as asking reasons for not travelling; this can be done for domestic and outbound tourism, not for inbound tourism.

D.1. Household type surveys: general overview

3.101. As has already been mentioned (see para. 3.21.) the frequency of household type surveys is an issue basically in terms of costs. There are also additional reasons regarding frequency when focusing on the measurement of characteristics both of resident visitors and those of the corresponding tourism trips.

3.102. Countries may try to establish the characteristics of persons and trips separately from the measurement of the associated expenditure and with different frequencies. The measurement of the flows of domestic tourism should be performed with a high frequency as they tend to vary importantly within a year (seasonality) and from year to year, whereas for the observation of the associated expenditure, the average expenditure per person per day according to identified characteristics of the trip is not as volatile, and can be observed less frequently, and extrapolated using relevant price indices, once the volume and characteristics of the flows are clearly established.

3.103. Leaving aside other type of specificities and particularities of household surveys when applied to tourism (see next section D.2.), the following issues need to be highlighted:

- the number of domestic trips taken during the period of reference need to be identified for each member, and their characteristics need to be pinpointed so that it is possible to define whether they are tourism trips or non-tourism trips;

- all trips referred to should be trips that have been finalized during the period of reference (irrespective of their date of initialization), because it is only on these trips that it is possible to collect complete information;

- the characteristics that need to be observed relate to frequency of similar types of trips, duration, purpose and distance travelled and the questions should be formulated in such a way to make possible the identification of the cases that follow below. It is recalled that the self determination by the reference persons of which trips are tourism trips should, if possible, be avoided as for the general public tourism trips are usually thought to be restricted to only trips taken for the purpose of recreation. Only those trips that meet the definition of round trip leaving the usual environment should be considered as tourism trips:

i. all trips between the place of work or study and the main place of residence of the household should not be considered as tourism trips;

ii. all frequent trips (once a week) for shopping, visiting family, for religious purpose, health and medical care, education and training, etc. should not be considered as tourism trips;

iii. all domestic trips to a destination in which the stay has been longer than a year should not be considered as tourism trip as they imply a change in the place of residence;

iv. all trips to second homes should be considered as tourism trips; in countries in which visits to second homes are frequent, the detailed characteristics of those trips will require a specific sub-module;

v. all domestic trips to a place in order to take a non-permanent short-term job and be paid by an entity in this place visited should not be considered as tourism trips; if the job is permanent and the individual moves frequently and repeatedly between this place of work and the place of residence of the household, the trip is not a tourism trip either as the individual moves between two locations that are both part of his/her usual environment;

vi. all domestic trips within a very short distance (measured in terms of distance, or the crossing of administrative borders) from the main place of residence of the household should not be considered as tourism trips, as they occur within the usual environment.

- for each trip identified as a tourism trip, it is necessary to establish whether the visitor was the only one of the household taking this specific trip, or if he/she travelled with another member of the household with which he/she constituted a travel party. If this person was the only one of the household to take the trip, it will also be necessary to know whether he/she travelled in a travel party with other persons belonging to other households or if he/she has travelled alone;

- depending on the expected number of trips to be reported in each household (in which at least one tourism trip has been taken in the period), the other characteristics of the trips will be observed. These can be observed:

  i. either for all the trips that have been taken by any member of the household during the reference period (if this reference period is short);

  ii. or for all the trips that have been taken by one selected member of the household during the reference period (if this reference period is short);

  iii. or for one of the trips taken by one selected member of the household during the reference period (usually the last one, or one selected at random).

3.104. The characteristics to be observed are the following:

i. *duration of the trip* (in terms of overnights away from the usual environment; if there is no overnight, then the number of hours of absence (classified in relevant groupings) might be used);

ii. *destination* (the main destination of a trip being defined, either as the place in which the stay has been the longest, or the place located the furthest away from the place of origin of the trip);

iii. *places visited during the trip* (necessarily a round-trip), length of stay in each of them (in terms of overnights, or hours of stay if no overnight), and type of accommodation used if relevant. These places can be defined, either as regions (if a regional subdivision of the country of reference exists), or cities, or identified tourism destinations, or any other type of classification used in sub-national analysis. The types of accommodation to be determined (*IRTS 2008* paras. 3.35. to 3.38., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf) should at least separate market accommodation from non-market accommodation, as well as be consistent with the classification used for the characterization of inbound tourism, and that of the supply of accommodation services;

iv. *main mode of transport used* on the trip, the main mode being defined as the one used to travel the longest distance, (*IRTS 2008* para. 3.32., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf); secondary modes of transport might also be identified;

v. *main purposes of the trip*: their classification should adjust to the international recommendation (*IRTS 2008* paras. 3.10. to 3.20., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf): some countries might find it relevant to ask for the main purpose, and secondary purposes of the trip taken as a whole; the purposes might also be required for each place visited during the trip as this might be of interest for sub-national tourism analysis.

3.105. Nevertheless, if relevant, same day trips and trips to vacation homes will be separately identified and given a specific treatment within a specific sub-module.

D.2. Household type surveys: learning from experience

3.106. Over the past years, the majority of experiences in the measurement and analysis of the tourism behaviour of the resident population as a whole using household survey or based on the household survey experience have occurred in countries with the highest level of development of their statistical infrastructure. Nevertheless, increasingly, as they recognize the importance of domestic tourism within their economy - which frequently represents more than inbound tourism in terms of tourism consumption - some not so advanced countries have also begun to carry out similar statistical projects.

3.107. Countries measuring domestic tourism have been using basically the following procedures:

- specifically designed surveys in order to estimate tourism activity of the resident population through a comprehensive questionnaire; this case also includes that of specific light surveys by phone (CATI), in which the questions need to be simpler;

- inclusion of a few questions within a general purpose household survey principally focussed on a more precise estimation of a narrow range of selected variables;

- design of a sub-sample of a general type of survey such as the Household Income and Expenditure Survey (HI/ES), using a comprehensive questionnaire;

- inclusion of a "tourism module" –a set of interconnected questions in order to elaborate on certain characteristics of the visitors' behaviour– in a multipurpose type survey, either an (HI/ES) or other type of continuous survey, sometimes based on a panel. These types of modules (see para. 3.98.) could also include an articulated set of questions about trips to vacation homes, for specific purposes – such as health and medical care or education and training.

3.108. Additionally, it is also possible to observe domestic tourism using procedures already mentioned when treating the case of inbound tourism, that is, using surveys at accommodation establishments or at popular tourism sites (see section C.2.2.2. "Surveys at accommodation establishments"). Attention should be given to the fact that similarly as in the case of inbound tourism, in these types of procedures not all trips can be captured, as it excludes trips in which visitors do not use commercial accommodation establishments or do not visit popular tourism sites: additionally, it is not possible to get information on the whole trip, but only on certain segments of it.

3.109. Experience insofar has provided evidence that the efficient design of these surveys for tourism statistics purposes should take into account some specificities of the tourism behaviour of the population as for instance the following: tourism movements are unevenly distributed over the national territory (people living in cities will often move more than the rural population); higher income persons will tend to travel more than those with a lower income; the ownership of vacation homes will induce frequent trips to these places; frequent same-day visits will possibly need some specific instruments; and additionally the fact that, in a given period, the number of persons having taken a tourism trip might be small, so that the number of households to be observed need to be sufficiently large in order to insure a reasonable number of observations. These aspects will be further developed in the following sections.

D.2.1. The specificities of the observation of domestic tourism using households surveys

3.110. One important aspect that needs to be taken into consideration in the design of the questionnaire and in that of the processing of the information that is collected is that tourism is not an activity deployed by households but by individuals that are members of households. The household is only used as a cluster through which individuals might be observed, as every individual belongs to one household and only one, though some exceptions hold in the case of persons belonging to collective households (hospitals, prisons, convalescent houses, houses for the elderly; but they are implicitly supposed not to travel).

3.111. This generates some specificities in the design of the questionnaire and in extracting and tabulating the information as compared to the usual procedure used in a household survey: all trips should be counted, and in case various members of the household travel together, the counts should include as many trips as persons travelling and each of the person-trips should be characterized.

3.112. In the case of a travel party including other persons who are not part of the same household, these should be excluded from the account, as their probability of selection is different and is related to that of the household to which they belongs.

3.113. Nevertheless, it might also be interesting to associate with tourism trips, not only characteristics of the individual but also of the household to which he/she belongs, in terms of economic activities of its members, level of income, level of education, etc.

Box 3.7. Characterising the households to which persons taking trips belong

Tourism is a phenomenon which is usually analyzed from both an individual (tourists) and number of events (trips/nights) point of view. However, it can also be studied from another important perspective: travelling households.
In this paper, domestic and outbound tourism flows of residents in Italy are analyzed from the demand side, making use of data produced through a CATI quarterly telephone survey called 'Holidays and Trips', carried out by Istat.
By applying a specific data procedure that identifies the household typologies and by analyzing the kinship relations in the nucleus, households become the core of the tourism flows, therefore, making it possible to study their strategic role and how they affect this sector of the national economy. As a matter of fact, travel behaviours seen from a household's point of view may present characteristics that can reveal new features of tourism demand.

Italian Households on Travel: Who are they? Where, when and how do they travel?
A paper presented by Barbara Baiocchi and Barbara Dattilo form ISTAT to the OECD 9th International forum on Tourism Statistics November 19-21, 2008

D.2.2. Factors with incidence on the statistical design of the sample

3.114. In this section some factors affecting the quality and significance of data collected in household surveys for measuring domestic tourism are mentioned; due to them, the UNWTO strongly recommends that National Statistical Offices undertake the statistical design of such surveys due to their experience in that field.

3.115. The statistical design of the sample should take into consideration various factors that are summarized in the following points.

D.2.2.1 The propensity to travel is not evenly spread over the territory neither over households nor overtime

3.116. Not all residents will have the same propensity to travel, and the sample design should take this reality into account if the objective is to analyze behaviours in their relationship with other factors.

3.117. For instance, it is well known that persons involved in agriculture and farming of animals will have more difficulties in leaving their usual environment for some time, because of the tasks they have to perform on a daily basis, and thus will travel less for tourism than others, at least during the period of major agricultural activity. On the other hand, persons living in an urban environment will usually travel more because they need to escape a surrounding that imposes strong demands on their health and stress, and also because they are more integrated in a world in which travelling away for the holidays is part of the dominant mode of living.

3.118. High income persons usually have a higher propensity to travel for recreation, conferences, etc. than the rest of the population.

3.119. It should also be recalled that travelling for tourism purpose, be it for recreation, visiting family and friends, religious purposes of even for business, is not evenly spread over the year. In each country, there are periods that are particularly important, such as festivities that are usually shared in the family circle (Christmas, Thanksgiving in the United States, the New Year in Asian countries), religious celebrations that happen on specific dates, holiday seasons related with winter sports, or summer time associated with recreation. Tourism statistics should mirror this seasonality. As a consequence, measurements need to be seasonally adjusted to these highs and lows.

3.120. Also, residing close to a national border can explain frequent outbound trips. This situation has to be considered in line with the recommendation that domestic tourism surveys should also measure outbound tourism flows and characterization of resident visitors and the corresponding tourism trips.

3.121. As a consequence, it might be necessary for the sample design to take into consideration these particularities to ensure the exercise obtains a sufficient number of useful records to provide relevant answers to the questions.

Box 3.8. The use of a panel design

Some countries are using a panel in which a fixed numbers of household are selected, and are invited to respond to the questionnaire on travel during various consecutive periods (usually every month during three to six months): Each month, a fixed number of those households are renewed so that each month sees a fixed number of repeating households and also a fixed (but lower) number of new households. This design is usually cheaper, and easier to manage; the responses are usually of better quality as households get used to the questions and understand how to respond. Nevertheless, in the case of the study of tourism, an activity that implies that persons are not always present at home to be interviewed regularly, there might be a bias, as those that travel more will be less available to answer the questionnaire, and, because of their no response, will be substituted by households more available to respond as they are more frequently present for interview. Nevertheless, a respondent analysis in Austria in 2005 showed that persons who do not travel tended to refuse further participation, whereas persons that travelled a lot stayed in the panel. The bias should be analyzed. In addition, the panel mortality and the substitution of the missing respondents will raise the costs.

D.2.2.2. Recall bias

3.122. In many countries, the frequency of household within which one at least of its members has taken a trip within a given short period of time is usually low.

3.123. This situation leads to two possible solutions:

- either to take a larger sample of households to have sufficient observations so as to characterize tourism: this is an efficient solution but often a seemingly costly one; nevertheless, it is important to know how many persons belong to households in which nobody ever travels; or

- to expand the period of reference on which to observe trips, that is, instead of asking for instance about trips taken in the past month, to ask for trips taken in the last quarter. Some countries even ask for trips taken over a whole year period.

3.124. This last solution seems very appealing, as it allows a much larger number of observed trips to be included. However, it has its drawbacks that have been extensively studied by different analysts and compilers.

Box 3.9. A research on the effect of expanding the period of reference to report tourism trips

A research carried out by the Spanish Instituto de Estudios Turísticos (IET) confirms how the fact that the information sought for in a domestic and outbound tourism survey is based on the respondent's memory can cause two types of errors that have nothing to do with sampling, and that are of distinct signs:

- *Telescopic error*, by which the actual date of an event (an expense, a trip) is unconsciously moved up to another, erroneous, date that is closer to the contact period, or
- *Pure memory effect*, which simply omits an event because it is subjectively very far away from the interview period, although its real date is within the Observation Period (OP).

The IET developed a complex methodology of observation, using three overlapping samples, in which respondents were asked about trips taken three, two and one month before the contact period. As a result of this study, it appears very clearly that the number of reported trips decreases as the Contact Period is further away from the Observation Period.

For example, three statistically validated measurements for the number of trips taken in June 2006 by Spain residents are as follows:

- 12.991.044 if observed in July
- 12.745.211 if observed in August
- 12.247.920 if observed in September

Memory Effect in the Spanish Domestic and Outbound Tourism Survey (FAMILITUR)
A paper presented by Teresa Guardia and Sandra Garcia from the Spanish Instituto de Estudios Turísticos to the OECD 9th International Forum on Tourism Statistics, Paris, November 2008.

3.125. As a general consequence, it is recommended that countries refrain from using large observation periods, even though this method seems to have positive effects as it brings into light a larger number of trips than using a shorter period. That provides probably less cases. Additionally, because of the known seasonality of tourism, it is necessary to repeat the observation various times a year. Trying to test the existence of recall bias and its importance in any give country is a useful practice.

3.126. All this shows that it is not recommended to plan a unique observation during one month, for instance, in order to estimate tourism during a year period. Rather, observations should be made repeatedly during a year period, and each of them observe tourism activity during a short period of time, hopefully with a possibility of overlap in order to obtain an estimation or feeling of recall bias (if the measurement is so done that allows for a good estimation of the number of trips).
However, sending an information letter may decrease the recall effect.

D.2.2.3. Making tourism understandable to interviewers

3.127. Some other characteristics of the design of the observation procedure might also be mentioned:

- usually, the questionnaire is not difficult to understand and could be completed without the intervention of an interviewer. Due to cost reasons many countries use phone interviews (CATI), or an interview by E-Mail. In regard to CATI the following should be taken into account:
  - provision of guidelines for interviewers
  - training for interviewers
  - supervising
  - integration of plausibility checks
- usually filling the questionnaire might require various visits of the interviewer. In the first visit, the persons present, who would provide details of the characteristics of the household, may not be familiar with the travel activities of household members who are not present. Consequently, the interviewer may have to return later to obtain these details;
- it is important to underline that usually, trips taken by any member of the household should be covered, including trips taken by children of any age. Nevertheless, countries might decide not to include children under a certain age limit. Usually,

children will travel with some other member of the household, but it might happen for them to take trips with persons of other households (the grandparents, uncles, etc.) or any other person or group. They might also travel alone;

- although all trips within the reference period should be counted, and a first characterization should be given to the displacements, it might be neither feasible nor necessary to inquire in details about each of the trips taken by members of the household. Perhaps full details of same-day trips or visits to second homes might not be collected. It may be most efficient to select one trip only for the full details to be collected for. The selected trip could be either the last trip reported, or a trip selected at random, or any other provided the rules of selection are clearly stated.

D.3. Table of results

3.128. The focus of this *Compilation Guide* is to assist countries to implement the new *IRTS 2008* and develop a national STS. Consequently, the data to be obtained should be classified using references classifications (see chapter 5) and allow for two complementary objectives: national purposes and international comparability. Data useful for national purposes will be much more detailed than the one requested for international comparability.

