Headlines from the Seminar on the Use and Interpretation of Tourism Satellite Accounts (TSAs)

English Heritage Lecture Theatre, London
19th November 2004

Hosted by the Department for Culture, Media and Sport, and Chaired by John Lennon, Professor of Travel and Tourism Development, Glasgow Caledonian University

SESSION ONE

Gavin Sayer, DCMS – TSA contexts and headline results

- The TSA combines tourist expenditure (demand) and business data (supply) to produce improved estimates of the value of tourism and employment. Reconciling demand and supply side data provides a check on data quality.
- Tourism is a sector rather than in industry. The TSA recognises that only a proportion of various industries are related to tourism.
- Good points of the TSA include increased credibility, international comparability and an improved basis for analysis/modelling.
- TSAs are governed by a common framework which was adopted by the U.N. in 2000.
- The joint funding on offer from the EC greatly helped the UK and Ireland projects.
- In 2000, tourism consumption on UK trips was found to be £74.9 bn while the TSA measure of total tourism consumption (including spend in the UK which related to outbound trips) was £89.6 bn. Total tourism consumption accounted for 3.8% of UK GVA in that year.

Jonathan Gillham, DCMS – Overview of the structure and coverage of TSA outputs

- The TSA covers Tourism Characteristic Sectors (mainly related to tourism) and Tourism Connected Sectors (only partially relating to tourism). The sum of these is called the Tourism Specific Sectors.
- The UK TSA has 7 completed tables. The first 4 are tourism consumption tables while the others also draw on supply side data.
- UK tourism employment data (table 7) is close to completion.

Questions

- Why is only 58% of travel agency business counted as related to tourism by the TSA?
  This reflects that travel agencies also make money by investing in currencies.

- Does the TSA cover private motoring, self-catering and shopping?
  Yes, self-catering is covered under the hotel / accommodation sector. Motoring

has limited impact and petrol is imported. The retail margins for shopping are often not high.

- It was commented that there is a lack of transparency in the methodology and very few people can understand how the final figures are produced.
  ACTION: GS said it should be possible for users of data to have a sufficient understanding to allow interpretation. He committed to producing a key points summary of the TSA results and place it on the DCMS website.

- Is spend by host families on VFR included?
  No. This is in keeping with the UN guidelines which state that tourism relates to the 'activities of the person travelling'. Furthermore there is no current source of information.

- Is same-day tourism included?
  Yes. The sources are the Leisure Day Visits Survey and International Passenger Survey.

SESSION TWO

The Republic of Ireland TSA – Jim Deegan, University of Limerick, and Dick Moloney, National University of Ireland, Cork

- The Irish TSA output tables are consistent with those of the UK TSA
- It was necessary to estimate same-day visits and spend. A conservative estimate was made, which made comparisons to the same-day visits in Northern Ireland.
- The tourism related economy was found to be worth 2.9% of total Irish GVA while the tourism related labour force accounted for 5.2% of the total labour force.
- Regional figures for Ireland are not available.
- Recommendations made included the development of a survey to measure same-day visits, that the TSA framework be extended by the development of a tourism policy forecasting model and that a diary approach be considered to provide supplementary information on tourist expenditure.
- JD commented that while TSA data was not perfect it was a significant improvement on had been in place before.

Northern Ireland TSA, Stephen Wanhill, University of Bournemouth

- Tables 1-4, 7 & 10 have been completed.
- Tables 5 &7 are partly completed. Progress is held back here by the lack of input-output tables or equivalent.
- Table 9 has also been completed in part.

Calvin Jones, WERU – First steps TSA for the UK

- Current tourism surveys have varying coverage, definitions and quality. For example: Northern Ireland is not covered by LDVS, business trips not covered by LDVS, expenditure data is not the primary focus of any of the surveys. A dedicated tourism consumption survey would bring a substantial improvement.
- Tourism-related business are presented in too aggregated categories in the current input-output tables.
- The available data suffers from timeliness issues.
- ABI coverage is flawed with regard to micro-businesses and regional data.
- There is a lack of strategic responsibility for the tourism surveys.
- Recommend development of a Tourism Statistics Unit (TSU), associated with the ONS for stability. A TSU was recommended in the Allnutt review of tourism statistics.

