

**Eighteenth Meeting of the
IMF Committee on Balance of Payments Statistics
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**Linkage between Balance of Payments and Tourism Satellite Account: Report of
Technical Sub-group of the Inter-agency Coordination Group on Tourism Statistics**

Prepared by the World Tourism Organization



ORGANISATION MONDIALE DU TOURISME
WORLD TOURISM ORGANIZATION
ORGANIZACIÓN MUNDIAL DEL TURISMO
ВСЕМИРНАЯ ТУРИСТСКАЯ ОРГАНИЗАЦИЯ
منظمة السياحة العالمية

Technical Sub-group of the Inter-agency Coordination Group on Tourism Statistics, 1st meeting

Paris, 4 February 2005

Note to the Balance of Payments Committee (BOPCOM) from the TSG of the Inter-agency Coordination Group (IACG) on Tourism Statistics (TS)

The first meeting of the TSG of IACG on TS (Paris, 4 February 2005) identified the following main conceptual and editorial issues between Balance of Payments (BOP) and Tourism Satellite Account (TSA) that are put forward to the BOPCOM for harmonisation and clarification during the revision of the BPM5:

- a. *Terminology*: The focus of the “travel” item is about the acquisition of goods and services of individuals while outside their country of residence. Therefore, it is proposed to change its present description in the BOP by “Travel related expenditure (except international passenger carriage)”.
- b. *Measurement of output of services of travel agencies and tour operators*: An explicit reference and recommendation should be made on the net treatment of travel agencies and tour operator services.¹
- c. *Treatment of diplomats and their dependants*: BPM6 and TSA should treat diplomats (and other employees of an agency of their governments and their dependants in the country in which they are stationed) and their expenditure in the same way as other non-resident travellers and consequently, encourage recording the expenditure in the BOP under “travel” rather than “government services, nie”.
- d. *Definition of traveller and visitor*: For TSA as well as for tourism statistics, the definitions of travellers and visitors are essential conceptual elements of the measurement framework. In contrast, the Balance of Payments, as well as the System of National Accounts have no immediate interest in separately defining travellers neither in determining subsets of these categories.

¹ More specifically, that (i) Travel Agency and Tour Operator services should be measured as margins and (ii) that services supplied through them should be valued net of Travel Agency and Tour Operator margins. Consumers should be shown directly purchasing the services and the margins.

Therefore the BOP and SNA should make reference to the TSA definitions of those concepts rather than introducing their own definitions.

e. *Product breakdown of travel*: Any potential breakdown of the “travel” item should focus on the product dimension. The present split according to the purpose of the visit (business/personal) responds neither to any request from the national accountants, nor from tourism statisticians and should be reconsidered.²

f. *Annex on tourism satellite*; An appendix on tourism statistics and accounts in the BPM6 should present the concept of consumption related to tourism both in “travel” and “passenger transportation carriage” items through a satellite or alternative presentation.³

² Expenditures presently classified as “business travel” can not be considered as intermediate consumption of the country of reference.

The basic reason is that not all personal expenditures of employees on trips on behalf of their business are to be classified as intermediate consumption, but only those corresponding actually to international passenger carriage and accommodation (see SNA93 para 6.155). As a consequence of 6.155, not all consumption expenditure of individuals travelling on behalf of their business would be considered as intermediate consumption, but only that part corresponding to *hotel services* (part of “travel” of BPM5) and *transportation* (in BPM5, international transportation corresponds to “international passenger carriage”, though domestic transportation in the country of destination is part of “travel”). The remaining expenditure, even if covered in kind by the producer is part of final consumption expenditure of the traveller. On the other hand, also a part of the expenditure of individuals on personal trips (in a BOP perspective) might also be part of this intermediate consumption (employees incentive trips or recreational trips on behalf of businesses).

A satellite or alternative presentation could be provided for analysis if considered convenient.

³ As far as tourism statistics (derived either from border, household or visitor surveys) and migration control data would allow the identification of different categories of individuals with the corresponding expenditures.

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