

**STUDY OF THE CANADIAN TOURISM SATELLITE ACCOUNT  
(CTSA)**

CTC STRATEGY PAPER

DRAFT REPORT

PHASE II

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The Canadian Tourism Commission

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# **CTC STRATEGY PAPER**

## **1. INTRODUCTION**

It is now twenty years since the National Task Force on Tourism Data was initiated by the federal Ministry of State for Tourism, the Honourable Tom MacMillan, and his provincial and territorial counterparts at their Federal Provincial meeting of November 1984 with a mandate

- to identify the information and data base requirements of both the public and private sectors in order to enhance the strategic planning, marketing management and profitability performance of the tourism industry and
- to develop the programs and cooperative mechanisms that would ensure the provision of the required data and information.

Of the various recommendations made by the Task Force, of relevance to this strategic review were

- 1.The need to develop a consistent approach to delineating the scope of the industry.
- 2.The need to develop a Tourism Satellite Account

The Task Force initiated work on a Satellite Account for Tourism and advocated its development.

In addition, the report contained some detailed and specific recommendations with respect to the need to improve the existing demand side surveys, and the adoption of improved analytical techniques for the development of local area data. There were also recommendations with respect to the need for a more comprehensive utilization of the current database through more focussed analysis; the need for fuller education and information services to the industry to increase the utility of data and analysis; and the need for industry-led coordination and management of the information system constellation. In this context it recommended the setting up of a Canadian Tourism Research Institute at the Conference Board.

Now, twenty years later it is useful to review the initial vision and the developments that have actually taken place during the period, with respect to the development of the Tourism Satellite Account, with a view to setting out possible avenues of future development. This report will serve as background against which the community of users of the TSA, public and private, can explore the strategic direction they would like to see taken, with respect to its future development to meet their information and analytical needs.

The subject will be discussed under the following headings:

## **2. Initial vision and developments**

- 2.1. The Tourism Satellite Account
- 2.2. National Tourism Indicators
- 2.3. Provincial Satellite Accounts
- 2.4. Tourism Impact Model
- 2.5. Analytical and Policy related Studies

## **3. Possible avenues of future development**

- 3.1 The Tourism Satellite Account
- 3.2 National Tourism Indicators
- 3.3 Provincial Satellite Accounts
- 3.4 Tourism Economic Impact Model
- 3.5 Analytical and Policy- related Studies

## **4. Recommendations**

## **5. Conclusions**

## **2. INITIAL VISION AND DEVELOPMENTS**

### **Initial Vision**

The initial vision was developed in two stages, the first is outlined by the National Task Force on Tourism Data in “Working Paper 3. Tourism Satellite Account”, and the second more detailed elaboration entitled “A Proposal for a Satellite Account and Information System for Tourism “ written by members of Statistics Canada and presented to the International Conference on Travel and Tourism held in Ottawa in June 1991. This conference was sponsored by the World Tourism Organisation (WTO) and Tourism Canada, now the Canadian Tourism Commission (CTC). The proposal formed the basis of the World Tourism Organisation’s subsequent development of the Tourism Satellite Account-recommended methodological framework.

Both papers outlined an ambitious and comprehensive system.

The Task Force suggested that efforts to develop a definition from the demand side by attempting to define a “tourist” had not been successful and that there was a need to develop a supply-side definition. They agreed that

- the scope of the industry be defined to include the direct supply of goods and services to facilitate business, pleasure and leisure activities away from the home environment.

A Tourism Satellite Account was described by the Task Force in Working Paper No 3 as “an information system which collects, orders and interrelates statistics describing all significant and measurable aspects of tourism ...” made up of data “ in the form of values expressed in current and constant prices, quantities, incidences, rates, indexes, and other statistics ” to describe “ for example, economic, financial, managerial, social, demographic and other information ” relating to “ for example, the consumers (tourists), the producers, the inputs, the outputs, the activities of tourism support organisations (such as government), the factors affecting supply and the factors affecting demand.”. Even as the proposal stated that “ideally, this ordering should be achieved through the use of a socio-economic accounting or modelling system in which data pertaining to all dimensions (social, demographic, quantitative, economic etc,) of all activities (tourism and non-tourism) in an economy could be organised and interrelated.... such a global accounting system has yet to be developed;..... economic accounting systems exist independently of socio/demographic accounting frameworks. “

The original proposal perceived the tourism satellite account to have four layers of information, with each layer equipped with its own distinct capability.

The four layers were:

Tourism related money flows  
Tourism related quantity data  
Characterisation of Tourism activities  
Information related to Tourism potential

The first was to “provide an overview of current tourism activities- i.e., using current and constant dollar values attached to different types of tourism activity; thus, the relative importance of specific tourism related components in total tourism can be established”

The second was to “provide a quantification of different tourism activities” for example, accommodation revenues would be complemented by number of rooms occupied. (or vacant)

The third was to “provide characterisation of the individual components of tourism activity.” Thus “where possible each dollar value and quantity figure from the first and second layers may be disaggregated according to social, demographic, economic or other factors affecting the original figure.” and

The fourth was to “relate current tourism activities to auxiliary factors such as other (non-current) tourism information and with general (non-tourism specific) data.

For each layer particular items of information were identified.

Whereas the first layer could be related to the Input Output or Production Accounts of the System of National Accounts, the other layers needed other types of information to be compiled in such a way that they can be related to each cell of the structure of the first layer to create an interconnected and comprehensive framework for analysis.

It was also mentioned that Tourism Satellite Accounts could be prepared by region, by province/ territory, and for all Canada-depending upon requirements.

The contribution of the Task Force was to draw attention to the need to provide the boundaries of tourism from the supply side. The Tourism Satellite Account brings the demand side and the supply side together and makes them both relevant to tourism. It simultaneously identifies expenditures of tourists, in terms of commodities and the industries that directly supply them.

## **Developments**

The first Canadian Tourism Satellite Account (TSA) was produced in 1994. It was based on 1988 data, the latest year for which all required data sources, including the input-output tables, were available when the work started. The work was regarded as

preliminary. It took as its starting point the guidelines described in the second paper mentioned above “A Proposal for a Satellite Account and Information System on Tourism.”

The TSA consisted of the central core of the first layer of the initial vision. Accounts relating to the expenditure of tourists and same day visitors and GDP were completed. Direct commodity taxes generated were calculated, however, the core account stopped short of developing the other sectors of final demand namely those relating to gross fixed capital formation or Tourism collective consumption. Of the quantity measures only numbers employed were calculated.

Production of the next TSA was scheduled for 1992; but, rather than developing the remaining parts of the first layer or the remaining layers as set out in the initial vision, development took a number of different directions in response to expressed needs. When the TSA was published again, many years later, for Canada in 1992 and for Canada and the Provinces and Territories in 1996 and 1998..

### **Subsequent Needs and Developments**

The first need expressed was for more frequent and up to date information than was available in the TSA. As a result, the National Tourism Indicators (NTI) were developed and published for the first time in the first quarter of 1996. They have been published continuously since, incorporating extensions and additional tables at various times. The NTI draw upon the concepts, methods and estimates of the Canadian System of National Accounts.

The second was for the ability to calculate the indirect impact of tourism expenditure on the economy. The Tourism Economic Impact Model (TEIM) was developed to provide information which would be useful for policy purposes. Two versions were produced as internal documents. The first in 1994 was based on 1988 TSA data. The second in 1997 was based on 1992 TSA data and included GST.

The third was for the calculation of Government revenues attributable to tourism. Two estimates were produced, the first for reference year 1992 and the second for reference year 1998.

In the meantime there was growing recognition of users’ needs for data at the provincial level. For this, the national TSA would need to be disaggregated by province and territory. A feasibility study was undertaken in 1998 followed by consultation with the provinces in the following year. The first Provincial Tourism Satellite Accounts were produced in 2002 for reference year 1996. This was followed by Provincial TSAs produced in June 2003, for reference year 1998, together with revised 1996 data.

Other needs for information were also brought forward for specific policy and analytical purposes, for the CTC and some other agencies with specialised interests in tourism. One example was the Canadian Tourism Human Resource Council (CTHRC), who were

interested in employment data, and trends. Two feasibility studies have been undertaken to produce a Human Resource Module based on two pilot industries of the National TSA. The first was undertaken in 1998 and the second in 2004.

A number of other studies were suggested, discussed with the interested parties and undertaken, for example a count of establishments in Tourism industries. For some of them specific data were produced for these purposes.

Finally, a further concern was users' requirements for access to more detailed information, at the local levels, or for specific industry or product data from the basic survey sources used in the TSA.

The initiatives that have resulted from these requirements and dialogues with users, are described in more detail below.

## **2.1 Tourism Satellite Account**

The first TSA based on 1988 data calculated expenditures on goods and services by Canadian and foreign tourists and same- day visitors. It displayed the relationships between supply of and demand for tourism commodities, identified which industries benefit from tourism demand and showed the value added by tourism industries. It also showed the number of jobs depending upon tourism or engaged in satisfying tourism demand and their percentage of total business sector employment. As well the amount of indirect taxes or tax revenue generated by this expenditure was calculated, in terms of total commodity taxes generated by the sale of goods and services to tourists and same-day visitors.

The concepts used and the main tables of which the Account was comprised are described below.

### **2.1.1. Concepts and definitions**

In the Canadian TSA (1988), tourism is described as “ the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.”

Thus in addition to leisure travel, the concept “also encompasses travel for business purposes, to visit friends and relatives and for personal reasons such as health treatment.... excluded are commuting, travel for purposes of study, or work in a new location, as well as by migrants and diplomats or members of the armed forces on assignment”.

The concept of “tourist” in the TSA is thus similar to that of the UN Recommendations on Tourism Statistics, 1993, para. 31. in which the following are excluded from the definition of visitors. This list was established before the (WTO) TSA-RMF was developed. It was derived from the “Recommendations on Tourism Statistics”(UN series M, No. 83, 1994)



- (a) Persons entering or leaving a country as migrants, including dependents accompanying or joining them
- (b) Persons known as border workers residing near the border in one country and working in another
- (c) Diplomats, consular offices and members of the armed forces when traveling to the country of their assignment or vice versa, including their dependents and household staff accompanying or joining them
- (d) Persons traveling as refugees
- (e) Persons in transit who do not formally enter the country through passport control, (other passengers in transit through a country are classified as visitors)

CTSA takes account of domestic tourism, inbound tourism (exports) and outbound tourism (imports).

