

statistics south africa

Tourism satellite accounts

Status of the tourism satellite account in
South Africa

(• n a t i o n a l • a c c o u n t s •)

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Abbreviations

| | |
|-----------|-----------------------------------------------------------------------------|
| 1993 SNA | 1993 system of national accounts |
| BoPT | balance of payments for tourism |
| DEAT | Department of Environmental Affairs and Tourism |
| DHA | Department of Home Affairs |
| Eurostat | Statistical Office of the European communities |
| GDP | gross domestic product |
| GEO | Geographical unit |
| IMF | International Monetary Fund |
| ISIC | international standard industrial classification of all economic activities |
| ISWGNA | Inter-Secretariat Working Group on National Accounts |
| LAT | labour accounts for tourism |
| NSS | national statistics system |
| OECD | Organisation for Economic Cooperation and Development |
| SAM | social accounting matrix |
| SARB | South African Reserve Bank |
| SARS | South African Revenue Services |
| SAT | South African Tourism |
| SIC | standard industrial classification of economic activity |
| SICTA | standard international classification of tourism activities |
| SNA | system of national accounts |
| Stats SA | Statistics South Africa |
| STS | system of tourism statistics |
| SU-tables | supply and use tables |
| TSA | tourism satellite account |
| TSARMF | recommended methodological framework for the development of a TSA |
| TVA | tourism value added |
| UN | United Nations |
| UNSD | United Nations Statistics Division |
| UNSTAT | United Nations Statistics Division |
| WTO | World Tourism Organisation |

1. Executive summary

Tourism is defined as *the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited*. It is an activity which has grown substantially as an economic and social phenomenon. However, at present statistical information on the nature, progress and consequences of tourism is mainly based on arrivals and overnight stay statistics and balance of payments information, which do not grasp the whole economic phenomenon of tourism. Consequently, governments, businesses and citizens may not receive the accurate information necessary for effective public policies and efficient business operations.

Although tourism is, by its nature a demand-driven phenomenon, it is necessary, from a macro-economic point of view, to observe how the match between demand and supply operates, and how the latter impacts on the basic macro-economic variables of the country of reference. Within a context of macro-economic analysis, the relationship between supply and demand is best studied within the general framework of national accounts.

Tourism plays a significant role in the South African economy. However, unlike output-defined industries such as agriculture or manufacturing, the primarily demand-defined tourism industry is not measured as a sector in its own right in national accounts. Tourism, globally, is not a clearly defined industry in the System of National Accounts (SNA) but it is an amalgamation of industries such as transportation, accommodation, food and beverage services, recreation and entertainment, and travel agencies.

The SNA does, however, provide for the development of tourism satellite accounts (TSAs) for the explicit study of tourism-related industries and products. A TSA is a statistical instrument used to measure the size of the tourism industry's contribution to the economy of a country according to international standards of concepts, classifications and definitions which will allow for valid comparisons with other industries and, eventually, between individual countries and between groups of countries. The aim of this paper is to describe the current status of the TSA in South Africa.

The most important recommendations of this report are to:

- sustain the availability of established data sets e.g. arrivals and departures statistics of South African residents and non-residents;
- improve the level of classification of units on the business register in order to be able to draw samples on at least a three-digit level of the standard industrial classification of economic activity (SIC) to collect much needed supply-side data; and
- ensure that standard (international) definitions of tourism-related terms are used

2. Introduction

Tourism is a phenomenon which has grown substantially during the decades as an economic and social activity. However, statistical information on the nature, progress and consequences of tourism is presently mainly based on quantitative statistics such as arrivals in the country, overnight stays and values hidden in certain macro-economic aggregates (i.e. private and public consumption), which can only be detected and unveiled by expert analysis. As a consequence, the public, policy-makers and other stakeholders may not be receiving accurate information relating to tourism.

Tourism is not an industry in the traditional sense that is identified in the SNA. This is because industries are classified according to the goods and services they produce, while tourism is a consumption-based concept that depends on the status of the consumer. A major reason for the difficulties in measuring the size of tourism is the fact that in the 1993 System of National Accounts (1993 SNA), industries are created on the basis of their activity or output, rather than on data on their customers, whereas tourism is defined by the characteristics of the consumers – the tourists – at the moment of consumption. Furthermore, tourism consumption includes ‘tourism-characteristic’ (i.e. accommodation, travel services, cable cars, etc.) and ‘non-tourism-characteristic’ (retail trade) goods and services, which deliver their services largely to non-tourists. The key factor, from a measurement standpoint, is to relate purchases by tourists to the total supply of these goods and services within a country.

