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Sample Survey on Italian International Tourism

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UFFICIO ITALIANO DEI CAMBI

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Appendix A and appendix C will be included in the final version of the publication.

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1. INTRODUCTION

In the third quarter of 1995, the *Ufficio Italiano dei Cambi* (UIC) conducted a pilot sample survey on Italian international tourism. A further survey is being conducted from January 1996 and it will continue throughout the whole year.

In this introduction, reasons and objectives of the project are explained.

In the following chapters the methodology of the pilot survey is described and the main results regarding balance of payments and sectoral statistics are analysed.

Tourism has always represented an important source of net currency inflows for Italy.

This feature has become more important during the last three years, because of the increased price competitiveness of national tourist services due to the depreciation of the lira.

In 1994 credits in the tourist balance of payments were approximately twice the debits, thus causing a surplus of about 19,000 billion lire, about 75 percent of the global balance of the current account and 1.1 percent of the gross domestic product.

In 1995 a further increase was registered, with a balance of approximately 25,000 billion lire.

If we consider travel credits, Italy will probably rank in the second position in the world, following the United States.

In the international context, the evolution of the socio-economic background has caused a growth of the tourist phenomenon, both in industrialized countries and, particularly for inbound flows, in developing countries.

The importance of tourist transactions in the balance of payments makes it necessary to acquire accurate, timely and reliable information.

Moreover, the growing awareness of the importance of accurate information for tourist enterprises causes a growing demand of detailed statistics on this subject.

Both in Italy and in other countries, the *Travel* item of the balance of payments has been the object of methodological considerations for some years.

In general, the large number of subjects who take part in the exchange, both on the demand (travelers that use tourist services) and on the supply side (tourist enterprises), makes it difficult to produce satisfactory information. Moreover, the expansion of the tourist market implies a diversification and an increase of the supplied services, causing a growing complexity of the phenomenon.

The full liberalization of foreign exchange transactions, and the consequent revision of the statistical data collection system imply, in many countries, further complications.

The main features of the Italian situation appear in relation to this last aspect.

Until 1990, international tourist transactions were subject to compulsory rules: they had to be carried out through banks, who had to report regularly to the UIC.

After the removal of the restrictions, data had to be collected directly from the non-bank operators.

Consequently, the Statistical Foreign Exchange Form (*Comunicazione Valutaria Statistica - CVS*), was introduced. This form is required for the communication of transactions over 20 million lire and implies some lack of information on tourist transactions, which are frequently under that threshold.

This possibility of *statistical evasion* causes an underestimate of flows related to tourism. In fact, gross flows are underestimated because of the use of Italian banknotes both by Italian and foreign travelers and because of means of payment (i.e. traveler's checks and credit cards) which make it impossible to identify the reason of the expenditure. The frequent settlements through clearings between enterprises that operate in this sector also make it difficult to determine tourism-related flows.

Many difficulties arise in the determination of the correct geographical allocation and of the distribution of tourist expenditure by reason of journey (holidays, business, etc.). It is also extremely difficult to obtain detailed information on the means of payment used by international travelers.

The lower reliability of data, if compared with past, provokes a deterioration of related statistical series and problems of international comparability.

The data collection system based on banks' reports cannot be satisfactorily modified, in the short period, in order to obtain better information on tourism transactions.

This system of data collection, moreover, is likely to become less effective with the introduction of the European Monetary Union, because the single currency will imply a loss of information on banks' transactions.

A special task force, composed by representatives of central banks and national statistical offices, has recently been set up by EUROSTAT, with the aim of finding harmonized methodologies for the compiling of *Travel* item by the European Union member states.

The UIC has planned, in this context, a sample survey on tourism.

In the early phases of the project, the different available options were carefully examined. The possibility of integrating available data with estimates was excluded because of the inadequate modelling of the phenomenon.

The remaining alternatives were various kinds of sample surveys. Some of the traditional techniques, such as travel agencies surveys, accommodation surveys or household surveys, do not allow a complete coverage of the phenomenon.

These sources, in fact, only permit to detect inbound flows (travel agency and accommodation surveys) or outbound flows (household surveys). It could have been possible to integrate the three types of survey, but this would have posed further problems.

Both travel agency and accommodation surveys do not permit an exhaustive data collection, in that the former does not catch payments made directly by travelers, while the latter does not record travelers staying at non-registered lodgings (houses of relatives and friends, houses owned by foreign travelers etc.) and same-day visitors.

In household surveys, the interviews are usually carried out long after the end of the journey and travelers may find it difficult to remember details exactly. This kind of approach, moreover, makes it necessary to form big samples because travelers form a small subset of the whole population.

It was therefore decided to adopt a frontier survey because it does not produce the aforementioned disadvantages, even if it has greater costs of implementation.

The pilot survey carried out in the summer of 1995 had an introductory character and made it possible to verify techniques, collection tools and procedures which will be used in the final survey.

The main objectives of the survey are the following:

- to obtain a better quality of the statistics related to tourism in the balance of payments and a greater compliance with the requirements of the international organizations. The main reference was the International Monetary Fund; definitions issued by other international organizations, such as the World Tourism Organization, EUROSTAT and the OCDE were also considered.

- to provide present and potential users with a series of additional information related to features of the market of international tourist services. This supplementary information is not strictly necessary for balance of payments statistics but will form a rich and new set of data, extremely useful for tourist operators.

2. METHODOLOGICAL ASPECTS

2.1 Sample design

The main difficulty in planning the sample survey was finding a methodology to estimate the reference universes.

Complete official statistics on foreign and Italian travelers with a sufficient level of disaggregation were not available.

The National Statistical Institute (*Istituto Nazionale di Statistica - ISTAT*), with the help of frontier authorities, monthly records data on inflows of foreign travelers in Italy[1] but has no information either on flows of foreign travelers leaving Italy or on Italian international travelers.

Moreover, seaport and airport authorities count passengers arriving and leaving, but they generally do not distinguish between Italian and foreign travelers. Finally, the number of travelers on Italian railways is collected at frontiers but this data collection is not systematic.

Consequently, a quite complex survey, composed by two stages simultaneously performed at frontiers, was carried out.

1. In the first stage, representative samples of all travelers were submitted to short interviews to estimate the number of foreign travelers leaving Italy and the number of Italian travelers coming back to Italy.
2. In the second stage data on expenditure, behaviours and features of the journey were recorded, both for Italian and foreign travelers. Interviews were always performed at the end of the stay (in Italy or abroad).

The methodology is somewhat similar to that used in Great Britain for the recording of flows of travelers and their expenditure[2]. However, the British International Passenger Survey implies fewer methodological problems and operational difficulties in that interviews and countings of travelers can be performed in a limited number of seaports and airports. Furthermore, many interviews are carried out on ferries, in more favourable conditions to obtain the collaboration of passengers.

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[1] ISTAT, *Statistiche del turismo*, Roma, various years.
[2] Department of National Heritage, *A Brief Description of the Methodology of the International Passenger Survey*, London, 1993.

A multiple stage sampling was adopted, and first stage sampling units, (frontiers), were stratified. Four types of frontier were considered: road, railway, international airports and seaports.

Since it was unfeasible to consider all frontiers, 51 were chosen. The selection was performed considering annual flows of travelers, derived from ISTAT data on arrivals of foreign travelers. A threshold was determined in order to ensure a coverage of at least 80% of the tourist flows.

- 21 road frontiers - crossed by at least 200,000 foreign travelers per year - which represent 80% of the total crossings recorded by ISTAT statistics in 1994[3], were considered.
- 8 international seaports, with flows over 70,000 travelers per year, covered 83% of flows[4].
- 8 railway crossings - having flows over 30,000 units per year - represented 98% of the arrivals of foreign travelers[5].
- 14 international airports, having flows over 50,000 units per year, covered 94% of the flows of foreign travelers[6].

The sampling rate used in the British International Passenger Survey (about 0.2%) was considered to determine the sample size for the interviews on expenditure. Considering ISTAT data on foreign travelers in the previous year, the number of interviews, which represents 0.190% of Italian travelers and 0.134% of foreign travelers, was determined. As will be seen in paragraph 2.6, this sample dimension produces low sampling errors in the estimates.

For each of the selected frontiers, samples of days, and in some cases samples of time periods, were drawn, in order to ensure random selection and representativity of the universe of travelers.

For the estimate of the universes, a systematic sampling for short interviews was adopted. The mean proportion of countings to passages was varied.

In airports having greater flows of traffic, the sampling rate was 1 to 20, in minor airports the rate grew to 1 interview every 10 passengers.

On international trains and in seaports, the sampling rate was, on average, 1 to 5, at road frontiers it was 1 to 20 for borders with greater flows like Chiasso and Ventimiglia, 1 to 10 in other cases.

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[3] The considered road frontiers are: Bardonecchia, Paglino, Monte Bianco, Ventimiglia, Ponte S. Ludovico, Ponte Tresa, Villa Chiaverina, Chiasso, Gaggiolo, Saltno, Clivio, Brennero, Prato di Drava, Passo Resia, Coccau (Tarvisio), Villa Opicina, Rabuiese, Pese, S. Andrea, Gorizia. In August and September, Bizzarrone, Claviere e Gusine were added and interviews at Saltno and Clivio were suspended because of the meagre flows of traffic.
[4] Seaports are: Genova, La Spezia, Venezia, Trieste, Livorno, Ancona, Bari and Brindisi.
[5] Railway crossings are: Modane, Ventimiglia, Domodossola, Chiasso, Luino, Brennero, S. Candido, Tarvisio, Villa Opicina. In July interviews at Luino were suspended because of the meagre flows of passengers
[6] Airports are: Torino, Bergamo, Milano Linate, Milano Malpensa, Venezia, Verona, Bologna, Firenze, Pisa, Roma Fiumicino, Napoli, Catania, Palermo and Olbia.

Consequently, the sampling rate of days and frontiers with low international traffic flows was lower.

2.2 Sampling procedures

Sampling procedures for the two types of interview were similar for all frontiers, but some adjustments were necessary to consider special features of the various means of transport.

Specifically, at road frontiers, where 26,370 interviews were carried out, a sample of road lanes was drawn, as well as the usual sample of days and time periods. Interviewers worked in pairs on one lane at a time, alternating all open lanes in every sampling period. The first interviewer counted vehicles and passengers on each vehicle, recording the nationality of each passenger; the second interviewer carried out extensive interviews.