CTSA distinguishes

Tourism and non-tourism commodities

A good or service is referred to as a tourism commodity if a significant part of its total demand is by tourists and same-day visitors.

Non-tourism commodities are all other commodities purchased by tourists.

Tourism and non-tourism industries

A “tourism industry “is so considered if without tourism, it would cease to exist or would continue to exist only at a significantly reduced level of activity,

Non-tourism industries are all other industries.

### **2.1.2 The Tables**

In the first Account the 1988 data was displayed in three Tables.

Table 1 . Tourism Expenditure by commodity

Table 2. GDP and Employment of Tourism and Non-Tourism Industries

Table 3. Share of Tourism and Non-tourism industries in Total Business sector GDP and Employment.

Subsequent TSAs have been published for the years 1996 and 1998 for Canada and for each of its provinces and territories.

Instead of three Tables the data are now displayed in two. Data earlier shown in Table 3 are now incorporated in Table 2. Some details previously published are not shown for example, the breakdown of Domestic demand into Business expenditure and Personal expenditure in Table 1; the breakdown between wages and salaries and supplementary labour income in Table 2. The detail of Table 3 is now collapsed into one column, the share of GDP, and incorporated into Table 2. The share of employment is no longer displayed.

The main aggregates remain the same.. GDP is now valued at basic prices, not at factor cost. The titles in square brackets are those of the 1988 tables.

Table 1. Tourism Expenditure by commodity.

Domestic demand [the amount of personal tourism spending by Canadians in Canada]  
 International demand (exports)[the spending of non-residents in Canada (exports)]  
 Total demand [total tourism demand or expenditures in Canada]  
 Total domestic supply [total domestic supply]  
 Tourism supply share [tourism share in total domestic supply]

Table 2. GDP and Employment of Tourism and Non-Tourism Industries Canada

Labour Income [Total labour income]  
 Net income of unincorporated business [Net income of unincorporated business]  
 Other [Other operating surplus]  
 GDP at basic prices [GDP at factor cost]  
 Number of jobs [persons employed]  
 Labour compensation per job [labour compensation per person employed]  
 GDP per job [GDP per person employed]

Tourism's share of total industry's GDP [Share of Tourism and Non-tourism industries in Total business sector GDP]

The previous Report on the comparison between the Canadian Tourism Satellite Account and TSA-RMF has pointed out that the Table layout used for publishing Canadian TSA data is different from that of the international recommendations. The TSA does not display the full Supply and Use Tables shown in TSA-RMF. The presentations display Tourism aggregates in analytically different ways. It is explained that the Canadian presentation is analytically useful because it begins by displaying the GDP attributable to Tourism consumption or demand from each Tourism industry and shows the share.. Though it does not show the GDP of each Tourism industry or the total GDP of all Tourism industries these figures can be calculated from the shares.

What this type of presentation does is to display figures for Tourism GDP (or value added) in the context of the Total economy, data of great interest to users, while at the same time displaying the shares that Tourism GDP comprises of the GDP of Tourism industries

## **2.2. National Tourism Indicators (NTI)**

### **2.2.1 The indicators**

The NTI became the first extension developed for the Canadian TSA (CTSA), and these are still the most important of the array of extensions that have been added to the TSA program. (Others are discussed below). They were first published in 1996, benchmarked to the 1988 TSA and were “back-cast” to 1986.

They were developed because users were concerned with the length of time taken to update the labour-intensive and time consuming production of a full TSA. They wanted more timely information that would provide recent trends for tourism demand, projecting from the most recent TSA, and that would reflect current market factors. As a result the quarterly NTI were established and a schedule was set up to publish them 90 days after the reference quarter. The indicators are based on the most important components of tourism, as identified in the TSA. More recent benchmarks have been introduced as new TSAs have been made available-1992, 1996 and 1998.

The NTI move the elements of the TSA forward in accordance with evolving production and spending patterns for the components and aggregates, using data that are regularly available in other parts of the System of National Accounts, on both the supply (industry) and demand (expenditure) sides of the SNA.

The NTI are organized around six main topics, demand (export and domestic plus an aggregate), supply, employment, Tourism Gross Domestic Product and Prices,

The basic set consists of 24 corresponding indicators for supply and demand, and a further 14 for employment. The current dollar values are transformed into constant prices, and presented both raw and seasonally adjusted.

Supplementary tables in the publication include numbers of travelers, same-day and one night or more, arriving in and leaving Canada, the BOP travel and transportation accounts, Consumer prices indexes and exchange rates. Also included are a few National Accounts indicators, such as GDP, and personal income. These data are derived from other published sources.

A brief analytical text has been included with each quarterly release. The publication is delivered to the CTC within 48 hours of finalizing the contents (data, text, translation) and is released in the Daily Bulletin within a couple of days.

The CTC has financed the publication, and distributes it without charge. .

Each quarter within the year contained revisions back to the first quarter of the year.

Some developments in the NTI that have taken place since the first publication reflect the need to maintain the evolution of concepts, definitions, and historical revisions of the Canadian System of National Accounts. This has included, for the NTI, rebasing the constant prices to more recent years (most recently 1997, and using basic prices according to the SNA93 recommendations), adopting a revisions policy, and publishing the results of revisions, adopting a new industry classification in the supply estimates, and new methodologies in employment measures, (based on the integrated employment estimates by industry used in the Input-output tables). They are also revised and re-benchmarked when an updated TSA is developed.

Other developments have included the addition of new tables and aggregates.

### **2.2.2. Revisions**

An integral feature of National Accounts measurement is the necessity for revising data. The NTI, derived from the System of National Accounts, are revised in accordance with revisions to the system as a whole. Several reasons exist for this. “Statistical systems change over time as continued efforts are made to improve them, to implement efficiencies, to introduce the latest innovations in methodology, to take advantage of new data sources, or to compensate for the loss of data sources. They are also adapted to keep in step with evolution in the phenomena under measurement and with evolving international standards and guidelines.”[from article d. below]

It is also necessary to keep users informed of the system for introducing revisions, timeliness, frequency or regularity to reduce any possible confusion that may arise.

Four papers have been written

- a. A study of data revisions to the National Tourism Indicators, NTI Q4, 2003
- b. Proposal for an NTI/PTSA Revision Policy, internal for CTC, November 2003
- c. The 1997-2003 revisions of the National Tourism Indicators, NTI, Q1, 2004
- d. Revisions of the Canadian National Tourism Indicators, (internal report, IEAD) (date?)

Looking at the history of the NTI, the NTI publication has served valuable purposes. It has been used, in addition to tracking the quarterly evolution of tourism and its components, as a vehicle to communicate with the user community, timely related articles, concerning topics such as revisions and reasons for them, updates, comparisons of TSA results of different years, and methodology notes, It was also used to distribute the User survey. It has been possible through the relatively flexible NTI publication, to introduce timely additions to tables, such as a series showing the EURO, and Tourism GDP on a quarterly basis in current and constant prices.

### **2.2.3 Associated publications,**

a. **Guide to NTI, Sources and Methods, Statistics Canada Catalogue 13-594-GPE**, (1996) contains descriptions of the derivation of the NTI, concepts and definitions, and the identification of series that are used to estimate each indicator, for industries and commodities.

b. **NTI Historical estimates, 1986-1995, Statistics Canada catalogue 13-220-XPB** annual and quarterly, as above

c. **Historical estimates, Statistics Canada catalogue 13-220-XPB**  
(published Q1, 2004)

## **2.3 Provincial Tourism Satellite Accounts**

Following the publication of the Tourism Satellite Account for Canada (1994), and the development of the National Tourism Indicators, “Statistics Canada ...”took...” the analysis of tourism a step further with the development of the Provincial and Territorial Tourism Satellite Accounts (PTSA). The development of these accounts...” came”... primarily at the request of the tourism community in Canada. The new regional accounts increase(d) the analytical capability and further(ed) the understanding of tourism across Canada. The PTSA are designed to measure the importance of tourism in terms of expenditures, Gross Domestic Product (GDP) and employment.

With its foundation in the framework of the Canadian SNA, the PTSA allow for a comparison of tourism with other industries within a province or territory as well as the relative importance of tourism among provinces and territories. A tourism satellite account also provides the statistical basis for the development of tourism impact models. Thus, the PTSA can contribute to government policy-making and business decisions concerning tourism.

Before the PTSA was developed, a feasibility study was undertaken by Statistics Canada for the Canadian Tourism Commission and the province of Quebec (a prime instigator in this project) and in conjunction with other provincial tourism departments. The study concluded that the account could be accurately estimated, and supported the choice of 1996 as a possible reference year. This year was selected for several reasons. First, this was the earliest year for which provincial Input-Output (I-O) tables were available by province and territory based on the new 1993 SNA guidelines. It was also the most current provincial I-O data available, not subject to revision, when the project started. Data for the year 1996 was also based on the Standard Industrial Classification (SIC) system, rather than the new North American Industrial Classification system (NAICS). This allowed for better analysis between 1996 and the National Tourism Satellite Account for 1992 (and 1988) using the SIC. Employment by industry, as well as travel demand data, were also available for this reference year.

An important consideration in the choice of reference year is one of timeliness. When this study was published, nearly five and half years had elapsed since the reference year (i.e. 1996). Two factors provide(d) the major reasons for this delay. First, the final provincial I-O tables, on which the PTSA are heavily based, are not released until three years past the reference year. Second, this was a pilot project and therefore required a considerable amount of development work.” [ Introduction, *PTSA for Canada, 1996*, published April, 2002].

An important feature of the Provincial Tourism Satellite Accounts is that the aggregations of the TSAs for provinces and territories sum to national levels of the TSA. This is done to ensure that each province’s TSA is integrated with its Provincial Economic Accounts in the same way as the National Tourism Satellite Account is integrated with the Canadian System of National Accounts(national level), and the PTSA form an integrated system.

The PTSA, in addition, provides a ”tourism trade balance” identifying a balance for both inter-provincial and international tourism exports and imports by province.

For reasons of statistical confidentiality, less detail is published by province than is available nationally.

## **2.4 Tourism Economic Impact Model**

A Tourism Economic Impact Model (TEIM) was first mentioned in 1994, as part of the release of the first TSA, but it was not until 1997 that an internal report was written for discussion with the CTC Research Committee. Two versions of the model were constructed, for 1988 and 1992. The 1992 model included updated inter-industrial relationships and an adjustment for GST (this tax introduced taxes on services for the first time). The concept was to use the TSA industries and expenditures to allow the economic impact of simulated changes in tourism activity (shocks) to be measured, in terms of indirect effects. Leakages, including those attributed to imports, government revenues, withdrawals from inventories and taxes reduce the magnitude of the economic effects of tourism.