A satellite account is a term developed by the United Nations (UN) to measure the size of economic sectors not defined as industries in national accounts. Tourism, for example, is an amalgamation of industries such as transportation, accommodation, food and beverage services, recreation and entertainment, and the travel industry.

Given the difficulties of defining and measuring the size of tourism and the need to have accurate information about its size and structure, the UN recommends the development of a tourism satellite account (TSA). A TSA makes it possible to separate and examine the demand and supply sides of tourism in an integrated system, which describes the production and demand aspects within the context of the entire economy. Its focal point is on monetary values that regularly provide data which are comparable over time on a national as well as international level, and which are largely comparable with other fields of economic activities. The TSA data are internally consistent and linkable to the macro-economic framework.

The fundamental structure of a TSA is based on the general relationship existing within an economy between the demand of goods and services generated by tourism on the one hand and their supply on the other hand.

TSAs can thus be used to:

- analyse tourism from a macro-economic point of view;
- present tourism data which are strictly based on the principles of the SNA, and are compatible with the recommendations on tourism statistics elaborated by the United Nations (UN) and the World Tourism Organisation (WTO);
- compare tourism with other similarly defined industries so as to make its statistics more robust;

- provide a set of internationally compatible accounts based on national accounting principles;
- offer policy-makers insights into tourism and its socio-economic functions and impacts;
- calculate tourism value added for a given list of industries in a coherent system;
- provide information on the employment profiles of the tourism industries;
- indicate the production function of tourism industries and illustrate the links between the tourism industries and the rest of the economy;
- offer a reference framework within which impact models and other analytical economic models of tourism can be calculated;
- provide an indication of the size of tourism capital investment and the means to analyse its link with tourism supply;
- provide information on the industry's capital and capital base;
- find out what visitors buy and which industries benefit most from these purchases;
- provide information about the structure of the main visitors (i.e. households, businesses, government employees or non-residents); and
- provide an answer on the question of average labour compensation for each tourism industry.

A TSA thus provides a framework for policy analysis of issues related to tourism economics, as well as for model-building, tourism growth analysis and productivity measurements. TSAs have been designed in such a way that not all of their elements need to be developed from the outset.

During 2002, South Africa recognised that the preparation of a TSA is important, but it is not the responsibility of a single institution. It should best be approached as a collaborative effort under the auspices of the National Statistics System (NSS). Apart from other public institutions that have important administrative sources and various private-sector representatives, six institutions are playing pivotal roles to ensure that the introduction of TSAs is successful in South Africa. These are Statistics South Africa (Stats SA), the Department of Environmental Affairs and Tourism (DEAT), the Department of Home Affairs (DHA), the South African Reserve Bank (SARB), the South African Revenue Services (SARS) and South African Tourism (SAT).

An interim inter-institutional steering committee, consisting of members nominated by the heads of Stats SA, SARB, SAT and DEAT was established during 2002. This committee has since expanded to include DHA. The proposed longer-term steering committee should include SARS as well as these five institutions.

Each institution has a permanent member on the steering committee, convened and chaired by Stats SA. The steering committee meets quarterly with the aim of driving the processes required for the development of TSAs in South Africa. In addition, a working group (the current interim inter-institutional steering committee) will meet on a monthly basis with the aim of developing and populating TSAs. The working group will report to the steering committee on a quarterly basis.

The National Accounts division of Stats SA commenced with the TSA project on 1 April 2003.

3. Recommended methodological framework

3.1 System of tourism statistics

3.1.1 Overview of the system of tourism statistics

Although the tourism industry is not explicitly recognised in the internationally used Standard Industrial Classification of Economic Activity (SIC), there is little doubt about the growing importance of economic activity relating to this industry. This increased awareness has prompted the development of various techniques by a number of countries and international agencies to measure its (socio-)economic impact. These developments are centred on the System of Tourism Statistics (STS).¹

The STS comprises three aspects, namely:

- Tourism Satellite Accounts (TSAs)
- Balance of Payments for Tourism (BoPT)
- Labour Accounts for Tourism (LAT)

Of these, the TSA is the most well known. It is structured around the general balance existing between the demand and supply of products related to the tourism industry. The aim of a TSA is three-fold, namely:

- analysis of the demand for commodities related to tourism;
- analysis of the resulting supply of commodities; and
- description of the interaction of the tourism industry with the rest of the economy.

