

Data Collection

TSA Development Strategy

Data will vary by country but sources and concepts should generally include:

Ministry of Tourism

- ◆ Visitor counts (overnight, cruise, day, purpose, international, domestic)
- ◆ Expenditures by category
- ◆ Industry data (rooms, occupancy rates, ADR)

Department of Statistics

- ◆ National Accounts (sales, value added, intermediate consumption, demand)
- ◆ Household expenditures (by category)
- ◆ Wages and Employment (by industry)
- ◆ Trade data
- ◆ Business Expenditure Survey
- ◆ I-O
- ◆ Capital Investment

Central Bank / Ministry of Finance

- ◆ Tax data
- ◆ Balance of payments
- ◆ Government Expenditures



What to do with data gaps?

TSA Development Strategy

Unavailable data for TSA fall into one of three categories.

Non-Critical – Estimate

e.g. government agency shares

Critical – Estimate

e.g. biz travel, domestic, I-0

Critical – Supplement

e.g. second home construction

Only the third category required additional research. May relate to import leakages, industry linkages, second homes.

Supplementary research must be prioritized and need not delay progress on TSA. It should be viewed as part of an ongoing effort to improve robustness of TSA.

Build TSA Tables

TSA Development Strategy

The framework for the TSA is comprised of 10 individual tables.

These provide placeholders for demand-side data across industries and commodities.

The TSA Tables are not the goal – they are a guide.



Build TSA Tables

TSA Development Strategy

Table 1: Inbound Tourism Consumption.

This table distributes inbound tourism consumption among the products that the visitors purchase.

The left hand column of the table contains the categories of products used in a TSA.

- ◆ Characteristic products are products whose major use is by visitors or which make up a major part of tourism spending.
- ◆ Connected products are products that do not meet the definition of characteristic products, but are directly connected with the purpose of the trip. Shopping falls into this category.
- ◆ Together, characteristic and connected products comprise the broad category of “specific products” – those specific to tourism.

Build TSA Tables

TSA Development Strategy

Table 2: Domestic Tourism Consumption

This table provides the same concepts as Table 1 but for residents' spending in the local economy. These expenditures are for domestic travel as well as in preparation for trips abroad and consist of airline tickets and spending with travel agents on foreign hotel stays and the like.

Table 3: Outbound Tourism Consumption

This table contains data on spending by residents on foreign travel.

Table 4 combines the data in Tables 1 and 2 to arrive at internal tourism consumption. The importance of this concept is that it is this consumption that impacts the national economy. Table 4 also includes, under “other components”, the government subsidies to tourism consumption, such as museum and park subsidies.

Build TSA Tables

TSA Development Strategy

Table 5: Product Accounts of Tourism Industries

This table enumerates basic national accounting for characteristic tourism industries in their entirety.

Table 6: Domestic Supply and Internal Tourism Consumption

This table is the heart of the TSA and estimates the tourism portion of industries.

Table 7: Direct tourism employment by industry.

$$\underbrace{\text{Visitor Spending} + \text{Resident Spending} + \text{Gov't Spending (individual)}}_{\text{Internal Consumption}} + \text{Gov't Spending (collective)} + \text{Capital Investment} = \text{Final Demand}$$

Build TSA Tables

TSA Development Strategy

Table 8 and 9: Investment, Government

Contain estimates of gross fixed capital formation (investment spending) and collective consumption (government spending that cannot be associated with individual components of tourism consumption). Together with tourism consumption, these comprise tourism final demand. Whereas in the SNA, final demand leads to GDP, in the TSA only consumption does.

Table 10: Non-Monetary Indicators

These metrics are normally used in tourism analysis but do not have direct economic content. Because numbers of visitors, tourism, trips, overnights, hotel establishments, hotel rooms, and similar numerical data are such an integral part of the data collected by tourism agencies, these data are presented in the TSA as well.



Cross Check Output

TSA Development Strategy

- ◆ Consistency of various data sources is a notable challenge in TSA development.
- ◆ National Accounts, balance of payments, household surveys, investment data, and visitor surveys must balance.
- ◆ This is an asset and can be used to identify areas of undercounting or wrong categorization.
- ◆ Example: “Lodging” expenditures from visitor survey exceeds hotel sales
- ◆ Example: Sniff-test for tourism shares.