3.129. Regarding international comparability, the following data set and indicators for domestic tourism will be requested annually by UNWTO to Member and Non-member countries and will be disseminated in the *Compendium of Tourism Statistics*, the UNWTO more comprehensive general statistical presentation.

3.130. Because of their aggregated characteristics, it is difficult to use these data for national decision taking. For instance a possible decrease of total tourism expenditure expressed in US dollars, can be attributed to different causes such as: a depreciation of the US dollars associated with an increased value of expenditure in local currency; a general increase in the total number of visitors and of overnights, but a change in their distribution, etc. All these reasons need to be supported for national policy purposes by much more detailed data as indicated previously (see para. 3.96.).

COUNTRY X

Basic data and indicators		Notes	Units	2005	2006	2007	2008	2009
2.	**DOMESTIC TOURISM**							
	Data							
	Trips							
2.1	Total		('000)	..	..	..	..	..
2.2	♦ Overnight visitors (tourists)		('000)	..	..	..	..	..
2.3	♦ Same-day visitors (excursionists)		('000)	..	..	..	..	..
	Trips by main purpose							
2.4	Total		('000)	..	..	..	..	..
2.5	♦ Personal		('000)	..	..	..	..	..
2.6	* holidays, leisure and recreation		('000)	..	..	..	..	..
2.7	* other personal purposes		('000)	..	..	..	..	..
2.8	♦ Business and professional		('000)	..	..	..	..	..
	Trips by mode of transport							
2.9	Total		('000)	..	..	..	..	..
2.10	♦ Air		('000)	..	..	..	..	..
2.11	♦ Water		('000)	..	..	..	..	..
2.12	♦ Land		('000)	..	..	..	..	..
2.13	* railway		('000)	..	..	..	..	..
2.14	* road		('000)	..	..	..	..	..
2.15	* others		('000)	..	..	..	..	..
	Trips by form of organization							
2.16	Total		('000)	..	..	..	..	..
2.17	♦ Package tour		('000)	..	..	..	..	..
2.18	♦ Other forms		('000)	..	..	..	..	..
	Accommodation							
	Total							
2.19	♦ Guests		('000)	..	..	..	..	..
2.20	♦ Overnights		('000)	..	..	..	..	..
	Hotels and similar establishments							
2.21	♦ Guests		('000)	..	..	..	..	..
2.22	♦ Overnights		('000)	..	..	..	..	..
	Indicators							
2.23	Average size of travel party		Persons	..	..	..	..	..
	Average length of stay							
2.24	Total		Days	..	..	..	..	..
2.25	♦ For all market accommodation services		Nights	..	..	..	..	..
2.26	* of which, "hotels and similar establishments"		Nights	..	..	..	..	..
2.27	♦ For non market accommodation services		Days	..	..	..	..	..
2.28	Average expenditure per day		US$	..	..	..	..	..

E. Outbound tourism

3.131. Outbound tourism, defined as the tourism activity of residents outside the economic territory of the country of reference, might be observed, either in the same manner as inbound tourism, (see para. 3.8.) that is, on the border or in its vicinity, or as domestic tourism is observed, that is, once the trip is concluded, within the framework of a household survey (see paras. 3.97. to 3.127.).

3.132. As is the case for inbound tourism, Balance of Payments compilers will be interested in establishing the characteristics of all resident outbound travel, and combining forces will foster quality in the measurement.

3.133. Frequently, countries leave the observation of outbound tourism to a later stage, as its impact on the local economy is rather felt as a “loss”, as the economic transactions to which it corresponds are transaction between a resident visitors and a non-resident provider of services (an import).

3.134. Most of the observations and recommendations provided for the observation of inbound tourism on the one hand and domestic tourism on the other are also valid for the measurement of outbound tourism. Obviously, in the case of the use of recommendations made for inbound tourism, some recommendations should be inverted; for instance, the flows referred to in phase one should be observed as resident travellers leave the country, whereas characteristics of the trips undertaken should be observed on return.

3.135. What has been said about inbound tourism could be repeated here regarding typology of forms of leaving the country (see section C.1.1. "Typology of the different modes of transport to arrive to or depart from a country"), conceptual and statistical particularities in specific situations (see section C.1.2. "Complexity of the measurement of flows") and main sources (see section C.2. "Phase two: Establishing the characteristics of international visitors and tourism trips).

3.136. If appropriate and feasible, countries could use both a procedure at the border and an observation within domestic tourism household surveys, with the objective of contrasting the two estimates. This exercise might also bring some insight and critical review of the procedure used for measuring domestic tourism as it is simultaneous: for instance, big differences in the number of trips, as measured from a household survey approach and those measured at the border might lead to questioning and reviewing both procedures, and at the same time, those involving the measurement of domestic tourism on the one hand and of inbound tourism on the other.

3.137. It might be observed that, with more intensity than in the case of domestic tourism, outbound tourism might be concentrated on the population living in the vicinity of land borders, on residents of foreign origin, or on families of emigrants, as well as other factors. It might be important to observe those characteristics in different subsets of visitors in the population of reference, for analytical purposes as well as for adjusting domestic tourism measurement in terms of TSA (*IRTS 2008* para. 2.39. (c), http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf and *TSA:RMF 2008* para. 4.39., http://unstats.un.org/unsd/publication/Seriesf/SeriesF_80rev1e.pdf).

3.138. When measuring outbound tourism flows and characteristics of trips and visitors, the same classification identified for inbound tourism (see paras. 3.95. and 3.96.), are also applicable.

3.139. Outbound tourism has a peculiarity in that it is possible the visitor is on a multi-destination trip, i.e. he/she will be visiting more than one country. This feature of outbound trips is very common. It is necessary to decide, then, whether information is collected on each country visited and, if so, how much information. For example, is it sufficient just to identify the individual countries visited but just collect overall data relating to other characteristics of the trip, such as purpose of trip, length of stay and expenditure? Alternatively, should all this detail be collected for each country visited? The answer will depend on the data that is needed and the resources available to collect it. An alternative used in some countries' processes is to identify only the main country visited. This however, will understate the number of residents of the reference country who visit each possible country. If using mirror statistics to estimate inbound visitors from another country's outbound tourism statistics, this factor should be taken into account.

E.1. Table of results

3.140. The focus of this *Compilation Guide* is to assist countries to implement the new *IRTS 2008* and develop a national STS. Consequently, the data to be obtained should be classified using references classifications (see chapter 5) and allow for two complementary objectives: national purposes and international comparability. Data useful for national purposes will be much more detailed than the one requested for international comparability.

3.141. Regarding international comparability, the following data set and indicators for outbound tourism will be requested annually by UNWTO to Member and Non-member countries and will be disseminated in the *Compendium of Tourism Statistics*, the UNWTO more comprehensive general statistical publication.

COUNTRY X

	Basic data and indicators	Notes	Units	2005	2006	2007	2008	2009
3.	**OUTBOUND TOURISM**							
	Data							
	Departures							
3.1	Total		('000)	..	..	..	..	..
3.2	♦ Overnight visitors (tourists)	**(2)(5)**	('000)	..	..	..	..	..
3.3	♦ Same-day visitors (excursionists)		('000)	..	..	..	..	..
	Expenditure							
3.4	Total		US$ Mn	..	..	..	..	..
3.5	♦ Travel		US$ Mn	..	..	..	..	..
3.6	♦ Passenger transport		US$ Mn	..	..	..	..	..
	Expenditure by main purpose of the trip							
3.7	Total		US$ Mn	..	..	..	..	..
3.8	♦ Personal		US$ Mn	..	..	..	..	..
3.9	♦ Business and professional		US$ Mn	..	..	..	..	..
	Indicators							
3.10	Average length of stay		Days	..	..	..	..	..
3.11	Average expenditure per day		US$	..	..	..	..	..

Chapter 4 Measuring tourism expenditure

A. Introduction

4.1. Tourism statistics are not only concerned with the measurement of physical flows of visitors and in describing their characteristics, but have also a special interest in measuring the economic implications of such activity. This allows tourism analysis to be linked with other economic analysis, and it thus makes the integration of tourism policy within general macroeconomic policies possible. One of the main implications is associated with expenditure by visitors for and while on their tourism trips, and the present chapter will focus on describing its scope and the different categories of expenditure associated with movements of non-resident visitors to the country of reference (inbound tourism) and of resident visitors within (domestic tourism) and outside the country of reference (outbound tourism).

4.2. All through this chapter, references to TSA and SNA will be frequently made both to explain conceptual issues referring to tourism expenditure and its different categories, and to underline the relationship between the term 'expenditure' (to be used when designing surveys and questionnaires to measure tourism expenditure) and the term 'consumption' (to be used in the TSA context in which other items are added to tourism expenditure).

4.3. A growing number of countries have developed surveys in order to measure inbound tourism expenditure. The use of such data for measuring also the "travel" item of Balance of Payments has placed increasing pressure on tourism statistics to be aligned as much as possible with BPM6 and MSITS 2010 (*IRTS 2008* chapter 8 "Understanding tourism in its relationship with other macroeconomic frameworks", section B. "Tourism and Balance of Payments", http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf). It has also fostered some improvement in the international comparability of expenditures of non-residents. Reference to BPM6 will also be provided, especially when presenting classifications to be used when surveying tourism expenditures.

4.4. Countries should understand that the guidance given here is of a general kind, and that each country should only adopt those recommendations that best correspond to its situation after having made a thorough review of the particularities of its tourism activity.

B. Tourism expenditure and its different categories

B.1. Recalling the basic concepts

4.5. *IRTS 2008* para. 4.2. gives a definition of what should be called *tourism expenditure*, that is reproduced here for convenience: "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 or reimbursed by others."

4.6. Tourism expenditure does not include all type of expenses related to trips but only those corresponding to the acquisition of consumption goods and services, as well as valuables for own use or to give away. What is acquisition of consumption goods and services as well as valuables is defined in the System of National Accounts (SNA 2008, chapter 9 section D).

4.7. In National Accounts, a transaction on goods or services is to be recorded when the ownership of the good is transferred from the seller to the buyer or when the service is provided by the seller to the buyer. This moment is different from that of its payment, which can occur before the moment of the change of ownership - for instance, usually a ticket on a public means of transport is purchased some time before the transportation service is actually provided - or after - purchase using for instance a credit card. For this reason, the terminology used in *IRTS 2008* refers to acquisition and not to payment, a term that should not be used as a substitute as their coverage is different. This difference has to be thoroughly understood when time comes for measurement and elaboration of questionnaires.

4.8. The acquisition of a good or service by an individual does not imply necessarily that the individual is the one that purchases the good or service out of his/her own resources, as goods or services acquired by an individual might have been paid for by others on his/her behalf. (This is the case, for instance, of social transfers in kind, that is, individual services provided by general government to specific households). Additionally, the definition specifies that tourism expenditure also includes expenditure by all types of transactors as long as they benefit the visitor, as for instance those made by employers for transportation, accommodation or other services of their employees and benefiting the person who is travelling, those paid by other households, etc. Who actually pays for the acquisition of a good or service that benefits a visitor is not a concern as such in tourism statistics. As a consequence, when measuring tourism expenditure, this should be made clear to the respondent that he/she should also include purchases for which he/she is not paying himself/herself.

4.9. It has to be observed that, when the transaction does not involve any monetary transaction so that the value of this acquisition has to be calculated (imputed), this acquisition will be excluded from tourism 'expenditure'. It will, however, be included in the more inclusive concept of tourism 'consumption' used in the TSA. This is, for instance, the case of the imputation of accommodation services associated with the use of vacation homes by owner-occupiers (see para. 6.32.).

4.10. Finally, not all expenditure that benefits visitors, or that the visitors might make themselves, represents the acquisition of a good or service. For instance, paying interest, donating money to a foundation, and buying a vacation home, are not considered as the acquisition of consumption goods and services or of valuables and are excluded from tourism expenditure. *IRTS 2008* (paras. 4.2. to 4.7.) describes in detail what should be included and what should be excluded from tourism expenditure. This has to be borne in mind when designing the questionnaire to measure tourism expenditure, as respondents will need to be made aware that not all outlays associated with a trip should be included as they tend to make no difference between their different types of outlays, whether acquisition of goods or services or other type of transactions (in particular transfers to family or relatives).

B.2. Different categories of tourism expenditure and their relationship to forms of tourism

B.2.1. Definitions

4.11. While on trips, both domestic and international, a visitor might make expenditure at any time and all these expenditures are potentially part of tourism expenditure. He/she might even have acquired goods and services before the trip and for the trip, such as clothes, travel guides, inoculations, travel insurance, etc. that will also be part of tourism expenditure if clearly related to a trip.

4.12. In the *1993 Recommendations on Tourism Statistics*, expenditure after the trips was also included. The mostly evoked content of this item was the cleaning of clothes or the developing of pictures, though there was a potential Pandora box associated with this inclusion (for instance, car repair or hospital bills in case of an accident occurring while on trip, etc.). The anecdotic content of what was evoked on the one hand and the potential for an enormous adjustment on the other were the reason why the present recommendation does not consider such expenditure within the scope of tourism expenditure (or consumption).

4.13. For economic analysis, it is necessary to identify the national economy in which those expenditures have occurred as it is of interest to national policy makers in order to design economic policies related to a specific national economy.

4.14. For this reason, categories of tourism expenditure have been defined as follows (*IRTS 2008* para. 4.15., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf):

- **Domestic tourism expenditure** is the tourism expenditure of a resident visitor within the economy of reference;

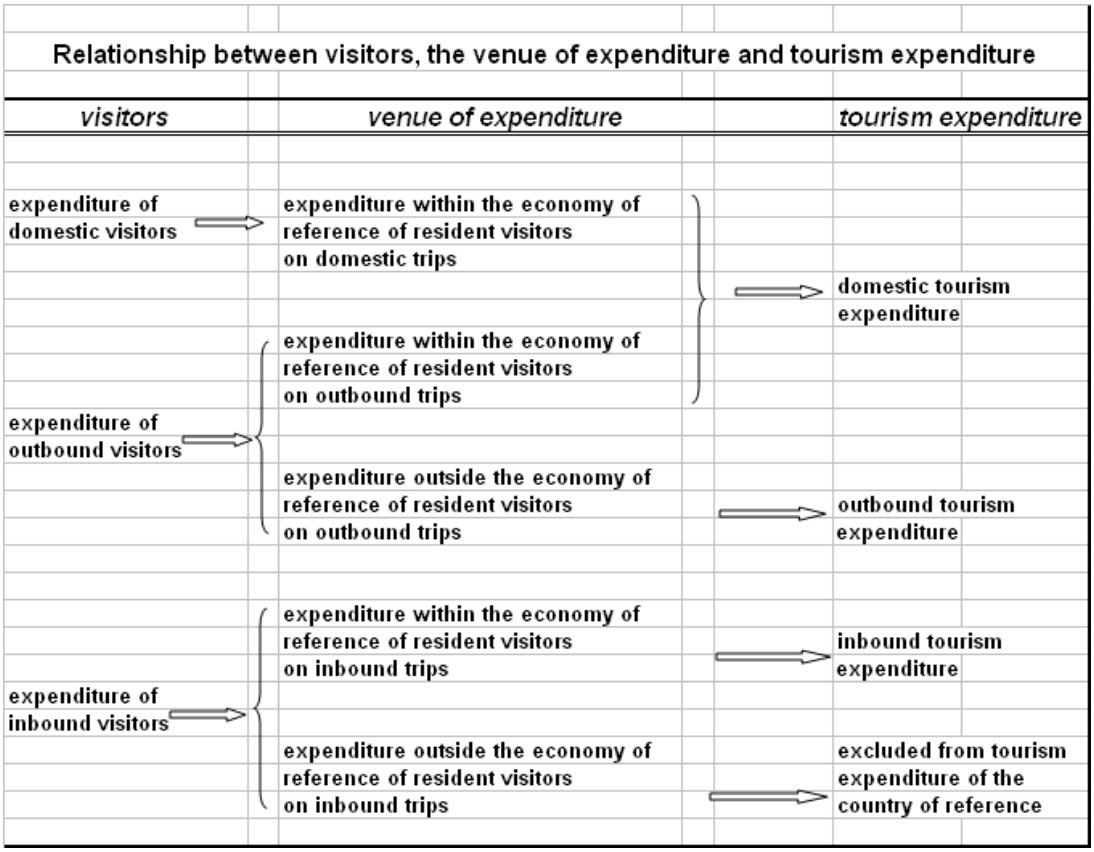
- **Inbound tourism expenditure** is the tourism expenditure of a non-resident visitor within the economy of reference;

- **Outbound tourism expenditure** is the tourism expenditure of a resident visitor outside the economy of reference.