The recommendations for constructing a TSA are based on a common conceptual framework that was developed by an inter-secretariat working group consisting of the World Tourism Organisation (WTO), the United Nations Statistics Division (UNSTAT), the Organisation for Economic Cooperation and Development (OECD) and the Statistical Office of the European Communities (Eurostat)².

The construction of partial STS further ensures international comparability as well as complete integration into the 1993 SNA through the use of the concept of 'satellite accounts'.

3.1.2 Why is a system of tourism statistics needed?

The information on this phenomenon has historically included only statistics obtained from the Balance of Payments for Tourism (BoPT) as well as arrival, departure and overnight accommodation data. This is not sufficient to inform policy- and decision-makers in government and other stakeholders. It is evident that the role that tourism can play in respect of the generation of value added, income and employment, whether directly, indirectly or through induced effect, can only be adequately measured through the development of an STS.

The data required for the development of an STS is extremely resource intensive, and there are numerous methodological issues that need to be addressed. Data collection

¹ The development of BoPT and LAT is still in its initial phases and will not be discussed further in this document, as the initial aim is to develop a TSA for South Africa

² These are published in the United Nations publication ST/ESA/STAT/SER.F/80, 2001.

should thus be seen as a longer-term goal, requiring a well-planned and structured approach. The initial phase of an STS should focus on the (partial) development of a TSA, since this will provide:

- macro-economic aggregates describing the size and economic importance of tourism;
- detailed data on visitor consumption and whether such consumption is met through domestic production and/or imports;
- detailed production accounts of tourism-related industries;
- information necessary for the development of models to assess the impact of tourism; and
- links between economic data and non-monetary information relevant to the tourism industry and the market.

Given the above information, the full importance and impact of the tourism industry can be accurately described to assist informed decision-making.

3.2 1993 System of National Accounts

Macro-economic aggregates for the economy are estimated according to the recommendations of the 1993 System of National Accounts (SNA). The 1993 SNA was developed under the auspices of the Inter-Secretariat Working Group on National Accounts (ISWGNA). Membership of ISWGNA included the International Monetary Fund (IMF), the World Bank, Eurostat, OECD and UNSTAT. The 1993 SNA comprises numerous integrated and consistent macro-economic accounts as well as internationally-agreed-upon concepts, definitions and accounting rules. It presents the detailed activities within an economy in such a way as to assist in, inter alia, decision-making and policy analysis.

Stats SA and the SARB started implementing the 1993 SNA in South Africa during the second half of 1997. This process was partly completed with the publication of estimates of Gross Domestic Product (GDP) on an annual and quarterly basis in June 1999. Publication of the first ever set of supply and use tables (SU-tables) followed in May 2000. Further development of the 1993 SNA in South Africa took the form of the development of a Social Accounting Matrix (SAM) as well as satellite accounts for the environment, e.g. Natural Resources for Water. The SAM for 1998 was subsequently published in 2002 and satellite accounts for water and minerals during 2003 and 2004.

The central framework of the 1993 SNA is an integrated system, giving each transaction, unit, product and purpose a specific place in its classifications and accounts. This ensures consistence and coherence throughout the system. The 1993 SNA is also flexible in that it provides for the emphasis to be placed to a greater or lesser degree on specific areas of interest, without allowing for simultaneous inclusion of conceptually conflicting approaches.

Countries measure economic activity – GDP, employment or demand – on the basis of internationally agreed standards for national accounts. As part of the overall economy, tourism is already represented in national accounts; the respective commodities produced by suppliers and purchased by visitors are also included in the core accounts. They are however not visible as such, because tourism is not identified as a separate activity, and the commodities produced and consumed by tourism demand are buried in other elements of the core accounts.

In the overall national accounts framework there is little room for analysis by function. In order to overcome this problem, satellite accounts are proposed, which are conceptually based on some core accounts, and at the same time are able to highlight a particular aspect of the economy.

In the TSA, the basic concepts of national accounts are applied to tourism, taking into account industries supplying tourism output, which are identified in the production accounts. At the same time these industries determine the demand characteristics of tourism (e.g. visitors), which are identified by function. In particular, TSAs integrate supply and demand sides in such a way that the share of tourism demand related to total value added can be calculated and made internationally comparable.