Extend Analysis

TSA Development Strategy

- ◆ TSA is an excellent tool for key measurements
- ◆ But it fails to quantify certain perspectives on tourism.
- ◆ However, it provides a solid foundation for these “extensions”
 - ◆ Indirect and induced impacts
 - ◆ Impacts including government and investment
 - ◆ Tax analysis
 - ◆ Project / policy / scenario economic impact



Analysis and Reporting

TSA Development Strategy

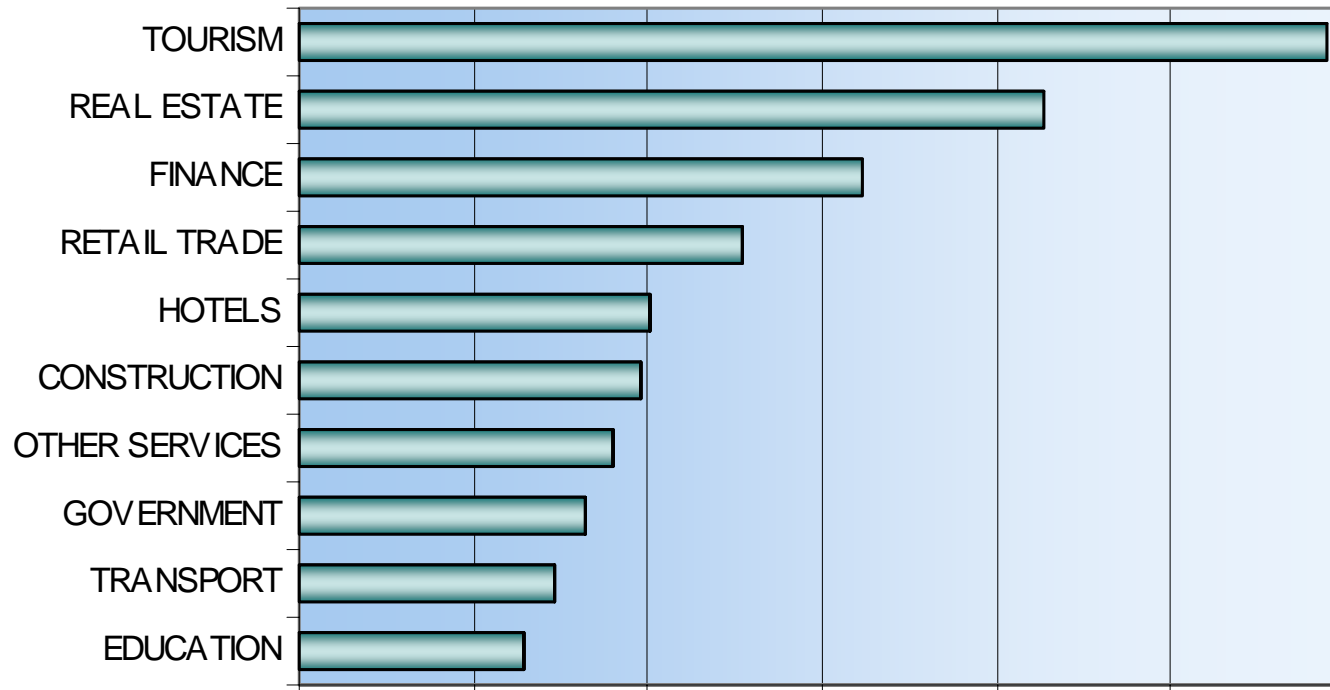


Though needed as a foundation, the 10 Tables are not suitable for wide circulation.

The results must be made relevant and understandable for the policy-maker and layman.