4.15. It should be underlined that not all expenditure made by a visitor on an outbound trip occurs outside the economy of residence of the visitor. As a trip is defined as a round-trip, an outbound trip involves "travel between leaving the place of residence and returning" which main destination is outside this country of residence (*IRTS 2008* para. 2.7., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf). This means that an outbound trip might involve a leg (short or large) that will be travelled within the country of origin until the point of departure from that country. This leg might involve expenditure as for instance transportation to the airport, port or train, bus station or land border, other types of expenditure on food, goods and services, and eventually also one or more overnights in a paying accommodation until leaving the country, etc. All these expenditures, whenever they correspond to transactions between two residents (the visitor and the provider of the good and service), will be part of domestic tourism expenditure, although the traveller will be considered globally as an outbound visitor (a resident visitor on an outbound trip) for this economy.

4.16. This illustrates that the classification of tourism trips as domestic, outbound, inbound and the categories of tourism expenditure (domestic, outbound, inbound) are not in a one to one correspondence, as part of the expenditure of visitors on outbound trips correspond to outbound tourism expenditure and other to domestic tourism expenditure and should be added to the expenditure of visitors on domestic trips to set up domestic tourism expenditure. Also, correspondingly, the part of the expenditure of visitors on inbound trips, which occurs within their economy of origin (or other economy different from that of reference) is not part of inbound tourism consumption of the country visited.

4.17. The chart that follows illustrates the relationship between the types of tourism trips and the categories of tourism expenditure.



B.2.2. Determining the national economy involved in some specific transactions by visitors

4.18. In general, determining which part of inbound visitors' expenditure corresponds to inbound/outbound tourism expenditure, and which part to domestic tourism expenditure or should be excluded is not a complex issue, as the visitor can easily determine where the expenditure has been undertaken and the residence of the transactor from whom he/she has purchased the different items.

4.19. Nevertheless, there are a few fields of expenditure where this determination is not so easy. These relate in particular to:

- expenditures on transportation, mainly air, but also rail and water;
- expenditure that corresponds to package tours; and
- services purchased using a reservation service provider.

Transportation

4.20. Identifying the provider of air transportation (and as a consequence, its country of residence) to an international visitor might sometimes be a tricky issue.

4.21. This is due to the combination of various arrangements among providers of those services and also to the existence of transnational companies, mainly for rail and for air transportation.

4.22. First of all, an international visitor might have booked his/her air travel on various airlines, and these airlines might be resident, either of the country of origin, of the country of destination, or of any other third country. If a separate ticket is issued for each segment using

a different carrier, it is easy to determine their country of residence and the values corresponding to each of them. Nevertheless, it is common for an airline ticket sold by one airline (the validating or plating carrier) to be used by a passenger on a number of airlines when segments of the journey are travelled on airlines other than the airline issuing the ticket. This practice is called *interlining.* If there is no interlining between the companies involved, then separate tickets have to be issued; otherwise, there will be only one that might include transportation by resident airlines, and/or transportation by non-resident airlines.

4.23. Distributing the whole value paid among the different legs (thus among firms) is not easy, because usually the value of the ticket might refer to different price categories, include different taxes levied by the countries of origin and destination, as well as, in some cases, the commission corresponding to the travel arranger (either a formal travel agent, or an on-line operator, whose country of residence is also an issue). Visitors included in a survey cannot be asked to perform this distribution.

4.24. Second, because airlines operate certain segments under a *codeshare agreement*. A *codeshare flight* is a commercial flight which is operated by one airline (the operating carrier), but marketed by others (the marketing carriers). The operating carrier is the one that is providing the service to the visitor. The marketing carriers receive from the operating carrier a certain share of the revenues earned, based on complex formulae and bilateral arrangements that are proper to each segment. It is the country of residence of the operating carrier that needs to be identified as it is who provides the service. This is also a calculation that a visitor cannot be asked to perform. The country of residence of the other companies involved need also to be identified for Balance of Payments purposes.

4.25. Additionally, airlines and railway companies might operate as *multiterritory enterprises*, defined as "enterprises that operate as a seamless operation over more than one economic territory. Although the enterprise has substantial activity in more than one economic territory, it is run as an indivisible operation with no separate accounts or decisions, so that no separate branches can be identified". (BPM6 paras. 4.41. to 4.46).

4.26. Fortunately for tourism statistics compilers, they are not the only ones to be interested in such issues, as National Accounts' as well as Balance of Payments' compilers face exactly the same difficulty and have to give similar types of answers, so that it is a field where cooperation is essential.

4.27. In countries in which any of these issues is relevant, Balance of Payments' compilers will usually have developed some methods of estimation, based on the collection of information from the companies involved, the railway company, or the airlines. It is recommended for tourism statistics' compilers to understand and participate in the estimation procedure to be able to use the results in a proper way. Possibly though, the data derived from these procedures might not be sufficiently detailed in order to make specific adjustments to the information collected from surveys of visitors and to assign them to different groupings of visitors, and this will possibly require some types or adjustments in the data and the final presentation within the TSA recommended table (if relevant).

Package tours[3]

4.28. A package tour consists of a "tourism product" provided by a tour-operator which elaborates it and sells it directly or through travel agencies. Within a package tour, travellers receive a combination of products associated with a trip, which are made of more than one of the following tourism services: transportation services, accommodation services, food serving services, sight/seeing services, entertainment services, etc. and other goods and services at will. This package might have varying characteristics: it might have been elaborated previously as a product sold as an identified unit, or be tailored to the specific requests of a traveller, through a combination of elements which have been previously negotiated and pre-selected by the packager, that the packager has purchased in anticipation, from designated providers, putting often itself at risk.

4.29. Package tours might refer to travel to one or more places within the economic territory of the country of residence of the packager selling the package, but most frequently refer to travel to destinations in one or more places or countries outside this economic territory, or a combination of both circumstances.

4.30. The complexity of the treatment of packages is due not only to the fact of the multiplicity of products that they might include, but also to the fact that they might include services provided by producers considered as residents in the economy of residence of the purchaser of the package, services provided by producers of the country(ies) of destination of the trip or by producers of any other economy. Usually, if the package refers to domestic travel, it will be assumed that all goods and services included in the package have been provided by resident producers (an assumption that might need to be reviewed in the future because of open skies in increasingly globalized economies).

4.31. A packager might sell its product to residents of the economy where it operates, but also to non-residents, directly, through a travel agency, which can be resident or non-resident of the economy of reference, or through associated packagers or travel agencies operating in other countries, or even directly to would-be travellers through the internet.

4.32. The visitor usually only has information on the global value of the package and is able to inform on its components, but ignores the residence of the providers and the values attached to each services purchased within the package. Additionally, he/she obviously totally ignores the shares of the value accruing to the packager and to those that market the product.

4.33. As a consequence, in this case again, the breakdown of the total value of the packages reported by visitors need to be performed by the analysts, using information collected directly from the packagers themselves, or from the travel agencies that sell them to the public.

Services purchased using a reservation services provider

4.34. Visitors often use the services of intermediaries to purchase services for and during their trip. The most frequent case is that of a travel agency (physical or on the internet) but it is often the case also for the purchase of tickets for certain shows, hotels reservation, etc.

[3] See UNWTO paper: Clarifying the treatment of travel agency, tour operator, travel agency services and package tours in SNA, Balance of Payments and TSA and their mutual relationship at www.unwto.org/statistics/tsa/project/clarifying.pdf

Usually, these providers of reservation services will charge a commission or a fee for the service they provide, either explicitly, with a specific invoice, or implicitly within the global price they charge.

4.35. For homogeneity, and because the services they provide do benefit those that make use of it, it is recommended (*IRTS 2008* paras. 6.46. to 6.54. http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf) that, in all cases the visitors should be represented as acquiring this service, in addition to the service that is intermediated.

4.36. Beyond the difficulty of valuing this service, an additional issue is to determine the country of residence of such a provider, in order to assign properly this consumption to the corresponding category of tourism expenditure.

4.37. Usually, the adjustment will only be made on reservation services provided by travel agencies on international air transportation, that of packages and cruises; an assumption will be made that when these services are being purchased in the country of residence, the travel agency is also resident of the same country, and the service provided by the travel agency represents a fixed percentage of the value of the sale, a percentage that has to be estimated based on the current fees charged by local travel agencies.

B.3. Measuring inbound tourism expenditure

4.38. Inbound tourism expenditure is the expenditure of non-resident visitors in the economy of reference an its measurement should be based, (as well as in the case of domestic and outbound tourism) on a common classification used either in visitor on household surveys. As mentioned in the *IRTS 2008*, the recommended classification should be according to the purpose of such expenditure and allow for its linkage to the COICOP, an international classification of products linked to CPC (*IRTS 2008* para 4.26., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf). Furthermore, it is dated that "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"

4.39. As shown in **Annex 4**, tourism characteristics products are linked to CPC and expenditure data breakdown by products is needed in order to link tourism expenditure with the supply of tourism industries. Consequently, measuring tourism expenditure implies both the use of aggregated categories (such as those in COICOP) as well as more detailed data for certain breakdown of expenditure.

4.40. The most common and rigorous method for observing the expenditure of non-resident visitors is through a survey, applied to non-resident visitors as they leave the country. UNWTO strongly recommends not to include just one or two questions but rather a set of questions to enhance the accuracy of the estimation of expenditure and to break it down into a number of categories.

4.41. When it comes to measure inbound tourism expenditure, the reference to Balance of Payments is required as the travel item, complemented with the international passenger service item, is extensively used as a first approximation to the total amount of such expenditure. *IRTS 2008* explicitly recommends that tourism statistics should allow tourist related expenditure to be identified in both items (*IRTS 2008* paras. 8.23 to 8.25, http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf). In this regard, it should be borne in mind that the breakdown proposed in BPM6 for such purpose (goods, local transportation services, accommodation service, food serving services and other services) adjust fairly well with COICOP (*IRTS 2008* para. 8.22, http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf).

4.42. The different forms of observation will be reviewed.

B.3.1. Border survey

4.43. As mentioned previously, no questions about expenditure are included in the UNWTO model border questionnaire (see para. 3.82.). Instead, UNWTO suggests using a module for this purpose that could be included in such surveys as well as in other types of procedures used eventually at popular tourism sites and at accommodation establishments[4]. Both UNWTO model border questionnaire and the expenditure module should be understood as a background reference for countries when considering the update or design of theis own questionnaires (see **Annex 1**).

4.44. The term "module" refers very precisely to a set of interconnected questions serving to elaborate on certain characteristics of tourist behaviour in order to be implemented in a regular survey either with the same frequency as the survey on flows, or less frequently though regularly. The proposed module is structured around different questions referring to block D "Acquisition of services in your country or order country before arriving in our country" and block E "Acquisition of goods and services in our country booked or paid either before, during or after the trip".

4.45. Similar warnings as those made in the case with the UNWTO model border questionnaire, apply (see para. 3.81.). In addition to them, the frequency and link with the border survey is an issue that deserves attention. It should be borne in mind that the statistical unit is the individual and not the "travel party".

4.46. Procedures can also be applied, as mentioned in Chapter 3 (see paras. 3.86. to 3.93.), at popular tourism sites, accommodation establishments or using mirror statistics; additionally, information based on electronic prints left by visitors as they pay for their expenditure can also be used.

[4] UNWTO proposal is associated with the first suggestion: consequently, numbering of questions follow those in the model border questionnaire (see para. 3.80.)

4.47. In some countries, in which tourism is important and which have the resources, technical and financial to perform the task on an ongoing basis, the measurement of inbound tourism expenditure is done continuously, simultaneously with the observation of the flows of visitors.

4.48. If insufficient resources are available or it is considered unnecessary to do so on a continuous basis, countries may undertake the observations with a certain frequency:

- pluri-annually (for instance every 5 years). In the in-between years, a modelling procedure is used in which a structure and level of expenditure are correlated to the particularities of tourism flows. To do so requires, nevertheless, first of all, in each year for which observations are done, a spread of observations all over the year as in many cases, there is a high seasonality of the categories of visitors and of the activities they undertake (winter sports, summer sports, families, retirees, business persons, etc,) and thus of their level and structure of expenditure. Additionally, this requires that in the periods in which observations are made, these are sufficient in number so that modelling might be possible, within acceptable margins of errors.

- During some months corresponding to high and low tourism seasons: before setting up such a system, it is important to determine clearly the seasonality of tourism, which might be different depending on the purpose of visit. In particular, the seasonality of tourism for recreation purposes might be different from that for business purposes. According to the pattern of seasonality, the design should define to which flows will be applied the survey meant for the high season, and that corresponding to the low season. Seasonality should be checked regularly, to verify whether the conditions are still current, or if the cycles of seasonality have changed.

B.3.1.1. Specific issues

Use of package tours

4.49. One of the most important issues is to know if the visitor (or his/her party) has come on a package in particular for countries in which this form of organization of inbound and outbound trips is prevalent. If so, it is necessary to know where it has been purchased (so as to determine the residence of the travel agency that has sold it) and obtain the total value of the package and its components (though the value corresponding to each component cannot usually be obtained). If he/she has come on a package, then some limited information should be provided on items included in the package. In some cases, the package might not be a formal tour organized by a travel agency but, for instance, might comprise a registration fee for a conference or other type of meeting, in which the fee covers different items, such as accommodation, local transportation, some meals, documents, visits to tourism attractions, etc.

Currencies and exchange rates

4.50. In trips to or from foreign countries, an issue of importance in some cases is that of the currency used in the different transactions, and the effect of the existence of different exchange rates in the measurement of expenditure both for the visitor and the economy visited.

4.51. In most (but not all) cases, travelling to a country different from that of residence involves for the visitor the use of a currency different from the one he/she usually uses. The perception of the cost of the acquisition of different goods and services for and during the trip might be different according to the currency used in the transaction, and how this currency has been acquired by the visitor.

4.52. Usually, in surveys of visitors, the informant is asked to report his/her expenditure in the currency of convenience, and this currency might depend on each category of expenditure. This is also the basic recommendation, though, when possible, it would be preferable that visitors report their expenditure mainly those made within the country visited, in the local currency as it is the one in which it was actually made. If this is not the case, the compiler will have to convert this information into the currency of the country visited (in the case of inbound tourism expenditure) with the possible distortion in the selection of the proper exchange rate. If the payment has occurred before departure (case of packages acquired in the place of residence, of international transportation or car rental in the country of residence, or any other booking implying some type of prepayment, made in the country of origin), the visitor will report the expense in his/her own currency, and the compiler will need to decide how to express these expenditures in the local currency of the country visited. The National Accounts rule is to convert each transaction in the currency of reference (here, the currency of the country visited) at the average exchange rate (average between sales and purchases) prevailing at the date of the transaction.

4.53. Some countries use the US dollar as a unit of account to elaborate their Balance of Payments and thus, tend to require from visitors, to report their expenditure in this currency in order to obtain directly the value that will be included in the travel item of their Balance of Payments. However, this method is not recommended as, first of all, the US dollar is not the reference currency of all inbound visitors, so that requiring the use of such currency will oblige visitors to perform an approximate conversions between different currencies. And then, the compiler will need to make a second conversion into the local currency for tourism statistics' purposes, generating an additional approximation.

International transport

As was previously mentioned, international transport is a challenging issue. Even when not included in a package, it is not always easy to identify if the provider(s) of the service are from the economy of compilation (and thus, the corresponding expenditure is part of inbound tourism expenditure) or are residents in other economies (see section B.2.2. "Determining the national economy involved in some specific transactions by visitors"). The issue is particularly tricky in the case of air transport. Asking for the carrier that brought the visitor at arrival to or departure from the country is not sufficient, as has been previously explained because of interlining and codesharing, as well as the existence of multi-territory enterprises. Consequently, information obtained using visitor surveys should be checked with supply side information.

B.3.1.2. Other issues relevant also for other forms of tourism

Expenditures by others for the benefit of the visitor

4.54. Tourism expenditure does not include only that paid by the visitor him/herself out of his/her own resources, but includes all expenditure made by others on his/her behalf.