Apart from other new aspects, the 1993 SNA includes a consistent and integrated set of supply and use tables (SU-tables), which provide a detailed analysis of the process of production, the use of goods and services (products) and the income generated in the production process. In other words, the SU-tables' role in the 1993 SNA is primarily related to the goods and services, production and generation of income accounts. This ensures that the information contained in the SU-tables and other components of national accounts, such as the GDP and expenditure on the GDP, are reconciled.

These accounts are briefly discussed before attention is given to the structure of SU-tables.

As can be seen in Table A, the goods and services account shows, for the total economy, how the total amount of product available (resources) is equal to the total amount used. Resources are shown on the left-hand side and uses on the right-hand side of the goods and services account.

Table A: Goods and services account, 2000

| Resources | R million | Uses | R million |
|--------------------------------------|------------------|--------------------------------------|------------------|
| Output | 1 616 976 | Intermediate consumption | 808 735 |
| Taxes on products | 83 328 | Final consumption expenditure | 722 982 |
| Subsidies on products | (3 452) | Private consumption expenditure | 556 652 |
| Imports of goods and services | 229 470 | Government consumption expenditure | 166 330 |
| | | Gross capital formation | 138 267 |
| | | Gross fixed capital formation | 131 848 |
| | | Changes in inventories | 6 419 |
| | | Exports of goods and services | 253 956 |
| | | Residual item | (2 322) |
| Total resources | 1 926 262 | Total uses | 1 926 262 |

Sources: South African Reserve Bank, *Quarterly Bulletin*, December 2002
 Stats SA, Statistical release P0441, *Gross Domestic Product: Annual estimates 1993–2001 and third quarter 2002*

The production account (see Table B) emphasises the concept of GDP or value added as one of the main balancing items in the 1993 SNA. The 1993 SNA recommends the calculation of the GDP for the entire economy, and value added for the various industries. The GDP is essentially a production measure, as it is obtained through the sum of the gross values added of all resident institutional units, in their capacities as producers, plus the values of any taxes, less subsidies, on production or imports not already included in the values of the outputs and values added by resident producers.

'Value added' measures the value created by production and may be calculated either before (gross) or after (net) deducting the consumption of fixed capital on fixed assets used. 'Gross value added' is defined as the value of output less the value of intermediate consumption. 'Gross or net value added' is the balancing item in the production account for an institutional unit, sector, establishment or industry, while 'gross or net domestic product' is the balancing item in the production accounts for the total economy.

It is important to note that value added does not cover all transactions linked to the production process, but only to the result of production, i.e. output, and the utilisation of goods and services when producing this output, i.e. intermediate consumption. In other words it includes output as a resource (see right-hand side of the production account) and intermediate consumption as a use (see left-hand side of the production account). As the consumption of fixed capital is not shown separately, the resulting balancing item is gross domestic product.

Table B: Production account, 2000

| Uses | R million | Resources | R million |
|-------------------------------|------------------|-----------------------|------------------|
| Intermediate consumption | 808 735 | Output | 1 616 976 |
| | | Taxes on products | 83 268 |
| | | Subsidies on products | (3 452) |
| <i>Gross domestic product</i> | <i>888 057</i> | | |

Source: Stats SA, Statistical Release P0441, *Gross Domestic Product: Annual estimates 1993–2001 and third quarter 2002*

As can be seen in Table C, the 'generation of income' account records distributive transactions resulting from the production process. Distributive transactions consist of those transactions by means of which the value added generated by production is distributed to labour, capital and government. There are also transactions involving the redistribution of income and wealth (taxes on income and other transfers).

Thus, resources include the GDP, and uses refer to compensation of employees and taxes, less subsidies on production and imports. The balancing item is gross operating surplus/mixed income. Mixed income refers to the balancing item in the generation of income account for the household sector. The reason is that the surplus generated by un-incorporated household enterprises includes both remuneration for the labour of the owner and a return to the entrepreneurship and capital employed.

