UNDERSTANDING TOURISM: BASIC GLOSSARY ¹

Tourism is a social, cultural and economic phenomenon related to the movement of people to places outside their usual place of residence pleasure being the usual motivation. (IRTS 2008, ¶1.1)

The activities carried out by a visitor may or may not involve a market transaction, and may be different from or similar to those normally carried out in his/her regular routine of life. If they are similar, their frequency or intensity is different when traveling. These activities represent the actions and behaviours of people in preparation for and during a trip in their capacity as consumers. (IRTS 2008, ¶1.2)

Tourism has an impact for the economy, for the natural and built environment, for the local population at the places visited, and for the visitors themselves. (IRTS 2008, ¶1.3)

Due to this range of impacts, and the wide spectrum of stakeholders involved, there is a need for a holistic approach to tourism development, management and monitoring. This approach is supported by UNWTO in order to formulate and implement national and local tourism policies. (IRTS 2008, ¶1.4)

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

This document jointly with the Tourism Satellite Account: Recommended Methodological Framework 2008 are the only UNWTO official standards.

Consequently, the definitions of the main concepts used for tourism statistics purposes are of application for both member and non member states.

While some of these definitions focus exclusively to the economic measurement of tourism but others (like the key concepts of visitors –both tourist and excursionist-, trip, usual environment, country of residence, forms of tourism, etc.) are also applicable to other areas and research.

¹ This Annex as well as the Glossary, is based on the International Recommendations for Tourism Statistics 2008 and reference is made to this document and exceptionally also to others (System of National Accounts 1993 – SNA 1993-, and Balance of Payments Manual –BPM6-). The complete IRTS 2008 can be consulted in http://unstats.un.org/unsd/tradeserv/IRTS%202008%20edited%20whitecover.pdf.
**BASIC GLOSSARY**

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

**Activity (principal)**
The *(principal)* activity of a producer unit is the *(productive)* activity whose value added exceeds that of any other *(productive)* activity carried out within the same unit (SNA1993, Rev. 1, ¶5.8).

**Activity (productive)**
The *(productive)* activity carried out by a statistical unit is the type of *production* in which it engages. It has to be understood as a process, i.e. the combination of actions that result in a certain set of products. The classification of productive activities is determined by their *principal output* (ISIC Rev. 3 ¶24).

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

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

**Classifications (of products and industries)**
The typology of tourism characteristics consumption products and tourism industries are grouped in 12 categories to be used in the Tourism Satellite Account tables. Categories 1 to 10 comprise the core for international comparison (IRTS 2008, ¶¶5.25 to 5.30) and are described in annexes 3 and 4 in terms of International Standard Industrial Classification of all Economic Activities (ISIC) and Central Product Classification (CPC) –both are UN classifications-. The two other categories are country specific, with category 11 covering tourism characteristic goods and the corresponding retail trade activities (IRTS 2008, ¶5.41) and category 12 referring to tourism characteristic services and activities. (IRTS 2008, ¶5.34).