Data collection was generally performed between 7 a.m. and 10 p.m. This time period was divided in three shifts, of 9 hours each (7 a.m. to 4 p.m., 10 a.m. to 7 p.m., 1 p.m. to 10 p.m.), that were alternatively considered at every frontier. Only for a small sample of days night-time data collection was performed, between 10 p.m. and 7 a.m., in order to estimate flows during that time period.

At international airports, 13,373 interviews were carried out (between 7 a.m. and 10 p.m.) in the international customs area of the airport. Samples of days and hours were drawn.

Interviewers worked separately, with different tasks: one or more of them counted arriving and departing passengers, recording number of passengers, flight number, nationality and sex of the passengers.

Simultaneously, in-depth interviewing was performed on a sample of foreign travelers leaving Italy and a sample of Italian passengers arriving from abroad.

In international seaports, 2,064 interviews were carried out; countings and interviews were performed in the international area.

In seaports a sample of days and a sample of ships was considered for all international links; ships were clustered and a sample of them was taken from every cluster. Interviewers worked in couples: the first one recorded nationality and place of origin or destination of travelers; the second one interviewed the passengers.

On trains, 4,857 interviews were submitted during the first (or last) hour of travel in national territory.

Trains were stratified according to some of their features (type of train, frequency of passages etc.), they were clustered and then sampled. For every train included in the sample, a sample of wagons was considered and, in each

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wagon, a sample of compartments was taken. Passengers were then systematically sampled and interviewed.

2.3 Questionnaire

The forms used for countings and interviews are shown in Appendix C. Information gathered in countings is related to:
- frontier where data were collected and length of data collection;
- data on sampling rate and, in general, information for the estimate of the universe of travelers;
- data on number of passages - arriving or leaving the national territory - and information on some features of travelers (for road frontiers data on features of vehicles are also gathered).

The interviews are composed by 15 questions regarding:

- **features of travelers:**
1. sex and age of respondent and people travelling with the respondent;
2. province of residence for Italian travelers and country of residence for foreign travelers;

- **features of the journey:**
1. destination (Italian provinces visited by foreigners, foreign countries visited by Italians);
2. type of accommodation;
3. main purpose of the journey;
4. length of the journey;

- **expenditure data:**
1. global expenditure and its distribution by type of expenditure (accommodation, meals, transportation);
2. pre-paid amounts (i.e. hotel reservations, etc.) and other data for the calculation of global expenditure;
3. amounts spent at destination, by currency and means of payment (banknotes, credit cards, etc.);

- **level of satisfaction for some aspects of the journey**
1. opinions and attitudes towards services acquired during the journey and towards the country of destination;

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2.4 Data collection

In June 1995 a pilot survey was performed. The purposes of this survey were:

- a verification of the methods used for the recording of passages and for the selection of travelers to be interviewed;
- a valuation of the respondents' reactions to the questions in the form, especially those about expenditure. Moreover, it was necessary to verify that questions were correctly understood and that it was possible for the travelers to answer satisfactorily;
- to discover possible interpretation errors, in order to give the interviewers the necessary information for their elimination.

For the pilot survey 500 interviews were carried out at 4 frontiers by 12 interviewers. Afterwards, interviewers reported their experiences and gave useful indications for the following survey.

Interviewers were carefully instructed in various briefings, to which UIC officers contributed. They were given detailed instructions on the data collection rules and during the field work they wore identification badges and they approached interviewees showing a document prepared by the UIC. Eight editions of the questionnaire (in Italian, English, French, German, Spanish, Croatian, Swedish and Japanese) were used.

Supervisors of the private firm in charge of the survey frequently inspected the work of the interviewers; further inspections were carried out by UIC officers. Moreover, 20% of the interviews were subsequently verified by telephoning the respondents.

Questionnaires were checked for completeness and consistency, both during the coding of answers and the transfer of data on electonic media. Further controls on the validity of data were carried out during data processing.

The verification of the validity and consistency of data was also possible because of the presence of several questions regarding expenditure and, in some cases, it was possible to infer missing information.

The number of errors and gaps in the data recording was very small, thanks to the satisfactory co-operation of the respondents.

During the survey 46,669 interviews were carried out (13,163 in July, 19,958 in August and 13,548 in September) and data on 320,000 passages through 51 frontier crossings were collected. The interviewed foreign visitors came from over 100 different countries

Interviews took place mainly at road frontiers (56%), followed by airports (29%), railway stations (10%) and seaports (5%) where ferries and cruise boats were considered. Italian travelers were 44% of the respondents, the remaining

were foreigners. In Table 2.1 the distribution of interviews by frontier and residence of the traveler is given.

Tab. 2.1 - Number of interviews by type of frontier and nationality of the traveler.

	ROAD	RAILWAY	AIRPORT	SEAPORT	TOTAL
JULY					
Italian travelers	3,310	616	1,560	181	5,667
Foreign travelers	3,907	869	2,397	323	7,496
Total	7,217	1,485	3,957	504	13,163
AUGUST					
Italian travelers	5,225	856	2,692	354	9,127
Foreign travelers	6,054	1,137	3,026	614	10,831
Total	11,279	1,993	5,718	968	19,958
SEPTEMBER					
Italian travelers	3,455	545	1,649	219	5,868
Foreign travelers	4,419	834	2,054	373	7,680
Total	7,874	1,379	3,703	592	13,548
JUL - SEP					
Italian travelers	11,990	2,017	5,901	754	20,662
Foreign travelers	14,380	2,840	7,477	1,310	26,007
Total	26,370	4,857	13,378	2,064	46,669

2.5 Time allocation of data

The available information had to be re-processed in order to satisfy the International Monetary Fund requirements on time allocation of transactions in the balance of payments.

Tourism expenditure has to be classified according to the period in which the related good or service was actually supplied to the traveler (see also Appendix B on international standards for tourism statistics).

The questionnaire records the date of interview, which coincides with the end of the journey. The allocation of expenditure according to such a date would imply an incorrect valuation for all journeys that take place during two or more consecutive calendar months.

It was thus necessary to consider both date of end and beginning of the journey. The date of beginning was calculated using the length of the stay, in order to determine the number of nights pertaining to a given month.

In the hypothesis of temporal equidistribution of expenditure during the period of stay, expenditure was distributed in proportion to the number of nights in each month.

The redistribution implies an underestimate of expenditure data, especially for September, in that no data on the following months is available.

Estimates showed that the number of Italian and foreign travelers in September and the related expenditure should be increased of about 4-5%. Since it would have been difficult to determine the distribution by the various attributes (country, region, purpose of the travel, etc.), it was decided not to correct the data.

2.6 Sampling and non-sampling errors

Table 2.2 shows the standard errors of the estimates. They are expressed as a percentage of the global expenditure at destination, grouped by nationality of travelers (Italians and foreigners) and by type of frontier.

*Tab. 2.2 - Estimated global expenditure at destination (in millions of lire)
and percentage sampling errors, by type of frontier
and country of residence of travelers.*

	ROAD	RAILWAY	AIRPORT	SEAPORT	TOTAL
FOREIGN TRAVELERS	8,549,444 (0.32%)	1,206,849 (0.92%)	3,662,996 (0.27%)	454,244 (5.50%)	13,873,533 (0.15%)
July August September					(0.55%) (0.30%) (0.49%)
ITALIAN TRAVELERS	2,506,737 (0.36%)	616,924 (2.54%)	3,370,487 (0.31%)	217,011 (2.29%)	6,711,159 (0.16%)
July August September					(0.63%) (0.29%) (0.71%)

Sampling errors are generally extremely small: about 0.16% for Italian travelers and 0.15% for foreign travelers.

Errors increase if we consider a higher level of detail. Tables 2.3 and 2.4 show these percentage errors, for Italian and foreign travelers, by month and by country of residence or destination.

Tab. 2.3 - Sampling errors as a percentage of estimated total expenditure of foreign travelers, by month and country of residence.

	JULY	AUGUST	SEPTEMBER	JUL-SEP
EUROPEAN UNION	1.10%	0.50%	0.79%	0.25%
Germany				0.60%
France				1.10%
Spain				7.70%
OTHER EUROPEAN COUNTRIES	3.20%	1.60%	2.50%	0.80%
UNITED STATES	2.00%	1.60%	2.60%	0.67%
OTHER AMERICAN STATES	4.90%	6.50%	9.00%	2.20%

Tab. 2.4 - Sampling errors as a percentage of estimated total expenditure of Italian travelers, by month and main country of destination.

	JULY	AUGUST	SEPTEMBER	JUL-SEP
EUROPEAN UNION	1.10%	0.50%	0.82%	0.25%
Germany				2.20%
France				0.63%
Spain				2.20%
OTHER EUROPEAN COUNTRIES	2.60%	1.10%	3.90%	0.34%
UNITED STATES	7.50%	4.10%	6.70%	1.92%
OTHER AMERICAN STATES	9.60%	5.10%	7.80%	2.40%

The difficulties in the valuation of non-sampling errors are well known, even if some approaches were proposed[7]. They mainly consist of errors in the measuring of the phenomenon (imprecisions of the respondents), missing answers or coverage errors deriving from the partial selection of respondents.

To reduce this kind of errors, every question in the form was tested in the pilot phase of the survey. Moreover, interviewers were accurately instructed to ensure

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[7] Cicchitelli G. - Herzel A. - Montanari G.E., *Il campionamento statistico*, Il Mulino, 1992, chapter 13.

that questions would be asked without distortions due to free interpretations of the text.

Refusals to answer to the whole questionnaire were globally not very frequent, about 5% of the sample, mostly at road frontiers (especially at night-time) and in seaports or airports. This problem was partly solved using telephone interviews.

Missing answers for single questions of the form were very rare, about 0.1-0.2%. Ponderation techniques were adopted and estimated mean values for respondents, who were post-stratified by nationality, type of frontier and day of interview, were attributed to non-respondents[8].

The problem of coverage derived from frontiers that were not considered. The importance of this factor was as was seen in paragraph 2.1, relatively small but, anyway, it was considered in the calculation of the expansion factors (paragraph 2.7).