Reporting Methods

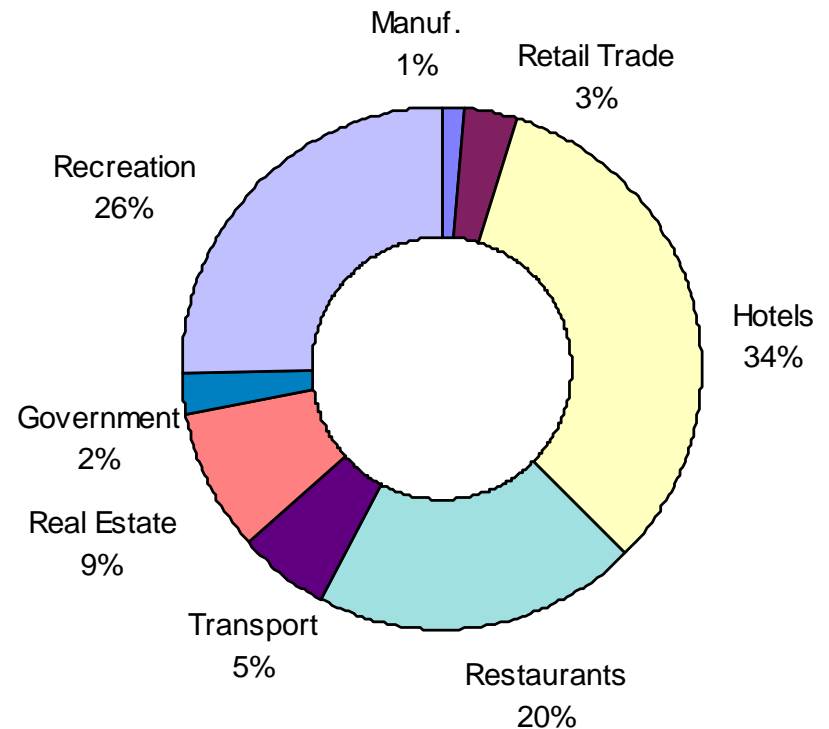
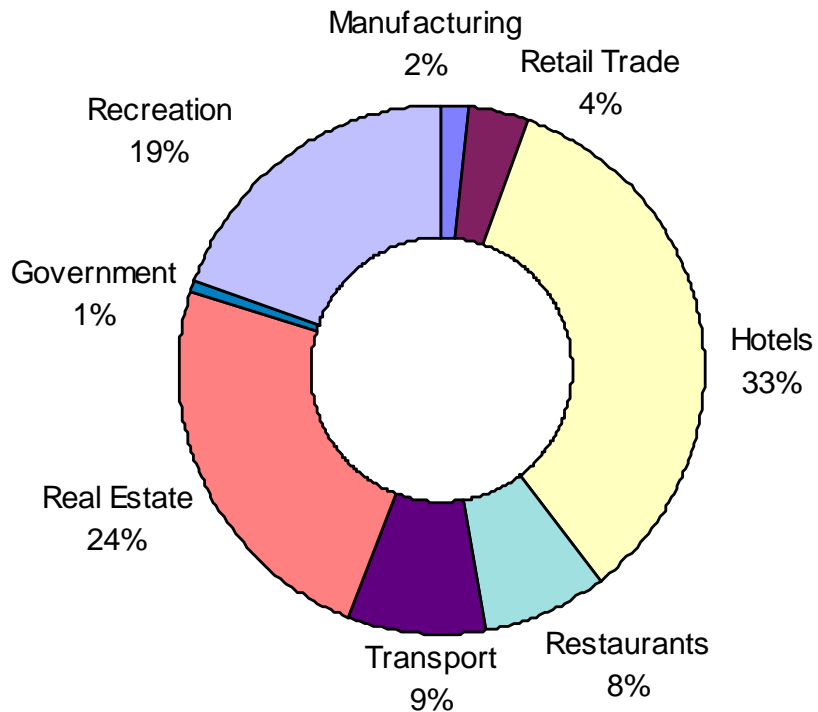
TSA Development Strategy



Ranking Tourism GDP across industries

Reporting Methods

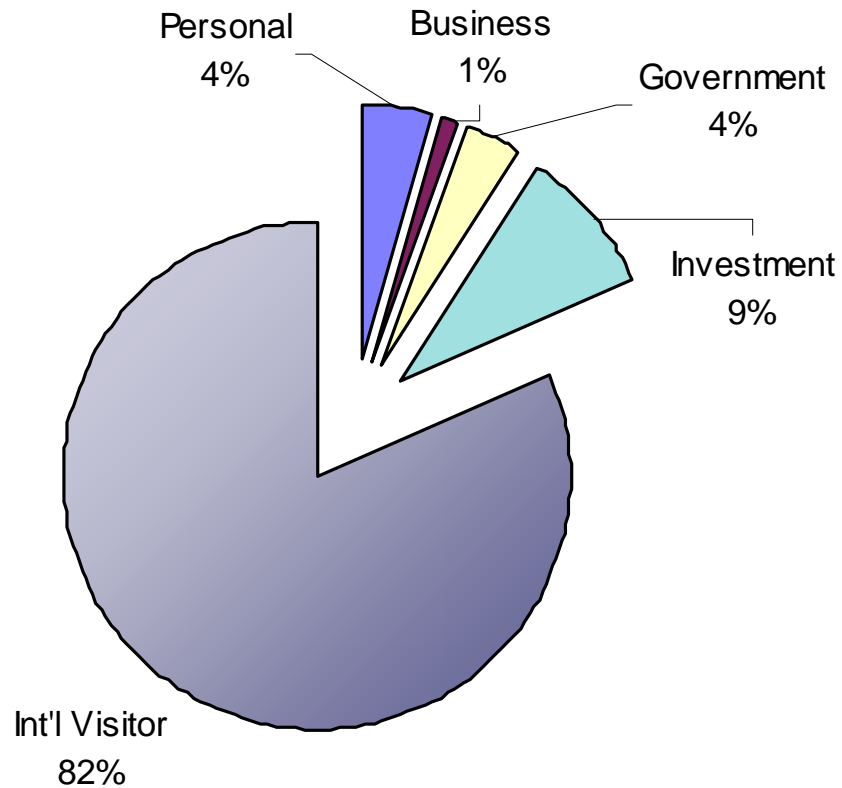
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The Sectoral Composition of Tourism GDP and Jobs