**List of categories of tourism characteristic products and tourism industries**

<table>
<thead>
<tr>
<th>Products</th>
<th>Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Accommodation services for visitors</td>
<td>1. Accommodation for visitors</td>
</tr>
<tr>
<td>2. Food and beverage serving services</td>
<td>2. Food and beverage serving activities</td>
</tr>
<tr>
<td>3. Railway passenger transport services</td>
<td>3. Railway passenger transport</td>
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<tr>
<td>4. Road passenger transport services</td>
<td>4. Road passenger transport</td>
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<tr>
<td>5. Water passenger transport services</td>
<td>5. Water passenger transport</td>
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<tr>
<td>6. Air passenger transport services</td>
<td>6. Air passenger transport</td>
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<tr>
<td>7. Transport equipment rental services</td>
<td>7. Transport equipment rental</td>
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<tr>
<td>8. Travel agencies and other reservation services</td>
<td>8. Travel agencies and other reservation services activities</td>
</tr>
<tr>
<td>9. Cultural services</td>
<td>9. Cultural activities</td>
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<tr>
<td>10. Sports and recreational services</td>
<td>10. Sports and recreational activities</td>
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<tr>
<td>12. Country-specific tourism characteristic services</td>
<td>12. Other country-specific tourism characteristic activities</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-------------------------------------------</td>
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<tr>
<td>Country of reference</td>
<td>The <em>country of reference</em> refers to the country for which the measurement is done (IRTS 2008, ¶2.15).</td>
</tr>
<tr>
<td>Country of residence</td>
<td>The <em>country of residence</em> of a household is determined according to the <em>centre of predominant economic interest</em> of its members. If a person resides (or intends to reside) for more than one year in a given country and has there his/her <em>centre of economic interest</em> (for example, where the predominant amount of time is spent), he/she is considered as a <em>resident</em> of this country.</td>
</tr>
<tr>
<td>Country-specific tourism characteristic products and activities</td>
<td>To be determined by each country by applying the criteria of paragraph 5.10 in their own context; for these products, the activities producing them will be considered as <em>tourism characteristic</em>, and the <em>industries</em> in which the principal activity is <em>tourism-characteristic</em> will be called <em>tourism industries</em>. (IRTS 2008, ¶5.16).</td>
</tr>
<tr>
<td>Destination (main destination of a trip)</td>
<td>The <em>main destination of a tourism trip</em> is defined as the place visited that is central to the decision to take the trip. (IRTS 2008, ¶2.31).</td>
</tr>
<tr>
<td>Domestic tourism</td>
<td>Domestic tourism comprises the activities of a <em>resident visitor</em> within the <em>country of reference</em>, either as part of a <em>domestic tourism trip</em> or part of an <em>outbound tourism trip</em> (IRTS 2008, ¶2.39).</td>
</tr>
<tr>
<td>Domestic tourism expenditure</td>
<td>Domestic tourism expenditure is the <em>tourism expenditure</em> of a <em>resident visitor</em> within the <em>economy of reference</em>, (IRTS 2008, ¶4.15(a)).</td>
</tr>
<tr>
<td>Domestic tourism trip</td>
<td>A <em>domestic tourism trip</em> is one with a <em>main destination</em> within the <em>country of residence</em> of the <em>visitor</em> (IRTS 2008, ¶2.32).</td>
</tr>
<tr>
<td>Domestic visitor</td>
<td>As a <em>visitor</em> travels within his/her <em>country of residence</em>, he/she is a <em>domestic visitor</em> and his/her activities are part of <em>domestic tourism</em>.</td>
</tr>
<tr>
<td>Dwellings</td>
<td>Each household has a <em>principal dwelling</em> (sometimes also designated as main or primary home), usually defined with reference to time spent there, whose location defines the <em>country of residence</em> and <em>place of usual residence</em> of this household and of all its members. All other <em>dwellings</em> (owned or leased by the household) are considered <em>secondary dwellings</em> (IRTS 2008, ¶2.26).</td>
</tr>
<tr>
<td>Economy (of reference)</td>
<td>“Economy” (or “economy of reference”) is an economic reference defined in the same way as in the balance of payments and in the system of national accounts: it refers to the economic agents that are resident in the <em>country of reference</em> (IRTS 2008, ¶2.15).</td>
</tr>
<tr>
<td>Employer-employee relationship</td>
<td>An <em>employer-employee relationship</em> exists when there is an agreement, which may be formal or informal, between an entity and an individual, normally entered into voluntarily by both parties, whereby the individual works for the entity in return for remuneration in cash or in kind (BPM6, ¶11.11).</td>
</tr>
<tr>
<td>Employment in tourism industries</td>
<td><em>Employment in tourism industries</em> may be measured as a count of the persons employed in tourism industries in any of their jobs, as a count of the persons employed in <em>tourism industries</em> in their main <em>job</em>, or as a count of the <em>jobs</em> in <em>tourism industries</em>. (IRTS 2008, ¶7.9).</td>
</tr>
<tr>
<td>Establishment</td>
<td>An <em>establishment</em> is an enterprise, or part of an enterprise, that is situated in a single location and in which only a single productive activity is carried out or in which the principal productive activity accounts for most of the value added (SNA 1993, Rev. 1, ¶5.14).</td>
</tr>
</tbody>
</table>
Inbound tourism comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip (IRTS 2008, ¶2.39).

Inbound tourism expenditure is the tourism expenditure of a non-resident visitor within the economy of reference (IRTS 2008, ¶4.15(b)).

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

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

International tourism comprises inbound tourism and outbound tourism, that is to say, the activities of resident visitors outside the country of reference, either as part of domestic or outbound tourism trips and the activities of non-resident visitors within the country of reference on inbound tourism trips (IRTS 2008, ¶4.20(c)).

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

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

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

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

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

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

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

Economic production may be defined as an activity carried out under the control and responsibility of an institutional unit that uses inputs of labour, capital, and goods and services to produce outputs of goods or services (SNA 1993, Rev. 1, ¶ 6.24.).

**Purpose of a tourism trip (main)**

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

**Residents/non-residents**

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

**Same-day visitor (or excursionist)**

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

**Satellite accounts**

Satellite accounts or systems generally stress the need to expand the analytical capacity of national accounting for selected areas of social and economic concern in a flexible manner, without overburdening or disrupting the central system of national accounts. (SNA1993 rev 1 pending)

**Tourism characteristic activities**

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

**Tourism characteristic products**

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

(a) Tourism expenditure on the product should represent a significant share of total tourism expenditure (share-of-expenditure/demand condition);

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

**Tourism connected products**

Their significance within tourism analysis for the economy of reference is recognized although their link to tourism is very limited worldwide. Consequently, lists of such products will be country-specific (IRTS 2008, ¶5.12).

**Tourism consumption**

This concept is used in the Tourism Satellite Account framework and is an extension of the concept of tourism expenditure. Besides tourism expenditure, it also includes, for instance, the so called social transfers in kind that benefit visitors, the imputation of accommodation services provided by vacation homes to their owners, etc.
Tourism expenditure refers to the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips. It includes expenditures by visitors themselves, as well as expenses that are paid for or reimbursed by others (IRTS 2008, ¶4.2).

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

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

Trips taken by visitors are tourism trips (IRTS 2008, ¶2.29).

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

Travel refers to the activity of travellers. A traveller is someone who moves between different geographic locations, for any purpose and any duration (IRTS 2008, ¶2.4).

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

Travel is an item of the goods and services account of the balance of payments: travel credits cover goods and services for own use or to give away acquired from an economy by non-residents during visits to that economy. Travel debits cover goods and services for own use or to give away acquired from other economies by residents during visits to other economies (BPM6, ¶10.79).

A travel party is defined as visitors travelling together on a trip and whose expenditures are pooled (IRTS 2008, ¶3.2).

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

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

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

A trip is made up of visits to different places. The term “tourism visit” refers to a stay in a place visited during a tourism trip (IRTS 2008, ¶¶2.7 and 2.33).
Visitor

A visitor is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited (IRTS 2008, ¶2.9).