The model has not yet been updated to use the latest TSA data (1998 and soon to be available for 2000)

## **2.5. Other Analytical and Special studies 1996-2004**

Below are listed other special, mostly internal papers and documents that have been written on various aspects, including extensions and policy perspectives of tourism, all derived in some measure from the TSA and the NTI. The first group have all been prepared at the request and with the support of the Canadian Tourism Commission, working closely with Statistics Canada.

### **2.5.1 Produced by Statistics Canada**

1. Estimates of Government Revenue Attributable to Tourism, 1992 Part 1, Technical report 1998-1, June 1998, Canadian Tourism Commission

2. Government Revenue attributed to Tourism, 1998 (published in September, 2003)

These reports were commissioned by the Canadian Tourism Commission, to provide background for policy advice concerning the role of tourism in contributing to government revenue.

The 1998-based report, besides using data for a more recent year, was more comprehensive than the first. In the 1998 publication, Government revenue covers receipts from taxes on income, (i.e., on employment earnings, corporate profits, net income of unincorporated business and government business enterprises), contributions to social insurance plans, taxes on production and products, and from sales of government goods and services. These revenues are broken down into parts that can and cannot be attributed to tourism, for government as a whole and for the three levels of government separately. Estimates of government revenue generated per dollar of tourism spending are reported as well.

3. National Tourism Indicators: Readership Survey, Reference years 1997 and 1998 internal report, July, 1999

The Readership Survey, was based on survey questionnaires distributed with the NTI each quarter of 1997 and 1998.

The survey was “designed to elicit feedback on how the publication is used, who uses it, to what ends, how it could be improved and whether clients would be willing to pay for it”. 5,539 questionnaires were distributed (about 8 to each client). The overall response rate was 16.8%, with some multiple responses from the same client. (These were not included in the analysis).

Most respondents said the publication met their expectations; some wanted provincial data, more details, attendance at attractions, museums, historic sites, and expenditure estimates.

A majority said they would be willing to pay for it.(61%)

A second Statistics Canada user survey is now underway, covering all the products of the IEAD, including tourism.

Results of this study are not available yet.

4. Establishment counts, for Tourism Industries (based on 1994?), unpublished draft, 1999

This study was undertaken in response to the CTC's interest in how much tourism supply is generated by small and medium sized businesses. Using the Statistics Canada Business Register (BR), a distribution of establishments by tourism industry and province was compiled by number of employees and revenue classes.

This report needs to be updated, as the data base is now more complete, integrates more data sources, and has been converted to NAICS.

5. "The Canadian Tourism Satellite Account, An Analysis of Results for 1988 and 1992", an article included in the National Tourism Indicators published in Q1, 2002.

Since the publication of the 1988 TSA in 1994, "there has been an ongoing concern...with respect to the need for regular updates to the TSA This article marks the completion of the work involved in updating the TSA for the 1992 reference year, and the revisions made to the 1988 year. An analysis of the results as well as a discussion of the structural changes between the two reference years is presented in this paper. In addition, the underlying reasons for the revisions to the previously published 1988 estimates are discussed."

As mentioned above in the section on Provincial Tourism Satellite Accounts, the TSA for Canada has now been updated as well for 1996 and 1998.

6. Feasibility Study on a Tourism Human Resource Module, Internal draft, unpublished, July 2004

An external client (the Canadian Tourism Human Resource Council) as well as the CTC and Statistics Canada jointly promoted and contributed funding to the undertaking of the measurement of human resources involved in tourism. This, the second version of a pilot study for two industries, has benefited from improved integrated data sets used in the System of National Accounts, based on new industry and occupational classifications. The contribution of major survey developments related to the Project to Improve Provincial Economic Statistics (PIPES) also contributed to improved data sets.

"The aim of the HRM is to provide timely and reliable statistics on the human resources dimension of tourism. Both the TSA and the NTI already carry some limited information on the number of jobs generated by tourism, while the former carries information on the labour income associated with these jobs as well. The HRM is envisioned to expand considerably on this information.



### **2.5.2. Other agencies /private sector reports and studies**

The CTC has published two papers on long-term trends of the NTI:

1. Wilton, David, An analysis of the seasonal variation in the NTI. (Dec.98)
- 2 Wilton, David, Long-term trends and cycles in Canadian Tourism (2004-8)
  
2. Conference Board of Canada has published: Canada's Tourism Industry-Industrial Outlook, Winter 2004

This report looks at the profitability of Canada's tourism industry. Revenues and costs are projected in order to analyze the profitability of the industry.

### **3. POSSIBLE AVENUES OF FUTURE DEVELOPMENT**

#### **Background**

Looking back over the twenty years since the Task Force Report on Tourism data was initiated, and following the publication of the first Tourism Satellite Account for Canada in 1994, many additional components have been identified and developed beyond the initial vision. In addition, many that were identified have not yet been undertaken.

In discussing past and future developments associated with the TSA, the importance of the partnership that has existed over the period and that exists now between Statistics Canada and the Canadian Tourism Commission (CTC) requires emphasis.

As well, a committee structure was established by the CTC to draw upon and bring together tourism provincial representatives, members of various Statistics Canada groups who are part of the overall tourism statistics program, as well as industry representatives and representatives of other non-profit and industry associations with interests in tourism. At semi-annual meetings this group has been mapping the strategy and development of the overall program. The group has worked productively over a number of years.

The descriptions of work plans over the last decade provide useful context to the identification of future developments. These work plans, starting from the ideas concerning the inclusions and extensions that would be relevant and appropriate in a Tourism Satellite Account, articulate the concerns of the Tourism Agency(CTC), as well as the capabilities of the Statistical Agency(STC) to undertake specific projects (including the resource requirements). The actual program developments have represented a balance between what is desirable, what can be done, and the resources available: human, financial and in terms of data availability and development priorities and possibilities.

From the beginning of the work on TSA, an objective has been to develop an ability to measure the importance of tourism in the overall economy, as well as to measure tourism's importance compared with other industries in the economy. This has required measuring variables for tourism using the same concepts and definitions as are used in the rest of the Canadian System of National Accounts (CSNA) which in turn are derived from the international standards of the SNA93, the BOP, ....In addition, the methods of measurement, and approaches used to measure supply, demand and employment all need to be consistent with the Input Output tables, and Income and Expenditure Accounts. Further, similar approaches are necessary for revision policies, seasonal adjustment, constant price measurements and price indices, in order to fully identify the importance of tourism. To this list can be added classification systems for industries and products.

All of these elements will continue to be required, and in fact in some areas more consistency will be required.

## **Future Development**

Turning to the possible list of developments to be undertaken, some of the following components have been identified from various Research programs and work plans and from the updated recommendations of the international guidelines-TSA-RMF. It remains to be determined whether these are still considered priorities by the users of the TSA, whether for policy purposes, marketing, forecasting, analysis, or budgeting.

A summary list of previously identified elements was reviewed, mostly taken from previous internal work plans of the CTC and IEAD. They may involve launching new surveys, as well as further examination of existing surveys and other data available within Statistics Canada. Several could begin with a feasibility study, identifying what are the conceptual and measurement issues.

### **3.1. Tourism Satellite Account**

In drawing up a list of possible avenues for further development, the following perspectives are taken into consideration. The original vision, the need to remain harmonised with international and national standards with respect to the System of National Accounts, the TSA-RMF and industry and product classifications, the need to explicitly identify additional products and activities and new needs and requirements on the part of users for statistics for analysis and policy.

Possible areas of future development of the core account of the TSA have been grouped as follows. The first group relate to conceptual and practical differences with the TSA-RMF. The second group relate to possible extension of the list of commodities and industries used in the account. The third group relate to extending the core TSA as proposed in the initial vision and recommended by TSA-RMF. The fourth group relate to creating the second layer of quantity information. The fifth group relate to the third layer of socio-economic characteristics. Finally, some other areas for development are mentioned.

#### **3.1.1. Concepts and definitions**

##### **Comparison with TSA-RMF**

[Headings, chapter and paragraph numbers are those of the TSA-RMF.]

#### ***2.0 Demand perspective: concepts and definitions***

**A. Visitors;** TSA and accompanying documents refer to the universe of same-day visitors and tourists, as “tourists”. TSA-RMF, on the other hand, refers to them as “visitors”. . It would be preferable if the terminology used were consistent between the two frameworks.

The Balance of Payments (BPM5) , in their concept of travellers, includes students, persons travelling for health treatment and ship's crews, whatever their length of stay. It includes their personal expenditure and the fees paid.

Medical treatment. TSA-RMF excludes those in hospital but includes persons travelling for less than a year for medical treatment. Personal expenditures when the purpose of travel is medical treatment are implicitly included in TSA through the ITS. Costs of medical care are not currently included.

Education. Currently TSA excludes all those travelling for purposes of study . TSA-RMF is not very clear on the treatment of students. It excludes students from the definition of visitors but it regards those engaged in short-term courses or stays e.g. summer courses, summer camps, as visitors to the place visited.

This is a matter for further discussion at the international level. It may be difficult to isolate students who travel for short courses for less than a year and collect information about their expenses and fees.

The Balance of Payments [BPM 5] excludes workers and employees from their concept of travellers, but it includes their expenditures in their aggregate for Travel.

Seasonal workers. TSA–RMF excludes seasonal workers. Initially, seasonal workers were identified in the ITS and excluded from the TSA (prior to 1990). This question has now been deleted. They can no longer be separately identified in the existing data sources, but they are probably excluded through their separate identifiable visa or other entry documents.

Border workers or commuters: TSA-RMF excludes border workers or commuters. They are identified in the International Travel Survey (ITS) and excluded from the TSA.

Ships' and airline crews: They too are excluded from both TSA-RMF and TSA.

**Business travel:** Currently TSA does not explicitly exclude any forms of travel from its definition of business travel, although the international definition (TSA-RMF) excludes those that “ visit a place for a purpose other than the exercise of an activity remunerated from within the place visited” .

By this definition, TSA-RMF excludes from business travelers, those variously referred to as border workers, seasonal workers, direct employees of productive activities in the place visited and migrants. Whether or not they also exclude a range of other workers travelling for less than a year, for direct employment by businesses in the country visited in industries such as IT, hospitality, and other services, needs clarification.