4.55. As a consequence, it is necessary to know whether the visitor has paid directly for all of his/her expenditure, or if some items have been provided to him for free, either by his employer, his hosts, etc., in particular international transportation (from his/her country of residence), accommodation, meals, etc. If it is the case, it might be possible for the visitor to provide an estimated value of such expenditure. If he/she is able to do so, then this estimation will be reviewed, and validated. If not, it will be necessary, in the process of compilation, to estimate a

value for those items, that although not reported, do have a monetary value (these values are not null and should be estimated). These items would include normal types of invitations by family and friends, normal meals and such attentions. These could more easily be observed in a household survey, getting information from the households hosting the visitors. In all these cases, the principles of recording used in National Accounts should be followed: in general, there is no estimation of accommodation services when the guest shares the dwelling with his/her host (see para. 6.17.). When food is prepared at home, if possible an estimation would be required to cover the additional consumption of goods and services that has been induced (additional purchase of food for instance).

Accommodation

4.56. Regarding accommodation, it is necessary to know whether market accommodation has been used, during how many overnights (as an inbound visitor might use different accommodations during his/her stay in the country). If different types of accommodation have been used, the number of nights spent and the total value paid in each accommodation establishment (including all the items invoiced in the same bill) must be reported. If non-market accommodation has been used, then the visitor should be asked whether he/she (or the party) has stayed with family and friends in their first or vacation home or timeshare, with or without a financial participation (amount paid), in the visitor's vacation home or in an owned time share. If in an owned vacation home or timeshare, specific sets of question should be asked (see Chapter 6, section B.2.4.).

Frequent flyers benefits and other premiums

4.57. Most airlines have fidelity programs for their domestic and international customers through which users of their services accumulate miles or similar that they can later use to acquire other tickets from the airline at lower fares or apply for an upgrade to a higher quality service. Accumulation of miles and their redemption might be shared with other airlines, and also with other providers of goods and services (such as hotels, car rental companies, credit card companies, retailers, etc.). When a visitor redeems miles or any types of premiums in order to pay for part of his/her tourism expenditure, what should be the value associated with this expenditure?

4.58. The earning of frequent flyers points is not considered as an income for the traveller, and airlines do not consider the outstanding points they have issued as a liability. (This is true even though points are traded among the entities involved in a program, at a face value - usually around 2 US cents a mile - in particular in the case of entities in which these points can be redeemed but that do not issue them).

4.59. Two possibilities exist: valuing the transaction at the book value, that is, at the value which should have been paid if no miles had been used in the payment; or valuing the transaction at the actual monetary cost for the purchaser:

- in the first case, the miles would be considered as a means of payment, the value of which would be exactly the value of the discount obtained through their redemption. It would suppose that the airlines recognize the miles as liabilities and in a certain way, airlines would be emitting means of payments. Nevertheless, many of the miles being issued are never redeemed and this is one of the reasons why they are not viewed as liabilities by issuers (that would have to cancel this liability in the case miles expire before it was even used);

- in the second case, a rebate has been recognized to the frequent flyer in the transactions when miles were earned, and this rebate materializes when the miles are redeemed. It is similar to promotional coupons issued, for instance, by supermarkets when buying a product to be used in a future purchase, which are treated as rebates or discounts.

4.60. As a consequence, it is recommended not to impute back an equivalent value to transactions paid with frequent flyers points, but to value transactions realized with miles using only the cash value (if any) that is usually requested as complementary payment, and giving a null value to the acquisition via redemption of miles.

Tourism single purpose consumer durables

4.61. Durable consumer goods (such as computers, cars etc) purchased on trips are part of tourism expenditure (*IRTS 2008*, para. 4.36. h), http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)

4.62. Durable goods are goods that may be used repeatedly or continuously over a period of a year or more, assuming a normal or average rate of physical usage. In the case of tourism, the following typology applies:

- tourism single-purpose consumer durables are those that are used exclusively, or almost exclusively by individuals while on tourism trips. A reference list of such goods is provided (*TSA:RMF 2008*, Annex 5, http://unstats.un.org/unsd/publication/Seriesf/SeriesF_80rev1e.pdf);

- those that can serve multiple purposes (that is for both tourism and non-tourism purposes).

4.63. Tourism single-purpose consumer durables, a specific category within consumer durables, are those that are used exclusively, or almost exclusively by individuals while on tourism trips.

4.64. Because their use occurs almost exclusively during trips, it is recommended that the acquisition of tourism single-purpose consumer durables be included in tourism consumption, irrespective of whether the purchase occurs before/during the trip or outside the context of a trip.

Box 4.1. Classifying tourism single-purpose consumer durables

The *TSA:RMF 2008* provides a reference list of such goods.

Products[a]/	CPC Ver. 2	All countries	Optional
Airplanes and hang gliders	49611, 49622	Yes	
Motorhomes or recreation vehicles	49113, 49222	Yes	
Camper vans (for example, specially equipped for travel purposes)	49222	Yes	
Travel and tent trailers	49222	Yes	
Luggage	29220	Yes	
Camping equipment (tents, sleeping bags, camping stoves, etc).	27160, 27180, 36990	Yes	
Other recreational and sporting equipment[b]/			
Motor boats, outboard engines and trailers for boats	49490, 49229, 43110	Yes	
Seadoos	49490		Yes
Sailboats with or without auxiliary motor, yachts	49410, 38420		Yes
Canoes, kayaks, and sailboards, including accessories	49490, 38420, 38440		Yes
Ski equipment (skis, skiboots, ski jackets and suits, etc.)	29420, 38440		Yes
Hunting and sports fishing equipment	29420, 38440		Yes
Sea-diving equipment	38420		Yes
Waterskis and other water-sport equipment	38420		Yes
Climbing/tramping/hiking equipment	29420		Yes
Tennis or golf equipment	38440		Yes

[a]/ Most of these products are parts of CPC sub-classes indicated
[b]/ To be established and completed by each country according to its own situation. Items included are for illustrative purposes.

However, with the existing variety in country characteristics, in terms of types of activities that individuals might undertake within their usual environment and activities offered to visitors, countries should establish their own lists of single-purpose consumer durables.
Countries with and without winter or water activities that can be undertaken intensively from within the usual environment, may, for example, use different lists of single-purpose consumer durables. For this reason, the proposed list contains two different categories of tourism single-purpose consumer durables: those that seem to be common to all countries and, those that a country may wish to include due to its particular characteristics.

To facilitate this process, a category of "other recreational and sporting equipment" is proposed, leaving countries to specify their own products within this category, reflecting the country's typical activities undertaken by visitors. For example, some countries would include skis, others would include water skis and yet others would include tennis racquets and golf clubs. The inclusion of "Sports and recreation equipment" as a category would however be common to all countries. (*TSA:RMF 2008*, Annex 5,
http://unstats.un.org/unsd/publication/Seriesf/SeriesF_80rev1e.pdf)

B.3.2. Surveying at popular tourism sites or accommodation establishments

4.65. The limitations of surveys at popular tourism sites or accommodation establishments have already been mentioned (see paras. 3.64. to 3.67. and 3.86. to 3.88.). They are related to the fact that a given visitor might visit more than one of such sites, so that his/her probability of selection is variable, or he/she might not visit any of these sites, so that his/her probability of selection is null and no information might be collected for these visitors. The same occurs with visitors surveyed at accommodation establishments as visitors might stay in more than one of these places of accommodation, or on the contrary, might not use any of these forms of accommodation as he/she stays with family and friends or in his/her own second home.

4.66. Even more challenging is the estimate of expenditure, as at the moment of the interview, the visitor has usually not concluded his/her stay in the country, and thus can only report

on what has happened up to the moment of the survey. Biases might be important, as many persons often leave the purchases of souvenirs or things to bring back home to the very last moment before departure. Also the effect of unexpected events, either in the country of origin or the country visited (ranging from natural disaster, bad weather, political turmoil as well as personal reasons) might oblige the visitor to take different decisions from those that had been anticipated.

4.67. It has also been observed that persons staying with family and friends not only spend less on accommodation, but also that their whole structure of expenditure is significantly different from that of those staying in market accommodation, as they tend to often take meals at home, travel around with their relatives, and in general, have different types of activities during their stay in the country. Consequently, estimating their expenses on the basis of those staying in market accommodation would likely generate biases both in the level and the structure of total inbound tourism expenditure.

4.68. Nevertheless, in the absence of any real possibility of observing expenditure at the borders - for instance if the flows of inbound visitors are particularly important by road, and there is no practical ways of stopping the visitors in the vicinity of the border - then those options cannot be excluded altogether. However, their limitations should be clearly borne in mind in order to improve the statistical design and look for complementary source of information.

B.3.3. Using electronic prints

4.69. In countries in which the use of credit or debit cards is strongly established, it might be possible to use information from records of their use to estimate globally part of inbound tourism expenditure, and a breakdown in a few categories (based on the main business of the beneficiary of the payment), under the following assumptions:

- all (or almost all) holders of a credit card drawn on a bank abroad are non-residents; residents having a credit card drawn on a bank abroad are very few as compared to non-residents;
- all non-residents using credit cards drawn on banks abroad are visitors;
- most transactions are paid using a credit or a debit card, and when paid in cash, cash has been obtained through ATM withdrawals; cash has not been used for other types of transactions.

4.70. It would then be necessary to enter into negotiation with the local managers of international credit card companies, in order to see what kind of information could possibly be collected, and under what conditions this information could be provided to the tourism administration, with all the required guarantees regarding the preservation of the identity of users.

4.71. Nevertheless, it would still be necessary to obtain information on international travel and expenditure made by third parties on behalf of visitors and on inbound tourism expenditure paid for in the country of residence.

B.4. Measuring domestic tourism expenditure

4.72. Domestic tourism expenditure is better observed through a household survey, either designed as a specific operation, or as a module of a larger household expenditure survey. The technical challenges of the statistical design of such surveys have already been mentioned in Chapter 3 (see sections D.1. and D.2.). Most issues mentioned in section B.3. "Measuring inbound tourism expenditure" are also relevant here.

4.73. It should be recalled that in many countries, taking tourism trips is not frequent, so that in order to obtain a net sample with information of a sufficient size requires selecting a large number of households (gross sample). Nevertheless, because persons are interviewed at home, once the tourism activity is totally over and the visitor has been back into his/her usual environment for some time, and without the rush and pressure of travel, it is easier to review bills, invoices and credit card slips so as to recall expenditure with more precision (a beforehand sent information letter might be useful). In order to provide support for this exercise, it is recommended to ask for a description of the trip, with the different places visited and the activities that have been undertaken, in order to more easily associate expenditures to each of these situations, and obtain total expenditure as the sum of these specific expenditures.

4.74. An additional issue as compared to inbound tourism expenditure is the fact that in many countries, visits to vacation homes by residents are frequent, and as a consequence, will often be reported. Actual expenditure related to second homes and timeshare in the country of residence might belong to two broad categories:

(i) some of them are permanent all over the year, derive from the ownership itself and are more or less independent of a specific trip being observed; this is the case, for instance, of public utilities, or maintenance fees, which payment are not associated with specific visits, and so, might be reported in a different part of the expenditure survey; and

(ii) the other category corresponds to current expenses associated clearly with a specific trip to the vacation home such as transportation, food, etc. and should be reported within the specific tourism expenditure module.

4.75. Because domestic tourism expenditure also includes expenditure by visitors within their economy of origin and for outbound trips (see para. 4.15.), it is necessary also to collect information on outbound trips and its corresponding expenditures, related principally to international transportation, reservation services paid to domestic travel agencies or others on services provided by non-residents (or even residents), and any leg of the trip that has occurred in the country of residence before departure from that country. As stated, this is necessary but not necessarily done on a domestic travel surveys (it may, instead, be measured in a survey about outbound trips).

4.76. In order to obtain more details on certain aspects of expenditure, it is possible to establish a sub-sampling of the population that has been selected, and for each sub-sample, to focus on specific breakdowns of expenditure. This strategy has the advantage that each informant is not required to give details for each of the categories of expenditure but only on some of them. This makes the interviewing procedure not so heavy but still allows detailed information to be obtained. However, it supposes that the size of the basic sample is sufficiently big so as to be able to create subsamples that still provide reasonably precise information, that is, that the size is sufficient to be able to cross-classify some of the observed variables (non-monetary and monetary). The statistical design could be complex, as could the grossing up procedures be.

B.5. Measuring outbound tourism expenditure

4.77. As was mentioned before when discussing the measurement of flows of visitors, outbound tourism expenditure can be measured either at the border or in its vicinity, as outbound visitors are returning from their trip or in the same way as domestic tourism expenditure, within the framework of a household survey.

4.78. As previously mentioned, and within certain conditions, the measurement of outbound tourism expenditure in a country through a household survey type of procedure might be used, directly or as a reference, for the measurement of inbound tourism expenditure for the countries of destination.

B.6. Table of results

4.79. The focus of this *Compilation Guide* is to allow countries to implement the *IRTS 2008* and develop their national STS. Consequently, the data to be obtained should allow for two complementary objectives: national purposes and international comparability. Data useful for national purposes will be much more detailed than the one requested for international comparability.

4.80. Regarding international comparability, the following data set will be requested by UNWTO to Member and Non-member countries and will be disseminated in the *Compendium of Tourism Statistics*, the UNWTO more comprehensive general statistical publication.

For those countries having an expenditure survey, also "Average expenditure per day" is requested for each form of tourism, in addition to BOP data

Inbound tourism expenditure	
Total	US$ Mn
Travel	US$ Mn
Passenger transport	US$ Mn
Expenditure per main purpose of trip	
Total	US$ Mn
Personal	US$ Mn
Business and professional	US$ Mn
Average expenditure per day	US$
Domestic tourism expenditure	
Average expenditure per day	US$
Outbound tourism expenditure	
Total	US$ Mn
Travel	US$ Mn
Passenger transport	US$ Mn
Expenditure per main purpose of trip	
Total	US$ Mn
Personal	US$ Mn
Business and professional	US$ Mn
Average expenditure per day	US$

4.81. Balance of Payment published data have a limited use for national policy purposes due to the fact that they are just a proxy to tourism expenditure (*IRTS 2008* Chapter 8/Section B. "Tourism and balance of payments", http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf) and also because for such purposes more detailed data are needed. For instance a possible decrease of total tourism expenditure expressed in US dollars, can be attributed to different causes such as: a depreciation of the US dollars associated with an increased value of expenditure in local currency; a general increase in the total number of visitors and of overnights, but a change in their distribution, etc. Besides these data and indicators, additional information useful for key stakeholders of the tourism sector should be produced. The following information items are just examples:

- total expenditure by country of residence (total and by main categories of consumption);
- total expenditure by purpose of visit (total and by main categories of consumption);
- total expenditure by main type of accommodation (total and by main categories of consumption);
- total expenditure cross classifying the previous conditions (total and by main categories of consumption);
- average expenditure per person per day by country of residence, (total and by main categories of consumption);
- average expenditure per person per day by purpose of visit, (total and by main categories of consumption);
- average expenditure per person per day by main type of accommodation, (total and by main categories of consumption);
- average expenditure per person per day cross-classifying the previous conditions;
- etc.

C. Measurement issues related to specific transactions

4.82. Principally tourism consumption, but also tourism expenditure, is strongly related to the concept of final consumption expenditure used in National Accounts (see **Annex 5**). As a consequence , the treatment of a certain number of specific transactions needs to be explained, as it requires some knowledge of the principles of National Accounts that might not be familiar to all compilers of tourism statistics. The cases that will be discussed are related to the following transactions:

- betting and gambling
- non-life insurance
- durables goods to be used on a trip and resold at its termination
- duty free shopping in international zones of airports by transit passengers

C.1. Betting and gambling

4.83. In some countries and places, betting and gambling are important activities of visitors either residents or non-residents, and when the amounts involved are relevant, for consistency, it is necessary that the measurements be made according to the principles of National Accounts.

4.84. For National Accounts (*SNA 2008* para. 8.132) "The amounts paid for lottery tickets or placed in bets consist of two elements: the payment of a service charge to the unit organizing the lottery or gambling and a residual current transfer that is paid out to the winners. The service charge may be quite substantial and may have to cover taxes on the production of gambling services. The transfers are regarded in the SNA as taking place directly between those participating in the lottery or gambling, that is, between households."

4.85. This means that for each gambler, it would be necessary to treat separately the amounts paid and the gains. Usually, statistics collected from visitors will only provide information on net losses (amounts betted less gains). Net gains are much less frequent than net losses, might not be reported as questions usually focus on expenditure, and additionally, if collected, this information might not be statistically significant because of being so scarce.

4.86. Once this data has been collected, using information from the gambling and betting establishments, it will be possible to establish the share of gains to amounts betted or gambled: this share will represent the share of transfers between gamblers to the total amount betted, and the difference to the amount betted will represent the purchase of the service.