2.7 Sampling estimates

The results of countings and interviews were processed in order to produce estimates on flows of travelers and tourist expenditure.

Total passages at each frontier, for each nationality and for each month were calculated, in order to obtain reference universes as disaggregated as possible. Formulae used for such estimates vary according to the type of frontier.

For a single road frontier, given the nationality and the reference month, supposing that:

pc = probability of inclusion of single lanes (1/number of open lanes)
pt = probability of inclusion of time of collection
  (sum of times of collection / total time)
pg = probability of inclusion of day of collection
  (days of collection / total days in the month)
np_i = number of passengers counted at i-th collection
  (multiplied by the reciprocal of the fraction of counting)
wo = estimated weight of not sampled hours
wm = estimated weight of not sampled frontiers
we have an estimate of the total number of passages (TP_j):

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[8] Cannari L. - D'Alessio G., *Mancate interviste e distorsione degli stimatori*, Banca d'Italia, "Temi di discussione", n° 172, June 1992.

$$TP_1 = \sum np_i \frac{wo \cdot wm}{pc \cdot pt \cdot pg} \qquad i=1,2,\ldots,n \text{ (number of data collections)}$$

For a single international airport, given the nationality and the month of data collection, supposing that:

pt = probability of inclusion of time of collection
    (sum of times of collection / total time)
pg = probability of inclusion of day of collection
    (days of collection / total days in the month)
np_i = number of passengers counted in the i-th collection
    (multiplied by the reciprocal of the counting fraction)
wo = estimated weight of not sampled hours
wm = estimated weight of not sampled airports

we obtain an estimate of total passages (TP_2) :

$$TP_2 = \sum np_i \frac{wo \cdot wm}{pt \cdot pg} \qquad i=1,2,\ldots,n \text{ (number of data collections)}$$

For a single international seaport, given the nationality and the month, supposing that:

pn = probability of inclusion of the ship
    (sampled ships / total ships in the cluster)
pg = probability of inclusion of the day of collection
    (days of collection / days of departure or arrival of the ship)
np_i = number of passengers counted at the i-th collection
    (multiplied by the reciprocal of the fraction of counting)
wm = estimated weight of not sampled seaports

we have an estimate of total passages (TP_3)

$$TP_3 = \sum np_i \frac{wm}{pn \cdot pg} \qquad i=1,2,\ldots,n \text{ (number of data collections)}$$

For a single railway frontier, given the nationality and the month of collection, supposing that:

pc = probability of inclusion of wagons
pt = probability of inclusion of the train
    (sampled trains / total trains in the cluster)
pg = probability of inclusion of the day of collection

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(days of collection / total days of the month)

np_i – number of passengers counted in the i-th collection

(multiplied by the reciprocal of the counting rate)

wm – estimated weight of not sampled railway frontiers

we have an estimate of total passages (TP_4):

$$TP_4 = \sum np_i \cdot \frac{wm}{pc \cdot pt \cdot pg} \qquad i=1,2,\dots,n \text{ (number of data collections)}$$

Once the total passages at a single frontier are calculated, it is possible to determine the expansion factors. These vary according to nationality and total number of travelers recorded in single interviews:

$$Ks_{ij} = \frac{TPs_{ij}}{q_{ij} \; nv_{ij}} \qquad s=1,2,3,4$$

where

K_{sij} = expansion factor for the i-th nationality, the s-th type of frontier and the j-th frontier

TP_{sij} = total passages for the i-th nationality, the s-th type of frontier and the j-th frontier

q_{ij} – number of interviews for the i-th nationality, the j-th frontier

nv_{ij} = mean number of passengers for interview of i-th nationality and j-th frontier

Expansion factors were used to multiply values of single interviews, in order to estimate, for instance, the global expenditure for a given category of travelers.

2.8 Plans for future surveys

The procedure described above implies the use of estimates calculated exclusively from the sample; it might be possible, during future surveys, to integrate collected data with information from other statistical sources.

Airlines, shipping companies, tour operators and frontier authorities - who collect data on countries of destination without publishing them - will be asked to co-operate in the determination of flows of travelers to and from countries for which a small number of interviews is usually carried out.

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For complete interviews, sampling rates used in the survey will probably be recalculated in order to obtain a better representativity for foreign countries and Italian provinces with small flows of travelers (oversampling).

Finally, information from additional sources will be used to improve the precision of estimates, or to reduce sample size or to simplify data collection, if it will be reputed qualitatively acceptable and timely enough.

This would make it possible to modify the sample design, by formulating estimators which take into account both sample data and additional information. Alternatively, additional data could be used to analyse and verify results.

When long enough time series are acquired, the possibility of modifying the sample design to eliminate redundant information will be considered. Should this be possible, it would permit to reduce size and costs of data collection.

3. SAMPLE SURVEY AND BALANCE OF PAYMENTS

In this chapter the main results of the sample survey, related to travelers expenditure and its consequences on the balance of payments, are shown. The information breakdown has been organized in order to identify Italian inbound (credits) and outbound (debits) monetary flows.

The available information is:

A) the amount paid in the country of residence before leaving;

B) the cost of transport paid in the country of residence before leaving (it is a component of A);

C) the expenditure at destination; for foreign travelers it is the total amount paid in Italy, whereas for Italian travelers it is the total amount paid abroad;

D) the expenditure for board and lodging (it is a component of C).

In order to compile the balance of payments, A, B and C data are useful to define item *travel*; moreover, B data are useful to integrate the item *transport*. D data enrich sectoral statistics.

The amounts were collected in the currencies declared by interviewees; for subsequent processing, data expressed in foreign currencies were countervalued in lire using the monthly mean exchange rates.

3.1 Terms of comparison

In order to verify the quality of the collected information about tourist expenditure, an analysis of possible connections between survey data and statistical bank reports has been performed.

The following comparable aggregates have been pointed out:

SAMPLE SURVEY	BANK REPORTS
Expenditure at destination (C)	Foreign currency negotiations, transfers of Italian banknotes, settlements of credit card issuers, etc.
Amounts paid in advance in the country of residence, excluding transport (A-B)	Settlements through Italian banks

More in detail, for the *expenditure at destination*, the following aggregates were identified:

SAMPLE SURVEY	BANK REPORTS
Italian lire acquired abroad and spent in Italy by foreign travelers (C1)	Transfers of Italian banknotes
Italian lire brought abroad by Italian travelers (C2)	Transfers of Italian banknotes
Use of credit cards (C3)	Settlements of credit card issuers
Foreign currency negotiations (C4)	Foreign currency negotiations
Drawings of cash	Movements on foreign currency and Italian lire accounts and deposits in Italian banks

The greatest difficulties in the comparison were found for Italian banknotes (C1 and C2), as channels of import and export are often independent

3.2 Tourist expenditure

As regards *expenditure at destination*, foreigners spent 13,874 billion lire in Italy (credits), while Italians spent 6,711 billion lire abroad (debits).
The result is a positive balance of 7,163 billion lire (see Table 3.1).

By eliminating *bank transfers*[1] from bank reports we obtain data comparable to those deriving from the survey. The comparison shows that survey data exceed bank reports by 12.6% for credits, 39.4% for debits and 4.5% for the balance.

Sample estimates are calculated according to the nights spent abroad by travelers, while bank reports are allocated by date of settlement. Consequently, data for single months are not completely homogeneous; in the quarter, on the contrary, the different time allocation of data should have a negligible influence.

Tab. 3.1 - Expenditure at destination. Bank reports data excluding bank transfers (billions of lire)

	CREDITS		DEBITS		BALANCE	
	Survey data	Bank reports	Survey data	Bank reports	Survey data	Bank reports
JULY	5,825	4,353	2,464	1,496	3,361	2,857
AUGUST	4,670	3,924	3,156	2,134	1,514	1,790
SEPTEMBER	3,379	4,042	1,091	1,185	2,288	2,857
JUL-SEP	13,874	12,319	6,711	4,815	7,163	7,504

Credits and debits shown in Table 3.1 do not represent the actual tourism expenditure of the period. According to international standards, total tourism expenditure is obtained by summing expenditure at destination to amounts pre-paid in the country of residence. Such amounts are transferred, completely or partially[2], to the visited countries and thus they contribute to tourism expenditure.

Pre-paid expenditure (A) of foreign travelers was estimated to be 6,244 billions lire, of which about 74% (4,634 billion lire) was used for *transport* (B); Italian travelers pre-paid 4,373 billions lire, of which about 67% (2,940 billions lire) for *transport*.

As was said before, the difference (A - B) can be compared to *bank transfers*, reported by banks. The comparison shows that debits (expenditure of Italian travelers) derived by the survey (1,433 billions) are lower than those reported by

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[1] *Bank transfers can be ascribed to amounts spent in the country of residence and subsequently transferred abroad through banks*

[2] *The non-transferred quota is related to amounts kept by tour operators as profit in the sale of tourist packages and recovery of expenses. An additional survey, directed to tour operators, has been started, in order to acquire further information on this subject*

banks (1.468 billions); for credits (expenditure of foreign travelers), the amount calculated through the survey is 1.610 billions, while *bank transfers* amount to 802 billions.

The difference - 808 billions lire - could be ascribed to the fact that tourist operators prefer to keep these sums on their bank accounts abroad

Tourist balance of payments credits and debits [item *travel* (A-B+C)], resulting from the survey, amount to 15,484 and 8,144 billions lire respectively, with a surplus of 7,340 billions lire. The percentage differences between survey data and bank reports are: + 18% for credits, + 30% for debits and + 7% for the balance (tab. 3.2)

Tab. 3.2 - Tourist balance of payments (billions of lire).

	CREDITS		DEBITS		BALANCE	
	Survey data	Bank reports	Survey data	Bank reports	Survey data	Bank reports
JULY	6,553	4,629	3,153	1,993	3,400	2,636
AUGUST	5,087	4,192	3,674	2,677	1,413	1,515
SEPTEMBER	3,844	4,300	1,317	1,613	2,527	2,687
JUL - SEP	15,484	13,121	8,144	6,283	7,340	6,838

3.3 Transport expenditure

According to the International Monetary Fund requirements, transport expenditure from country of origin to first foreign destination and return must be excluded from tourism statistics and included in item *transport*.

These adjustments are possible because the questionnaire records the nationality of the carrier used by travelers[3].