This topic is under active discussion at the international level, not least because of practical issues, such as whether an employee, in this age of globalization and diverse location of subsidiaries, knows where his/her paycheque is coming from, the difficulty of including this question on entry and expenditure questionnaires, and the answers obtained.

On a conceptual level, there are reasons for excluding these workers, such as that they earn and spend the money in the economy visited, and are not visitors in that sense.

Same-day visitors (domestic and international). Currently TSA does not separately identify same-day visitors and their expenditure in their published data as recommended by TSA-RMF.

In-transit visitors. TSA-RMF recommends the identification of in-transit visitors and their expenditures. Though this would be desirable, in the TSA, the possibilities of doing this are limited, as they would not be counted unless they clear customs and are passing through one country to get from one country to another. Their impact could be significant, as they may shop in duty free areas. Consideration could be given to improving present methods of data collection to include them.

### ***A.1. Usual environment***

TSA uses a distance criterion of 80m km to define “usual environment”, although other criteria are under active consideration.

#### ***A.1.1. Usual environment and residence***

While TSA uses a concept of usual environment, SNA93 and BOP concepts are residence and centre of economic interest. Tourism has a concept of visitors, while BOP has a concept of travelers who are individuals who leave an economic territory for limited periods of time (less than one year) for business or personal purposes. If a resident household member leaves the economic territory and returns to the household after a limited period of time, the individual continues to remain a resident, even if he//she makes frequent journeys outside the economic territory. The individual’s centre of economic interest remains in the economy in which the household is resident.

Tourism statistics are concerned with persons (individuals), not households. TSA-RMF states that if an individual has been in a place for more than one year this place is considered part of the usual environment. Thus, he/she cannot be considered a visitor to this place.

Differences in concepts between SNA/BOP and TSA-RMF affect the treatment of persons travelling for medical treatment and education, as noted above. SNA/BOP include all students, persons travelling for medical treatment and ship’s crews whatever their length of stay and TSA-RMF would include some of them provided that their stay was for less than a year.

Currently TSA regards the usual environment of a student to be the place where he/she is studying and so does TSA-RMF except for those taking short courses.

### ***A.1.2. Usual environment and second homes***

TSA-RMF regards “any member of the household who visits a second home that is not within his/her usual environment ....a visitor to that second home.” and recommends that inclusion of imputed rent on owner occupied second homes.

### ***A.2. Duration of Stay***

TSA follows most of the TSA-RMF recommendations. It separately collects data for same-day visitors and tourists staying for one night or more. It also recognises and uses the one-year rule, however currently there is a difference in the interpretation of usual environment as far as students are concerned.

In transit visitors is a category recommended for inclusion, but not included in TSA. As stated earlier, such visitors are not recorded unless they enter customs, although it is recognised that they may have an economic impact, through their purchases in duty free areas.

### ***A.3. Purpose of visit***

2.23. Purposes are identified for the Canadian travel surveys (ITS and CTS), similar to those of the TSA-RMF, but not presented in any detail in the tables. Such detail can be separately requested from the ITS and CTS.

## ***B. Visitor consumption***

Differences exist in the way the scope of visitor consumption is defined in the TSA-RMF and the TSA, as noted in the report *Comparison of TSA-RMF and TSA*, these differences reflect conceptual and definitional differences between implementation of the SNA93 in the Canadian System of National Accounts and the suggested implementation as reflected in the TSA-RMF.

In particular, only household final consumption in cash can be identified in the CSNA, and therefore visitor consumption is a subset of this aggregate. This component is recognized as the most important.

At the moment, not much change can be contemplated. In the future, the differences between the international requirements (SNA93 and TSA-RMF) and the actual TSA method could be more completely documented.

### ***B.2. Household final consumption in SNA93***

The TSA-RMF, using the concepts and definitions of SNA93, proposes separating the institutional units that pays for services, and the institutional units that benefit, and proposes a method to transfer the consumption from one sector to another.

TSA using the definitions of the CSNA, cannot do this as yet, although CSNA is moving in this direction.

### ***B.3. Visitor consumption by business, government and NPISH***

TSA includes visitor consumption of persons traveling for business purposes, paid by business, government and NPISH

### ***B.4. Scope and components of visitor consumption***

TSA is restricted to the measurement of visitor final expenditure in cash and tourism business expenses. CSNA and TSA treat expenditure of employees on business trips on meals (as well as transportation and accommodation) for which they are remunerated in cash as part of intermediate consumption and not as part of employee compensation as recommended by 'SNA93 and TSA-RMF'.

### **Spending by hosts for their visitors**

Visiting friends and relatives is a legitimate purpose of tourism. Hosts of such guests incur expenditures that they would not have incurred in the absence of such visitors. The estimation of such expenditure and its inclusion could be considered. Some provincial surveys have been taken in the past to gather this information.

#### **3.1.2. List of Tourism Commodities and Industries**

The list of commodities and industries included in estimating visitor expenditure for the TSA are important as the process of compiling estimates of Tourist expenditure and the detailed commodities of which it is composed, requires approaching the issue from both the demand side and from the supply side.

TSA lists the main tourism and non-tourism commodities for which estimates are explicitly made. In the published data, some are implicitly included in the total as part of the residual "all other" categories of tourism and non-tourism commodities. Comparing the list of TSA products with the products in TSA-RMF, there are some for which no estimates are as yet made in the TSA. There are others that have not yet been mentioned in TSA-RMF but are emerging as important for Tourism.

The lists of commodities and industries included in the TSA are reproduced in Appendix A. The more recent lists as shown in the Provincial and Territorial Tourism Satellite Accounts for Canada 1998 are shown first. In these the industries are related to NAICS

1998. Also included are the lists of the original TSA produced in 1994 based on 1988 data. The original lists were drawn up through consultation when the TSA was originally developed and it has remained largely unchanged. The category of Other transportation no more exists as a Tourism commodity, it has been split between Transportation and non-tourism commodities. Thus there has been a small shift in certain commodities from Tourism commodities to non-tourism commodities. The earlier lists show the relationship with the I/O classifications. The more recent published ones do not. An examination of these commodities and industries in comparison to those recommended in the TSA-RMF shows that though the commodities for which estimates are made in TSA include goods not yet listed in the recommendations of TSA-RMF (which confines itself to listing services), there are products and industries in the TSA-RMF list for which no explicit estimates are shown in the TSA. They are described below. Discussed below also are commodities and industries that are emerging as tourism activities or ones whose outputs are being increasingly consumed by tourists.

They are discussed below in the order in which they appear in the TSA publications

## **Services**

### **1. Transportation**

#### **Passenger Air Transport**

Air transport- Chartering of small aircraft for fishing and hunting expeditions and for sightseeing is likely an important tourism service that is included in TSA estimates. Rental of helicopters and hot air balloons are also likely to be services purchased by tourists. It is not clear whether these are included in TSA.

Vehicle rental- TSA includes only rental of cars. RVs and campers. It would be useful to investigate the possibility of making estimates of rental of aircraft (without operator), motorcycles, scooters and skidoos by tourists, whether included under vehicle rental or under recreation. (see rental of recreational equipment under Other tourism commodities below.)

### **2. Accommodation**

#### **Other accommodation**

Student residences- As yet expenditures on student residences are not included in estimates of Accommodation in TSA. Student residences are used to provide accommodation for students during the school year but many residences make rooms available to tourists during the summer vacations, they also make rooms available for conference participants and make conference rooms on University campuses available for conferences.



Whether or not it is decided to include the expenditure of students, taking short courses of less than a year, this kind of accommodation constitutes a part of Tourism expenditure and could be considered for inclusion in TSA, under the supply of other accommodation.

Rental income from cottages is included in other accommodation in TSA. Some of these cottages may be second homes. TSA-RMF recommends that imputed rent on owner occupied second homes should be included in visitor expenditure. The possibility of doing this is discussed below under additional products and industries. (See note on second homes at the end of this section )

### **3. Food and beverage services**

The industry Mobile food services. (NAICS 72233) and its commodity outputs are not included on the supply side. No explicit estimates are made of tourist expenditure on mobile food services, hot dog stands and similar eating places. Though tourists likely purchase food at these establishments, it does not seem feasible to be able to gather these data.

### **4. Other tourism commodities**

Recreation and entertainment.

It is not clear whether all kinds of risk sports, such as hang-gliding, bungee jumping, snowboarding etc., are adequately covered or can be covered in the TSA.

Rental of recreational equipment

TSA needs to include selected commodity outputs of NAICS industry 53229 Other consumer goods rental, as it contains pleasure boat rental, recreation and sports equipment rental and rental of golf carts, motorcycles, snowmobiles etc.

Travel Agency services.

TSA-RMF recommends that Travel Agency and Tour Operator services should be measured as a margin: tour packages should be unbundled and all the separate services should be shown as directly purchased by persons or businesses. Also the commissions and fees paid to Travel Agencies should be shown as directly purchased by persons and businesses and the services purchased through them should be shown to be directly purchased by persons and business and they should be valued net of commissions. Currently, the Canadian Input Output Tables and TSA do measure these services as margins. However they show some commissions as being paid by the Air Transport, Accommodation and other industries and their services are valued gross of commissions paid.

The current treatment would need to be modified in order to correspond to the net valuation treatment recommended in TSA-RMF. The net valuation treatment would affect the valuation of all services sold by Travel Agencies and Tour Operators in particular Passenger Air Transport and Accommodation and would require an adoption of that treatment by the SNA and BOP in Canada.

In order to properly adopt the net valuation treatment in international trade, it is necessary to know the country of location of the Travel Agency through whom tickets on foreign airlines or accommodation abroad are purchased, or to whom foreign airlines and hotels pay commissions, so as to make the necessary adjustment to imports. This information is not currently collected. Alternatively it must be assumed that the country in which the travel agent is located is the same as that of the purchaser. This change would need a redesign of the processing system of the International Travel Survey.

#### Convention fees

Both individuals and businesses attend conventions and conferences. TSA attempts to make some estimates of convention fees. On the demand side, for persons, a question is asked on the Canadian Travel Survey (for non-business conventions). An estimate is also made of fees for business conventions. However on the supply side the entire amount is assigned to the convention facilities of hotels.

This item needs further investigation and review. The use of University buildings and facilities for conferences has been mentioned above. TSA should consider the possibility of obtaining more information on the rental income of Congress Centres (or sports arenas-for craft fairs, agricultural fairs...) to be found in the Real Estate Industry (NAICS 53112).