4.87. This percentage could be applied (as a proxy) to the net amount betted or gambled, as it should not be possible to have the corresponding gross amount (that should be the proper amount) so that a percentage of the net amount betted would be considered as the purchase of a service (and included in tourism expenditure and tourism consumption).

C.2. Purchase of non-life insurance

4.88. When planning to travel or even as they have already initiated their trips, some travellers purchase a specific travel insurance that would protect them against all types of loss and damage that might occur during their journey. This insurance would often cover the loss of luggage, of passport, credit cards, the loss of connections between different means of transport, accident, illness, etc.

4.89. In National Accounts (see SNA 2008 paras. 6.177. and 6.184. to 6.197.) only a fraction of the premium paid in the acquisition of a non-life insurance policy represents the purchase of a service. The remaining fraction, called the net premium, represents the value of insurance itself. Only by consulting the records concerning the corresponding non-life insurance companies in the National Accounts of the country of issuance of the policy is it possible to compile the value of the purchase of non-life insurance services, that is, the only part that should be included in tourism expenditure (and tourism consumption). This adjustment (that again should be expressed as a percentage) is only worthwhile if the amounts involved are significant.

C.3. Durables to be used on a trip and resold at its termination

4.90. In some countries, it is possible for non-residents to purchase for instance a vehicle tax free when they arrive so as to use it during their trip, and resell it at they leave the country. This vehicle has been purchased for the trip and to be used during the trip, and should therefore be considered as part of tourism expenditure. Nevertheless, it is necessary, in this specific case, as it is resold at the end of the trip, to subtract the amount for which it has been sold, so that, in tourism expenditure at the end, only the net value associated with the vehicle will be included. This measurement is consistent with the treatment of consumer durables acquired by households in National Accounts.

C.4. Duty free shopping in international zones of airports by transit passengers

4.91. As has been explained in chapter 2, transit passengers mostly in airports, that do not enter both the economic and legal territory of the country of reference are not considered as visitors. Nevertheless, while in the international area (where they have entered the economic territory but not the legal one), they might acquire goods from duty free shops. These expenditures should be considered as tourism expenditure. Nevertheless, except in some particular cases in which the duty free zones of some airports are particularly big and particularly visited, the calculation of the value of such expenditure need not be made. Such calculation would be difficult to make because there is no way of distinguishing purchases by persons in transit from others.

Chapter 5 Classifications in tourism statistics

A. Introduction

5.1. Classifications play a structuring role in all statistical systems. Formalized classifications are required to delimitate with precision the different universes of references of measurement. When following internationally recommended standards, they make international comparisons easier and more direct. Those recommended for tourism statistics will be briefly commented, and their scope somewhat extended, as compared to those presented in *IRTS 2008* (Chapter 5). The concepts, definitions and classifications in *IRTS 2008* have been made consistent with *TSA:RMF 2008,* which in turn has been harmonized with the 2008 System of National Accounts *(SNA 2008)*, Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6) and the 2010 Manual of Statistics on International Trade in Service *(MSITS 2010)*.

5.2. In the present chapter, some of the classifications most used in tourism statistics will be briefly commented on: those to be applied to visitors, trips, modes of transport, purpose of trips, forms of accommodation, as well as those referring to products and productive activities that should be applied in the description of tourism consumption and supply to visitors. Finally, classifications to be used in describing tourism employment will also be commented on.

5.3. In order to enhance the consistency of tourism analysis within the mainstream of macroeconomic analysis, the recommended classifications will be related to the general UN reference classifications: (i) classification of all kinds of goods and services according to the Central Product Classification (CPC) ver. 2 either those acquired by visitors or produced by tourism industries and (ii) classification of productive activities according to the International Standard Industrial Classification of all Economic Activities (ISIC) rev. 4. and classification of occupations according to the International Standard Classification of Occupations (ISCO)-08.

B. Classifications of goods and services

5.4. All goods and services (products) that constitute the object of an economic transaction in an economy are liable to be considered "touristic" if acquired by visitors during their trip. Consequently, the classification of tourism characteristic products, based on the CPC ver.2 is to be used when measuring both the demand side as well as the supply side of tourism activity (that is, to say, when describing the process of production of those goods and services acquired by visitors). More precisely, when trying to set up a System of Tourism Statistics and to reconcile the two perspectives, it would be desirable to obtain information on both of them in a unique classification. This would allow comparisons to be made directly from different sources and to check consistency. This classification should be related with the Central Product Classification (CPC), an international classification of goods and services based primarily on the physical nature of the products and used in all macroeconomic frameworks that include the description of production and supply and use in an economy. While in the supply perspective such classification is suitable, that is not the case in the demand perspective.

5.5. Indeed, the use of such a classification is not recommended in the case of surveys to visitors, as visitors cannot be confronted with a whole list of products, classified according to their physical nature (as is the case with the CPC). What a visitor might rather understand is a classification of his/her expenditure according to purpose. For instance, transportation expenditure (from a purpose perspective) might include, not only fares on public transportation or on taxis, but also the rental paid for a car, payments of toll,

purchase of gas, small repairs and spare parts, etc., whereas each of those would belong to a different category when classified according to CPC. Classifications of final consumption usually used by countries in Household Surveys Income/Expenditure are derived from COICOP (the international Classification of Individual Consumption by Purpose).

5.6. This is the reason why in the case of the observation of tourism expenditure (*IRTS 2008* paras. 4.2. to 4.4., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf), *IRTS 2008* recommends to follow COICOP and use the following categories (*IRTS 2008* para 4.26., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf):

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

5.7. This classification, with the exception of package tour (that will be commented in the following paragraph) sticks to the type of classification that is familiar to a visitor. It does not focus on the specific nature of a good or service, but only on the need that its consumption responds to. For instance, food purchased for preparation by the visitor or food served in a restaurant are classified in the same category, as they both respond to the need to consume food. Accordingly, the purchase of gas for a vehicle, or a car rental or the payment of a taxi fare will be classified in the same category as local transport, although one is a good and the others are services.

5.8. Nevertheless within this first classification, there is an exception for the product (i) "Package travel, package holidays and package tours" as it does not correspond to a function as such but represents a hybrid of different functions, bought together and met through a unique payment. As a consequence, this product should be further broken down into its components (e.g. transport, accommodation, meals, etc.) in order to make it possible to compare and analyze the level and structure of expenditure by visitors, whether they travel on package or not.

5.9. It is only in a further stage, when coherence and consistency between sources on demand and on supply is achieved (see **Annex 7**), that all these groupings must be disaggregated and their components linked to CPC categories.

5.10. A special issue arrives when surveying non-resident visitors (as opposed to domestic visitors) As already mentioned (see para. 4.42.) various differences still exist between the classification recommended in the observation of tourism expenditure and the breakdown suggested by the Balance of Payments (BPM6) (*IRTS 2008* paras. 8.22 to 8.25., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf)

Goods
Local transport services
Accommodation services
Food-serving services
Other services
Of which: *Health services*
Education services

Such classification is used in UNWTO proposed expenditure module (see chapter 4, section B.3.1. Border survey). The following paragraphs (5.11. to 5.16.) provide insight to the measurement of balance of payment "travel" and "passenger transportation" items

5.11. As explicitly mentioned in *IRTS 2008* "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".

5.12. The "travel" item does not include purchase of international transportation services, which are included in "international passenger transport".

5.13. The BoP classification requires the breakdown of package tours, which supposes an additional procedure (see discussion on package tours in chapter 4, section B.2.2. "Determining the national economy involved in some specific transactions by visitors").

5.14. Additionally, the BoP classification puts emphasis on the difference between goods and services, a difference that is not so determinant in the proposed tourism classification. For instance, the transport purpose would include the purchase of gas, a purchase that, for the BoP classification, would be considered as a good. "Others" (within the tourism statistics classification) might also include goods, though most of them should be included in "Shopping", which could be considered as a first estimation of inbound/outbound tourism expenditure on goods for the purpose of BoP compilation.

5.15. Regarding the breakdown of health and education services, countries willing to use the information collected both for tourism analysis and BoP compilation will need to ask this question directly in the questionnaire. Additional information will also need to be collected from providers of education and health services and from the institutions financing the acquisition of such services, such as universities, social security systems, etc. in order to cross-check this information, as in many cases, there will be too few observations (in the survey of visitors) to avoid a large sampling error.

5.16. Finally, it should also be recalled that the BoP "travel" item is closer in concept to "tourism consumption" than to "tourism expenditure" as it also includes imputed values that are excluded from tourism expenditure (*IRTS 2008* paras. 8.10. to 8.25., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf).

C. List of tourism characteristics products

5.17. As explained in *IRTS 2008* (paras. 5.9. and 5.10.), it is recommended that the international comparability of tourism should be limited to *tourism characteristic products* and related activities. 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.

5.18. In order to build up a national classification of tourism characteristic products (which is the main objective of a classification of tourism goods and services), all goods and services that circulate in the economy of reference should first be classified into two broad categories:

A. Consumption products
B. Non-consumption products

5.19. Such a distinction highlights the fact that there are goods and services that because of their nature cannot be part of tourism expenditure for the simple reason that they cannot be used by households within their function as final consumers – such as raw materials used exclusively as inputs into production processes, or heavy machinery used exclusively in production processes. Nevertheless, this comment does not apply to valuables.

5.20. The structure of such classification (see **Annex 4**) is to be used in all macroeconomic analysis of tourism, in which supply and demand are put in correspondence; but also mainly when relating tourism to other economic activities, as for instance in the TSA and other input-output related frameworks.

5.21. As explained in *IRTS 2008* (see chapter 5 section B. "Classification of tourism products and activities), consumption products will be subdivided into two main sub-categories, according to their relevance for tourism analysis as follows:

I.A. Consumption products
- A.1 Tourism characteristic products
- A.2 Other consumption products

In turn, both of these subcategories will also be divided into two segments

- A.1 Tourism characteristic products
  - A.1.i. *Internationally comparable tourism characteristic products* (the core of international comparisons of tourism expenditure)
  - A.1.ii *Country specific tourism characteristic products*, to be determined by each country

- A.2 Other consumption products
  - A.2.i *Tourism connected products*: another country specific category including goods and services that are important, but not so much to the production process through which they are made available to visitors:
  - A.2.ii *Non-tourism related consumption products*: a category comprising all consumption goods and services not included in the previous ones.

II.B. Non-consumption products
- B.1 Valuables
- B.2 All other non-consumption products

5.22. The following paragraphs (5.23. to 5.26.) explain the relationship between **Annexes 2** and **4** of the *IRTS 2008* (reproduced also as such in this *Compilation Guide*) as well as the logic used for listing those consumption products that qualify as tourism characteristic products for the international comparability of tourism expenditure purposes.

5.23. Regarding **Annex 2** "List of consumption products grouped by purpose, according to their categorization as internationally comparable tourism characteristic products", some relevant issues should be kept in mind:

- A list of consumption products is presented with two objectives:

  (a) To identify those of them that should be considered for international comparability purposes, and

  (b) Others that some countries might consider relevant for analysis. It should be mentioned that the list of products included in this last category (73) could have been expanded; the intention to include them was to highlight the fact that countries should consider the opportunity to develop their own list of *country specific tourism characteristics products* as well as those categories of *A.2. Other consumption products.*

- In tourism statistics, under the heading "accommodation services" additionally to those products considered traditionally as such, are also included other items associated with the provision of shelter, that also belong to the sphere of production, but are related to real estate services (CPC Division 72) and reservation and exchange services. It is the case of the following items:

  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
  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
  85521 Reservation services for accommodation
  85552 Time-share exchange services

  While the first item of the list correspond to the flow of services associated with the use of a physical asset as a form of accommodation (item 72111), the remaining ones refer to services associated with the trade and management of these assets and not properly to the service of accommodation as such.

- Although a TSA issue, it should be mentioned that tourism statistics also include the production of accommodation services on own account principally associated with the ownership of vacation homes, which are not considered in CPC ver. 2;

- As mentioned in *IRTS 2008* (paras. 5.37. to 5.43.), at present it is not possible to establish a standard list of tourism-related goods acquired for and during trips that would be meaningful worldwide; consequently, each country will have to determine which consumption goods and valuables should be recorded as country specific characteristic tourism goods.

5.24. There are two categories of tourism related goods that might be relevant in some countries and are not identified as such in CPC ver. 2:

- *valuables*, defined as produced goods of considerable value that are not used primarily for purposes of production or consumption but are held as stores of value overtime; they consist of precious metals and stones jewellery, works of art, etc.

Those countries in which tourism expenditure on those goods is relevant, should consider their inclusion in their list of country specific tourism characteristic (or connected) products;

- *handicrafts* defined as goods, produced following traditional techniques and often vehicles of local culture, that are identified, basically according to the way they are produced, their design and their link to traditional cultures of local communities. As such, they are usually not directly identifiable in the CPC classification of products, in which the mode of production does not belong to the criteria used to define homogeneous categories. As a consequence, unless their supply within a specific category of goods is sufficiently important for a special category to be created within the national classification of goods derived for CPC, or if it is possible to make a further segmentation of a CPC category into handicrafts and others, countries might not be able to consider specific handicrafts (or all handicrafts) as country-specific tourism characteristic products, although the importance of the acquisition by visitors of such goods is beyond discussion, but not statistically manageable within a TSA framework. Nevertheless, for the purpose of the System of Tourism Statistics, it might be relevant to mention this category, even though it is not possible to bring this identification further into the system.

5.25. Regarding the *IRTS 2008* list of tourism characteristic consumption products (*IRTS 2008* Figure 5.1., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf) it should be noted that the 12 above mentioned categories of such products are also those used in the TSA tables. Obviously, the development of categories 11 and 12 corresponds to individual countries.

5.26. Finally, **Annex 4** "List of tourism characteristic products and grouping by main categories according to CPC Ver. 2 and explanatory notes" includes the list of those 12 categories of tourism characteristic products already mentioned, as well as CPC ver. 2 explanatory notes for each of these products. Obviously, the development of categories 11 and 12 corresponds to countries.

D. List of tourism characteristics activities

5.27. Tourism characteristic activities (also referred to as "tourism industries") are those productive activities that provide those goods and services identified as tourism characteristic products. The list of such activities is linked to those products (see **Annex 2**) and is presented in terms of groupings by main categories consistently with that of those products (*IRTS 2008*, Figure 5.1., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf). Those 12 categories of tourism industries are also those used in the TSA tables. Obviously, the development of categories 11 and 12 corresponds to countries.

5.28. **Annex 3** "List of tourism characteristic activities (tourism industries) and grouping by main categories according to ISIC Rev. 4 and explanatory notes" includes those productive activities corresponding to tourism industries and the corresponding ISIC Rev. 4 explanatory note for each of those. Some relevant issues should be kept in mind:

- the present list does not use the term "collective accommodation" which is more familiar in tourism statistics;

- as already observed in the case of products (see para 5.27.), the category referring to "Accommodation for visitors" includes not only accommodation activities but also some activities part of Real estate activities (those related to second homes and timeshare properties);

- the need to identify separately passenger transportation within transportation activities (see box 5.1), to avoid an overrepresentation of transportation activities within tourism industries in terms of GDP and employment.

5.29. Special mention should be made of the categories "accommodation for visitors" as an activity, and "accommodation services for visitors" for products. Accommodation is of particular interest for tourism statistics as it is a product which is consumed almost exclusively by visitors. Countries are encouraged to review their national situation and define detailed classifications of products and activities that would be relevant for tourism analysis in their national context.

5.30. From the point of view of services provided, this classification should not be based on a list of names, such as services provided by hostels, bed and breakfast, guest houses, etc. but on a clearly identified list of characteristics defined in terms of size (in particular, minimal number of accommodation units to be managed as a unit), types of accommodation units that are managed (rooms and suites, apartments, (defining what is a suite as compared to an apartment),etc.), specific conditions of the rooms and the general structure of the building, types of services available (daily housekeeping services, food serving services, swimming pool, access to a golf course, etc..), types of amenities that are freely available, etc.. Additionally, those characteristics should be easily identifiable by visitors so that they will be able, when surveyed, to indicate the type of accommodation they have used (that is, the type of accommodation product they have consumed).

5.31. Additionally, in order to understand the structure of expenditure by visitors, it might be interesting to differentiate as sub-products the ways in which products offered by accommodation providers are "packaged" under different plans, in which for a global payment, besides accommodation services, guests may receive breakfast, half board, full board, or all available services within an all-inclusive package: according to the plan under which guests have booked accommodation, they might or not require additional services from other providers (a marketing issue) and spend under other headings of expenditure (an issue of the structure of expenditure).