Reporting Methods

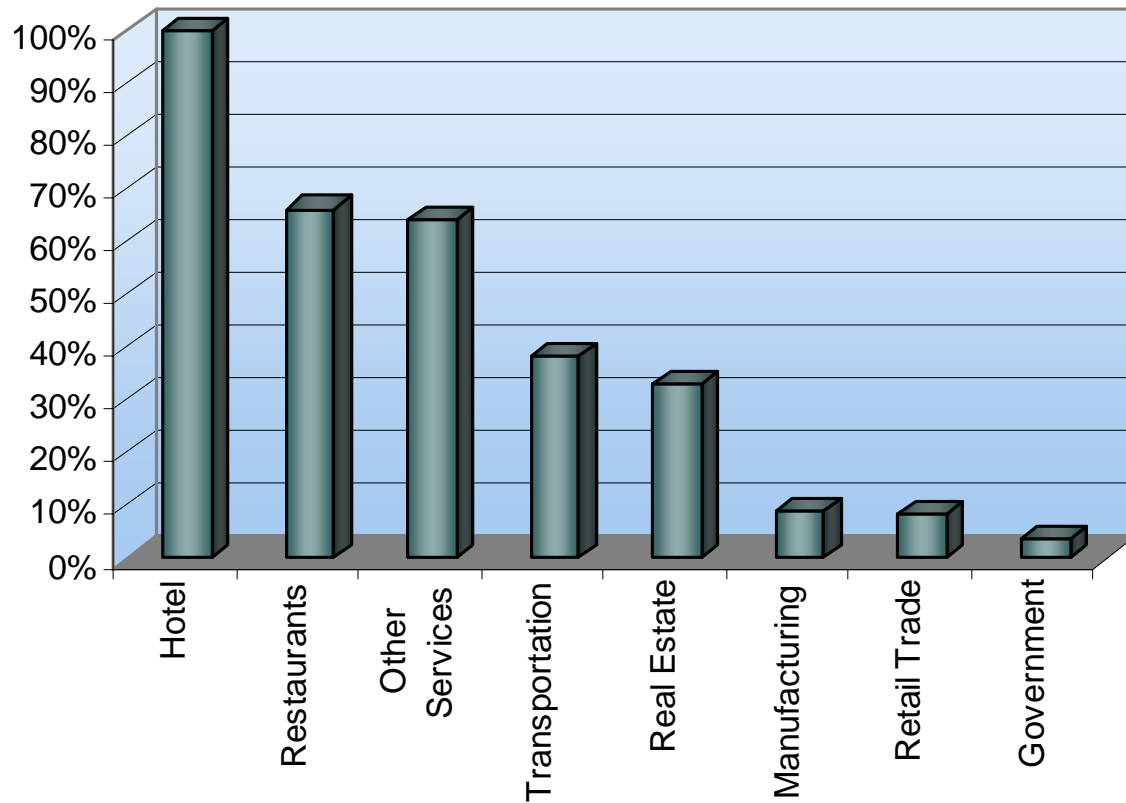
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The Breakdown of Internal Tourism Consumption