#### 5. Additional commodities and industries

##### Financial and insurance services.

Under a category called miscellaneous tourism services, TSA-RMF mentions certain financial and insurance services that are not currently included in the list of TSA products. Credit card services and travel life, accident and health insurance services. are examples mentioned. To these could be added insurance on rented vehicles such as automobiles, campers and trailers, RVs, aircraft, pleasure boats, motorcycles, scooters and snowmobiles.

##### Other business services.

##### Convention and Trade Show Organisers.

This NAICS industry should be included on the supply side. There now appears to be a growing service industry, whose trade association is called MICE- Meetings, incentives, conventions or conferences and events. This has emerged in the last few years. Firms in

this industry organise conventions and similar events for businesses. Their service is a new business tourism service that ought to be measured in the future. It should be valued as a margin similar to that of Travel agencies and Tour Operators. These firms organise and package services for businesses. They will now be included in NAICS industry 56192 Convention and Trade Show Organisers. It is necessary to identify them on the business register and ensure their statistical coverage. They could be a useful source of information on the amount spent on rental of convention facilities and other costs associated with organising conventions, meetings and events.

#### Health services

These expenditures may occur both because same-day visitors and tourists might need emergency health care when on a trip for other purposes, or they may take a trip for the purpose of health treatment. The cost of health treatment may be covered by insurance schemes, private and/or public. In the circumstances what is needed is to include only that which visitor's themselves pay for health treatment. Whether or not these can be explicitly estimated and included in the future needs further investigation.

#### Personal care services

TSA-RMF mentions a number of these services, fitness centre services, sauna/steam bath services, massage services, and spa services. TSA takes these services into account when they are provided by hotels. Hotels, however, are not asked to provide revenues earned on these services. They are not specifically identified among the services provided by Hotels on the Traveller Accommodation industry questionnaires and it might be necessary to establish the content of the "other revenues" item on the Traveller Accommodation Industry questionnaire. However, it is perhaps necessary to try to also include these services to be found in independent Fitness and recreational sports centres, NAICS 71394, particularly those of Spas when they are not part of Hotels, and to take their use by tourists into account in TSA. This area of personal care and fitness services including spas, should be treated in the same way as are Food services. Both their production by Hotels, which is likely almost all purchased by tourists, and by independent industries, should be taken into account.

#### Pre and post trip expenditures.

The intention in the TSA is to measure all travel related expenses as part of tourism demand, including pre- and post-trip expenses. Currently certain pre-trip expenditures are measured and others are not. The cost of inoculations, visa and passports are not currently measured.. Also financial and insurance services are not measured as pre-trip expenditures. Post-trip expenditures are not currently covered in the TSA.

## **Goods**

TSA-RMF has no particular recommendations with respect to a list of goods, but it does discuss the inclusion of consumer durables.

Consumer durables.

Currently the treatment of consumer durables in TSA differs from the recommendations of TSA-RMF. It is necessary to review the measurement of consumer durables and the impact of the purchase of high cost durables. The list of consumer durables to be included in visitor expenditure should be reviewed. TSA has identified a list of single purpose and multi-purpose durables. ITS includes them in principle, while CTS specifically excludes vehicles. Currently purchases of luggage, tents, camping goods, sleeping bags, luggage, travel-sets, motor homes, trailers and semi trailers of the caravan type for camping are all included as pre-trip expenses to be included in tourism visitor consumption. The purchase of automobiles is excluded. Some detailed analysis is needed with respect to the impact of the purchase and sale of consumer durables at the end of a trip, as well as the purchase of high unit cost durables purchased on a trip, in particular, to assess their impact on time series.

New recreational activities such as snowmobiling represents an important vacation activity for visitors, and these vehicles belong on the list of durables purchased or rented with their associated expenditures-insurance, gas, repairs (and clothing). Other sources of data could also be investigated, for example, import data for such products as cars, boats, snowmobiles, to overcome the sampling issues associated with the visitor surveys, in which patterns of large occasional purchases can disturb the expenditure series.

## **Second Homes.**

TSA-RMF recommends the inclusion of imputed rent on owner occupied second homes as part of visitor expenditure.

It identifies a category for private accommodation. This consists of accommodation that provides a limited number of places for rent or without charge. Each accommodation unit (room, dwelling) is then independent and is occupied by tourists, usually by week, fortnight or month, or by its owners as a second or holiday home.

TSA-RMF makes recommendations for owner-occupied second homes and imputed rent, characterizing its occupancy by members of the family who own it, and whether it is used for tourism purposes.(outside usual environment, not his/her working place, not a place from which he/she regularly commutes to his/her working place, or if the reason for the visit is not related to the exercise of an activity remunerated from within the second home.)

TSA has made no attempts as yet to impute rent for owner occupied second homes. It neither measures second homes nor their imputed rent, whether within the country or outside. Occupancy by non-residents is not measured. Imports and exports of such accommodation could be significant.

If the second home is rented to someone else, it will not be part of the owner-occupied stock (following census of population criteria) but will be part of the rental of real estate industry (in Canada). This category may also include rented condominiums or single detached homes.

Time share occupancy is another variant of private accommodation, about which little is known or understood.

TSA asks questions on the ITS and CTS concerning whether the visitor stayed in a private cottage or vacation home. Some demand information exists for these, for non-residents (ITS) and domestic visitors (CTS). What is missing is information on the supply side. We do not separately identify second homes (or other private cottages) in the supply estimates. The housing stock estimates included and separately identified second homes in earlier days, using building permits to project census estimates; now there is little difference between owner-occupied principal residences and second homes, in terms of facilities included and value. Primary and secondary homes can no longer be easily distinguished.

Some years ago, a special survey attached to the Labour Force survey asked households if they owned a second home. About 6 or 7 per cent of the households surveyed said yes. (checking for information on this.) As for the supply of condominiums available as private accommodation for vacation homes, this would be a new subject, as would time shares. Both categories might be very significant as imports and exports as well as domestically. For owner occupied second homes, a distribution of values would be useful in the calculation of imputed rent, as well as for how many months of the year such a second home would be occupied.

### **3.1.3. Extensions to the core TSA**

#### **3.1.3.1 Price indices and constant dollar TSAs.**

To date, though constant dollar Input Output Tables exist, no attempt has been made to produce constant dollar TSAs. This would be useful and the production of price indices (some exist) to deflate the core account, presently produced only in current prices, should be considered, at least on the demand side.

The next stage would be to consider extensions to the core TSA, developed so far. TSA-RMF recommends extensions similar to the ones in the original vision as discussed below.

### **3.1.3.2. Gross Fixed Capital Formation**

Several aggregates are mentioned by TSA-RMF for tourism gross fixed capital formation:

- -“total value of a producer’s acquisitions, less disposals, of fixed assets during the accounting period plus certain additions to the value of non-produced assets realized by the productive activity of institutional units. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly or continuously in other processes of production for more than one year” [SNA93, para 10.33]
- -total GFCF of tourism industries
- -GFCF of tourism-specific capital goods, which are directly linked to the provision of services to visitors.
- the proportion of total GFCF that is required to provide goods and services to others.

To complete this part of the TSA it would be necessary to isolate Gross Fixed Capital Formation by Tourism industries, Airlines and Accommodation and Food services in the first instance. The sample frames of current Statistics Canada Surveys are likely not adequate to provide estimates of gross fixed capital formation for all the industries covered in the TSA. The issue needs to be examined. A proposal would have to be developed in order to introduce this area into the TSA. The availability of data in accordance with the concepts and definitions indicated would need to be assessed, and the limits of such a project defined.

In the meantime however, CTC has taken the initiative of undertaking a study of Foreign Direct Investment, in Tourism industries.

This is a very interesting topic for Canada, where much investment in capital goods comes from outside the country (imports) directly or through joint ventures e.g. for hotels, convention centres, resort complexes, golf courses ...etc.

### **3.1.3.3. Tourism Collective Consumption**

TSA-RMF, quoting SNA93 para. 9.83 provides the following characteristics for non-market collective services.

- -they can be delivered simultaneously to every member of the community or to particular sections of the community, such as those in a particular region or locality;
- -the use of such services is usually passive and does not require the explicit agreement or active participation of all the individuals concerned;

- the provision of a collective service to one individual does not reduce the amount available to others in the same community or section of the community, i.e., there is no rivalry in acquisition.

TSA-RMF further mentions

para 2.78 In the case of tourism, collective services refer, among other things, to the provision of legislation and regulation regarding tourism, the promotion of tourism by a government unit, the maintenance of order and security and the maintenance of public space.

para 2.79 .....”a special category is created, that of collective consumption expenditure of general government;, which is not further assigned to ;beneficiaries and remains as the actual final consumption of general government”.

Para 2.80 .....”specific measurement of the aggregate value of tourism collective consumption is suggested”

To date no attempt has been made to measure government collective expenditure as related to tourism in Canada.

### **3.1.4 Quantity Indicators**

The original vision conceived of the possibility of creating a layer of quantity information to correspond to the value information compiled in the TSA. TSA-RMF also recommends a set of non-monetary indicators.

#### **3.1.4.1 Employment**

Currently the number of employees associated with Tourism industry output are compiled and published. They are based on the person year employment numbers calculated for the Canadian Input Output Tables.

The Human Resource Module feasibility study for two pilot industries which is underway is described above. If and when it is implemented it will expand the Labour Income dimension of the TSA and NTI in more detail and relate it to employment and occupation., number of employees, jobs, part-time/full-time, FTEs, hours worked, age, level of training. The work is producing promising results.

#### **3.1.4.2. Non-Monetary indicators**

TSA-RMF suggests four tables of non-monetary indicators that would be useful for analysis of tourism

- a. Number of trips and overnights by type of tourist and categories of visitors.

- b. Inbound tourism. Number of arrivals and overnights by means of transport.
- c. Number of establishments and capacity by forms of accommodation.
- d. Number of establishments in tourism characteristic and tourism connected activities classified according to number of employed persons.

These are more difficult to measure in such a way as to match the value information in the TSA. For quantities, micro-data from surveys cannot be adjusted to match the macroeconomic indicators produced for the TSA. Due to the fact that the value figures of the TSA are compiled through a balancing process that modifies the original data compiled from the demand and supply surveys, the relationship between the expenditures and the numbers of trips, overnights, beds and rooms occupied, obtained from demand surveys does not remain valid. It is not possible to match these numbers in a meaningful way once the balancing has taken place. The tourism ratios are based on tourism expenditure in tourism industries, and cannot apply to the quantitative measures. Total quantities, as proposed in these tables will therefore be of limited analytical use in relation to value data, for tourism.