Foreign travelers spent 4,614 billion lire for transport services, of which only 25% (1,137 billion) was earned by Italian carriers (credits). Italian travelers spent about 2,940 billion lire, of which 66% (1,938) was earned by foreign carriers (debits) (fig. 3.1)

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[3] In balance of payments, *transport* credits and debits arise from transactions between foreign traveler and resident carriers or between resident travelers and foreign carriers, respectively

*Fig. 3.1 - Percentage composition of transport expenditure by
nationality of the traveler and of the carriers.*
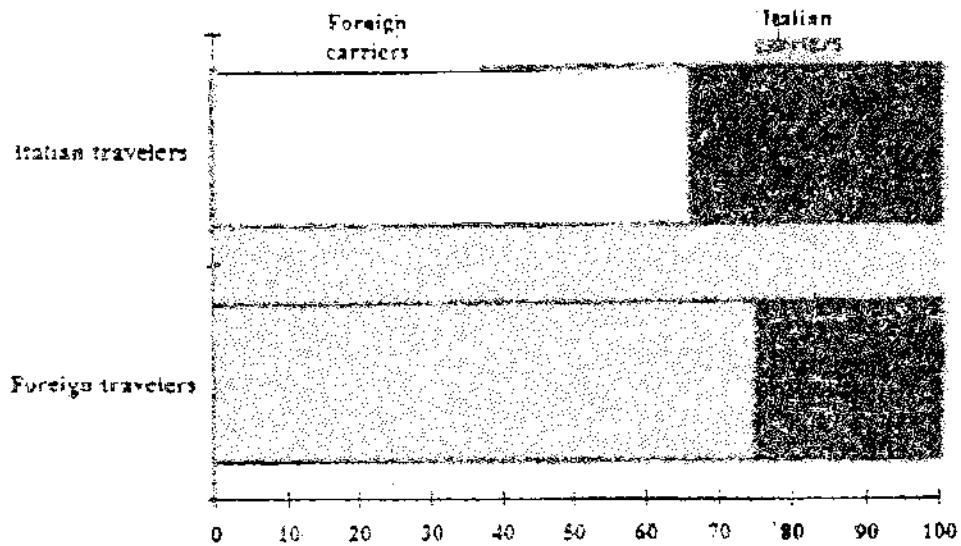
Figures for passenger transport were sufficiently similar to those deriving from
bank reports (tab. 3.3). This apparent resemblance will be verified during the
final survey.

*Tab. 3.3 - Passenger transport balance of payments.
July-September 1993 (billions of lire).*

	SURVEY DATA		BANK REPORTS	
	Credits	Debits	Credits	Debits
Air, sea and land tickets			447	1,039
Air, rail, sea and land transports			665	960
International transport expenditure	1,137	1,938		
TOTAL	1,137	1,938	1,112	1,999

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3.4 Means of payment used by travelers

The survey data makes it possible to analyse the means of payment used by the travelers (from C1 to C5, according to diagram in par. 3.1).

This information is explicitly collected only for amounts paid abroad since amounts pre-paid in the country of residence are almost exclusively settled through international bank transfers.

The information about means of payments has been relevant for two reasons:

1. notwithstanding the temporariness of some analytical comparisons - based on hypotheses that could be verified with longer time series - different relationships with bank reports have been identified; this has allowed further evaluations on the quality of the survey data;

2. phenomena exceeding any expectation came out.

According to the survey results (fig. 3.2), Italian and foreign travelers prefer to use banknotes changed at home or abroad rather than paying by credits cards or drawing cash abroad.

An attitude of the travelers to buy foreign currency in their country of residence is evident.

Fig. 3.2 - Percentage composition of the expenditure at destination by means of payment.
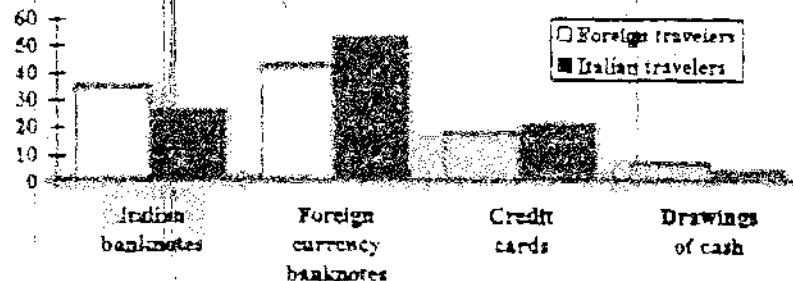
The comparison on means of payment used by travelers is shown in Tab. 3.4. Except for *transfers of Italian banknotes*, there are no relevant differences.

Totals of bank reports figures are lower than those reported in Tab. 3.1 since Tab. 3.4 does not include *clearings* and restitutions of banknotes after the journey; furthermore, credits do not include deposits in banknotes and other foreign currency means of payment in resident clients' accounts with Italian banks.

Tab. 3.4 - Expenditure at destination by means of payment.
July-September 1995 (billions of lire).

	SURVEY DATA		BANK REPORTS		DIFFERENCE	
	Credits	Debits	Credits	Debits	Credits	Debits
Transfers of Italian banknotes (non-bank operators)	4,754 (C1)	1,650 (C2)			4,754	1,650
Transfers of Italian banknotes (bank operators)			644	216	-644	-216
Transfers of Italian banknotes (total)	*4,754*	*1,650*	*644*	*216*	*4,110*	*1,434*
Credit cards (C3)	2,424	1,332	1,923	413	501	919
Foreign currency and travelers' checks (C4)	5,781	3,460	6,637	3,279	-856	181
Drawings of cash (C5)	915	269	1,367	550	-452	-281
TOTAL	13,874	6,711	10,571	4,458	3,303	2,253

Transfers of Italian banknotes (C1 e C2): they represent a phenomenon exceeding any expectation. As was said in par. 3.1., it is possible to point out these inbound and outbound transfers in the bank reports only if they are carried out by bank operators.

The survey has shown that Italian banknotes flows crossing national frontiers are wider than what is reported by banks. As a consequence, there is an accumulation of assets abroad wider than what was known.

In order to clarify this point, let us consider the algebraic sum of sample survey and bank reports balances, which is equal to 2,676 billions lire; this is the amount of Italian banknotes, coming back from abroad between July and September 1995, whose export was not recorded (tab. 3.5).

Because of the bank reports data collection system and balance of payments data allocation criteria, only survey data include the actual import and export of Italian banknotes carried out by travelers; bank reports data represent the foreign currency amount cashed by the bank operators (credits) against Italian banknotes export and, vice versa, the foreign currency amount paid by resident banks (debits) against import of Italian banknotes.

Tab. 3.5 - Import and export of Italian banknotes.
July-September 1995 (billions of lire).

	SURVEY DATA (non-bank operators)	BANK REPORTS (bank operators)	TOTAL
EXPORT	1,650	644	2,294
IMPORT	4,754	216	4,970
BALANCE	3,104	-428	2,676

Credit cards (C3): as regards credit cards, bank reports represent the balances transferred between companies issuing credit cards, whereas the survey estimates represent the amounts spent by travelers using credit cards[4]. In order to compare this information, it is better to add drawings of cash (C5) to item C3, because it is likely that drawings of cash are mostly made using credit cards at automatic teller machines (tab. 3.6).

Tab. 3.6 - Use of credit cards and drawings of cash.
July-September 1995 (billions of lire).

	SURVEY DATA		BANK REPORTS		DIFFERENCE	
	Credits	Debits	Credits	Debits	Credits	Debits
C3 + C5	3,339	1,601	3,290	963	49	638

[4] In order to verify the survey data, the UIC has got in touch with the Italian branches of credit card issuers to get monthly detailed information.

similar to that pointed out for Italian banknotes transfers. This hidden amount could have a double source:

1. foreign banknotes brought by foreigners coming to Italy; these banknotes would have been changed through operators different from banks and exchange offices. These operators would have subsequently paid in this money to Italian banks.

2. foreign banknotes imported by foreigners who paid their purchases directly in foreign currency. This phenomenon is typical of frontiers (especially near the border with Slovenia). Foreign banknotes, acquired by resident traders, are probably paid in foreign currency accounts with Italian banks.

There is a chance that the aforementioned transactions were not recorded by the survey. The final survey questionnaires for foreign travelers have been modified to record these transactions appropriately.

The integration of the bank reports with survey data will allow to reprocess the balance of payments. The reprocessing will regard *Travel*, *Transport* and, considering unrecorded transfers of Italian banknotes, *Capital Movements*. The revision will be carried out when sufficiently long time series are available.

3.5 Geographical breakdown

The survey can have an influence on the geographical breakdown of the expenditure. The present bank reports use the following classification criteria:

1. *channelled* transactions (settlements through *bank transfers*): the recorded foreign country is the country of destination/origin of the payment/receipt of transferred funds. The recorded Italian province is the one where the branch of the bank that settled the transaction is based;

2. *dechannelled* transactions (settlements through means of payment: banknotes, checks, etc.): the recorded foreign country is that issuing the foreign currency of the means of payment. The recording criterion for Italian provinces is identical to that adopted in channelled transactions.

According to international standards, the expenditure should be allocated with reference to the country of origin (credits) or destination (debits) of the travelers. The survey satisfies this requirement.

Tables 3.7 and 3.8 show credits and debits by country of origin or destination of travelers.

The geographical breakdown only regards continents and Italian regions since the small number of interviews for some Italian provinces and some foreign countries doesn't allow a higher level of disaggregation without risking to produce unreliable figures.

Tab. 3.7 - Percentage composition of expenditure at destination by continent
of origin/destination of foreign/Italian travelers.
July - September 1995

CONTINENTS	SURVEY DATA Credits	BANK REPORTS Credits	SURVEY DATA Debits	BANK REPORTS Debits
Europe	82.3	80.3	73.2	69.3
America	6.5	15.9	15.6	27.2
Africa	2.4	0.3	3.8	1.6
Asia	8.0	2.4	6.6	1.4
Oceania	0.8	0.3	0.8	0.4
Not allocated		0.8		0.1
TOTAL	100.0	100.0	100.0	100.0

*Tab. 3.8 - Percentage composition of expenditure at destination by Italian areas
of destination/origin of foreign/Italian travelers.
July - September 1995*

AREAS [3]	SURVEY DATA	BANK REPORTS	SURVEY DATA	BANK REPORTS
	Credits	Credits	Debits	Debits
North-West	17.4	37.7	36.4	52.7
North-East	47.2	28.8	22.3	18.0
Centre	26.3	20.2	29.0	17.2
South	5.8	5.8	9.3	3.9
Isles	3.1	3.1	3.0	2.2
Not allocated	0.2	4.4		6.0
TOTAL	100.0	100.0	100.0	100.0

The are relevant differences between survey and bank reports data.