Table C: Generation of income account, 2000

| Uses | R million | Resources | R million |
|---------------------------------------------|----------------|------------------------|-----------|
| Compensation of employees | 424 958 | Gross domestic product | 735 084 |
| Taxes on production and imports | 105 597 | | |
| Taxes on products | 83 268 | | |
| Other taxes on production | 22 329 | | |
| Subsidies | (5 592) | | |
| Subsidies on products | (3 452) | | |
| Other subsidies on production | (2 140) | | |
| <i>Gross operating surplus/mixed income</i> | 363 094 | | |

Source: Stats SA, Statistical Release P0441, *Gross Domestic Product: Annual estimates 1993–2001 and third quarter 2002*

Tables D and E show that the structure of the SU-tables is explained by means of an aggregated set of tables. In order to simplify references to these tables, the columns of the supply table have been numbered SC and the rows numbered SR, while the columns of the use table have been numbered UC and the rows numbered UR. The two applicable numbers separated by a colon, e.g. SC1:SR1, denote the intersection of a row and a column. The economy is divided into three industries or sectors: primary, secondary and tertiary, as shown in columns SC5 to SC7 and UC4 to UC6. The sum of these three industries is found in columns SC8 and UC7.

The supply table (see Table D) shows the origin of the resources of goods and services, depicting products in rows (SR) and industries in columns (SC). In the rows, the various types of products are presented according to a product classification. An additional row is added for the adjustment of direct purchases by South African residents abroad. In the columns, information on the output of each industry according to an industrial classification, imports, taxes less subsidies on products and trade and transport margins are shown. Furthermore, in the supply table, goods and services produced in the economy are measured at basic prices. A basic price is the preferred method of valuing output in the 1993 SNA. The basic price is the amount receivable by the producer from the purchaser for a unit of goods or services produced as output minus any tax payable plus any subsidy receivable on that unit as a consequence of its production or sale. Basic prices exclude any transport charges invoiced separately by the producer. The c.i.f./fob adjustment to import data is shown in column SC10 and row SR4.

The use table (see Table E) shows the uses of goods and services and supplies information on the cost structures of the various industries. It is divided into three different sections, each with its own characteristics. The transactions are valued at purchasers' prices. The purchaser's price is the amount paid by the purchaser, excluding any deductible VAT or similar deductible tax, in order to take delivery of a unit of goods or services at the time and place required by the purchaser. The purchaser's price of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place.

The first section shows the goods and services used as intermediate consumption at purchasers' prices by industry in columns (UC4-UC6) and by product in rows (UR1-UR5). The total row (UR6) shows intermediate consumption by industries at purchasers' prices. The second section shows the components of final demand (column UC9), namely exports, households consumption expenditure, general government consumption expenditure, fixed capital formation, changes in inventories and the residual item at purchasers' prices. The third section elaborates on the production costs of producers other than intermediate consumption expenditure (columns UC2-UC7 and row UR7), namely compensation of employees, taxes less subsidies on production and imports, consumption of fixed capital and net operating surplus/mixed income.

The SU-tables have both statistical and analytical functions. As a statistical tool they provide a coordinating framework for checking the consistency of economic statistics on flows of goods and services obtained from quite different kinds of statistical sources such as industrial surveys, household surveys, investment surveys and foreign trade statistics. Furthermore, the SU-tables serve as a basis for calculating the economic data contained in national accounts and for detecting their weaknesses.

As an analytical tool, the tables are conveniently integrated into macro-economic models in order to analyse the link and interaction between final demand and industrial output levels. This type of analysis, which is also known as impact analysis, enables users at universities and research institutions to use the tables for sophisticated analysis, including market and productivity analysis.

In addition to their major statistical and analytical functions, the SU-tables have, many additional uses, which include the derivation of the GDP as well as the construction of symmetric input-output tables, social accounting matrices (SAMs) and various satellite accounts.

Table D: Framework of the supply of products at basic prices, 2000 (R million)

| Supply of products | SC1 | SC2 | SC3 | SC4 | SC5 | SC6 | SC7 | SC8 | SC9 | SC10 |
|-----------------------------------------|------------------------------------|----------------------------------|-----------------------------|------------------------------|----------------------|--------------------|-------------------|----------------|----------|--------------------------------------|
| | (SC2+SC3+SC4) | | | (SC8+SC9+SC10) | Output of industries | | | (SC5+SC6+SC7) | | |
| | Total supply at purchasers' prices | Taxes less subsidies on products | Trade and transport margins | Total supply at basic prices | Primary industry | Secondary industry | Tertiary industry | Total industry | Imports | c.i.f./ f.o.b. adjustment on imports |
| SR1 Primary products | 193 994 | 943 | 8 680 | 184 371 | 151 452 | 123 | | 151 575 | 32 796 | |
| SR2 Secondary products | 964 351 | 62 541 | 147 124 | 754 686 | 4 240 | 589 265 | | 593 505 | 161 181 | |
| SR3 Tertiary products | 752 681 | 16 332 | (155 804) | 892 153 | 289 | 31 610 | 839 997 | 871 896 | 36 418 | (16 161) |
| SR4 c.i.f./f.o.b. adjustment on imports | - | | | - | | | | | (16 161) | 16 161 |
| SR5 Direct purchases residents | 15 236 | | | 15 236 | | | | | 15 236 | |
| SR6 Total output at basic prices | 1 926 262 | 79 816 | - | 1 846 446 | 155 981 | 620 998 | 839 997 | 1 616 976 | 229 470 | |