- a. Statistics Canada publishes counts of travelers, same day and one night or more. The data are available on the CANSIM electronic database, quarterly and annually and monthly for same day travel. The number of same- day travelers contain commuters. A number for visitors is not yet compiled. Though such a number could perhaps be compiled it will not be possible to calculate the number of visitors that are associated with tourism expenditure as estimated for the TSA, on account of the adjustments that are made to expenditures in the balancing process.
- b. The number of arrivals by transportation mode also reflects total travellers rather than visitors (this may be close to the tourism number for air passenger, for example, but not the other modes)
- c. The number of establishments in collective and private tourism accommodation can be assigned a tourism ratio, but tourism will not be equally spread among the different types. Nor will the room and bed capacity be equally applicable to tourism
- d. The number of tourism establishments can and has been estimated for tourism using the tourism ratios, and they should be updated, as many improvements have been made to the Business Register -source data for this study,

For policy purposes, there is an interest in how much tourism is generated by small and medium sized business. It is assumed that the tourism ratio applies proportionately across size classes (both revenue and employment sizes). This may be acceptable for an industry such as Travel arrangements services, or air transport, as most of it is directed to tourism (more than 80% or so) but other industries are not so concentrated on tourism (Food and beverages, accommodation, recreation and entertainment, for example).



### **3.1.4.3 Environment**

A potential new area of development of quantity measures concerns the environment. Selected measures are currently calculated that could be of interest to tourism. These are the quantities of water and energy used by industry. These series are prepared in the Environment Division of Statistics Canada, on an annual basis. Since they are produced by industry, the tourism industries can be selected, and information compiled by industry or for groups of industries. Such “indicators”, as annual time series, could be part of the TSA production, or eventually part of the NTI. Eventually it would be hoped that other such indicators might be available, such as waste and garbage, and that all might be available quarterly, so that they could form part of the indicators, and compared over time with other industries in the economy

### **3.1.5. Socio-economic and other characteristics**

These were mentioned as a layer of the original vision, but have not been studied in detail. On the demand side, those mentioned are age, sex, income group, education and employment status of tourists. Also mentioned are description of trip- origin, destination and duration.

The Canadian Travel Survey contains some socio-economic variables such as income, age, employment status...(taken from the Labour Force Survey interview). Requests for these data are made by users interested in marketing, although the information is not directly compatible with the TSA or NTI for reasons mentioned earlier, that is, the balancing process used to finalise the estimates.

For international travel, no socio-demographic variables are collected (other than the size of the travelling party). The possibilities of compiling socio-demographic data are therefore limited.

Some characteristics of trips are collected on both surveys and the data are provided directly to users. Again they cannot be directly related to the TSA.

### **3.1.6. Other- Tourism potential**

This is the fourth level of the original vision. The demographic statistics suggested on the demand side, are the stock of potential tourists- population, households by age, sex, income group. educational level.

These data are directly available through the census of population and forecasts are available through the demography division of Statistics Canada. They could be used to make forecasts of tourism potential.

Other suggested types of data are financial data. On the supply side, source and application of funds in tourism industries, value of capital, structure of debt etc. On the demand side the level of personal savings, income (including personal disposable income, considered to be a determinant of tourism expenditure) and personal expenditure etc.

To bring in the financial dimension would mean considering expanding the Accounts into the Financial Flow Accounts of the SNA, something that likely cannot be contemplated at this time.

### **3.2. National Tourism Indicators (NTI)**

Questions that arise in connection with the NTI, include whether the number or frequency can be reduced (from quarterly) and if this were done, whether they would still be useful analytically. Or, alternatively, whether some additions to the set of indicators would be useful. In terms of the numbers, since many of the tables are transformations of the basic current dollar data, indicators for fewer components would not require much less work. In terms of frequency, quarterly indicators provide a seasonal frequency that coincides with other economic variables, and which is also relevant for tourism activity. Seasonally adjusted indicators, and indicators in constant prices are useful analytic tools to assess, for example, whether expenditure patterns are a result of seasonal patterns, and price adjusted indicators separate out the price components, so that trends in real growth can be identified

Suggestions for new indicators would include the separation of business and non-business, exports for the US compared with other countries, break-out of same-day and overnight.

Such extensions would have many implications that would need to be investigated and the planning to include them over the next few years would need to be considered. For example, system modifications, and extra details to be separated out in the TSAs derived from the internal files of the demand surveys.

### **3.3. Provincial Tourism Satellite Account**

A PTSA Taskforce (in progress) has been evaluating the results of the PTSA and will provide a report in the coming months. In the meantime, the publication of Provincial TSAs is being held in abeyance

### **3.4 Tourism Economic Impact Model (TEIM)**

A Tourism Impact Model is a very useful tool of analysis such as for example, for calculating indirect effects of tourism; for studying the impact of alternate scenarios; the impact of domestic vs international tourism, the analysis of phenomena such as the impact of SARS or the conflict in the Middle East.; for comparative analysis of expenditures of visitors from various regions of the world and therefore for promotion strategies etc.

The model was originally set up to be able to calculate indirect effects. Multipliers/impact coefficients derived from the TSA and TEIM are currently used to make projections. As they are currently based on the 1992 TSA, there is now a need to update them, so the Tourism Economic Impact Model needs to be updated and maintained.

The model also allows for the calculation of import leakages. Though international import leakages are not a problem for Canada, they can be important for specific provinces or territories within Canada. The possibility of being able to calculate import leakages is useful in issues of international trade and international trade negotiations to provide figures for comparison with countries for which it is a problem.

Once set up the model will be able to measure the effects of alternative scenarios, and calculate employment levels and GDP.

### **3.5 Analytical studies.**

#### **E-commerce.**

This is now an important aspect of the delivery of Tourism services. Travel agencies and tour operators may have independent internet companies, or they may have an internet site through which they provide information and accept bookings. Airlines and Hotels also have their own internet sites through which they sell tickets and accommodation which are now in competition with Travel Agencies and Tour Operators. Tickets to sports and recreational events can all be purchased on-line through specialised internet agencies or through the internet sites of ticket agencies. The subject is of great analytical interest. It should be confirmed that internet sales through specialised internet agencies are included in the Make and Use industry statistics of the Input-Output Tables and in the TSA. Statistics Canada carries out an E-commerce survey from which analytical information relating to Tourism industries could be extracted and analysed.

## **4. RECOMMENDATIONS**

### **4.1. Tourism Satellite Account**

Some changes are recommended below

#### **4.1.1 Concepts and definitions ( comparison with TSA-RMF)**

##### **A. Visitors**

1. TSA should change its terminology relating to same-day visitors and tourists to that of TSA-RMF

Currently TSA describes the total of same-day visitors and tourists as "tourists" and TSA-RMF describes them as "visitors".

To conform with TSA-RMF, the TSA should rename its aggregate "visitors", which will then be similarly composed of "same-day visitors" and "tourists"

These definitions should also be added to the glossaries in the various TSA publications.

2. TSA-RMF needs to clarify the content of its concept of visitors and the clause "not related to the exercise of an activity remunerated from within the place visited" and to explain how its concept relates to that of the Balance of Payments (BPM5)

TSA will then need to review the content of its concept of "same-day visitors and tourists" and consider what steps need to be taken to implement any changes required.

Though further clarification of the international recommendations is required, to conform to them it would seem that students taking short courses, persons travelling for medical treatment and ships' and airline crews, visiting for less than a year, are included in the TSA-RMF definition of visitor and tourist, while border workers, seasonal workers and perhaps other temporary workers visiting for less than a year are explicitly excluded.

Currently students are not included in TSA. To conform with TSA-RMF, in principle, those that visit for less than a year, to take short courses, may have to be included. The feasibility of doing so needs to be considered and the issue raised for the revision of TSA-RMF.

Clarification on the issue of exclusion of persons travelling to work as employees of businesses in the country visited, would be helpful both from TSA-RMF and the Balance of Payments.

3. Separate identification of same day travel, (domestic and international) and one day or more would be a useful presentation in TSA published data. This is a recommendation of TSA-RMF. It would allow analysis of the expenditure attributed to same day visitors versus one day or more tourists. In principle, the expenditure of commuters would have to be excluded. Same-day visits as a time series are a very sensitive indicator and are useful for analytical purposes. Such same day travel numbers and their associated expenditure can be very volatile, responding quickly to exchange rate changes, and other factors (e.g. 9/11/2001).

4. The issue of the identification of in-transit visitors and their expenditure in duty free areas should be considered.

5. The International Travel Survey is used to furnish data both for the Balance of Payments and the TSA. What needs to be collected and compiled for each framework needs to be reviewed, agreed upon and any changes implemented as a co-ordinated joint project.

## ***B. Visitor consumption***

6. The scope of the concept of visitor consumption in TSA differs from that of TSA-RMF as a consequence of differences in the implementation of SNA 93 in the Canadian System of National Accounts. In its publications TSA should document the differences.

CSNA only includes household final consumption in cash. In consequence, TSA includes only visitor consumption in cash. It includes visitor consumption of persons traveling for personal and for business purposes, paid by business, government and NPISH. The treatment of business expenditures corresponds to the way in which they are treated in CSNA and not as recommended in SNA 93. TSA should describe how business expenditure is treated as consumption for purposes of measuring tourism demand, but as intermediate expenditures for purposes of measuring GDP. The fact that business expenditure on meals for their employees is treated as an intermediate expense and not as part of wages or employee compensation in cash or kind as recommended by SNA 93 should be mentioned. It should explain other differences between the approach to income-in-kind recommended for TSA-RMF and the current practice of CSNA and the TSA. Finally it should make clear which classes of persons, are included in business expenditure. either explicitly or implicitly - seasonal workers, workers employed by businesses in the country of destination, employees travelling on behalf of the business, self employed business and professional consultants etc and whether or not the aspect of being remunerated from within the place visited is or can be taken into account.

7. It is recommended that TSA define exactly how estimates of Visitor Expenditure in TSA relates to that of travellers' expenditure in the Balance of Payments.

(A reconciliation table could be presented, if necessary)

8. Consideration should be given to measuring the expenditure of hosts on their visitors

### **4.1.2. List of Commodities and industries**

1. As pointed out the list of commodities and industries has remained largely unchanged since the TSA was first developed. What is reflected in the data is whether the expenditure on these commodities has increased or decreased but no new products have been included (or excluded). Structural changes in tourism demand, and the emergence of new products and industries need to be taken into account. Currently there is no process in place to review the list and expand or change it. It is necessary that a process be set up to review the list at periodical intervals. The list of commodities and industries explicitly and implicitly included in the TSA should be made more transparent, indicating which commodities and industries are chosen for inclusion as tourism and non-tourism in TSA and how they relate to the list of I/O commodities and industries. The list should be circulated on a regular basis, and comment from TSA users should be sought.

