TOURISM SUPPLY
- OVERVIEW AND CZECH CASE -

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CONCEPT AND FRAMEWORK

Tourism supply – A core part of TSA system and compilation

- Presents the production accounts of tourism industries and other industries in the economy of reference
- Provides the confrontation and reconciliation between supply and internal tourism consumption
- Provides data on macro-economic indicators

FORMAT OF DATA

- Format of tables conforms formally to the format established in the SNA
- Tourism industries and products are highlighted and embedded within a general framework that is suitable for tourism analysis.
  - Most important part is to find and properly classify a system of tourism products and activities (industries)
- Cooperation with NA compilers!
- International classifications (NACE, ISIC, CPC etc.) are used
## CLASSIFICATION OF PRODUCTS (BY IRTS 2008)

**Tourism characteristic products**

2 criteria for identification:

- **a)** Tourism expenditure on the product should represent a significant share of total tourism expenditure (share-of-expenditure/demand condition);

- **b)** Tourism expenditure on the product should represent a significant share of the supply of the product in the economy (share-of-supply condition).

### A. Consumption products

#### A.1. Tourism characteristic products comprising two subcategories:

- **A.1.i. Internationally comparable tourism characteristic products**, which represent the core products for international comparison of tourism expenditure;

- **A.1.ii. Country-specific tourism characteristic products** (to be determined by each country by applying the criteria mentioned in IRTS 2008, para. 5.10, in their own context).

  For both products mentioned above, the activities producing them will be considered as tourism characteristic, and the industries in which the principal activity is tourism characteristic will be called tourism industries;

#### A.2. Other consumption products made up of two subcategories, both to be determined by each country and, consequently, country-specific:

- **A.2.1. Tourism connected products** comprising other products according to their relevance for tourism analysis but that do not satisfy the criteria mentioned in IRTS 2008, para. 5.10;

- **A.2.2. Non-tourism-related consumption products** comprising all other consumption goods and services that do not belong to the previous categories.

### B. Non-consumption products

This category includes all products that by their nature cannot be consumption goods and services and, therefore, can neither be a part of tourism expenditure, nor a part of tourism consumption, except for valuables that might be acquired by visitors on their trips. Two subcategories are defined:

- **B.1. Valuables** (see IRTS 2008, para. 4.2);

- **B.2. Other non-consumption products** comprising those products associated with tourism gross fixed capital formation and collective consumption.
### CLASSIFICATION OF ACTIVITIES (BY IRTS 2008)

**Tourism characteristic activities**

= activities that typically produce tourism characteristic products

- Categories 1 to 10 comprise the core for *international comparison*;
- Categories 11 and 12 are *country specific*:
  - „11“ covering tourism goods and „12“ covering tourism services characteristic for country of reference.

<table>
<thead>
<tr>
<th>Products</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Accommodation services for visitors</td>
<td>1. Accommodation for visitors</td>
</tr>
<tr>
<td>2. Food- and beverage-serving services</td>
<td>2. Food- and beverage-serving activities</td>
</tr>
<tr>
<td>3. Railway passenger transport services</td>
<td>3. Railway passenger transport</td>
</tr>
<tr>
<td>4. Road passenger transport services</td>
<td>4. Road passenger transport</td>
</tr>
<tr>
<td>5. Water passenger transport services</td>
<td>5. Water passenger transport</td>
</tr>
<tr>
<td>6. Air passenger transport services</td>
<td>6. Air passenger transport</td>
</tr>
<tr>
<td>7. Transport equipment rental services</td>
<td>7. Transport equipment rental services</td>
</tr>
<tr>
<td>8. Travel agencies and other reservation</td>
<td>8. Travel agencies and other reservation services</td>
</tr>
<tr>
<td>services</td>
<td>activities</td>
</tr>
<tr>
<td>9. Cultural services</td>
<td>9. Cultural activities</td>
</tr>
<tr>
<td>10. Sports and recreational services</td>
<td>10. Sports and recreational activities</td>
</tr>
<tr>
<td>11. Country-specific tourism characteristic</td>
<td>11. Retail trade of country-specific tourism</td>
</tr>
<tr>
<td>goods</td>
<td>characteristic goods</td>
</tr>
<tr>
<td>12. Country-specific tourism characteristic</td>
<td>12. Other country-specific tourism characteristic</td>
</tr>
<tr>
<td>services</td>
<td>activities</td>
</tr>
</tbody>
</table>
### TSA TABLE T5

**Production accounts of tourism industries and other industries**

**INDUSTRIES (ACTIVITIES)**

<table>
<thead>
<tr>
<th>Products</th>
<th>1 Accommodation for visitors</th>
<th>Total</th>
<th>Other industries</th>
<th>Output of domestic producers (at basic prices)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(5.9)</td>
<td>(5.13)</td>
<td>(5.14)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(5.15) = (5.13) + (5.14)</td>
<td></td>
</tr>
</tbody>
</table>

**TSA Table T5 Structure**

**Columns:**
- Output of domestic producers
- Other industries
- Tourism industries

**Rows:**
- Products
- Total output
- Total IC
- Total GVA

**Table Notes:**
- A. Consumption products
  - A.1 Tourism characteristic products
    - 1 Accommodation services for visitors

**Other Notes:**
- Compensation of employees
- Other taxes less subsidies on production
- Gross mixed income
- Gross operating surplus
TSA TABLE T6

Total domestic supply and internal tourism consumption

TSA Table T6

Additional variables

New columns in comparison with TSA T5:
- + Imports
- + Taxes less subsidies
- + Trade and transport margins
- = Domestic supply
- Internal tourism consumption (Table T4)
- Tourism ratios