E. Adapting international classifications of products and activities

5.32. International classifications have two principal objectives: on the one hand, to make international comparability possible, and on the other, to orient countries in the development of their national classifications which should reflect their own needs deriving from their national reality, while safeguarding the comparability of tourism information among countries and in the country itself over time.

Box 5.1. The need to identify separately passenger transportation within transportation activities

The following example taken from data elaborated by Brazil, illustrates the importance of properly defining the scope of tourism characteristic activities in order to produce a meaningful estimation of the level and structure of the Value Added of Tourism Industries (VATI). In the first series 2000-2005, transportation activities include both freight and passenger transportation. As a consequence, the share of tourism characteristic activities in total value added of the economy reaches 6,8%, and transportation related activities represent more that 50% of VATI. This does not seem reasonable. A new calculation in which transportation activities are restricted to passenger transportation reduces the share of tourism characteristic activities to 3,5% of total value added; and the weight of transportation activities within VATI only represents 36,9%.

Brasil - Value Added of the tourism characteristic industries for 2004

	series 2000-2005*			series 2003-2006**		
	current value	%	% within VATI	current value	%	% within VATI
Total economy	**1,666,258**	**100.0%**		**1,666,258**	**100.0%**	
Tourism characteristic activities	***113,324***	***6.8%***	***100.0%***	***59,117***	***3.5%***	***100.0%***
accommodation for visitors	3,476	0.2%	3.1%	3,476	0.2%	5.9%
Food and beverage serving activities	23,142	1.4%	20.4%	19,364	1.2%	32.8%
Rail transport	2,449	0.1%	2.2%	15	0.0%	0.0%
Road transport	45,900	2.8%	40.5%	11,956	0.7%	20.2%
Water transport	3,720	0.2%	3.3%	303	0.0%	0.5%
Air transport	5,234	0.3%	4.6%	4,418	0.3%	7.5%
Transport support services	12,455	0.7%	11.0%	5,105	0.3%	8.6%
Travel agencies and other reservation service activities	1,467	0.1%	1.3%	1,467	0.1%	2.5%
Rental and leasing activities	3,759	0.2%	3.3%	1,291	0.1%	2.2%
Cultural, sports and recreational activities	11,722	0.7%	10.3%	11,722	0.7%	19.8%

in 1.000.000 Reales
* In series 2000-2005, transport activities included both freight and passenger transport
** In series 2003-2006, transport activities included only passenger transport
source: Economía do Turismo - Uma perspectiva Macroeconômica - 2003-2006 Estudos y Pesquisas No 12
Economía do Turismo - Uma perspectiva Macroeconômica - 2000-2005 Estudos y Pesquisas No 7

5.33. The international classifications for tourism set forth in this chapter reach a level of disaggregation corresponding to classes (4 digits) in ISIC Rev. 4 and subclasses (5 digits) in CPC Ver. 2. This allows international comparability of tourism at the international level. Each country, however, should adapt these classifications to reflect their national tourism reality in terms of both tourism characteristic products and tourism productive activities.

5.34. The determination of tourism characteristic activities depends on the existence of a characteristic product that is typically derived from such activity. Therefore the first step should be to establish a national list of tourism characteristic products, applying the criteria mentioned in *IRTS* para. 5.10.

5.35. Countries should disaggregate the subclass of CPC Ver. 2 where necessary in order to identify a product of particular interest in their national tourism analysis, which is included in that subclass. Also, as already mentioned (see para. 5.31.), it might be interesting to differentiate as sub-products the ways in which products offered by accommodation providers are "packaged".

5.36. The codifying criteria for such a product of particular interest should maintain unaltered the international subclass code to be disaggregated, and should expand it with new digits (6 or 7 digits). This prevents the same code from designating different contents at the national and international levels. Illustrative examples:

CPC Ver.2		National classification	
63111	Room or unit accommodation services for visitors, with daily housekeeping services	63111.1	Services provided by Hotels and similar
		63111.11	Accommodation alone
		63111.12	Accommodation and breakfast

CPC Ver.2		National classification	
		63111.13	Accommodation and half board
		63111.14	Accommodation and full board
		63111.15	All inclusive plan
63112	Room or unit accommodation services for visitors, without daily housekeeping services	63112.1	Apartments, bungalows
		63112.2	Bed and breakfast
		63112.3	Pensions and guesthouses
63114	Accommodation services for visitors, in rooms for multiple occupancy	63114.1	Youth hostels
		63114.2	Mountain shelters

5.37. Each country should provide an explanatory note about the scope (definition and description) of the products of national interest included in the national classification.

5.38. Once all the tourism characteristic products of a national economy have been identified, the tourism characteristic activities will have also been identified, as they are defined as activities whose typical outputs generate tourism characteristic products (*IRTS 2008* paras. 5.11)., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf).

5.39. A given establishment dedicated to accommodation might provide, under the same administration, different types of accommodation services, such as rooms with daily housekeeping services, bungalows without such services, timeshare management, etc…

5.40. The following is an example of how a 4-digit ISIC Rev.4 class might be further disaggregated into smaller categories (with 5-digits) which are of specific interest:

ISIC Rev.4		National classification	
5510	Short term accommodation activities	5510.1	Hotels and similar
		5510.2	Resorts hotel
		5510.3	Apartments, bungalows
		5510.4	Bed and breakfast
		5510.5	Pensions and guesthouses
		5510.6	Youth hostels
		5510.7	Mountain shelters
		5510.8	Other (time-share, holidays home)

5.41. Each country should establish correspondence tables of its national classification of tourism (characteristic or connected) products with:

a) CPC ver 2. and the national classification of products used in structural statistics;
b) Classification of products of the national accounts of the country
c) Classifications to be used in *TSA:RMF 2008* tables

5.42. Moreover, each country should establish correspondence tables of its national classification of tourism characteristic activities with:

a) ISIC rev. 4 and the national classifications of economic activities used in structural statistics
b) Classification of industries of the national accounts of the country
c) Classifications to be used in *TSA:RMF 2008* tables

5.43. It is recommended that, when undertaking to establish tourism classifications from the tourism supply and demand perspectives, countries should begin by working on the national classification of tourism products. As already mentioned, they should in an initial phase to identify at the greatest possible level of disaggregation the products of particular interest for the analysis of national tourism. In a second phase, the characteristic products specific to the country, included in categories 11 and 12 (*IRTS 2008*, table 5.1, http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf), should then be identified.

5.44. Then, they should work on the national classification of characteristic activities, identifying at the greatest level of disaggregation the characteristic activities of particular interest for the analysis of national tourism.

5.45. Finally, they should identify country-specific tourism connected consumption products, distinguishing between goods and services.

F. Classification of occupations

5.46. Following the endorsement in 2008 of the International Standard Classification of Occupations (ISCO-08) by the Governing Body of the International Labour Organization (ILO), the development of a set of 'thematic groupings' or 'views' of ISCO-08 for certain groups of occupations has been proposed. Thematic views are a standard alternative way of aggregating occupational data classified at the 4-digit level of ISCO, such as the kinds of goods or services produced or the field of knowledge. When needed, and in order to satisfy key analytical and policy requirements, they should aggregate occupational data independently of skill level, the overriding criterion used to organize occupations into groups in ISCO.

5.47. Tourism has been proposed as one of those thematic groupings. Others include Agriculture, Construction, Education, Health and Information and Communications Technology.

5.48. For areas such as health or information and communication technologies it may be relatively easy to define and specify occupations that produce related goods or services and/or that require specific skills and knowledge. For occupations related to tourism this is likely to be much more difficult. Skills and knowledge required to produce such products may vary greatly from one tourism characteristic product to another.

5.49. In order to define the concept of "tourism occupations" it is therefore especially important to clearly identify the purpose of doing so. The key purposes might be the following:

a) to measure the total number of persons employed in tourism industries, name the occupations, and measure the numbers and characteristics of those employed in these occupations;

b) to measure the total number of persons employed in occupations that produce tourism characteristic products, regardless of whether or not the employing establishment belongs to a tourism characteristic activity;

c) to identify and measure skill shortages and training requirements that need to be addressed to facilitate the development of tourism.

5.50. Additionally, whether all the identified occupations are of interest and/or only a subset of them remains a matter for discussion.

5.51. Considering the perspective of availability of statistics about occupations for tourism that could be internationally comparable in a medium term process, ILO and UNWTO understand that creating a predefined grouping of occupations for tourism is not straightforward. The selection of occupations based on the analysis of ISCO definitions could be undertaken in the short term. This approach would be partially intuitive, however, unless occupational data to support the selection of occupations are available.

5.52. To move the proposal forward the following process is suggested:

1. develop one or more working definitions of tourism related occupations based on the existing definitions of tourism characteristic products;

2. review ISCO-08 group definitions to identify those ISCO-08 groups that fit within the proposed definition(s);

3. collect employment data associated with tourism industries as well as occupational data classified to ISCO-08 (these will only be available after it has been implemented in national censuses starting in 2010);

4. analyse these data to support the validation of the results of step 2 and to ensure the identification of all relevant occupations in the tourism industries, as well as other occupations in all other industries producing goods and services purchased by visitors.

G. Classifications to be applied to visitors and trips

5.53. They refer to classifications according to countries (of residence, destination, etc), forms of tourism, and demographic and socioeconomic characterization of visitors, such as age (usually expressed in terms of age groups), gender, occupation, level of income, education, etc. (*IRTS 2008 paras. 3.6. to 3.8.*, http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf).

- for inbound and outbound tourism, *country of residence and of nationality* should be determined using the UN Standard Country or Area Codes for Statistical Use (http://unstats.un.org/unsd/methods/m49/m49.htm and http://unstats.un.org/unsd/methods/m49/m49alpha.htm). It should be emphasized once more that, in the case of international tourism, visitors should be classified according to their country of residence, and not their country of nationality. Increasingly, a globalized world will tend to broaden the difference between those two populations.

- *forms of tourism should be determined according to IRTS 2008* paras. 2.39. and 2.40., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf;
- *visitors and other travellers* should be separately categorized for inbound and outbound tourism (*IRTS 2008* Fig 2.2., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf);

- *characteristics of the visitor*: ILO and UNESCO international standards should be used, as adjusted by countries (*IRTS 2008*, paras. 3.6 to 3.8, http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf);

5.54. Other classifications are proper to tourism analysis, (*IRTS 2008* paras. 3.9. to 3.38. http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf) and have to do with duration of trip, size and composition of travel party, purpose of trip, modes of transport used and types of accommodation.

- tourism trips according to the *main purpose*: six main categories have been identified (*IRTS 2008* Figure. 3.1., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf);

- *modes of transport:* an UNWTO standard classification is proposed (*IRTS 2008* Figure 3.2., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf);

- *types of accommodation*: no classifications are proposed at present. Nevertheless, two different types of classifications should be envisaged to be developed by countries: one of providers of accommodation services (based in ISIC Rev 4) and another one regarding produced accommodation services (based in CPC ver 2);

- *visitors* are classified as a tourist (or overnight visitor) or excursionist (or same-day visitor) (*IRTS 2008* para. 2.13., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf);

5.55. Regarding the *duration of trip*, the international recommendation only requires separating same-day visitors (excursionists) from overnight visitors (tourists). Nevertheless, taking into consideration the trend towards shortening the duration of stay, it might also be relevant to determine some groupings of classes of duration in terms of number of days (or nights) spent. For instance, visitors staying less than 4 overnights could constitute a special grouping (as in the case of Europe for instance, where this category is considered).

5.56. Regarding *purpose of trip*, again countries are reminded that, first of all, travelers taking trips for the purpose of being employed, or to be within an employer-employee relationship with a business in the place visited should not be considered as visitors (see paras. 2.35. to 2.38.). For international tourism, relying solely on immigration data for this exclusion might not be sufficient and possibly some specific question should be included in a survey of such visitors. Previously, the observation was made that when creating new categories, care should be taken to be able to observe properly these new categories, with sufficient cases where a sample is used.

5.57. Regarding *modes of transport* used during the trip, UNWTO developed a standard classification that has been traditionally used in tourism statistics (*IRTS 2008* Figure 3.2., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf).

5.58. Different types of *market accommodation* exist in every country and a complete list of those types should be established. Nevertheless market accommodation provided by organized businesses (what has traditionally been called collective accommodation), is not the only option for visitors, whether on domestic or on international trips.

5.59. Classifications of market accommodation providers should provide for the proper identification of the main categories, without mixing those belonging to the market or to the non-market sphere. This is important because of the significant differences it makes on expenditure and on demand on tourism infrastructure whether visitors use market accommodation or find other forms for their overnight stay.

5.60. Visitors might stay at non-market accommodation, (involving or not a production process) (see chapter 6), stay at market accommodation but provided by small unorganized businesses (possibly beyond the reach or scope of licensing procedures), stay at organized businesses or might even not use any forms of accommodation, e.g. stay in their car or their boat, sleep on a bench, or plant their tent in the wild, outside delimitated camping sites.

5.61. Again, it should be emphasized that because a visitor might use more than one type of accommodation during a trip, data obtained from establishment surveys refer to overnights in this type of accommodation only while information obtained in household or visitors surveys allows for the identification of all possible types of accommodation used as well as the corresponding overnights in each of them.

Chapter 6 Measuring supply of tourism industries

A. Introduction

6.1. Tourism has been defined as an economic activity that is determined principally by demand (*IRTS 2008* para. 1.12., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf). Nevertheless, in its description and measurement, it is necessary to take also supply into account, as without any economic activity supplying goods and services to meet that demand expressed by visitors, tourism would not have any economic effect.

6.2. Additionally, with the purpose of properly including the analysis of tourism within that of the total economy, it is necessary to be sure that what is measured as the supply to visitors is consistent with what is measured from the demand side, even though a global coherence and consistency of the data is only specifically pursued when setting up a TSA (see **Annex 7**).

6.3. Traditionally the focus of tourism statistics has been on the demand side and on physical data and indicators. The *IRTS 2008* brings a new focus to the supply perspective:

- understanding tourism supply as the *direct* provision to visitors of the consumption goods and services that make up tourism expenditure;
- describing the processes, the production costs and the economic performance of the suppliers in the tourism industries; and
- identifying the establishment as the observation unit (*IRTS 2008* paras. 6.7. to 6.13., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf).

Box 6.1.

The majority of enterprises by number engage in only one sort of production. The majority of production, though, is carried out by a relatively small number of large corporations that undertake many different kinds of production, there being virtually no upper limit to the extent of diversity of production in a large enterprise. If enterprises are grouped together on the basis of their principal activities, at least some of the resulting groupings are likely to be very heterogeneous with respect to the type of production processes carried out and also the goods and services produced. Thus, for analyses of production in which the technology of production plays an important role, it is necessary to work with groups of producers that are engaged in essentially the same kind of production. This requirement means that some institutional units must be partitioned into smaller and more homogeneous units, which the SNA defines as establishments. ***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.*** Further, the SNA defines industries in terms of establishments. ***An industry consists of a group of establishments engaged in the same, or similar, kinds of activity.*** In the SNA, production accounts and generation of income accounts are compiled for industries as well as sectors.

System of National Account, 2008, para. 5.2

6.4. Tourism statisticians should be aware of a relevant issue that needs to be clarified and related to the credibility of tourism industries' basic data and indicators (see "Tables of results" paras. 6.61. to 6.63.) and that NTAs, NSOs as well as other governmental agencies publishing tourism data should warn users about: it is the fact that only part of the output of each tourism industry is attributable to visitors' expenditure. This issue is explicitly identified and treated in the TSA by the use of "tourism shares" (*TSA:RMF 2008*, paras. 4.50. and 4.55., http://unstats.un.org/unsd/publication/Seriesf/SeriesF_80rev1e.pdf) within their total output.

6.5. This chapter will deal with issues involved in the supply of products which are of importance to visitors i.e. the tourism industries. This first version of the *Compilation Guide* will focus especially on accommodation activities.

6.6. Some guidance will also be provided regarding special activities such as those developed by the meetings industry, as well as the relationship of tourism with the production and sale of handicrafts. In the future, and on the basis of an exchange of national experiences, this *Guide* will expand to other tourism industries.

B. Accommodation services providers

6.7. Accommodation services represent usually a substantial part of total expenditure by visitors, and accommodation services providers (term used as equivalent to producer) are often considered as the most typical tourism characteristic activities. Also for many countries, when asked to provide data on the production value of tourism industries, the only ones available are data on accommodation services for visitors.