The CTC has actively engaged in making proposals to improve the classification of commodities and industries of interest to tourism in the revisions of the classification systems of Statistics Canada. Some improvements were made in NAICS 1998 and others

have been proposed for NAICS 2007. Usually a time lag exists between the production of a classification and the collection of data. Data availability and its inclusion in the I/O tables will be a necessary prerequisite for the TSA to be able to include changes. Active interaction with the producers of the I/O tables might also be required.

Some possible improvements in the list are mentioned above. Consideration should be given to their inclusion. Others are mentioned below.

2. Travel Agencies and Tour Operators. Conforming to the TSA –RMF net valuation approach requires a review of the methodology adopted for estimating exports and imports. More data are required. Consideration should be given to modifying the processing system of the International Travel Survey if necessary.

3. Consumer durables. The present treatment of consumer durables should be reviewed

4. Second Homes. What should be included under second homes needs further study. A feasibility study would be necessary to examine the possibility of imputing rent for owner occupied second homes

5. Health Services. The issue of estimating and including direct expenditures of same-day visitors and tourists on health treatment should be reviewed.

#### **4.1.3 Extensions to the core account:**

##### **4.1.3.1 Price Indices**

The production of price indices to deflate the core account at least on the demand side, should be considered

##### **4.1.3.2 Gross Fixed Capital Formation**

It is recommended that the current approach to estimating Foreign Direct Investment in Tourism Industries be pursued, in the first instance. Resources permitting, feasibility studies could be undertaken to see what data would be possible to compile on Fixed Capital Formation for Tourism industries, in the light of current samples and data availability.

##### **4.1.3.3. Tourism Collective Consumption**

It is suggested that a feasibility study be undertaken, in which the appropriate components of tourism government collective consumption are identified within the aggregate. Such components could include expenditure on customs officers, tourism promotional activities by different levels of government, for example. This would be followed by an investigation of the data sources available within the government sector of the System of National Accounts, from which the required estimates could be derived.

The findings could be used to determine how much could be done to measure this aggregate for tourism.

#### **4.1.4. Quantity indicators**

##### **4.1.4.1. Employment and labour income**

Employment is a quantity number compiled to correspond to the Input Output Supply and Use Tables. It is important to produce data on employment attributable to Tourism. Estimation of quantity of employment should continue.

The Human Resource Module feasibility study that relates Labour Income with various characteristics of employment is giving promising results, and should continue.

##### **4.1.4.2 Non-monetary indicators**

Travellers and visitors

The possibility of producing counts of same-day visitors and tourists, from the arrivals figures used to compile the expenditure data, should be examined, even though it may not be possible to associate them with the TSA expenditure totals.

Establishment counts

The count of establishments, relating to Tourism should be updated, as also the calculations by employment and revenue size, that have been calculated with the help of the Business Register and the application of tourism ratios, notwithstanding the shortcomings of the methodology.

Other non-monetary indicators: occupancy rates etc., of accommodation

These are important measures that can be made outside the framework of the TSA, given the difficulties of relating them to the value figures of the TSA.

##### **4.1.4.3 Environment**

Given the interest in this dimension efforts should certainly be made to relate the currently available data to Tourism industries. A feasibility study should be undertaken to assess the availability, and reliability of the data produced, in consultation with the Environment Division, to determine whether the data are sufficiently useful and robust to include in the TSA.

Apart from the ones named above, it is not feasible to contemplate producing a full range of quantity indicators to relate to the value data of the TSA.

## **4.2 National Tourism Indicators (NTI)**

Include, additionally, separate business and non-business visitors, exports for the US and other countries, same-day and one night or more (where possible).

Produce updated Sources and Methods for the National Tourism Indicators

Include share that tourism represents of imports and exports of services on a quarterly basis

## **4.3 Provincial Satellite Accounts**

For the time being, efforts should be concentrated on the National Tourism Satellite account.

## **4.4. Tourism Economic Impact Model (TEIM)**

The Tourism Economic Impact model should be updated, once the TSA has been updated. It provides multipliers (impact coefficients) which are necessary and useful for studying indirect effects.

## **4.5 Analytical studies**

An analytical study of the impact of E-commerce on Tourism industries should be undertaken with the help of Statistics Canada's E-commerce survey results.

## **5. CONCLUSIONS**

There are a number of changes that could be undertaken to the TSA, arising out of the recommendations listed above. Choices will be necessary as to which changes to introduce and the sequencing.

The list that makes up the Tourism and Non-tourism commodities and industries in the TSA have remained much the same since the first TSA was created. There was a minor change when some items were shifted from tourism to non-tourism commodities. New activities have come into being producing new commodities purchased by tourists. The list needs to be updated so that the TSA takes account of structural changes in visitor consumption and new products. Currently there is no mechanism by which the list is reviewed and updated. It should be updated at periodic intervals. Some recommendations for change have been made above. It would be useful if the list of commodities included in the TSA and the industries that produce them could be made more transparent so that users could see what is being included and be in a position to recommend change when it is decided to update the list.



Other changes such as bringing the definition of visitors in line with the international standard need to be considered and decided upon, for which it would be best to wait until the international standard is updated.

Some preliminary investigation of sources and methods will have to be undertaken before any decision with respect to changes with respect to expanding the core account to include an imputation for second homes, capital expenditure and tourism collective consumption expenditure, can be decided upon.

Improvements and extensions to the other areas such as the National Tourism Indicators, the Tourism Economic Impact Model, Provincial Accounts and suggestions for analytical studies mentioned above will all need to be considered and decided upon..

### **Timing of changes**

The introduction of all these changes will make a difference to the aggregates and some of the distributions of visitor's expenditure and Tourism GDP. It would be advisable therefore to consider which changes should be introduced and to plan the timing of their introduction at some future date. At that point it may become necessary to consider undertaking a historical revision of the previous years.

A revision to the SNA is contemplated for 2007 and a revision to the BOP in 2008. The TSA-RMF will also be revised by 2006. It will then be a matter of implementing the recommended changes. As the TSA draws on the Input Output Framework, it will be useful to revise the TSA simultaneously with a revision to the Canadian I/O tables and the implementation of the 2007 revisions to SNA and BOP, NAPCS and NAICS by the Canadian I/O tables. This way the TSA remains consistent with the Canadian SNA and BOP and TSA-RMF to the extent possible.

If it is decided to update the Impact model that will follow the preparation of the underlying tables in order to update the ratios and multipliers.

The revised tables will provide a new benchmark for the Tourism Indicators and will provide the occasion to update the base year for constant dollar estimates. .

## 6. DOCUMENTS

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Tourism Economic Impact Model (TEIM), internal document, National Accounts and Environment Division Statistics Canada, March, 1997

Tourism Satellite Account - Recommended Methodological Framework. Organisation for Economic Co-operation and Economic Development, the Statistical Office of the European Communities, the United Nations and the World Tourism Organisation, February 2000.

## **7. APPENDIX      List of Tourism Commodities and Industries**

1.      List of Tourism Commodities of the Provincial and Territorial  
Tourism Satellite Accounts for Canada .1998
2.      List of Tourism Industries of the Provincial and Territorial  
Tourism Satellite Accounts for Canada .1998
3.      List of Tourism Commodities of the Tourism Satellite Account 1994
4.      List of Tourism Industries of the Tourism Satellite Account 1994

## **6.1. Tourism Commodities of the Provincial and Territorial Tourism Satellite Account 1998**

### **Transportation**

- Passenger air
- Passenger rail
- Passenger water
- Interurban, charter and tour bus
- Taxis
- Vehicle rental
- Vehicle repairs and parts
- Vehicle fuel

### **Accommodation**

- Hotels
- Motels
- Camping
- Other accommodation (includes outfitters, commercial cabins and cottages)

### **Food and beverage services**

- Meals from accommodation
- Meals from restaurants
- Alcoholic beverages from accommodation
- Alcoholic beverages from restaurants
- Meals and alcoholic beverages from other tourism industries

### **Other tourism commodities**

- Recreation and entertainment
- Travel agency services
- Convention fees
- Pre-trip expenditures (include tents, camping goods, sleeping bags, luggage, travelsets, motor homes, trailers and semi-trailers of the caravan type for camping)

### **Non-tourism commodities purchased by tourists**

- Groceries
- Beer, wine & liquor from stores
- Urban transit & parking
- Miscellaneous commodities (includes tobacco products, clothing, maps, and souvenirs)

**6.2.Tourism Industries for the Provincial and Territorial Tourism Satellite  
Account 1998  
(1997 NAICS)**

**Air Transportation**

- 4811 - Scheduled air transport
- 4812 - Non-scheduled air transport

**Rail Transportation**

- 4821 - Rail transportation

**Water Transportation**

- 4831 - Deep Sea, Coastal and Great Lakes Water Transportation
- 4832 - Inland Water Transportation

**Bus Transportation**

- 4851 - Urban Transit Systems
- 4852 - Interurban and Rural Bus Transportation
- 4854 - School and Employee Bus Transportation
- 4855 - Charter Bus Industry
- 4859 - Other Transit and Group Passenger Transportation

**Scenic and Sightseeing Transportation**

- 4871 - Scenic and Sightseeing Transportation, Land
- 4872 - Scenic and Sightseeing Transportation, Water
- 4879 - Scenic and Sightseeing Transportation, Other

**Taxicabs**

- 4853 - Taxi and Limousine Service

**Vehicle rental and leasing**

- 5321 - Automotive Equipment Rental and Leasing

**Accommodation**

**Hotels**

- 7211 - Traveller Accommodation (except 721114-Motels)

**Motels**

- 721114 - Motels

**Camping**

- 721211 - RV (Recreational Vehicle) Parks and Campgrounds

**Other Accommodation**

- 721212 - Hunting and Fishing Camps
- 721213 - Recreational (except Hunting and Fishing) and Vacation Camps
- 721198 - All Other Traveller Accommodation

**Food and Beverage Services**

- 7221 - Full-Service Restaurants
- 7222 - Limited-Service Eating Places
- 7224 - Drinking Places (Alcoholic Beverages)

**Recreation and Entertainment**

- 51213 - Motion Picture and Video Exhibition
- 7111 - Performing Arts Companies
- 7112 - Spectator Sports
- 7115 - Independent Artists, Writers and Performers
- 7121 - Heritage Institutions
- 7131 - Amusement Parks and Arcades
- 7132 - Gambling Industries
- 7139 - Other Amusement and Recreation Industries

**Travel Services**

- 5615 - Travel Arrangement and Reservation Services

# APPENDIX A

# Concordance of Tourism and I/O Commodity Classification

Each tourism commodity component is identified by a five digit code. The first four digits correspond to a commodity as identified in the Input Output Accounts (I/O). The presence of a fifth non-zero digit indicates that the commodity constitutes a component of the four digit I/O commodity.

