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Applying the TSA in a Regional Context: The Case of Upper Austria

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In line with the TSA concept, **production** can be split up into following categories:

- ◆ "tourism-characteristic",
- ◆ "tourism-related" and
- ◆ "non-tourism-specific".

Accordingly, **tourism consumption** involves

- ◆ "tourism-characteristic" (i.e. accomodation, travel services, cable cars etc.),
- ◆ "tourism-related" (souvenirs) and
- ◆ "non-tourism-specific" goods and services (e.g. retailers, hairdressers, fitness etc.).

Basic for identifying tourism on the base of a demand concept are the terms

- ◆ visitor,
- ◆ main purpose of the trip,
- ◆ usual and non-usual environment and
- ◆ tourist consumption.

A **visitor** is defined as

"... any person travelling to a main destination outside his/her usual environment for less than a year and for any main purpose other than being employed by a resident entity in the country or place visited." (*UNWTO, 2010*)

A visitor may be either of domestic or international origin, a same-day visitor or a tourist (= a visitor staying overnight).

Tourists and same-day visitors may be classified according to the main purpose of their trip:

◆ Personal

- Holidays, leisure and recreation
- Visiting friends and relatives
- Education and training
- Health and medical care
- Religion/pilgrimages
- Shopping
- Transit
- Other

◆ Business and professional

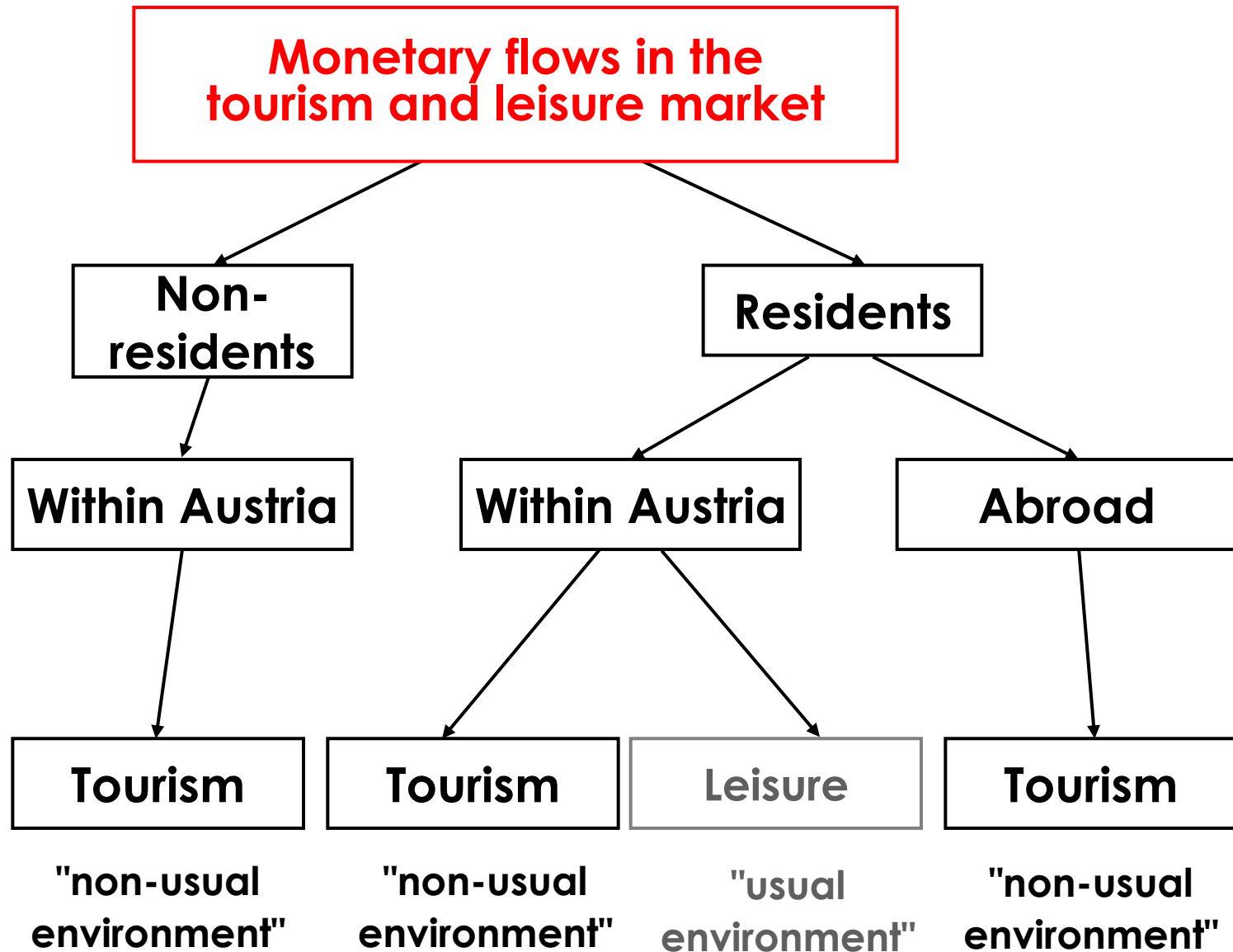
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- ◆ The usual environment refers to the geographical boundaries within which an individual moves in the course of her/his regular routine of life.
 - ◆ The usual environment of a person consists of the direct vicinity of her/his home and place of work or study or other places frequently visited.
 - ◆ If the place visited is not part of the usual environment of a person, that person is not considered a usual "resident consumer" in the place.
 - ◆ The visit to the place will generate additional expenditure and value added in this place above the one generated by the resident consumers.

