Workshop on Tourism Statistics  
Session 2 - 7 July 2021

Estimating tourism expenditure

Learning objectives

Module 3

Estimating tourism expenditure

- Recognize what is included in tourism expenditure
- Record the expenditure at the appropriate moment
- Identify the main categories of tourism expenditure
- Identify the main data sources
- Distinguish between tourism expenditure and balance of payment data
Tourism expenditure

Understanding the economic implications of visitors’ activities

**Tourism expenditure**

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.

Includes expenditures by visitors themselves, as well as expenses that are paid for or reimbursed by others.

*Respondents should be made aware of this when responding to a survey on tourism expenditure.*

**Domestic tourism expenditure**

Tourism expenditure of a **resident** visitor **within** the economy of reference

**Inbound tourism expenditure**

Tourism expenditure of a **non-resident** visitor **within** the economy of reference

**Outbound tourism expenditure**

Tourism expenditure of a **resident** visitor **outside** the economy of reference

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**Tourism expenditure**

**Time of recording**

At the moment of the transfer of ownership of goods or that of the delivery of services, not at the time of payment:

Expenditure on transport services occurs when being transported, on accommodation services when staying in the place of accommodation, on travel agency services when the information is provided and the travel services are booked.

Services paid for in advance but then cancelled or postponed are therefore not included independently if they have been partially, totally, or not reimbursed. In the case of the pre-paid services being converted into a voucher, the associated expenditure should be recorded when the voucher is used.

**When shall we measure?**

At the point of departure from the country of residence for inbound tourism

At the point of arrival in the country of residence for outbound tourism

After completion of the trip for domestic tourism

Visitors are best able to answer questions about their expenditure at the moment of conclusion of the trip, and not at the onset, when a large portion of the expenditure is still to be made.
Tourism expenditure

Classification

According to its purpose

- Package travel, package holidays and package tours
- Accommodation
- Food and drink
- Local transport
- International transport
- Recreation, culture and Sporting
- Shopping
- Others

Aligned with the international Classification of Individual Consumption by Purpose (COICOP)

Tourism expenditure

Main data sources (not all)

- Surveys
  - At borders
  - Household surveys
  - Guest surveys
  - Supply surveys (notably for package tours)

- Big data
  - Payment card data
  - Prices of tourism products (i.e. hotels prices, flight tickets)
BoP as a proxy

BoP data is available for the vast majority of countries in the world, while Tourism expenditure (inbound/outbound) is not.

Beware of conceptual differences!

Categories of tourism expenditure vs BoP items

Tourism Expenditure
- Travel Packages
- Accommodation
- Food and drink
- Local transport
- International transport
- Recreational, cultural and sport activities
- Shopping
- Others

BoP items
- Travel
- Passenger transport

Balance of Payments
- Domestic
- Inbound
- Outbound
### Differences in scope of expenditures covered

<table>
<thead>
<tr>
<th>Travel Item (BOP)</th>
<th>Tourism Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactions on goods and services that do not imply a monetary transaction and represent social transfers in kind or require imputations</td>
<td>Yes</td>
</tr>
<tr>
<td>Acquisition of consumption goods and services other than international transport</td>
<td>Yes</td>
</tr>
<tr>
<td>Acquisition of valuables</td>
<td>Yes, if under the customs threshold</td>
</tr>
<tr>
<td>Acquisition of consumer durable goods</td>
<td>Yes, if under the customs threshold</td>
</tr>
<tr>
<td>Expenditure on education for those whose main purpose is education</td>
<td>Yes</td>
</tr>
<tr>
<td>Expenditure on health for those whose main purpose is health</td>
<td>Yes</td>
</tr>
<tr>
<td>Expenditure other than acquisition of goods and services</td>
<td>None principle, nevertheless, the WBTM text book (para. 3.27) recommends that fees such as airport taxes or traffic violations be included under travel although they should be considered as current transfers.</td>
</tr>
</tbody>
</table>

### Summary of differences in cases

<table>
<thead>
<tr>
<th>Passenger Transp. Item (BOP)</th>
<th>Tourism Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transport to and from the country of residence in a resident to non-resident transaction</td>
<td>Yes</td>
</tr>
<tr>
<td>Transport between two points outside the country of reference as a resident to non-resident transaction</td>
<td>Yes</td>
</tr>
<tr>
<td>Transport within an economy by non-resident carriers as a resident to non-resident transaction</td>
<td>Yes</td>
</tr>
<tr>
<td>Intermediation of travel agencies</td>
<td>If remunerated by a fee or commission paid by the carrier, whatever the country of residence of the travel agency, its service is included in the valuation of international passenger transport and included or excluded whether the purchase of international passenger transport is a resident to non-resident transaction or not. If a separate fee is paid by the traveler, it is included under travel but only if it represents a resident to non-resident transaction.</td>
</tr>
<tr>
<td>Package tours</td>
<td>The fee or commission of a tour operator is part of the value of the package. For the fee or commission paid by the service provider, the treatment is similar to that of the intermediation of travel agencies. The value of the service of the tour operator on top of the services purchased from providers will be included under travel only if it represents a resident to non-resident transaction.</td>
</tr>
</tbody>
</table>
Inbound & Outbound Tourism expenditure

Classification adjusted to National Accounts

According to an economic approach (CPC Version 2)

This structure enables the distribution of Travel Credits and debits by products as it is required in National Accounts compilation.

DISTRIBUTION OF SERVICES EXPORTS IN USE TABLE.

DISTRIBUTION OF RESIDENTS PURCHASES IN FOREIGN ECONOMIES IN USE TABLE.

Thank you!