Tourism Commodity	NTI Code	Tourism Commodity Component	I/O Code	I/O Commodity
1. Transportation				
1.1 Passenger Air Transport	53001 53003	Scheduled Passenger Air Transport Chartered Passenger Air Transport	5300 5300	Air Transportation Air Transportation
1.2 Passenger Rail Transport	53501	Passenger Rail Transport	5350	Railway Transportation
1.3 Interurban Bus Transport	53701 53102 53104	Interurban and Rural Passenger Bus Charter and Tour Bus Other Vehicle Passenger Service	5370 5310 5310	Bus Transport, Interurban and Rural School Bus and Other Transport School Bus and Other Transport
1.4 Vehicle Rental	57701 57704	Automobile Rental Recreational Vehicle Rental	5770 5770	Rental of Automobiles and Trucks Rental of Automobiles and Trucks
1.5 Vehicle Repairs and Parts		Vehicle Repairs and Parts	1250 1260 1279 1289 1300 3410 3420 3431 3432 3433 3434 3435 3436 3690 3742 3970 4090 4710 4729 5510	Passenger Car Tires Truck, Bus and Off-highway Tires Other Tires and Tubes Tire Repair Material and Retreads Conveyor and Transmission Belting Motor Vehicle Engines and Parts Motor Vehicle Electric Equipment Motor Vehicle Stamping Motor Vehicle Steering and Suspension Motor Vehicle Wheels and Brakes Motor Vehicle Plastic Parts and Trim Motor Vehicle Fabric Accessories Other Motor Vehicle Parts and Accessories Batteries Vehicle Lighting Equipment Lubricating Oils and Greases Paints and Related Products Antirust Preparations Additives and Automobile Chemicals Repair Service for Machinery and Equipment
1.6 Vehicle Fuel		Vehicle Fuel	0390 3950 3902 3990	Natural Gas Excluding Liquefied Gasoline Diesel Oil Liquid Petroleum Gases
1.7 Other Transportation				
1.7.1 Passenger Water Transport	53301	Water Transportation	5330	Water Transportation
1.7.2 Urban Transit	53600	Urban Transit	5360	Urban Transit
1.7.3 Taxi	53900 53103	Taxicab Transport Limousine Services	5390 5310	Taxicab Transportation School Bus and Other Transport
1.7.4 Parking	53215	Parking	5320	Other Services Incidental to Transport

Tourism Commodity	NTI Code	Tourism Commodity Component	IVO Code	IVO Commodity
<b>2. Accommodation</b>				
2.1 Hotel Accommodation	56901	Hotel Accommodation Services	5690	Accommodation Services
	56904	Guest House Accommodation Services	5690	Accommodation Services
2.2 Motel Accommodation	56902	Motel Accommodation Services	5690	Accommodation Services
2.3 Other Accommodation	56903	Accommodation from Tourist Cabins	5690	Accommodation Services
	56905	Accommodation from Camping Grounds and Trailer Parks	5690	Accommodation Services
	56907	Accommodation from Outfitters	5690	Accommodation Services
	56908	Accommodation from Other Recreational and Vacation Camps	5690	Accommodation Services
<b>3. Food and Beverage Services</b>				
3.1 Meals from Accommodation Services	57001	Meals from Accommodation	5700	Meals
3.2 Meals from Food and Beverage Services	57002	Meals from Food and Beverage Services	5700	Meals
3.2 Alcoholic Beverages from Accommodation Services	57101	Service Margin on Alcoholic Beverages Sold by Accommodation Services	5710	Service Margin on Alcoholic Beverages
	11601	Cost of Alcoholic Beverages	1160	Distilled Alcoholic Beverages, including Coolers
			1190	Beer, including Coolers
3.3 Alcoholic Beverages from Food and Beverage Services	57102	Service Margin on Alcoholic Beverages Sold by Food and Beverage Services	5710	Service Margin on Alcoholic Beverages
	11602	Cost of Alcoholic Beverages	1160	Distilled Alcoholic Beverages, including Coolers
			1190	Beer, including Coolers
3.4 Meals and Alcoholic Beverages from Other Tourism Industries	57003	Meals from Other Tourism Industries	5700	Meals
	57103	Service Margin on Alcoholic Beverages Sold by Other Tourism Industries	5710	Service Margin on Alcoholic Beverages
	11603	Cost of Alcoholic Beverages	1160	Distilled Alcoholic Beverages, including Coolers
			1190	Beer, including Coolers
			1200	Wine, including Coolers
<b>4. Other Tourism Commodities</b>				
4.1 Recreation and Entertainment	56101	Museums and Archives	5610	Education Services
	56420	Motion Picture Exhibition	5642	Motion Picture Exhibition
	56511	Horse Racing	5651	Lotteries, Gambling and Racetracks
	56512	Other Racing	5651	Lotteries, Gambling and Racetracks
	56513	Lotteries and Gambling	5651	Lotteries, Gambling and Racetracks
	56521	Theatrical and Staged Entertainment	5652	Other Recreational Services
	56522	Professional Sports Entertainment	5652	Other Recreational Services
	56523	Golfing	5652	Other Recreational Services
	56524	Curling	5652	Other Recreational Services
	56525	Skiing	5652	Other Recreational Services
	56526	Boat Rentals and Marina Services	5652	Other Recreational Services
	56527	Other Sports and Recreational Clubs	5652	Other Recreational Services
	56528	Bowling and Billiards	5652	Other Recreational Services
	56529	Amusement Parks, Carnivals and Closures	5652	Other Recreational Services
	56530	Dance Halls, Studios and Schools	5652	Other Recreational Services
	56531	Coin-operated Amusement Services	5652	Other Recreational Services
	56532	Roller Skating	5652	Other Recreational Services
	56533	Botanical and Zoological Gardens	5652	Other Recreational Services
	56534	Other Amusement and Recreational Services	5652	Other Recreational Services
4.2 Travel Agency Services	53204	Retail Travel Services-cruise Packages	5320	Other Services Incidental to Transport
	53205	Retail Travel Services-other Packages	5320	Other Services Incidental to Transport
	53211	Wholesale travel services-cruise packages	5320	Other Services Incidental to Transport
	53212	Wholesale travel services-other packages	5320	Other Services Incidental to Transport
4.3 Convention Fees	57601	Convention Fees, Other Services	5760	Other Services to Business & Persons
	57801	Convention Fees, Association Dues	5780	Trade Association Dues



## Definition of the *Tourism Industry*

The following list includes the industries, as defined in the Standard Industrial Classification (1980 SIC), that form the *tourism industry* in the TSA and the NTI. A tourism industry is so considered in the TSA and the NTI if it provides commodities to visitors and if, without tourism, it would cease to exist or would continue to exist only at a significantly reduced level of activity. The tourism industries are the major suppliers of tourism commodities. The industries are taken from a list established during the 1980's by the National Task Force on Tourism Data. The Task Force included representatives from the industries, associations and academic institutions interested in tourism, and provincial and federal government officials.

Tourism industries are not identified separately in the Canadian statistical system. Revenues and expenses by commodity, as well as number of employed persons, must be extracted for each industry to derive a measure of the production and employment generated by tourism within the *tourism industry*. For example, industry 4511 includes both passenger and merchandise transportation. When the purpose is to measure tourism in the TSA and the NTI, only the production and employment associated with the passenger portion purchased by visitors is taken into account. The same approach is used for each industry in the following list.

**1980 SIC industries which define the tourism industries of the TSA and the NTI:**

### **Air Transportation**

- 4511 - Scheduled air transport industry
- 4512 - Non-scheduled air transport, chartered, industry

### **Railway Transportation**

- 4531 - Railway transport industry

### **Water Transportation**

- 4541 - Freight and passenger water transport industry
- 4542 - Ferry industry
- 4549 - Other water transport industries

### **Bus Transportation**

- 4571 - Urban transit systems industry
- 4572 - Interurban and rural transit systems industry

- 4574 - Charter and sightseeing bus service industry

#### **Taxicabs**

- 4581 - Taxicab industry
- 4575 - Limousine service to airports and stations industry

#### **Vehicle Rental and Leasing**

- 9921 - Automobile and truck rental and leasing services

#### **Hotels**

- 9111 - Hotels and motor hotels
- 9114 - Guest houses and tourist homes

#### **Motels**

- 9112 - Motels

#### **Campgrounds**

- 9131 - Camping grounds and travel trailer parks

#### **Other Accommodation**

- 9113 - Tourist courts and cabins
- 9141 - Outfitters (hunting and fishing camps)
- 9149 - Other recreation and vacation camps

#### **Food and Beverage Services**

- 9211 - Restaurants, licensed
- 9212 - Restaurants, unlicensed (including drive-ins)
- 9213 - Take-out food services
- 9221 - Taverns, bars and night clubs

#### **Recreation and Entertainment**

- 9551 - Museums and archives
- 9621 - Regular motion picture theatres
- 9622 - Outdoor motion picture theatres
- 9629 - Motion picture exhibition
- 9631 - Entertainment production companies and artists
- 9639 - Other theatrical and staged entertainment services
- 9641 - Professional sports clubs
- 9643 - Horse race tracks
- 9644 - Other race tracks
- 9651 - Golf courses
- 9652 - Curling clubs
- 9653 - Skiing facilities
- 9654 - Boat rentals and marinas
- 9661 - Gambling operations

- 9691 - Bowling alleys and billiard parlours
- 9692 - Amusement park, carnival and circus operation
- 9694 - Coin-operated amusement services
- 9695 - Roller skating facilities
- 9696 - Botanical and zoological gardens
- 9699 - Other amusement and recreational services n.e.c.
- 9999 - Other services n.e.c.

**Travel Services**

- 9961 - Ticket and travel agencies
- 9962 - Tour wholesalers and operators