A key role in determining the economic importance of the tourism industry is played by the **spending of tourists**, which is defined as follows (UNWTO and OECD):

"... expenditure made by or on behalf of a visitor in connection with and **prior to, during and after a trip** outside the usual environment."

Aggregates of tourism consumption:

- ◆ Inbound tourist consumption (= tourism exports);
- ◆ Domestic tourist consumption (= consumption of resident visitors within the economic territory of the country of reference in their non-usual environment; expenditures within the usual environment are non-touristic leisure consumption allowing a more extensive view of the TSA);
- ◆ Outbound tourist consumption (= tourism imports);
- ◆ Internal tourist consumption (= tourism exports + domestic tourist consumption);
- ◆ National tourist consumption (= domestic tourist consumption + tourism imports).



Restrictions:

The TSA considers only **direct** tourist demand.

- ◆ Direct tourist demand represents the purchases of goods and services by, or on behalf of a visitor, i.e. expenditures incurred prior to, during and after a trip and expenditures which are related to the trip itself.
- ◆ Given this narrow tourism definition, based on the direct physical and economical relationship between visitor and producer, the TSA approach does not consider the different indirect effects of tourist demand triggered by the delivery linkages (food industry, construction industry, agriculture and forestry, banks, tax consultants) in the economy.

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- ◆ Therefore comparisons of the national tourism value added based on a TSA approach could be made exclusively with value added representing the results of the tourism satellites of other countries or other sectors.
 - ◆ These direct and indirect effects of tourism on the economy of a country could be described through the use of I/O analysis, which allows the calculation of the direct and indirect value added effects of tourism spending.
 - ◆ As in the TSA context only direct tourism effects are seen, a comparison with the GDP of the whole economy (which considers indirect effects as well) is problematic.

In the TSA approach business trips are considered in total tourism demand and take therefore effect on value added on the satellite level.

- ◆ When comparing TSA-value added with the value added of the whole economy it has to be adjusted – like in the case of indirect effects.
- ◆ On the macro-economic level the intermediate consumption – especially business trips of residents – is considered as input and has to be deducted from resident's tourism consumption calculated in the TSA-context.

Example:

- ◆ Business trips in the wholesale trade generate value added in the hotel and restaurant industry (costs for the wholesale trade).
- ◆ The wholesale trade supplies to the retail trade (the wholesale price/the costs for the retail trade must cover the travel expenses).
- ◆ The retail trade supplies to the consumer (the price covers the travel expenses of the wholesale trade), additional consideration of intermediate consumption would lead to double counting.
- ◆ Difference: tourists stay overnight, the hotel sector supplies directly to the consumer (final demand), intermediate consumption and double counting do not exist.

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- ◆ On principle, only tourism consumption within Upper Austria is considered.
 - ◆ Consumption of visitors not resident in Upper Austria is treated as consumption of foreign visitors.

Tourism demand	Austria (AT)		Upper Austria		
	Mn. €	% Share	Mn. €	% Share, in terms of Upper AT Austria	
Aggregates					
Expenditure by non-residents	16,175	51.1	878	26.8	5.4
Tourists staying overnight ¹⁾	13,484	42.6	437	13.3	3.2
Same-day visitors ¹⁾	2,691	8.5	441	13.4	16.4
Expenditure by resident visitors	15,363	48.6	2,392	72.8	15.6
Holiday travellers	13,123	41.5	2,062	62.8	15.7
Tourists staying overnight ²⁾	7,931	25.1	683	20.8	8.6
Same-day visitors	5,191	16.4	1,379	42.0	26.6
Business travellers	2,240	7.1	330	10.0	14.7
Tourists staying overnight	1,487	4.7	130	4.0	8.8
Same-day visitors	753	2.4	199	6.1	26.5
Expenditure at weekend houses and second homes	103	0.3	13	0.4	13.0
Total expenditure³⁾	31,642	100.0	3,284	100.0	10.4