Questions

- Can business day visits be included by estimating from leisure day visits?
  There is no measure of business day visits so we are currently under-counting. We are including VFR though as they're included in the LDVS survey.

- Is a cross-industry taskforce required to take the TSA forwards?
  The recent tourism statistics review recommended a TSU whose responsibilities would include cross-industry consultation for all tourism statistics including the TSA. There was wide consultation on the review.

- Is there any indication that the Review's recommendations will be implemented and the data sources improved?
  The allocation of Spending Review funds will be known shortly. The Review Implementation group agreed that the UKTS should be top priority, which may mean the TSU doesn't happen. The implementation plan will go up on the DCMS website when ready.

- In relation to CJ's call for more ONS involvement in Tourism Statistics, GS commented that unlike some other countries we have statisticians working in Government Departments outside of the national statistics agency. This was why ONS was not always directly involved.

SESSION THREE

Catriona Hayes, Scottish Executive – TSA work in Scotland

- Scotland have also included the domestic spend on outbound trips in their TSA results.
- They found tourism to be worth 3% of GVA and that 5.2% of employment was related to tourism.
- Accommodation accounts for a higher proportion of total tourism GVA than of tourist consumption.

<u>Hans-Werner Schmidt, Eurostat – Perspective from the European Commission</u>

- Eurostat is very keen on developing the TSA outputs across Europe.
- A proposal for a revised tourism statistics directive should be ready by May 2005 and is likely to be accepted either in January 2007 or January 2008.
- He would like to see a legal requirement for submission of selected TSA data on a 3 or 4 year cycle.
- The European Commission is planning to hold a seminar in Brussells in 2005. Its aim is to share the expertise following the TSA work which has taken place in 23 of the 25 EU member states.

<u>Jonathan Gillham, DCMS – Tourism Policy Modelling</u>

- Economic models contribute to DCMS's understanding of the tourism sector and help to make our case across Government.
- Examples of modelling issues include demand forecasting and policy impact models.
- The TSA is an extension of the national economic accounts. Economic modelling allows the full potential of TSA data to be realised, enabling an assessment of tourism's overall economic impact and tourism forecasting.
- The economic models inevitably have to make strong assumptions and it is difficult to derive confidence intervals for their projections.

<u>Phil Reddy, North West Development Agency</u>

- Tourism Policy is set regionally within England. Measurement and reporting will be increasingly imperative.
- The English Regions First Steps TSA project is close to reporting. It will provide a range of new estimates.
- It has been clear from the outset that it would not be possible to produce first class figures straight away. One should not be despondent; the project is the start of process which will bring incremental benefits.

<u>Dr. Adam Blake, Professor Thea Sinclair, University of Nottingham - TSAs in Policy Modelling</u>

- The TSA provides a rigorous data framework. Modelling can take this data further to analyse effects of changes in tourism demand and changes in tourism policy.
- Policy modelling can include changes in taxation, tourism crisis management, effect of macroeconomic changes and evaluating return on tourism promotions.
- Important TSA data for modelling include how tourists allocate spending between commodities and how industries use inputs to create outputs.
- Policy modelling can identify the best targets for efficient intervention in response to tourism crises.

Closing Questions and Comments

- Can Economics models capture tourism behaviour realistically when other factors are in play?
  Modelling can still be useful for analysing the impact of disasters etc. and planning policy. Other factors, such as motivations, can be useful in explaining the quantitative figures.

- Would it be possible to connect the TSA to other satellite accounts, such as one on the environment?
  Yes, for example, tourist activity could be linked to carbon emissions.

- How is 'usual environment' defined in the current surveys?
  Our current surveys capture all trips from overseas and all overnight tourism. Additionally we capture domestic leisure day trips of over 3 hours which are not made regularly.

- CJ commented that while data from TSAs are as consistent as they can be, they will always be some variability in quality due to varying quality and methodologies underlying surveys providing source data.