The survey data show a distribution of tourist expenditure flows which conforms to other sources of information

The main differences are recorded for America: they are due to the wide use of US dollars by international tourists

As regards Italian areas, the main differences arise in the North-West area: they are due to the importance of Milan as a financial centre.

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[3] **NORTH-WEST**: Piemonte, Valle d'Aosta, Lombardia, Liguria
NORTH-EAST. Trentino Alto Adige, Veneto, Emilia-Romagna, Friuli Venezia Giulia
CENTRE. Toscana, Marche, Umbria, Lazio, Abruzzi.
SOUTH: Molise, Campania, Puglia, Basilicata, Calabria
ISLES: Sicilia, Sardegna

4. SAMPLE SURVEY AND SECTORAL STATISTICS

One of the aims of the survey is to collect information about travel and travelers' features (i.e. sex and age of the interviewees, length of the stay, type of accommodation, etc.).

The analysis of these variables makes it possible to integrate the existing statistics[1] in order to better understand the tourism phenomenon.

The following synoptic table shows some of the possible relationships between the variables surveyed and the references to the tables included in this chapter and in appendix A.

	ACCOMMOD.	AREA OF RESID. DESTIN.	SEX OF THE INTERV.	AGE	PURPOSE OF JOURNEY	TYPE OF FRONT.	LENGTH OF THE STAY
AREA OF RESIDENCE/DESTINATION	4.10 4.11						
SEX OF THE INTERVIEWEE							
AGE							
PURPOSE OF JOURNEY	4.8 A10						
TYPE OF FRONTIER		4.3 A4 A7	4.4	4.5			
LENGTH OF THE STAY	4.9						
OPINIONS		4.13 4.14 A22 A23 A24					

In this chapter some sectoral aspects of tourism are analysed. Detailed data are shown in appendix A.

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[1] 6° *Rapporto sul turismo italiano*, Presidenza del Consiglio dei Ministri - Dipartimento del Turismo, 1995

4.1 Features of the travelers

A preliminary check on the consistency of data, with reference to global flows of travelers, was carried out by comparing survey data with tourism statistics produced by ISTAT, which only record inflows of foreign travelers.

For the comparison, survey data were reallocated according to the date of entry in Italy.

The main differences arise in the breakdown by country of origin of foreign travelers. They can be ascribed to the different data collection methodologies.

With reference to the third quarter of 1995, the estimated flows are: 19,341,889 (inbound) and 10,858,290 (outbound).

According to tab. 4.1, the most relevant flows are those to and from European countries; as can be seen in tab. 8.4 (appendix A), Germans represent 30% of the total amount of travelers whereas French are 12%.

In comparison with foreigners, Italians are more inclined to visit extra-EU and extra-European countries.

Tab. 4.1 - *Percentage composition of foreign/Italian travelers
by area of origin/destination.
July - September 1995*

AREAS OF ORIGIN / DESTINATION	Foreign travelers	Italian travelers
EUROPEAN COUNTRIES	92.2	89.5
- EU	68.8	49.8
- Extra-EU	23.4	39.7
EXTRA EUROPEAN COUNTRIES	7.8	10.5
TOTAL	100.0	100.0

Tab. 4.2 shows the percentage distribution of Italian and foreign travelers by area of origin and destination.

Tab. 4.2 - Percentage composition of travelers by area of origin and destination.
July - September 1995

	Foreign travelers				Italian travelers			
	European Union	Extra EU	Rest of the World	Total	European Union	Extra EU	Rest of the World	Total
NORTH	53.1	20.0	3.2	76.3	32.1	34.1	5.6	71.8
CENTRE	11.2	2.3	4.2	17.7	11.6	3.7	3.7	19.0
SOUTH	4.4	1.0	0.4	5.8	6.1	1.9	1.2	9.2
Not indicated	0.1	0.1	0.0	0.2	0.0	0.0	0.0	0.0
TOTAL	68.8	23.4	7.8	100.0	49.8	39.7	10.5	100.0

As regards foreign travelers, 53% came from EU countries and visited northern Italy regions, while 32% of Italian travelers resided in northern Italy and visited EU countries.

The great importance of the regions in northern Italy can be partly attributed to *border workers* and *same-day travelers* (see glossary in appendix D).

The percentage of foreign travelers coming from EU countries and going to regions in central Italy (11%) is virtually identical to that of Italians residing in central Italy and going to EU countries.

As regards the means of transport (tab. 4.3), the car is by far the most used. This result is explained by the high correlation between the area of origin and destination.

The phenomenon is particularly evident for foreigners (73.1%), because of a greater concentration of holiday resorts in northern Italy and the greater mobility the car allows to travelers willing to visit more than one region. Italians use planes and trains more than foreigners (25.4% versus 13.4% and 10.5% versus 7.6% respectively), while foreigners prefer ships (5.9% versus 2.6%).

*Tab. 4.3 - Percentage composition of travelers by type of frontier
and country of origin/destination
July - September 1995*

	Foreign travelers					Italian travelers				
	road	rail	seaport	airport	total	road	rail	seaport	airport	total
Europe - EU	52.4	4.5	4.6	7.3	68.8	29.5	4.9	2.3	13.1	49.8
Europe - Extra EU	19.1	2.0	1.1	1.2	23.4	31.6	5.3	0.3	2.6	39.7
Rest of the world	1.6	1.1	0.2	4.9	7.8	0.4	0.3	0	9.7	10.5
Total	73.1	7.6	5.9	13.4	100	61.5	10.5	2.6	25.4	100

The interviewees are mostly males[2]. This is more evident for road frontiers (see tab. 4.4) where the driver of the vehicle was usually interviewed. Female interviewees are more frequent among foreigners.

*Tab. 4.4 - Percentage composition of interviewees by sex and type of frontier
July - September 1995*

	Foreign travelers			Italian travelers		
	Males	Females	Total	Males	Females	Total
Road	55.3	17.8	73.1	50.6	10.9	61.5
Rail	4.3	3.3	7.6	6.4	4.1	10.5
Seaport	3.7	2.2	5.9	1.3	1.3	2.6
Airport	8.0	5.4	13.4	15.9	9.5	25.4
Total	71.3	28.7	100.0	74.2	25.8	100.0

Table 4.5, which shows the disaggregation by age, points out a predominance of the range 25-44, especially as regards Italians (50.9%). This is particularly

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[2] In the final survey sex is recorded for all travelers in the group and not only for the interviewee

evident for Italians traveling by air. The first age group (0-14) is more relevant for foreigners

The small number of travelers aged over 65 can probably be ascribed to the particular period of the year during which the survey was performed. This kind of traveler is likely to prefer travelling during low season periods.

Tab. 4.5 - Percentage composition of travelers by age group and type of frontier.
July - September 1995

Age group	Foreign travelers					Italian travelers				
	Road	Rail	Seaport	Airport	Total	Road	Rail	Seaport	Airport	Total
0 - 14	6.6	0.3	0.7	0.4	8.0	2.9	0.3	0.2	0.6	4.0
15 - 24	9.9	2.2	1.3	2.2	15.6	8.9	3.0	0.7	5.1	17.7
25 - 44	34.4	3.0	2.9	6.7	47.0	30.9	3.9	1.2	14.9	50.9
45 - 64	19.6	1.7	0.9	3.7	25.9	16.3	2.6	0.4	4.6	23.9
more than 64	2.5	0.4	0.1	0.4	3.4	2.5	0.7	0.1	0.2	3.5
not indicated	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Total	73.1	7.6	5.9	13.4	100.0	61.5	10.5	2.6	25.4	100.0

4.2 Journey features

Travelers features can be compared with some aspects of the journey, gathered in the second part of the questionnaire.
Travel for *Holidays* represent the main component (tab. 4.6), especially for foreigners: 67.6% versus 52.4% of Italians. *Business travel*, on the contrary, is more relevant for Italian travelers.

*Tab. 4.6 - Percentage composition of travelers by purpose of journey.
July - September 1995*

	Foreign travelers	Italian travelers
Personal	89.9	81.7
of which: Holidays	67.6	57.4
Other personal purposes (visits to friends, purchases, etc.)	20.0	23.9
Business	8.5	17.4
Regular travelers	2.3	8.5
Occasional travelers	6.2	8.9
Other purposes	1.6	0.9
Total	**100.0**	**100.0**

The sample survey also highlights other purposes of journey linked to important phenomena rarely analysed by official statistics: *shopping trips* and travels of *seasonal* and *border workers*.

Shopping trips are more relevant near the frontiers and are influenced by price levels and exchange rates (Austria and Switzerland are among the countries touched by this phenomenon).

An intense flow of travelers coming from Slovenia, who daily head for Trieste to do shopping, is connected with the presence in Italy of a greater offer of consumer goods. They represent about 75% of the travelers coming from Slovenia. Their mean expenditure is 192,000 lire. This phenomenon could be also explained by transitorial political factors. It is possible to form the hypothesis that purchases consist especially of durable goods rather than of non-durable consumers' goods.

The interesting phenomenon of seasonal and border workers is particularly relevant for Italians and obviously affects neighbouring countries: 49.3% of Italian travelers headed for Switzerland and 4.7% of those headed for Austria are *regular business travelers*.

Italian provinces that are more affected by this phenomenon are Varese, Milano and Como where regular business travelers represent 31%, 10% and 9% of the total flow of travelers respectively.

Tab. 4.7 - Percentage composition of travelers by number of nights spent abroad.
July - September 1995

	Foreign travelers	Italian travelers
None	28.1	35.3
1 - 3 nights	17.6	13.2
4 - 7 nights	21.7	16.7
more than 7 nights	32.6	34.8
Total	100.0	100.0

In tab. 4.7 the percentage composition of Italian and foreign travelers by length of the stay is shown. No relevant differences between Italians and foreigners arise. Regarding same-day travelers, Italians are more frequent also because of the strong presence of seasonal and border workers.