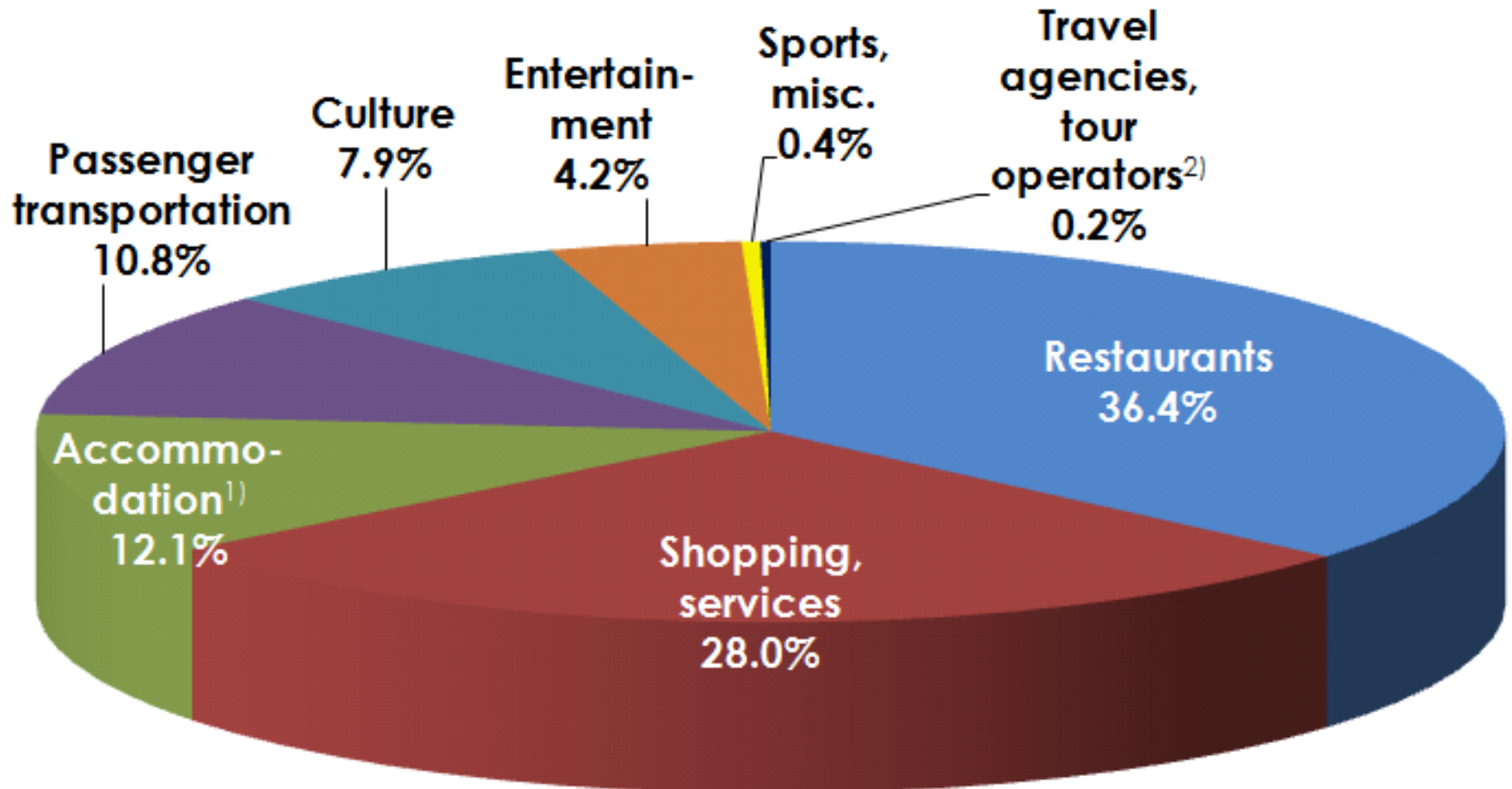
Source: Statistik Austria, WIFO. – ¹⁾ Holiday and business travellers; including expenditure on international passenger transport. – ²⁾ Including expenditure on health care. – ³⁾ Holiday and business travellers; including visits to relatives and friends.

TSA – Direct tourism value added

Aggregates	Austria (AT)		Upper Austria		
	Mn. €	% Share in GDP	Mn. €	% Share in GRP	% Share in AT in total
Excluding business trips	16,918	5.5	1,567	3.0	9.3
Including business trips	17,943	5.8	1,720	3.3	9.6

Source: Statistik Austria, WIFO.

GDP = gross domestic product; GRP = gross regional product.



Source: Statistik Austria, WIFO. – ¹⁾ Including expenditure by residents (not living in Upper Austria) at weekend houses and second homes. – ²⁾ Only margin; the package products/services are included in the respective product/service.

TSA extensions – Direct and indirect value added

Aggregates	Austria (AT)		Upper Austria		
	Mn. €	Contribution to GDP (%)	Mn. €	Contribution to GRP (%)	% Share in AT in total
Tourism¹⁾	22,713	7.4	3,002	5.8	12.3²⁾
Leisure-time consumption of residents at home	22,821	7.4	3,798	7.3	16.6
Tourism and leisure-time industry¹⁾	45,534	14.8	6,800	13.1	14.4²⁾

Source: Statistik Austria, WIFO. GDP = gross domestic product; GRP = gross regional product. – ¹⁾ Austria excluding business trips; Upper Austria including business trips. – ²⁾ The Austrian figure including business trips was used for calculating the share.

Thank you for your attention!