B.1. Categories

6.8. There are two broad categories of providers of accommodation services to visitors:

- providers of market accommodation services (B.1.1. and B.1.2.);
- providers of non-market accommodation services (B.1.3. and B.1.4.).

Subcategories B.1.1. and B.1.2. are defined in term of ISIC while the other two are not. Additionally, B.1.4. ("owner-occupied vacation homes and times share") is a TSA issue and requires for its definition to understand the conceptual background of National Accounts (more precisely, why the housing services provides by vacation homes fully owned or under other types of arrangements such as timeshares, should be measured and how).

6.9. Most overnight visitors use accommodation services provided as such either as market or non-market services, although some nights, may be spent travelling on a mode of transport (a train, an airplane, a boat), or taking some rest in a vehicle. Cruise ships are a particular case. In fact they are also often viewed as floating hotels, although in this case, accommodation is provided together with transportation as a product that cannot be viewed separately and thus cannot be viewed separately from the service provided by cruise ships.

B.1.1. Providers of market accommodation services belonging to "Accommodation" (ISIC Division 55)

6.10. As explained in chapter 5, countries will need to define a classification of accommodation providers in a way that relates to the categories of accommodation types in the country's licensing system (when such a procedure exists).

B.1.2 Providers of market accommodation services belonging to "Real estate activities" (Part of ISIC Division 68)

6.11. The classification of activities providing accommodation services usually concentrate on activities belonging to ISIC division 55. Nevertheless, in some countries real estate activities, either with leased property or on a fee or contact basis (see **Annex 3** Explanatory notes for ISIC 6810 and 6820), are relevant and should be separately identified and measured.

6.12. If an effective licensing scheme or an organizational system does not exist, or some operators that function outside such a scheme, it is very challenging to identify those operators' existence and measure their supply, except possibly through household surveys or using population and housing censuses.

B.1.3 Non-market accommodation: visitors staying with friends and relatives, and barter transactions

6.13. Consistently with the so called "production boundary" of National Accounts, and the principle of measurement of services provided by a home (see B.1.4.), receiving a guest in one's home for free does not generate any additional production in the economy. Consequently, in the case of a visitor staying for free with a resident household in his/her main dwelling or second home, no increase in demand and no effect on supply of accommodation services is recorded.

B.1.4 Non-market accommodation services: owner-occupied vacation homes and timeshare

6.14. The National Accounts exclude from the boundary of production, the production of services by households on own account. Nevertheless, an exception holds for housing services provided by dwellings owned by households for their own use: these dwellings are deemed to provide a service that is implicitly acquired by the household owning it. In that case, a rent is being imputed which value depends on the physical conditions of the dwelling, the amenities it provides, its location, etc., but is independent of the conditions under which it is being occupied. This applies also to vacation homes, fully owned or under other types of arrangements such as timeshares.

B.2. Measuring the provision of accommodation services

6.15. Because of the variety of the modes under which accommodation services are provided, its measurement will also need to be adapted to such situations. The different modes previously enumerated will be treated separately.

B.2.1. Providers of market accommodation services belonging to "Accommodation" (ISIC Division 55)

6.16. In this case, measurements should be at the level of the different categories of classifications that have been defined, and that are country specific. It should be noted that the term "collective accommodation" is no longer used in the UN Standard Classifications (such as ISIC and CPC).

6.17. Some useful indicators have been developed over the years, and are frequently used to assess the performance of accommodation establishments and for policy assessment. They are the following:

- Room occupancy rates (gross or net)
- Bed occupancy rates (gross or net)
- Average number of persons per room
- Average room rate
- Average revenue per room night
- Average revenue per guest night
- Average revenue per available room (REVPAR)
- Employees per room
- Average wage per employee
- Revenue per employee

6.18. To understand those indicators, it is necessary to have a good knowledge of the different units used in accommodation statistics.

Rooms

The room is the unit formed by one room or group of rooms constituting an indivisible rental unit in an accommodation establishment. Rooms may be single, double or multiple, depending on whether they are equipped permanently to sleep one, two or several people. (A suite is thus considered as a single "room" if the rooms cannot be rented separately).

The number of rooms on offer is determined by the number of rooms available for guests during the reference period, including rooms occupied by long-term guests but excluding those occupied by staff employed in the establishment. This number might differ from the number of existing rooms, which may be greater or less – it is usually less, as rooms temporarily unavailable during the low season, or because of maintenance, are not counted. Sometimes, although not often, the number of rooms on offer may be greater than the number of existing rooms if temporary arrangements are made to accommodate guests in some kind of annex that is usually closed and whose rooms are not included in the register. (This can happen, for instance, in the Kingdom of Saudi Arabia during the period of the great pilgrimage (Umrah), in which hotels might become overbooked and arrange with apartments near/by to increase their supply of rooms)..

Bed-places

The number of bed-places in an establishment is determined by the number of persons who can stay overnight in the beds set up in the establishment, ignoring any extra beds that may be set up by customer request. The term bed-place applies to a single bed, double beds being counted as two bed-places. This unit serves to measure the capacity of any type of accommodation.

6.19. Indicators are defined as follows:

Room Occupancy Rate: This is an indication of how many rooms have been sold during the month as a percentage of the number of rooms available during the month or to the total number of existing rooms. If all the rooms in the establishment have been sold on every night of the month, the room occupancy rate will be 100%. If only half the rooms have been sold during the month, the rate will be 50%.

The gross occupancy rate takes into account all existing rooms declared, whereas the net occupancy rate takes into account the rooms on offer. Whereas the net occupancy rate is very useful to evaluate the performance of a given accommodation provider, the gross occupancy rate is more useful for macroeconomic study as an accommodation unit is usually characterized by the number of existing rooms as an indicator of size, independently of the actual availability of the rooms for the market.

Bed Occupancy Rate: This is an indication of how many bed-places have been sold during the month as a percentage of the number of bed-places available during the month or to the total number of existing bed-places. It is the ratio of the actual bed nights sold to the total supply of bed nights during the same period associated, either to existing beds or to beds on offer. It is similar to the room occupancy rate, although provides a better indication of the overall level of occupancy of the establishment. A bed occupancy rate that is considerably lower than the room occupancy rate usually indicates that many of the rooms offering two or more bed-places are being sold to single occupants**.**

As in the case of room occupancy rate, it is possible to calculate the gross bed occupancy rate and the net occupancy rate. Similarly as for room occupancy rate, the gross and the net indicators have different uses and are based on the comparison of bed-places actually sold and compared to existing bed-places (gross bed occupancy rate) or to bed-places on offer (net bed occupancy rate).

Average number of Persons per Room: This provides an indication of the average number of guests staying in each room in the establishment. A figure of one indicates that single people have occupied all rooms, whilst a figure of two indicates that all rooms are (on average) being occupied by two people. Business hotels, which tend to cater more to single travellers, usually have a lower figure than holiday hotels, which are more frequented by families.

Average Room Rate: The average room rate is the average price a traveller pays for a room during the reference period (usually one month). It is calculated by dividing the total revenue from room sales for the month by the total rooms occupied during the month. It should be net of all taxes separately invoiced.

Average Revenue per Room Night: The average revenue per room night takes into account all incomes by the establishment: some of them are clearly related to the rooms as for instance the expenditure by guests in food, beverages, laundry, telephones, but some of them, as for instance those of restaurant services provided to outside guests or those generated by other activities such as that of a Conference Centre or the letting of shops within the premises are clearly not directly related to guests occupying rooms. It is calculated by dividing the total revenue from all sales for the month by the total rooms occupied during the month. It is usually expressed in the currency of the country in which the accommodation establishment is located.

For some purposes, it can also be of interest to calculate the rate excluding revenue from products other than from rooms.

Average Revenue per Guest Night: Similarly with the average revenue per room night, this indicator is calculated by dividing the total revenue from all sales for the month by the total rooms occupied during the month.

As for **Average Revenue per Room Night,** for some purposes, it can also be of interest to calculate the rate excluding revenue from products other than from rooms.

Average revenue per available room (REVPAR): This is the percentage of revenue (either total revenue or revenue from room only) as a percentage of the total room-night available during a particular reference period. This is an indicator of interest to hotel owners, operators, developers and investors.

Employees per Room: The number of employees per room in an accommodation establishment is a good indicator of the human resource utilization in the sector. It is, of course, most useful when calculated from aggregated accommodation data, usually grouped by grade or size of establishment.

The Employees per room indicator is calculated by dividing the number of rooms in an establishment by the total number of employees (for a given reference period, usually one month). If the number of employees varies during the reference period, the average data should be calculated in terms of full-time equivalent figures. (This also applies to the "average wage per employee" and "revenue per employee" indicators).

Average Wage per Employee: The average wage per employee is a good indicator of direct employment costs within an accommodation establishment, and when calculated on aggregated data, a defined group of accommodation establishments. It is calculated by dividing the amount paid for wages and salaries during the reference period (usually one month) by the number of employees.

Note that the average labor income per employees might be higher because of the incidence of tips that might represent a significant share of income for employees if these tips have not been included previously within the value of production, value added and remuneration of employee of the activity.

Revenue per Employee: The revenue per employee is a useful indicator to compare with the average wage per employee. It provides guidance on earnings in the sector in the context of human resource deployment. It is calculated by dividing the total revenue of the accommodation establishment during the reference period (usually one month) by the number of employees working at the establishment during the same period.

6.20. Usually, such indicators will be compiled on a sample of establishments, stratified according to the different categories of establishments, and the results will be grossed up to the total universe, by categories of establishments. Care should be taken, when grossing up, of the biases that might be generated in the imputations of non-responses, especially if the number of units in the sample is small and the rate of response is low.

6.21. The use of such indicators on a monthly, quarterly and even annual basis will provide useful information on the performance of the "Accommodation for visitors" industry. Additionally, the use of the gross bed occupancy rate applied to the total number of existing beds provides a measure of the number of overnights by visitors in those accommodation establishments which might be compared to the corresponding demand side statistics. The number of guests and overnights can also be established according to country of residence, and other characteristics of guests.

B.2.2. Providers of market accommodation services belonging to "Real estate activities" (Part of ISIC Division 68)

6.22. As previously mentioned, there are two possible situations for market accommodation providers under the capacity threshold to be included in the accommodation activity: there exists a licensing procedure or an organization of providers for all providers or a relevant percentage of providers, or there is no such organization.

6.23. If some form of organization exists, then it should be possible to obtain the collaboration from such entities, on an annual basis, to inform on the number of such units, and set up some simple survey in order to obtain general figures on the number of nights of occupancy of the units offered, and on the corresponding income generated. It might be more challenging to know the number of persons that have stayed, as in some cases the unit is provided to a group of persons whose number is not of interest to the provider of the accommodation. Some of these above-mentioned organizations might be even in the position in which they might provide such aggregated information they have collected from their members.

6.24. If an effective licensing scheme or an organizational system does not exist, or for operators that function outside such a scheme, it is very difficult to identify their existence and measure their supply, except possibly through household surveys or using population and housing censuses. If through a survey, this identification would require from those surveys to have an important coverage to obtain a statistically significant measurement of such situations; a solution might be to develop a special module in the regions in which these types of accommodation units are important.

6.25. In the case of timeshare, the number of such units might be established more easily, as they are usually managed through specialized management units, that should be capable of informing on the number of units they manage, the average market rental that are associated with such units, as well as the values associated with units actually rented on the market as they usually are in charge of the management of such rentals.

B.2.3. Non-market accommodation services: visitors staying with friends and relatives, and barter transactions

6.26. Regarding the measurement of this subcategories of providers of accommodation services to visitors, two different situation might arise:

- visitors staying with friends and relatives;
- exchange of houses without payment (barter transactions).

Visitors staying with friends and relatives

6.27. As explained previously (see para. 6.17.), there will be no economic measurement associated with this case because there is no additional production. Nevertheless, for the purpose of achieving coherence and consistency of demand with supply (see **Annex 7**) and in order to have a full picture of tourism accommodation, the number of stays and of overnights might be estimated from the supply side using a household survey in which overnights spent within the home by visitors are measured.

Barter transactions

6.28. Persons having their main home (or a vacation home) in a touristic place (New York, Rome, Paris, the French Riviera, etc.) increasingly offer them in exchange for a place to stay in another country, place or region during a certain period of time so as to save on accommodation costs while on trip. Usually, no payment is made, and only the accommodations are exchanged. This might occur among friends or relatives. But with the increase of communications favoured by the Internet, some persons make the exchange with strangers on a peer to peer basis, or use the services of specialized agencies, that do not only put suppliers and demanders in contact, but also provide some minimal guarantee of the operation.

6.29. In tourism statistics, there should be an estimation of this value of accommodation services, beyond the value of the specialized agency whose cost should be shared by both transactors. Obviously, if the idea is to try to make some sort of estimation, it is unlikely that peer to peer transactions appear as cases in a sample survey, or unlikely their number would be sufficient for a valid estimation procedure. Nevertheless, in the most unlikely situation in which such a case appears in the survey, the informant should be asked to indicate this situation, and try to estimate its value at equivalent market prices.

B.2.4. Non-market accommodation services: owner-occupied vacation homes and timeshare

6.30. Regarding "classical" owner-occupied vacation homes, the first issue is, for a country, to be able to identify dwellings that are used as such. This is a task that should correspond to tourism statisticians. The second issue is then to associate to those dwellings an imputed rent that will represent the value of the service. This task is the responsibility of national accountants when developing TSA.

6.31. The UN recommendation for housing census, (Principles and Recommendations for Population and Housing Censuses Revision 2), provides an indication to countries on how to identify such dwellings which occupancy is not a regular, permanent one.

Box 6.2. Principles and Recommendations for Population and Housing Censuses Revision 2

3. Occupancy status (core topic)
Recommended tabulation: H4-R
2.463. Information should be obtained for each conventional dwelling to show whether the dwelling is occupied or vacant at the time of the census. For vacant units intended for year-round occupancy, the type of vacancy (for rent, for sale, and so forth) should be reported. Occupancy status applies only to conventional dwellings, since all other types of living quarters are required by definition to be occupied in order to fall within the scope of the census.
Topics to be investigated in housing censuses
2.464. The enumeration of vacant conventional dwellings is likely to pose difficult problems, but at least a total count should be made for purposes of controlling the enumeration. The type of vacancy is frequently indicated by "for sale" or "for rent" signs posted on the dwelling. Although it may not be feasible to investigate all of the topics included in the census for vacant units, as much information as possible should be collected, including information on whether the living quarters are vacant seasonally or non-seasonally.
2.465. Vacant units intended for seasonal occupancy may represent a substantial proportion of the housing inventory in resort areas and in areas where large numbers of seasonal workers are employed. The separate identification of such a category may be necessary for the correct interpretation of the overall vacancy rate, as well as for an evaluation of the housing situation in the area concerned. Vacant units may be further distinguished according to the type of occupancy for which they are intended, for example, as holiday home, seasonal workers' quarters and so forth.
2.466. Whether living quarters whose occupants are temporarily absent or temporarily present should be recorded as occupied or vacant will need to be considered in relation to whether a de jure or de facto population census is being carried out. In either case, it would seem useful to distinguish as far as possible conventional dwellings that are used as

a second residence. This is particularly important if the second residence has markedly different characteristics from the primary residence, as is the case, for example, when agricultural households move during certain seasons of the year from their permanent living quarters in a village to rudimentary structures located on agricultural holdings. The recommended classification of occupancy status for conventional dwellings is as follows:

1 Occupied
2 Vacant
- 2.1 Seasonally vacant
  - 2.1.1 Holiday homes
  - 2.1.2 Seasonal workers' quarters
  - 2.1.3 Other
- 2.2 Non-seasonally vacant
  - 2.2.1 Secondary residences
  - 2.2.2 For rent
  - 2.2.3 For sale
  - 2.2.4 For demolition
  - 2.2.5 Other

Principles and Recommendations for Population and Housing Censuses Revision 2

6.32. On the basis of figures calculated for the Census year, and which usually will be available within a detailed geographical breakdown, it will be possible to estimate the number of such dwellings in a current year. Some additional proposals have already been elaborated by UNWTO in order to determine the number and characteristics of vacation homes, and those owned by non-residents by using different types of sources: censuses, surveys and administrative data.

6.33. As already mentioned once the number of vacation homes used by their owners has been established, the estimation of the associated rent can be performed, using the method of estimation that is recommended in SNA 2008 a treatment that needs also to be applied to all other vacation homes, whether located in the country of residence of the visitor or located in another country.

