

Measuring the Role of Tourism in OECD Economies

THE OECD MANUAL
ON TOURISM SATELLITE ACCOUNTS
AND EMPLOYMENT



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

FOREWORD

The increasingly important role of tourism in the economy, its growth and potential for job creation, the fragmentation of this business sector, and the cross-sectoral nature of tourism policies are all elements that have led the OECD's Tourism Committee to design a new economic instrument for tourism which provides insights into the socio-economic impact, structure and development of activities related to tourism. The rationale underlying the construction of this new tool is that, despite its economic importance, tourism still suffers from a lack of governmental recognition, particularly in developed countries.

Measuring the Role of Tourism in OECD Economies: OECD Manual on Tourism Satellite Accounts and Employment summarises the efforts that have been made over the past decade to develop new methods to analyse tourism and tourism-related employment, standardise and ensure the relevance of tourism statistics systems, increase consistency between the various systems in place at an international level, and create awareness among Member countries of the implementation of such tools and how the results should be interpreted.

For the first time, the *Manual* presents the methods developed by the OECD's Tourism Committee on Tourism Satellite Accounts (TSA) and employment in tourism. In particular, it explains the rationale underlying the Tourism Satellite Accounts. The two tools, which were officially approved by the Tourism Committee on 14-15 October 1999, are based on the most recent international statistical trends, particularly the *System of National Accounts* of 1993, and the World Tourism Organisation and United Nations 1993 definitions on tourism statistics.

The *Manual* does not deal with the joint conceptual framework of the Tourism Satellite Account developed at the same time by the World Tourism Organisation, the OECD and Eurostat. This joint tool was adopted by the United Nations Statistical Commission in March 2000, and will be published jointly by the four international organisations during the course of 2000.

The *Manual* is organised as follows:

Part I: OECD Manual on Tourism Satellite Accounts

Part II: OECD Manual on Tourism Satellite Accounts: Employment Module

Part III: National Experiences in the Field of Tourism Satellite Accounts

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INTRODUCTION

The purpose of the efforts undertaken by OECD's Tourism Committee (<http://www.oecd.org/dsti/sti/transpor/tourism/index.htm>) is to contribute to improving the effectiveness of tourism policies and related measures, improve existing means of evaluating these policies and increase awareness of the field and of the role played by tourism in developed economies.

The service sector is the driving force behind economic growth in most OECD countries. It represents a considerable share of economic activity and its importance is growing continuously. Tourism and travel are part of the service sector, accounting for around 30% of international trade in services in the OECD zone: the OECD countries generate around 70% of world-wide tourism business. The economic and social impact of travel and tourism are felt in many areas of government intervention.

As a result, improving information on how the tourism economy – a poorly developed statistical notion – works represents a major challenge to statistical agencies and is essential for policy analysis. Traditional methods, with which statistical agencies have experience, need to be extended in order to better represent and analyse the economic and social role of tourism.

For this reason, the Tourism Committee has developed an integrated statistical tool to measure the socio-economic aspects of tourism (value added, employment, earnings, investment, profits). In addition, the Committee has developed an additional methodology to carry out an in-depth study of employment in the tourism sector.

These tools are aimed at helping public and private authorities responsible for tourism in OECD countries develop indicators to evaluate tourism in the broader political context. Such reliable, detailed and consistent information will, in the long run, provide a frame of reference for use by all players in the tourism sector.

Several countries are already using Tourism Satellite Accounts. Over the past 15 years, the Tourism Committee has worked to create awareness among public authorities of the need to develop better statistical tools to define and measure the economic impact of tourism. The Tourism Committee regularly reviews work done at national level, compares it to other countries' experiences, and promotes the most effective practices implemented.

The Tourism Satellite Account offers policy makers an overview of tourism in relation to other economic sectors, and enables comparisons to be drawn between the tourism industry and other industries. It provides an in-depth understanding of the structure of the tourism industry and a conceptual framework that may, at a later stage, be adapted to calculate the socio-economic impact of tourism at the regional level. Finally, it offers a model for policy analysis in terms of issues relating to the tourism economy, as well as for the design of models, growth analysis and evaluating productivity in this business sector.

The focus on employment, together with the importance of the data provided, the level of detail and consistency with financial data, shed new light on the role of tourism in creating, preserving and

diversifying employment, as well as on the number, structure and remuneration levels of these jobs. These data provide policy makers with the necessary information to develop employment strategies backed up by concrete data. They also enable decision makers to focus their action on maximising tourism growth and its contribution to employment.

In the long term, the Tourism Satellite Accounts and employment methodology will provide the tools necessary to define and measure the economic impact of tourism. Other tourism indicators will nevertheless remain necessary to monitor the development of tourism, particularly as regards current trends. In light of the significant resources – human, statistical and financial – required and the need for a long-term commitment, the decision to implement these tools at national level will be subject to prior feasibility studies. It may initially be preferable to focus resources on a few key indicators.

By means of the credible figures they will provide, these tools will supply national tourism authorities, the industry, and all players interested in tourism with information that will facilitate decision making, increase the political recognition afforded tourism and improve the effectiveness of tourism policies.

Risaburo Nezu
Director
OECD Directorate for Science,
Technology and Industry