Source: Stats SA, Report No. 04-04-01 (2000), *Final supply and use tables, 2000: An input-output framework*

Table E: Framework of the use of products at purchasers' prices, 2000 (R million)

| Supply of products | UC1 | UC2 | UC3 | UC4 | UC5 | UC6 | UC7 | UC8 | UC9 |
|--------------------------------------|------------------------------------|-------------------|-----------------------|----------------------------------------|--------------------|-------------------|----------------|-----------------|----------------------------|
| | (UC7+UC9) | | | Intermediate consumption by industries | | | (UC4+UC5+UC6) | (UC2+ UC3+ UC7) | |
| | Total supply at purchasers' prices | Taxes on products | Subsidies on products | Primary industry | Secondary industry | Tertiary industry | Total industry | Total economy | Components of final demand |
| UR1 Primary products | 193 994 | | | 2 748 | 83 701 | 1 557 | 88 006 | | 105 988 |
| UR2 Secondary products | 964 351 | | | 42 772 | 287 638 | 116 016 | 446 426 | | 517 925 |
| UR3 Tertiary products | 752 681 | | | 29 450 | 52 961 | 191 892 | 274 303 | | 478 378 |
| UR4 Direct purchases residents | 15 236 | | | | | | | | 15 236 |
| UR5 Direct purchases non residents | - | | | | | | | | - |
| UR6 Total uses at purchasers' prices | 1 926 262 | | | 74 970 | 424 300 | 309 465 | 808 735 | | 1 117 527 |
| UR7 Gross value added/ GDP | | 83 268 | (3 452) | 81 011 | 196 698 | 530 532 | 808 241 | 888 057 | |
| UR8 Total output at basic prices | | | | 155 981 | 620 998 | 839 997 | 1 616 976 | | |

Source: Stats SA, Report No. 04-04-01 (2000), *Final supply and use tables, 2000: An input-output framework*

3.3 The links between SU-tables and the TSA

In relation to the construction of the TSA, the satellite-account application of SU-tables will be of importance. The links to the central framework of national accounts are essential in constructing satellite accounts. In some cases, working with the central framework of the 1993 SNA, even in a flexible manner, is not sufficient. Even though conceptually consistent, the central framework may be overburdened with detail.

Tourism is one of the special cases for which a thorough economic analysis cannot be pursued within the central framework of the SNA, as it does not allow for the full identification of its related activities and products. The main distinguishing feature between tourism and other activities – which are instead fully described and analysed through the central framework – is that there are many examples in which a given activity or product is related to tourism if a tourist uses it. If this is not the case, the same activity or product does not belong to tourism. This is, for example, the case with transport activities as they can be used for tourism- and non-tourism-related activities.

The identification of economic activities covered within the central framework of the SNA does not depend on their use. Furthermore, tourists are a special type of consumer in that they can only be defined as such with reference to a temporary situation, whereas in the central framework of the SNA, more permanent features such as the place of residence are used to identify transactors. For this and other special cases that do not fit into the central framework, the SNA envisions the development of satellite accounts or systems³ that ‘expand the analytical capacity of national accounting for selected areas of social concern in a flexible manner, without overburdening or disrupting the central system’ (UN 1993, p 21.3). There are two main types of satellite accounts, namely:

- the ‘functional satellite accounts’, also known as ‘internal satellite accounts’, which maintain fundamental consistency with the central framework core concepts, while introducing some additional elements, expanding and rearranging specific items to make the analysis of fields such as tourism possible; and
- the ‘external satellite accounts’, which introduce substantial alternative concepts such as an enlarged production boundary or set of assets, thus for example, allowing the analysis of natural resources.