Reporting Methods

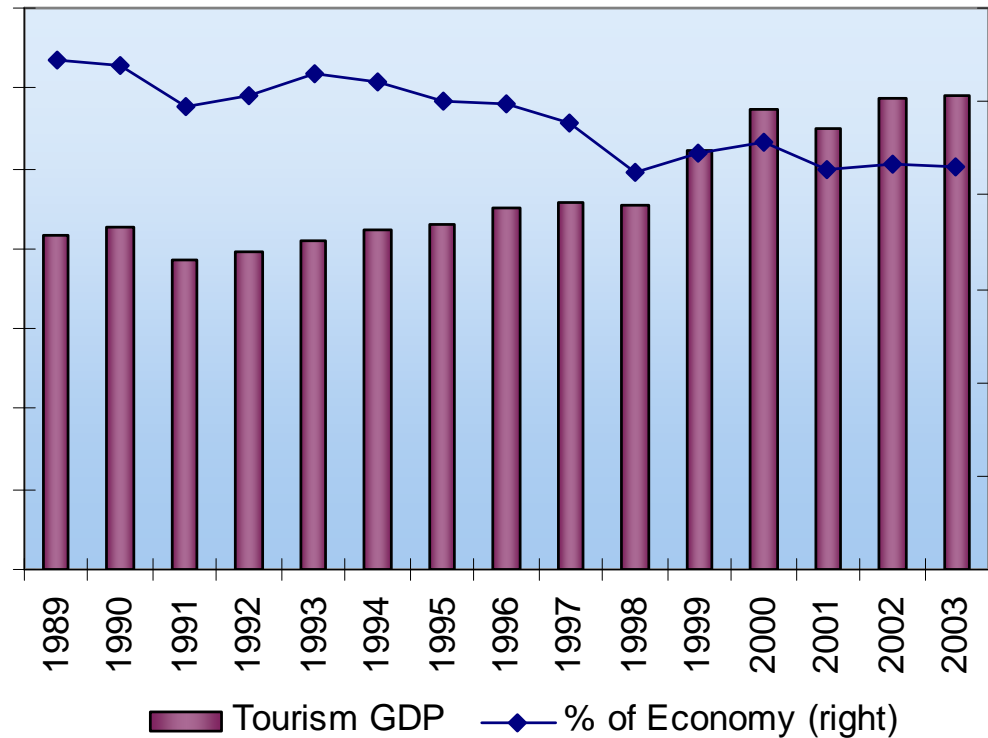
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Tourism Share of Key Sectors

Reporting Methods

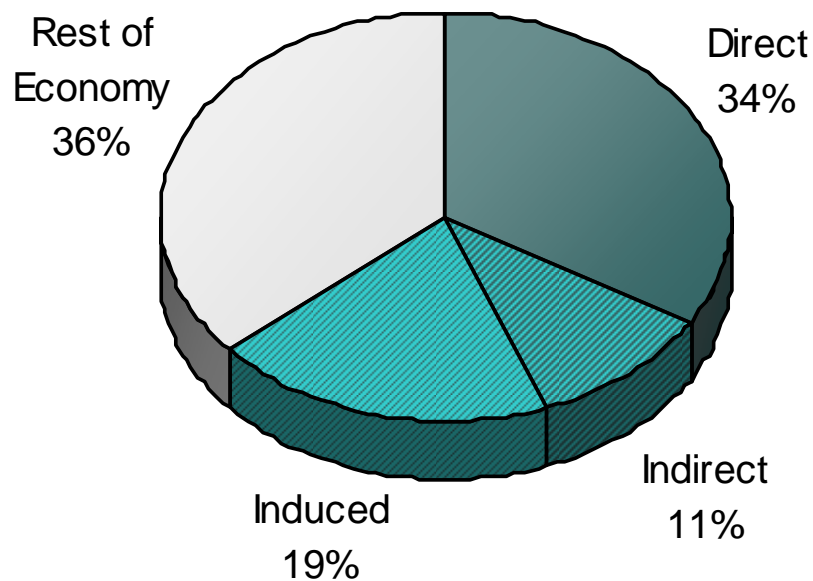
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Tourism GDP Growth Over Time

Reporting Methods

TSA Development Strategy



Tourism Employment Share of all Employment

Launch Results

TSA Development Strategy

- ◆ Three Audiences
 - ◆ Policy-makers
 - ◆ Media
 - ◆ Industry
- ◆ Should develop a communications strategy that targets each audience



Get Value!

Realising the Benefits

- ◆ The TSA is not an academic exercise!
- ◆ The results should guide key policies, decisions, and overall economic development strategy
- ◆ Examples of how the TSA brings value:
 - ◆ Heightens awareness of Tourism's importance (residents, press, legislatures)
 - ◆ Indication of changes in strength/weakness of tourism (ST, LT) and how to respond
 - ◆ Can garner more funding from central budget! (ROI)
 - ◆ Scenario analysis (crisis, tax forecasting, policy testing)
 - ◆ Supplier chain analysis
 - ◆ Regional market share analysis

A Reasonable Schedule

Budget and Time Requirements

Task	Weeks																																				
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32					
Collect and process all available data from key data sources	█																																				
Identify critical / non-estimatable data items						█																															
Conduct supplementary data analysis								█																													
Develop tourism input-output coefficients																█																					
Produce tourism demand and supply side calculations																							█														
Final report, presentation and documentation																																	█				

Testimonial

“Developing a Tourism Satellite Account is one of the best projects our agency has undertaken. We can now communicate the relevance of this aggregated industry to the economic health of our state, and better inform tourism policy. Our industry has applauded this initiative.”

Isabel Hill

**Director, South Carolina Department
of Parks, Recreation and Tourism**