Tab. 4.8 - Percentage composition by type of accommodation and
purpose of the journey (excluding same-day travelers).
July - September 1995

	Foreign travelers				Italian travelers			
	Holidays	Other personal purposes	Business	Total	Holidays	Other personal purposes	Business	Total
Hotels	41.1	2.5	6.4	50.0	31.3	4.3	10.4	46.0
Rented dwellings	6.3	0.7	0.4	7.4	7.4	1.5	1.7	10.6
Owned dwellings	3.4	0.9	0.2	4.5	2.6	0.9	0.5	4.0
Guests of friends and relatives	7.3	6.4	0.4	14.1	10.6	8.0	1.3	19.9
Tents and campers	14.4	0.4	0.1	14.9	7.3	0.4	0.1	7.8
Other	7.4	1.2	0.5	9.1	7.4	2.9	1.4	11.7
Total	79.9	12.1	8.0	100.0	66.6	18.0	15.4	100.0

The hotel is the preferred type of accommodation, especially for business travelers (80% of foreigners and 68% of Italians, see Tab.10.4 in appendix A).

In the category *other personal purposes*, both Italian and foreign travelers, with a greater proportion of Italians, prefer to be guests of relatives and friends to other kinds of accommodation.

Tab. 4.9 represents the composition of travelers by type of accommodation and by length of stay.

Hotels are less used by both Italians and foreigners when the length of the stay is over a week. In this case rented dwellings are preferred, especially by Italians.

Foreign travelers, both in short and long journeys, seem to prefer tents, caravans and campers, more than Italians.

Tab. 4.9 - Percentage composition of travelers by type of accommodation and length of stay (excluding same-day travelers).
July - September 1995

	Foreign travelers		Italian travelers	
	1 - 7 nights	more than 7 nights	1 - 7 nights	more than 7 nights
Hotels	57.8	41.2	54.7	39.3
Holiday villages	1.4	2.9	2.2	3.5
Rented dwellings	3.7	11.8	5.6	14.4
Owned dwellings	3.1	6.1	4.2	3.8
Guests of friends and relatives	13.1	15.2	24.6	18.5
Tents and caravans	8.9	12.3	3.3	7.2
Campers	4.4	4.2	1.7	2.6
Ships (cruises)	0.5	0.2	0.6	1.2
Communities (colleges, nursing homes...)	0.8	1.1	0.1	2.7
Other	6.3	5.0	5.0	6.8
Total	100.0	100.0	100.0	100.0

The last two tables show statistical information that was unavailable up to now. These could integrate the official tourism on the use of accommodation.

Before this survey, the use of lodgings different from hotels (the so-called *hidden* tourism) was substantially underestimated[3]. These types of accommodation, which include rented dwellings (that can be only partially estimated), houses owned by non-residents, households giving hospitality to friends and relatives and lodging offered by religious orders, are difficult to record.

[3] ENIT, *Il turismo sommerso in Italia nel 1994*, Ufficio Studi Programmazione Marketing, Roma, 1995, and *6° Rapporto sul turismo italiano*, op. cit.

The survey provides to obtain an estimate of this important phenomenon. Houses owned by non-residents, rented dwellings and hospitality of friends and relatives represent 26.0% for foreign travelers and 35.4% for Italians.

In table 4.10 the distribution of these *hidden* types of accommodation by area of origin or destination is shown.

Tab. 4.10 - Percentage composition of hidden accommodation by area of origin/destination.
July - September 1995

	Foreign travelers			Italian travelers		
	Rented dwellings	Owned dwellings	Guests of friends and relatives	Rented dwellings	Owned dwellings	Guests of friends and relatives
EU	81.3	73.8	69.2	73.1	62.7	51.6
of which: Germany	48.6	38.2	37.0	5.3	5.4	11.1
France	6.1	19.1	21.2	15.1	34.9	19.6
EXTRA-EU	12.4	21.8	20.1	18.0	28.7	33.0
of which: Switzerland	4.7	18.0	12.3	7.1	8.9	23.6
REST OF THE WORLD	6.3	4.4	10.7	8.9	8.6	15.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

Foreign travelers who own or rent dwellings in Italy come mostly from Germany, France and Switzerland.

As regards Italians, their properties abroad are mainly located in France. This information is confirmed by UIC data on real estate owned by residents abroad and by non-residents in Italy.

By analysing areas of origin of travelers it is possible to link *hidden* tourism to emigration.

As regards travels for *other personal purposes*, which include visits to relatives and friends, the main countries of origin are Switzerland (23%), France (15%) and Germany (11%). These countries were traditional destinations of emigration flows from Italy.

The geographical breakdown of *hidden* accommodation (tab. 4.11), shows a concentration of rented dwellings in the north of Italy, while, for owned dwellings and hospitality, a greater homogeneity between Italian geographical areas is shown.

Tab. 4.11 - Percentage composition of foreign travelers staying at "hidden" lodgings by urea of destination
July - September 1995

	Foreign travelers		
	Rented dwellings	Owned dwellings	Guests of friends and relatives
NORTH	72.7	57.2	48.7
CENTRE	21.0	16.3	28.3
SOUTH AND ISLES	6.3	26.5	23.0
TOTAL	100.0	100.0	100.0

4.3 Travelers' expenditure

The third part of the questionnaire contains questions on travelers' expenditures.

As Fig. 4.1 shows, Italians prefer to anticipate expenditure more than foreigners.

Fig. 4.1 - Percentage composition of tourism expenditure by type of expenditure
July - September 1995
(Sum of pre-paid amounts and expenditure at destination equal to 100)
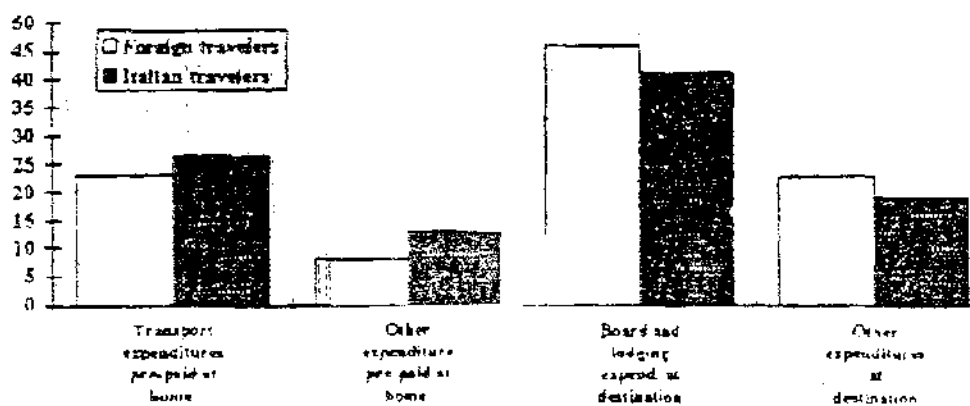
Italians especially choose to pre-pay transport expenses (tab. 4.12)

*Tab 4.12 - Percentage composition of travelers pre-paid expenditures
by type of expenditure.
July - September 1995*

	Foreign travelers	Italian travelers
Transport	18.7	26.3
Accommodation	8.0	7.0
Complete travels	3.6	5.6
Other services	0.8	1.1
nothing	68.9	60.0
Total	100.0	100.0

Considering *expenditure at destination*, mean per-capita expenditure of foreign travelers was 724,000 lire, while per-capita daily expenditure was 112,000 lire (tab. 11.4 in appendix A).

For Italian travelers, mean per-capita expenditure was 84,000 lire. By considering only travelers that declared *holidays* as purpose of the travel, per-capita expenditure is 805,000 lire for foreigners and 759,000 for Italians.

This information is biassed by a greater presence of *same-day travelers* among Italians (35%) than among foreigners (28%). If same-day travelers are excluded, per-capita expenditure for Italians exceeds that of foreigners (944,000 versus 936,000).

As regards daily per-capita expenditure, Italians spent 81,000 lire while foreigners spent 103,000. The mean length of the stay is, on the contrary, greater for Italian travelers (11.7 nights) than for foreigners (9.1 nights).

The lowest expenditure for foreign travelers occurs in travels for *other personal purposes* (317,000 lire); the highest expenditure occurs for *health-related purposes* (1,416,000 lire).

For Italian travelers the lowest per-capita expenditure is for *other personal purposes* (202,000 lire), while the highest expenditure is found in *honeymoons* (1,105,000).

Per-capita expenditure by area of origin or destination is obviously linked to the distance traveled and the length of the stay (tab. 16 and 17 of appendix A). For travelers coming from Europe, expenditure is 645,000 lire, for travelers going

to Europe it is 511,000 lire. Greater amounts are found in journey to/from other continents.

The average quota of expenditure for *lodging and meals* (excluding *transport* expenses), is similar for Italians and foreigners: 60% and 56%, respectively (tab.1 of appendix A).

4.4. Travelers' opinions

The final part of the questionnaire is about the opinions of Italian travelers on the foreign country of destination and of foreign travelers on the Italian provinces of destination, on a scale ranging from 1 (lowest satisfaction) to 10.

The results show a better opinion of Italy abroad than it is usually thought.

