

Measuring Tourism Employment in India: A Computation based on Tourism Satellite Account

FAKHRE ALAM

DIRECTOR, MINISTRY OF TOURISM, GOVERNMENT OF INDIA

What are Satellite Accounts?

Satellite Accounts are extensions to National Accounts

One such facility is alternative grouping of classifications, for example

- ✓ Tourism industry is defined according to the status of consumer
- ✓ Therefore, not separately shown in the standard list of industries
- ✓ But, its contribution is implicitly included in the national accounts
- ✓ The satellite accounts puts together information on tourism activity included under different industries in national accounts and presents it in the form of TSA

Tourism Satellite Account

- The Tourism Satellite Account (TSA) is an accounting procedure designed to measure the consumption of goods and services associated with tourism within the geographic boundary of an economy, according to internationally agreed standards, concepts, classifications and definitions.
- It helps in assessing the size and contribution of tourism to the economy.
- The preparation of TSA, across all the countries, is based on UNWTO's recommended methodological framework, RMF: 2008.

Data Sources

Important data sources used for the preparation of TSA are:

- Domestic Tourism Survey
 - To capture the Expenditure on Domestic Tourism
- International Passenger Survey
 - To Capture the Expenditure on Inbound Tourism & Domestic Part of Outbound Tourism
- Labour Force Survey
- Consumer Expenditure Survey
- National Accounts Statistics
- Supply and Use Tables

Products Recommended in TSA:RMF 2008 and that included in India's TSA

Products Recommended in TSA: RMF 2008	Products in India's TSA
1. Accommodation services for visitors	1. Hotels
2. Food and beverage serving services	2. Restaurants
3. Railway passenger transport services	3. Railway passenger transport services
4. Road passenger transport services	4. Road passenger transport services
5. Water passenger transport services	5. Water passenger transport services
6. Air passenger transport services	6. Air passenger transport services
7. Transport equipment rental services	7. Renting of transport equipment
8. Travel agencies and other reservation services	8. Tourism related supporting and auxiliary transport activities
9. Cultural services	9. Cultural and religious services
10. Sports and recreational services	10. Sporting and recreational services
11. Country-specific tourism characteristic services	11. Health and medical related services
12. Country-specific tourism connected products	12. Readymade garments
	13. Processed food products
	14. Alcohol and Tobacco Products
	15. Travel related consumer goods
	16. Leather footwear
	17. Soaps and cosmetics
	18. Gems and jewellery
	19. Printing and publishing

Methodology

In order to measure the contribution of Tourism to GDP and Employment of the national and state economy, the TSA methodology estimates two types of economic impacts of tourism:

Direct

- ❖ UNWTO recommended methodology (RMF: 2008) to arrive at the direct contribution.
- ❖ This involves the preparation of 10 TSA Tables.

Indirect

- ❖ While RMF: 2008 does not put a mandate on estimating the indirect effects but lays a stress on the importance of estimating such effects using appropriate economic modelling techniques.
- ❖ For India, we use the Input-Output Models.

TSA Tables

TSA Tables	Description
Table 1: Inbound Tourism Expenditure	Expenditure incurred by visitors from other countries in the country of reference. For state-level TSA, this also includes the expenditure incurred by those from other states of the same country.
Table 2: Domestic Tourism Expenditure	Expenditure incurred by a resident visitor within the economy of reference. At state level, this table refers to tourists from within the state.
Table 3: Outbound Tourism Expenditure	Expenditure incurred by the resident visitor outside the country of reference. At state-level, this also includes expenditure incurred by those travelling to other states. The expenditures included here are pre-trip expenditures.
Table 4: Total Internal Tourism Consumption	Sum Total of Table 1, 2 and 3. Also Includes imputed tourism consumption Its components are: • Services associated with own account vacation homes • Tourism social transfers in kind • Other imputed consumption

TSA Tables

TSA Tables	Description
Table 5: Production Account of Tourism Industries	Conforms formally to the SNA format These are prepared using the Supply and Use Tables (SUTs).
Table 6: Tourism Industry Ratios and TDGVA	Core Table of TSA where Total supply is compared with internal tourism consumption. Tourism Product Ratios (TPR) and Tourism Industry Ratios (TIR) generated.
Table 7: Tourism Employment	Total number of jobs and number of people employed in the tourism characteristic industries.
Table 8: Tourism Gross Fixed Capital Formation	Tourism related assets and infrastructure, Assets like railway passenger coaches, sight seeing buses, hotels etc. Infrastructure like development of a beach. Not available for India, so information at aggregate level is used.
Table 9: Tourism Collective Consumption	These are Govt's collective non-market services that can be simultaneously delivered to every member or community. NAS provides expenditures according to economic and purpose classifications, one of which is "cultural, recreational and religious affairs services".
Table 10: Non-monetary Indicators	Quantitative indicators that are important for the interpretation of the monetary information presented.

TSA-Share in GDP and Employment: 3rd TSA, 2015-16

- **Tourism share in GDP**
 - **2.7 %** of GDP in terms of **direct** impact
 - 5.2 % including indirect effects
- **Tourism share in employment**
 - **5.4 %** in terms of **direct** share
 - 12.4 % including indirect effects

Tourism Employment

- ❖ The Tourism Employment for 3rd TSA were obtained using the Labour Bureau's Employment numbers for 2015-16. For subsequent year, earlier, these were estimated using the Employment elasticities, which is the ratio of percent change in real GVA and percent change in employment, over a specific period of time.
- ❖ However, with the availability of Annual Periodic Labour Force Surveys (PLFS), we can arrive at the Tourism Employment using the official estimates of PLFS. Hence, for all the PLFS years, that is, 2017-18 till 2021-22, the employment data are as per the official estimates.
- ❖ It may be noted that the estimates produced include principal and subsidiary status of work and also includes persons with both principal and subsidiary status. Hence the numbers produced are estimated number of jobs and not headcount.

Tourism Employment

	3rd TSA (2015-16)	2017-18	2018-19	2019-20	2020-21	2021-22
Tourism characteristic Industries (in millions)	31.50	31.70	33.08	30.28	29.68	30.55
Total employment (in millions)	583.8	491.98	510.25	514.25	527.25	553.27
Direct share of Tourism, percent ($3=1/2*100$)	5.40	6.44	6.48	5.89	5.63	5.52
Employment Multiplier	2.2931	2.2931	2.2931	2.2931	2.2931	2.2931
Direct and Indirect share of Tourism, percent ($4*3$)	12.38	14.78	14.87	13.50	12.91	12.66
Direct and Indirect tourism employment ($1*4$) (in millions)	72.26	72.69	75.85	69.44	68.07	70.04

Source: 3rd TSA, For 2015-16: Employment & Unemployment Survey; For year 2017-18 to 2021-22: Periodic Labour Force Surveys

THANK YOU