TSA Table T5

+ Tourism shares by industry (for each product)
+ Additional variables and indicators

<table>
<thead>
<tr>
<th></th>
<th>imports*</th>
<th>Taxes less subsidies on products nationally produced and imported</th>
<th>Trade and transport margins</th>
<th>Domestic supply (at purchasers' prices)</th>
<th>Internal tourism consumption</th>
<th>Tourism ratios percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>output tourism share (in value)</td>
<td>(6.1)</td>
<td>(6.2)</td>
<td>(6.3)</td>
<td>(6.4) = (5.15 + (6.1) + (6.2) + (6.3))</td>
<td>(6.5) = (4.3 x 100)</td>
<td></td>
</tr>
<tr>
<td>output tourism share (in value)</td>
<td></td>
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<td></td>
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<tr>
<td>x</td>
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</tr>
</tbody>
</table>
TSA AGGREGATES

Concept and identification

- Macroeconomic aggregates in TSA describe the size and the direct economic contribution of tourism.
- Consistent with similar aggregates for the total economy and for other productive economic activities.

Allow comparison with other sectors in the economy and comparison between countries.

Main recommended TSA aggregates (on supply side) are:

<table>
<thead>
<tr>
<th>GROSS VALUE ADDED OF TOURISM INDUSTRIES</th>
<th>TOURISM DIRECT GROSS VALUE ADDED</th>
<th>TOURISM DIRECT GROSS DOMESTIC PRODUCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>GVATI</td>
<td>TDGVA</td>
<td>TDGDP</td>
</tr>
<tr>
<td>Sum of the total gross value added of all establishments belonging to tourism industries, regardless of whether all their output is provided to visitors</td>
<td>A part of gross value added generated by tourism industries and other industries of the economy that directly serve visitors in response to internal tourism consumption</td>
<td>TDGVA + Net taxes on products and imports included in the value of internal tourism consumption (at purchasers’ prices)</td>
</tr>
</tbody>
</table>

Visitors and Non-visitors

Indirect effect

Visitors

Direct effect

Direct effect
SCHEME FOR TSA AGGREGATES

Relationship between the different economic aggregates that characterize the magnitude of tourism from the point of view of supply

<table>
<thead>
<tr>
<th></th>
<th>Gross value added of tourism industries</th>
<th>Tourism direct gross value added</th>
<th>Tourism direct gross domestic product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross value added (at basic prices) generated by the supply to visitors by the tourism industries</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Gross value added (at basic prices) generated by the supply to non-visitors by the tourism industries</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Gross value added (at basic prices) generated by the supply to visitors by other industries</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Gross value added (at basic prices) generated by the supply to non-visitors by other industries</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Net taxes on products and imports included in the value of internal tourism consumption (at purchasers’ prices)</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>
TOURISM SUPPLY – CZECH CASE

DATA SOURCES

National Accounts

Supply and use-tables (matrix):
- Production (P.1) basic prices
- Intermediate consumption (P.2) purchasers price
- Import (P.6)
- Taxes (D.2)
- Subsidies (D.3)

3 versions of data: Preliminary/Semi-def/Def

Provided by NA Department

--> In accordance with ESA 2010

CHARACTER OF DATA

- Reconciled level → 120 industries (NACE) 89 products (CPA)
- Non-official (unpublished) level → 120 NACE 252 CPA
- Final Use Data → 0 NACE x 89 (252) CPA

PROCEDURE

Supply side (TSA Table T5 + T6)

Step-by-step approach:
- Definition of characteristic, connected and non-specific products and industries
- Reduction of year-on-year discrepancies
- Determination of tourism shares for each item

Total output of domestic producers
(at basic prices)
+ taxes – subsidies + import

= Total domestic supply (at purchasers price)

GVA = Output – Intermediate consumption

TR on domestic supply = \[ \frac{\text{INTERNATIONAL TOURISM CONSUMP.}}{\text{TOTAL DOMESTIC SUPPLY}} \]

TDGVA = \[ \sum_{1\ldots n} \text{TR}_{1\ldots n} \times \text{GVA}_{1\ldots n} \]

TDGDP = TDGVA + Tourism taxes (less subsidies)
Tourism on GVA 2,7 % (2015)
Tourism on GDP 2,8 % (2015)

Decrease since 2003 -0,7 p.p. on GVA; -0,7 p.p. on GDP

Tourism direct GVA by products (2015)
- Characteristic industries – 73,9 %
- Connected industries – 22,9 %
- Non-specific industries – 3,2 %

Tourism on Employment 4,4 % (2015)
Decrease since 2003 -0,4 p.p. on employment
TOURISM IN THE CZECH ECONOMY

Tourism gross value added (bc)
Tourism gross domestic product
Tourism ratio on gross value added (%)
Tourism ratio on gross domestic product (%)
TOURISM vs. OTHER INDUSTRIES

- Productivity of tourism (2015)
  483 ths. CZK (TDGVA/EMPL) ➔ + 43% since 2003
  - Average in economy ➔ 798 ths. CZK (+ 50% since 2003)

(concurrent prices, 2015)

CONSTRUCTION
GVA 5.6%
EMP 7.9%
567 THS. CZK

AGRICULTURE, FORESTRY, FISHING
GVA 2.5%
EMP 3.2%
627 THS. CZK

HEALTHCARE
GVA 4.3%
EMP 6.2%
554 THS. CZK

EDUCATION
GVA 4.2%
EMP 5.8%
579 THS. CZK

MANUFACTURING
GVA 26.8%
EMP 26.5%
808 THS. CZK

REAL ESTATE ACTIVITIES
GVA 8.4%
EMP 1.8%
3 658 THS. CZK
Thank you for your attention

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