In fig. 4.2 Italian travelers' opinions on foreign countries and foreign travelers opinions on Italy are shown

Fig. 4.2 - Mean opinions on visited country
        (July - September 1995)
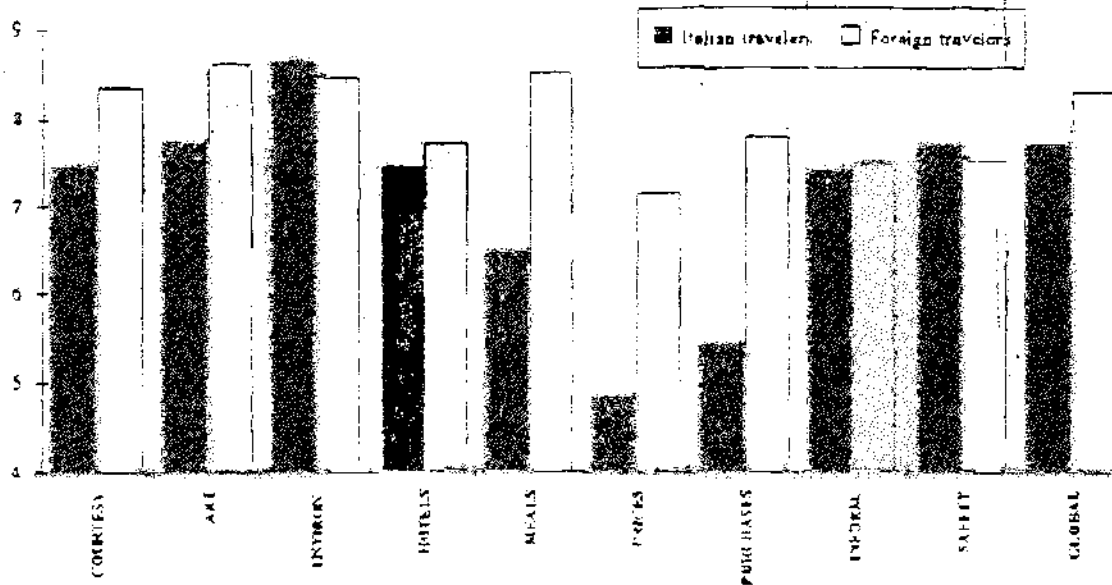
The main differences occur in the valuation of meals, prices and purchases, for which foreigners' satisfaction is greater.

The differences in the appraisal of the last two items, which are obviously correlated, is mainly connected with the exchange rates, which increased purchasing power of foreigners in Italy and reduced that of Italians abroad.

Regarding meals, foreigners seem to appreciate Italian cooking more than Italians appreciate foreign cooking.

Italian courtesy, information and safety had valuations similar to those assigned to foreign countries by Italians.

In fig. 4.3 opinions of foreign travelers by Italian area of destination are shown. The valuations are homogeneous for northern (8.29), central (8.28) and southern (8.18) Italy.

Northern Italy almost always exceeds other areas. However, art valuation is highest for central Italy (9.03) and southern Italy has the best valuation for meals (8.66) and environment (8.48).

*Fig. 4.3 - Opinions of foreign travelers on Italian area of destination
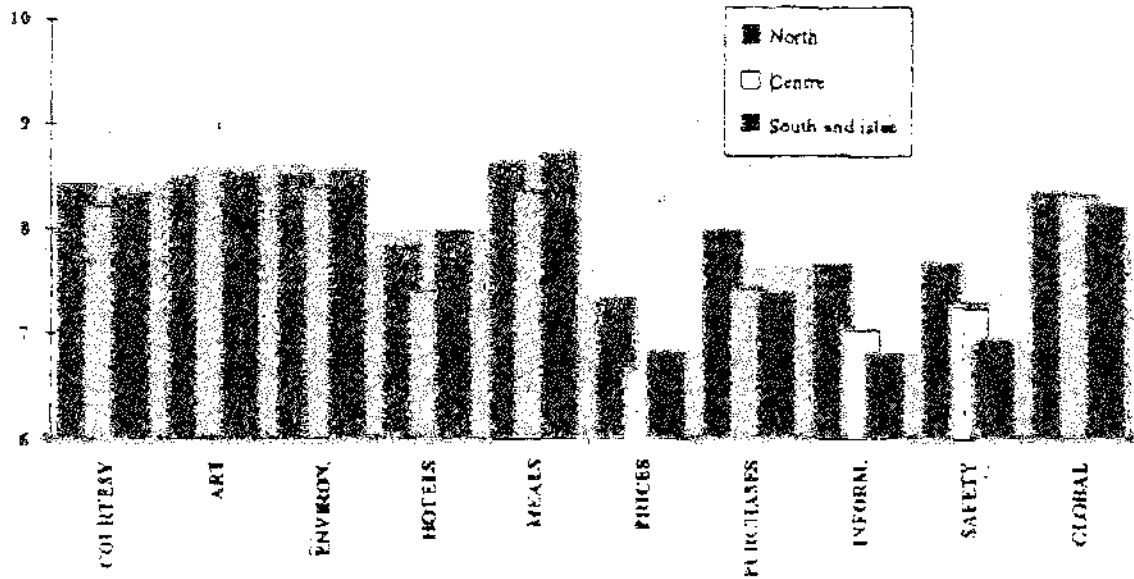July - September 1995*

Table 4.13 shows opinions of foreign travelers on Italy by country of origin. The highest valuations come from British (8.50), American (8.47), German (8.44), Austrian (8.41) and Japanese (8.30) travelers.

Tab. 4.13 - Opinions of foreign travelers on Italy by country of origin
July - September 1995

	United Kingdom	U.S.A.	Germany	Austria	Japan	Total
Courtesy	8.24	8.04	8.60	8.45	8.00	8.34
Art	8.89	9.09	8.49	8.36	9.29	8.57
Environment	8.57	8.48	8.88	8.47	8.09	8.45
Hotels	7.70	7.37	7.97	7.74	7.22	7.71
Meals	8.40	8.51	8.54	8.60	8.28	8.51
Prices	6.61	6.09	7.25	7.62	7.97	7.15
Purchases	7.25	7.23	7.73	8.15	8.23	7.79
Information	7.17	6.98	7.81	7.90	6.96	7.44
Safety	7.52	7.48	7.75	7.80	5.94	7.50
Global	8.50	8.47	8.44	8.41	8.30	8.28

Countries most appreciated by Italians (tab. 4.14) are Japan (8.21), Scandinavia (8.15), Austria (8.09) and United States (8.03).

Japanese safety (8.84) and courtesy (8.43), American environment (8.24) and information (7.99), German environment (8.48) and safety (8.38) are particularly appreciated. Negative valuations are expressed for prices in Japan (2.72) and Scandinavia (3.79).

Tab. 4.14 - Opinions of Italian travelers on some foreign countries
(July - September 1995)

	Japan	Scandinavia	Austria	United States	Total
Courtesy	8.43	8.26	7.89	7.93	7.44
Art	7.42	7.24	8.25	6.62	7.69
Environment	6.64	9.13	9.27	8.24	8.62
Hotels	8.06	7.77	8.18	7.93	7.43
Meals	8.17	5.97	6.93	5.81	6.44
Prices	2.72	3.79	4.74	5.95	4.80
Purchases	5.25	5.53	4.96	7.38	5.39
Information	6.53	8.13	7.87	7.99	7.36
Safety	8.84	8.65	8.51	7.65	7.65
Global	8.21	8.15	8.04	8.03	7.65

In tab. 4.15 an example of possible uses of the survey results for market analysis is provided. Some types of accommodation, partly in competition, such as hotels, holiday villages, rented dwellings, tents and caravans and other (youth hostels, etc) are compared. For each type of accommodation the nationality of the three main groups of foreign visitors is shown; for each group global per-capita expenditure, mean number of nights, daily per-capita expenditure, opinions and main visited regions are also illustrated.

Tab. 4.15 Statistics on some types of accommodation
July - September 1995

	countries of origin	per-capita expend.	mean number of nights	daily per-capita expend.	mean valuation for accomm.	mean valuation for prices	main visited regions
Hotels	Germany	1.040,983	8.1	128,215	8.1	7.3	Trentino Friuli Emilia
	France	703.066	5.8	121,808	7.6	7.1	Lombardia Lazio Liguria
	Austria	933,510	6.0	155,980	8.0	7.6	Veneto Friuli Trentino
Holiday villages	Germany	855,346	12.0	71,377	7.9	7.0	Trentino Veneto Liguria
	France	688.766	11.7	58,805	8.7	7.6	Sardegna Toscana Lombardia
	Austria	612.099	7.4	82,273	8.3	7.7	Sardegna Friuli Veneto
Rent dwellings	Germany	871,523	12.7	68,718	7.9	7.4	Trentino Veneto Liguria
	France	1.104,948	17.9	61,603	7.0	7.9	Emilia Liguria Lombardia
	Austria	727,279	8.7	84,050	7.7	7.6	Friuli Veneto Lombardia
Tents and caravans	Germany	533,938	8.6	62,407	7.3	6.9	Veneto Trentino Lombardia
	Holland	754,850	13.8	54,812	7.6	7.7	Trentino Veneto Lombardia
	Austria	597,762	10.0	60,013	7.0	6.7	Liguria Toscana Lombardia
Other	Germany	727,054	8.3	87,673	8.0	7.2	Trentino Veneto Puglia
	France	433.663	5.3	81,413	7.3	7.1	Liguria Lazio Toscana
	Austria	622,262	7.5	83,448	6.3	7.6	Trentino Friuli Toscana

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APPENDIX B

INTERNATIONAL STANDARDS

ON TOURISM STATISTICS

INTERNATIONAL STANDARDS

ON TOURISM STATISTICS

During the planning of the sample survey, International Organizations recommendations about tourism balance of payments and general tourism expenditure statistics were taken into account.

The main references were the general compilation criteria for the balance of payments provided by the International Monetary Fund (IMF) and the World Tourism Organization (WTO) definitions.

1. International Monetary Fund definitions

According to the *Balance of Payments Manual*[1] (BOPM) issued by the IMF to set out concepts and definitions for the compilation of the balance of payments, the *Travel* item includes the expenditures made by travelers during stays of less than one year in a country of which he is not a resident.

In this publication, countries different from those of residence are called *foreign*. Travelers residing in Italy are called *Italian travelers*; those residing abroad are called *foreign travelers*.

The balance of payments *Travel* item records the expenditures made in the compiling country by non-resident travelers in *Credits*, the expenditure made by resident travelers abroad in *Debits*.

Individuals going abroad for less than one year are regarded as travelers if the purpose of the travel is different from the following:

a) being stationed on a military base or being an employee (including diplomats and other embassy members) of an agency of his or her government,
b) being an accompanying dependent of an individual mentioned under a);
c) undertaking a productive activity directly for an entity that is a resident of the visited economy

However, expenditures made by individuals covered in c) must be included in *Travel*.

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[1] International Monetary Fund, *Balance of Payments Manual - Fifth Edition*, Washington D.C., 1993.

These individuals includes *seasonal* and *border* workers. Seasonal workers are those who work abroad for a part of the year; border workers are those who regularly cross the borders to work in neighbouring countries

Travelers are divided into two categories: *same-day travelers* or *excursionists*, who do not spend any night abroad, and *tourists*, who, on the contrary, spend at least one night abroad.