Box 6.4. Estimation of rents in vacation homes

In National Accounts, the historical conventional method for estimating services produced by owner-occupied dwellings has been the self-assessment method. In this method, owners were asked to estimate a potential rent for their property. The major problem of the self-assessment method consists of the largely subjective influence on the estimate. This leads to substantial uncertainties because of over- or under - estimates (depending on the precise circumstances) […]

For that reason and given the high and growing relevance of owner-occupied dwellings in some European countries, Eurostat established the so-called "stratification method" as the best approach.

The stratification method uses information about actual rentals from rented dwellings to obtain an estimate of the rental value of the stock of dwellings. The broad principle involved is the following: to impute to a given owner-occupied property a rental value, which is the same as the rental that would be paid for a similar property in the market rental sector.

The method is based on two types of elements:

– A categorization or breakdown of housing stock among various strata or types of dwellings, and
– Information about actual rentals paid in each stratum.

A stratification of the housing stock is required in order to obtain a reliable estimate and to include properly relative price differentials. Subsequently, the average actual rental per stratum is applied to all dwellings in that particular stratum.

Vacation Home Ownership in a Globalized World, http://www.unece.org/stats/documents/ece/ces/ge.20/2010/15.e.pdf
Marion Libreros and Agustín Cañada

6.34. Timeshare is a different case: it has to do with the right of its "owner" to use a unit of accommodation (a unique one, or one of a family of such units) for a limited fraction of time (usually a week or multiples of a week) repeatedly every year (or other established

frequency) over a particular (10, 20 or more) or infinite number of years. This right can result from a deed or from any other type of contract, in which case this contract most often does not represent an ownership over a physical asset.

6.35. The term "timeshare" covers a continuum of situations, from timeshare being considered as an early prepayment of future holidays to situations in which the timeshare can be viewed as a real estate investment, situations that vary from country to country and are highly dependent on the existing legal and tax setting.

6.36. Schematically, it is possible to say that there are three major types of arrangements: a) the deeded ownership; b) the "right-to-use" type of ownership, and c) the membership system. These operate roughly in the following way.

6.37. Regarding "time share" measurement, in addition to the initial payment, the holders of all three types of arrangements pay annual fees. These will be (i) annual management fees, (ii) annual maintenance fees, (iii) property taxes, (iv) insurance, and (v) occasional fees (special assessment) for major repairs and refurbishing of a property.

B.3. Other non-tourism industries and their tourism connections

6.38. Some other industries (e.g. other tourism characteristic industries) have important connections with tourism in some countries, and deserve to be acknowledged here. In this first version of the *Compilation Guide*, only two additional cases will be highlighted:

- Tourism and Handicrafts
- Tourism and the Meetings Industry

B.3.1. Tourism and Handicrafts

6.39. As previously mentioned (see para. 5.36.), in many countries all or some handicrafts as such cannot be identified neither in ISIC rev 4 nor in CPC rev 2, and goods produced as handicrafts cannot be associated with any specific production process. Nevertheless, in many countries, visitors' expenditure on such goods might represent a significant amount.

Box 6.6. Production and trade of handicrafts

Handicrafts are purchased mainly by individuals, whether for their own use or as gifts. Not all of these purchases correspond to tourism expenditure.

- *Purchases made by resident individuals within their usual environment for their own use do not form part of tourism expenditure*; they are to be included in final consumption of resident households and not in tourism final consumption; this occurs mainly in purchases made at handicraft shops located near the place of residence of the buyer (which may or may not correspond with the places where these handicrafts are produced);
- *Purchases made by resident individuals within their usual environment in order to bring as gifts in a forthcoming tourism visit abroad (or even in the country) are considered part of internal tourism expenditure*; these purchases are basically made at handicraft shops located near the place of residence of the buyer (which may or may not correspond with the places where these handicrafts are produced);
- *Purchases made by resident individuals outside their usual environment for their own use or to bring as gifts in a forthcoming tourism visit abroad (or even in the country) are considered part of internal tourism expenditure*; this occurs mainly when residents travel (for tourism purposes) to the producing regions; buy directly from the producer, or from merchants established in these zones nearby;
- *Purchases made by non-residents, whether or not they are considered visitors in tourism statistics, during their stay in the producing country*: these purchases would either form part of inbound tourism expenditure or not according to the classification of the traveller as a visitor or non-visitor;

- *Purchases made by enterprises for their own use as decorative objects or useful objects* (for example, furniture, tableware, etc… acquired by restaurants, hotels, etc.) do not form part of tourism expenditure although they could be taken into account in a broader and more sophisticated measurement of the demand linked to tourism if such establishment are engaged in tourism characteristic activities;
- *Purchases made by merchants for export or direct exports carried out by artisans or associations of artisans do not form part of tourism expenditure.*

In summary, not all purchases of handicraft products correspond to tourism expenditure, and what's more, not all handicraft purchases by households form part of tourism expenditure, so it will be necessary to have a slightly more elaborate analysis of the relationship between handicraft production and tourism expenditure on handicrafts; this means that as in the case of all products acquired by visitors as part of tourism consumption, it will be necessary to try to develop a reconciliation between an observation of this consumption from the supply side and from the demand side.

B.3.2. Tourism and the Meetings Industry

6.40. An increasingly important purpose for which visitors travel is to attend meetings, conferences and conventions.

6.41. Meetings, conferences and conventions are held by businesses across the spectrum of the economy. Businesses may hold them for their own employees. Membership organizations, professional organizations and political organizations may hold them for their members, educational institutions may hold them; private and public institutions may hold them for their own employees or for others. This type of activity, therefore, can correspond to any organisation belonging to any sector of the economy.

6.42. Until recently, no special attempt had been made to isolate the phenomenon-or to estimate the revenues and costs associated with holding meetings, conferences and conventions. Enquiry into the activity of holding such events is of interest to tourism, because attending conferences is considered as a tourism activity for participants when they are outside their usual environment (*IRTS 2008*, para. 3.20., http://unstats.un.org/unsd/publication/Seriesm/SeriesM_83rev1e.pdf). Nonetheless, this strong connection with tourism does not imply that the meetings industry qualifies as a tourism industry. In fact, its characteristic output is not mostly consumed by visitors but by the conveners of conferences and conventions who provide services to participants at conferences, conventions, etc.

6.43. It has become necessary to recognize and delineate a place for such activity in the international classifications of products and activities, to determine the nature of the services provided and how they should be measured. The activity is now recognized as ISIC 823, *Organization of conventions and trade shows* of which 8231 is *Organization of conventions*. The service provided is classified as CPC 855961, *Convention assistance and organization services*.

6.44. Countries or places in which visitor flows induced by conferences, meetings, conventions, etc. are important are encouraged to analyse separately this category of visitors and their consumption.

C. Sources that can be used to measure supply of tourism industries

6.45. The observation of productive activities belonging to tourism industries is quite straightforward, and follows the general recommendations regarding the observation of any economic activities.

6.46. Often, this observation is included within the general programs of annual observation of manufacture, trade or services of National Statistical Offices (structural types of surveys) and in other procedures with higher frequencies (monthly or quarterly). Nevertheless, it is important to underline the importance, for some activities, of taking into consideration some of their particularities and to develop complementary non-monetary indicators within the same survey. For instance, in the case of accommodation services providers, such indicators have been mentioned in paragraph 6.22.

6.47. When focussing on supply, it is important to understand the relevance of using production surveys run by National Statistical Offices and the importance for NTA officials to also understand how these surveys are designed and implemented.

C.1. Defining the Statistical Unit

6.48. When analysing production and production processes, the establishment is the most suitable unit to provide data. It should also be used in tourism statistics and for the TSA, as in the system of National Accounts. It is defined 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 (see also box. 6.1.).

6.49. It is at the level of an establishment that visitors are served, and usually, the analysis will extend to the geographical dimension: for instance, restaurants belonging to a chain will not all receive the same flows of visitors that will depend on their precise location, even within a city. Similarly, a chain of hotels having establishments in the capital city or in other places, for instance in the beach or other types of resort, will receive in each hotel different categories of customers, and will experience different types of seasonality.

6.50. In the case of transport, however, (excluding local transport), visitors are served by establishments that are not really relevant, as they mainly correspond to ticket offices. Management is usually centralized and can give information if needed for all origins and destinations and this is what matters. In this case, the relevant unit might be the enterprise.

C.2 Sources

6.51. Basic sources to collect information on industries, their output, inputs, and employment consist mainly in surveys that the NSOs usually develop on a yearly basis, and that encompass all economic activities.

6.52. These surveys are currently well established and have a formalized format, often a unique format for sections of ISIC such as agriculture, mining, manufacture, etc.

6.53. They are based on a statistical sample, often designed on the basis of periodical censuses or from administrative data from which Business Registers are generated. These Registers must be appropriately updated, as otherwise they will generate biases in the estimation of actual changes over time, mainly when activity is concentrated in small units of production.

6.54. Quite often, these surveys concentrate on the bigger units, with thresholds expressed in terms of annual income, capital or employment. This design generates structural under-representation and under-estimation of activities (and sub-activities) in which small units are the rule (which is the case of the tourism industries, especially in food serving activities, some accommodation services providers as well as transportation).

6.55. The content of the questionnaires needs to be adapted to the different activities to be observed and to their specific characteristics. In the case of accommodation services providers, some of the particularities that have been picked up in various countries are as follows:

- above the total amount of the value of the actual product itself purchased by visitors, various items might be charged on the bill: a head count, a sales tax or a VAT as a percentage of total consumption, and a proportional compulsory service charge. Additionally, clients may pay voluntary tips. All these payments are part of the value of consumption. Usually, the service provider will not include these additional payments in its financial statement as part of its income. It will consider those payments as income received on behalf of others. For example, taxes and head counts collected for government (local or central), and service charges and tips being usually an income of workers, and corresponding to them as remuneration of employees. Thus, in addition to the value of production, a measurement of supply at basic prices will require exclusion of those taxes on product, but inclusion of tips and service charges as part of its value added, and of remuneration of employees;

6.56. In the case of the monthly observation of market accommodation services providers, UNWTO has developed an "Accommodation Kit" that countries could acquire directly from UNWTO, for free. Countries might wish to promote it use among providers, both as a management tool when used at the level of each establishment, and as a statistical instrument to obtain an aggregated view of the performance of a whole category of providers.

6.57. In the paper titled *New Statistical Initiatives in the Field of Tourism* (http://www.unwto.org/statistics/sts/strengthening/oecd.pdf), UNWTO presented the view that certain administrative records should also be used for tourism. Besides information produced by IATA on flows of international visitors, the research carried out makes an extensive presentation of the possible use of information from fiscal origin (income tax and VAT invoices) and their combination with Business Registers, or as a source for updating these Registers and obtaining additionally specific information on income, costs, employment, etc. based on the experience of many countries. (the Netherlands, the United Kingdom, France, New Zealand, Spain, USA, etc.).

6.58. The use of administrative records is particularly important and recommended as a best practice in statistical procedures as collecting them is free and additionally, does not generate any supplementary burden for the respondents, an issue that is highly sensitive, mainly in developed countries.

6.59. As a final remark, it must be observed that in setting up the System of Tourism Statistics, compilers will both generate new sources of information and work more carefully within already existing ones. They will use all useful information that is part of the National Statistical System. A particular mention should be made of the information that has already been processed to build the National Accounts, because it has already been subject to consistency checks, and in particular, integrated within a Supply and Use framework.

6.60. For instance, in many activities such as food serving services, some forms of transport or of tourism services provided to visitors (informal tourism guides, handicraft producers and sellers, etc.) and even accommodation, there are many informal providers that classical systems of observation of service activities tend to exclude from business registers, and thus, from their system of observation. Nevertheless, National Accounts compilers need to estimate them, even roughly, for the completion of the universe, mainly from the income

side. These estimations are closer to what the System of Tourism Statistics wants to measure. Additionally, considering those estimations will put compilers on a good track towards the compilation of a TSA.

Box 6.7.
"A statistical agency should not automatically initiate a new survey in response to every demand for information. Rather, it should systematically attempt to react to new demands by exploring how they might be satisfied using regularly collected data or, failing that, by examining whether the administrative records already in the hands of government can address the new request, at least to some degree. Whether or not, or rather to what extent administrative records can be used to replace or to supplement statistical survey information, is a very complex issue and the answer also depends very much on specific national situations. Statisticians tend to be wary of the quality of administrative information, in terms of concept and coverage. Nevertheless, the attractive features of administrative records are that they are to be collected or have been collected anyway. It is probably true in many countries that some administrative records, e.g. tax records, have a very good coverage of parts of the population, and that the rate of response is substantially better than that achieved by a statistical agency. Moreover, there is always the possibility of improving on the information yielded by those records by supplementing them with data obtained from a much smaller sample of respondents."

Handbook of Statistical Organization, Third Edition: The Operation and Organization of a Statistical Agency, United Nations, Department of Economic and Social Affairs - Statistics Division, Studies in Methods, Series F No. 88, (New York, 2003)

D. Tables of results

6.61. The information to be collected from establishments in tourism industries, refers to:

- Number of production establishments.
- Output: its valuation should be at basic prices that is, excluding taxes on products, but including all additional charges that clients have to pay;
- Intermediate consumption;
- Value added;
- Compensation of employees;
- Investments (labelled as "Gross fixed capital formation");
- Relevant non-monetary indicators, that illustrates the level of potential and actual activity. These indicators might be different for each tourism industry.

6.62. The focus of this *Compilation Guide* is to assist countries to implement the new *IRTS 2008* and develop a national STS. The data to be obtained should allow for two complementary objectives: national purposes and international comparability. Data useful for national purposes will be much more detailed than the one requested for international comparability.

6.63. Regarding international comparability, the following dataset for tourism industries (including basic data and indicators) will be requested annually by UNWTO to Member and Non-member countries and will be disseminated in the *Compendium of Tourism Statistics*, the UNWTO's most comprehensive general statistical publication.

COUNTRY X

	Basic data and indicators	Notes	Units	2005	2006	2007	2008	2009
4.	**TOURISM INDUSTRIES**							
	Data							
	Number of establishments							
4.1	Total		Units	..	..	..	..	..
4.2	♦ Accommodation for visitors		Units	..	..	..	..	..
4.3	* of which, "hotels and similar establishments"		Units	..	..	..	..	..
4.4	♦ Food and beverage serving activities		Units	..	..	..	..	..
4.5	♦ Passenger transportation		Units	..	..	..	..	..
4.6	♦ Travel agencies and other reservation services activities		Units	..	..	..	..	..
4.7	♦ Other tourism industries		Units	..	..	..	..	..
	Accommodation for visitors in hotels and similar establishments							
	Monetary data							
4.8	♦ Output		US$ Mn	..	..	..	..	..
4.9	♦ Intermediate consumption		US$ Mn	..	..	..	..	..
4.10	♦ Gross value added		US$ Mn	..	..	..	..	..
4.11	♦ Compensation of employees		US$ Mn	..	..	..	..	..
4.12	♦ Gross fixed capital formation		US$ Mn	..	..	..	..	..
	Non-monetary data							
4.13	♦ Number of establishments		Units	..	..	..	..	..
4.14	♦ Number of rooms		Units	..	..	..	..	..
4.15	♦ Number of bed-places		Units	..	..	..	..	..
	Indicators							
4.16	Occupancy rate / rooms		Percent	..	..	..	..	..
4.17	Occupancy rate / bed-places		Percent	..	..	..	..	..
4.18	Average length of stay		Nights	..	..	..	..	..
4.19	Available capacity (bed-places per 1000 inhabitants)		Percent	..	..	..	..	..
	Travel agencies and other reservation service activities							
	Monetary data							
4.20	♦ Output		US$ Mn	..	..	..	..	..
4.21	♦ Intermediate consumption		US$ Mn	..	..	..	..	..
4.22	♦ Gross value added		US$ Mn	..	..	..	..	..
4.23	♦ Compensation of employees		US$ Mn	..	..	..	..	..
4.24	♦ Gross fixed capital formation		US$ Mn	..	..	..	..	..
	Non-monetary data							
	♦ Domestic trips							
4.25	* with package tour		Percent	..	..	..	..	..
4.26	* without package tour		Percent	..	..	..	..	..
	♦ Inbound trips							
4.27	* with package tour		Percent	..	..	..	..	..
4.28	* without package tour		Percent	..	..	..	..	..
	♦ Outbound trips							
4.29	* with package tour		Percent	..	..	..	..	..
4.30	* without package tour		Percent	..	..	..	..	..