The one-year rule does not apply to *students* and *medical patients*. In other words, their expenditure must be recorded under *Travel* even if they stay abroad for one year or more.

Recorded expenditures are related to any good or service acquired by the travelers. These goods and services may be paid for by the travelers, paid for on their behalf, or provided to them without a *quid pro quo*. In the last case, the expenditure should be estimated on the basis of the market value of the goods/services provided.

Expenditures for investments (including real estate) are excluded from *Travel* and included in the *Capital and Financial account*.

International transport expenditure (expenditure borne by the traveler to reach the foreign destination and to come back home) is also excluded.

Expenditure borne by the travelers for traveling *within* the visited country is included in *Travel* if they use carriers resident in a country different from that of the traveler. Otherwise, there is no international transaction and no registration in the balance of payments.

In order to be recorded in *Travel*, it is not relevant if this expenditure has been settled during, before (pre-payments) or after (post-payments) the stay abroad.

According to the BOPM general rules for time allocation of transactions, the expenditures must be allocated to the period during which the stay abroad took place and not to the period during which the payments were made.

Moreover, goods/services acquired by travelers can be "consumed" in the visited country (lodging, meals, entertainment, etc.) or purchased for personal use and taken back to the country of residence (*souvenirs*, etc.)

In the BOPM, the *Travel* item is divided into two components: *business* and *personal*

The *business travel* category covers travelers going abroad for all types of business activities: sales, commercial negotiations, meetings, etc.

The expenditures contain personal acquisitions of goods and services, including those reimbursed by the employer. The sales or purchases that travelers may conclude on behalf of the enterprises they represent are not included. Personal expenditures on goods and services of business travelers are also recorded in *Travel*.

Personal travel includes the expenditures made by travelers going abroad for purposes other than business: holidays, recreational and cultural activities, visits to relatives and friends, pilgrimage and religious observances, education and health-related purposes.

BOPM definition, as a whole, are consistent with those given in the last edition of the *System of National Accounts* (SNA93)[2].

Travel item is used in various accounts of the SNA93 (use of income, production and Rest of the World accounts). To this end, the distinction between expenditure for business and personal purposes is crucial, in that the former are included in *intermediate consumption of producers* while the latter are recorded in *final consumption of households*.

2. World Tourism Organization definitions

The WTO has established some concepts, definitions and classifications related to tourism demand and supply and tourism expenditure[3].

From the standpoint of international tourism expenditures analysis, *international inbound tourism receipts* and *international outbound tourism expenditures* are the most relevant.

Some differences arise in the comparison between these aggregates and the *Travel* item of the BOPM. They are the following:

i. BOPM definition of traveler is different from that given by WTO. According to the latter, *traveler* is any individual travelling between two or more places and *visitor* is an individual who, by traveling, moves out of his/her "usual environment". As a consequence, BOPM *travelers* are

[2] EUROSTAT - IMF - OECD - UN - World Bank, *System of National Accounts*, Brussels, Luxembourg, New York, Paris, Washington D.C., 1993.
[3] These requirements were adopted by the United Nation Statistical Committee (UN - WTO, *Recommendations on Tourism Statistics*, New York, 1991)

equivalent to WTO *international visitors* in the context of the international tourism statistics.

2. The WTO excludes from tourism expenditures those made by the following categories of individuals:
   a) individuals traveling abroad to undertake a productive activity remunerated by non-residents (i.e. seasonal and border workers);
   b) students and medical patients going abroad for one year or more.

3. The WTO includes in tourism expenditure the international transport expenditures paid to resident carriers by non-resident visitors (*inbound tourism*) and paid to non-resident carriers by resident visitors (*outbound tourism*).

WTO requirements were, to a large extent, taken into account by the BOPM because the aggregates to be compared, even though they are different according to points 2. and 3., can be linked. In fact, the BOPM requires distinct recordings both for expenditures abroad made by seasonal and border workers, students and medical patients and for international transport expenditure, even though the latter is included in the *Transport - Passenger* item of the balance of payments[*].

In the planning of the questionnaire, the WTO requirements were followed for the disaggregation of the following variables: age of the traveler, type of accommodation used and purpose of the travel.

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[*] However, it could be pointed out that the WTO concept of international transport expenditures (point 3.) does not exactly correspond to *Transport - Passenger* of the BOPM. The last contains an additional component, represented by payments made by non-resident passengers to resident carriers (credits), or by resident passengers to non-resident carriers (debits) for transport carried out within the economy of which the passengers are resident (BOPM, paragraph 232).

APPENDIX D

GLOSSARY

GLOSSARY

Balance of payments - Statistical statement that records, for a specific time period, the economic transactions of an economy with the rest of the world. In Italy, it is divided into *current account, capital movements* and flows of *official reserves*

Bank reports - Information on exchange and foreign transactions that resident banks report to the UIC through the *Currency matrix* and the *Foreign Exchange Form.*

Border workers - Individuals who regularly (each day) or somewhat less regularly (e.g. each week) cross frontiers to work in neighbouring countries.

Business travel - It comprises expenditures made by: a) individuals traveling to a country different from that in which they usually work to undertake any kind of professional activity: sales, work meetings, etc. *(occasional travelers)*; b) *seasonal* and *border workers* (*regular travelers*). The included expenditures are those made by the traveler (including those for which the business travelers are reimbursed by the employers).

Capital movements - Section of the balance of payments in which transactions causing a variation of external financial assets and liabilities of residents (excluding Central Bank) are recorded.

Channelled transactions - Transactions settled through authorised resident banks.

Currency matrix - Instrument used by authorised resident banks for the transmission to the UIC of data on the balance of payments and on the International Investment Position.

Current account - Section of the balance of payments in which non-financial transactions are recorded.

Dechannelled transactions - Transactions settled outside the resident banking system.

EUROSTAT - Statistical Office of the European Communities

Expenditure at destination - Part of the *tourist expenditure* borne by travelers during the stay abroad.

1

Foreign Exchange Form - Form used by resident operators to transmit to the UIC analytical information about their foreign transactions (for amounts over 20 million lire), carried out directly abroad or in Italy through authorised banks.

Foreign travelers - *Travelers* who are not *resident* in Italy.

Holidays - In this work, travels for *leisure* and *recreational* purposes (included in *personal travel*).

IMF - International Monetary Fund.

International tourism - It comprises the activities of resident travelers of a given country traveling abroad (*outbound tourism*) and of non-resident travelers visiting the compiling country (*inbound tourism*). With reference to Italy, it is the subject of the sample survey described in the publication.

International transport expenditure - It includes expenses to travel from the visitor's country of residence to his/her destination and back. According to the IMF, this item is not to be included in the *tourist balance of payments*, in that if it implies a transaction of residents with non-residents, it has to be included in the *transport balance of payments*.

Invisible account - Component of the balance of payments in which transactions in services (including *Travel*), income and unrequited transfers are recorded.

Italian travelers - *Travelers residing* in Italy.

Net errors and omissions - Residual component of the balance of payments representing discrepancies due to the data collection system (different sources of data, measurement errors, etc.). It is the unbalance between total credits and debits recorded in the balance of payments.

Occasional business travelers - *Travelers residing* in a country and regularly working in this country who go abroad to undertake a professional activity on their own or on behalf of employers residing in their country of residence.

Official reserves - External assets that are readily available to and controlled by monetary authorities for direct financing of payments imbalances in the *balance of payments*, for indirectly regulating the magnitude of such imbalances through intervention in exchange markets and for other purposes

Personal travel - Expenditures made by individuals going abroad for purposes other than business: holidays and other recreational and cultural activities, visits with relatives and friends, pilgrimage and religious observances, education, health treatments, etc.

Pre-paid expenditure - Part of the *tourist expenditure* borne by the travelers before leaving.

Regular business travelers - *Travelers residing* in a country and regularly working abroad (on their own or for employers residing abroad). *Seasonal* and *border workers* are included in this item.

Resident - Individuals or enterprises having a centre of economic interest in the economic territory of the compiling country. Regarding the *tourist balance of payments*, where the considered individuals are the travelers, the centre of economic interest is the country where they mainly use goods and services and participate to the production process.

Same-day travelers - Travelers that do not stay overnight in the visited place.

Seasonal workers - Individuals who work part of the year in another country because of seasonal demand for labour.

Settlement - Payment for a transaction in goods, services or financial instruments.

Transport balance of payments - Component of the *balance of payments* that records transactions in transport services of resident carriers with non-residents (credits) and of non-resident carriers with residents (debits). It is recorded under *Transportation*, according to the IMF. This item is divided into *Freight*, *Passenger* and *Other*. Transport services supplied to non-resident passengers by resident carriers in the compiling country are excluded from *Transportation* because they must be included in item *Travel*.

Tourism - According to the WTO, it comprises the activities of persons traveling to and staying in places outside their usual environment, for not more than one consecutive year, for leisure, business and other purposes.

Tourist balance of payments - Component of the *balance of payments* in which transactions in goods and services related to *tourist expenditure* are recorded. According to the IMF, it is composed by credits and debits of the *Travel* item.

Tourist expenditure - Total expenditure in goods and services made by a traveler or on behalf of a traveler for and during the trip and stay at destination. It includes *pre-paid expenditure* and *expenditure at destination*. According to the IMF, expenditure of *seasonal* and *border workers* is included. The expenditure of medical patients and students is also included, even if their stay exceeds one year. *International transport expenditure* is excluded.

3

Tourists - *Travelers* (including those traveling for business purposes) that spend at least one night in the visited country.

Travelers - According to the IMF, individuals going abroad for less than one year for any purpose other than: a) being stationed on a military base or on an agency of his/her government; b) being an accompanying dependent of an individual mentioned under a); c) undertaking a productive activity directly for an entity that is a resident of the visited economy. In this work, individuals under c) are not excluded, in that the expenditure abroad made by these individuals is also included in *tourism expenditure*, following the IMF recommendations.

Visitors - According to the WTO, they are individuals traveling to a place outside their usual environment, for less than one consecutive year, and whose main purpose of travel is other than the exercise of an activity remunerated from within the place visited. The WTO concept of *international visitor* is equivalent to that of *traveler* of the IMF.

WTO - World Tourism Organization

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