In the first type, the basic intention is not to use alternative economic concepts, but simply to focus on a specific field or aspect of economic and social life in the context of national accounts. The intent is to make apparent and describe in more depth, aspects that are hidden in the accounts of the framework or surface only in a limited number of points, e.g. tourism. Various aspects of tourism may appear in detailed classifications of activities, products and purposes. However, specific tourism transactions and purposes appear separately in only a few cases. Satellite accounting should be used in order to measure and describe tourism in a national accounts framework. This approach allows for the adaptation of the various classifications and measurement of additional aggregates such as national expenditure in tourism.

³ See United Nations, 1993, Chapter XXI

In the second type of analysis, alternative concepts are emphasised, such as the enlargement of the production boundary through the inclusion of domestic services by members of the household. In these approaches, the economic process itself is depicted differently, and complementary or alternative aggregates are calculated.

In addition, the concept of satellite accounts provides for the linkage of physical data sources and their analysis with the monetary accounting system. The analysis of a number of important fields such as the tourism industry may benefit, explicitly or implicitly, by building a framework to accommodate elements included in the central accounts, plus complementary elements, either monetary or in physical quantities, and possibly alternative concepts and presentations.

The 1993 SNA does not claim to provide concepts, definitions or rules that are the most appropriate for all types of analysis. It rather encourages the need to expand the analytical capabilities of the system through the development of various satellite accounts. This provision ensures that the core framework is not overburdened by trying to address the needs of all possible users of the system.

While the SNA itself provides the reference concepts for the development of satellite accounts in general, the detailed framework and the operational guidelines for each individual account need to be defined in specific manuals by the experts in the field.

3.4 Tourism satellite account: Recommended methodological framework

In the case of tourism, efforts for the development of a TSA have led to the publication of the Recommended Methodological Framework for the development of a TSA (TSARMF). The TSARMF was jointly defined by the commission of the European Communities (Eurostat), the Organisation for Economic Cooperation and Development (OECD), the World Tourism Organisation (WTO) and the United Nations Statistics Division (UNSD) and published in 2001. The manual provides the basic guidelines for regular national production of statistical data on the effects of tourism on the economy on an annual basis in a way that is internationally comparable, internally consistent and presented within widely recognised macro-economic frameworks.

The main purposes of the TSAs are to:

- analyse in detail all the aspects of demand for goods and services which might be associated with tourism within the economy;
- observe the operational interface with the supply of such goods and services within the same economy of reference; and
- describe how this supply interacts with other economic activities.

To fulfill this aim, the TSARMF presents reference definitions and classifications for the identification of the scope of the TSA as well as the tables and aggregates that constitute the satellite account itself.

As for any specific field in a satellite account framework, the starting point for the statistical representation of the tourism sector is – according to the SNA recommendations – the analysis of its uses in order to find an answer to the question: ‘how many resources are devoted to the specific field under examination?’ These uses, e.g. the expenditure for the specific function, are already included in the core

framework of the SNA, but need to be separately identified by specifying the scope of the TSA. This scope will be covered by:

- defining tourism as ‘activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited’; persons belonging to this definition are called ‘visitors’;
- identifying and classifying goods and services that are specific to the field, i.e. products of which the supply would cease to exist in meaningful quantity in the absence of visitors, which might significantly affect tourism consumption. Due to measurement difficulties, the proposed list of tourism-specific products includes (up to now) only services (see annexure A). Tourism characteristic and tourism-connected products are grouped separately. The first group covers specific products that can be considered characteristic for purposes of the international comparability of results in TSA compilation. Connected products are ‘a residual category, including those that have been identified as tourism specific in a given country but for which this attribute has not been acknowledged on a worldwide basis’; and
- identifying and classifying the characteristic activities, i.e. activities that are typical of the TSA. These are productive activities that produce a principal output which has been identified as characteristic of tourism.

A list of tourism characteristic products (see annexure A) and a list of tourism characteristic activities (see annexure B) are recommended for the development of the TSA basic set of tables.

4. The ten tables of the TSA

In relation to the concept of ‘visitor consumption’ and the place where this occurs, as well as the need to distinguish between resident and non-resident visitors, the following concepts are defined in the TSAMRF:

- Domestic tourism is the tourism of resident visitors within the economic territory of the country of reference.
- Domestic tourism consumption comprises the consumption of resident visitors within the economic territory of the country of reference.
- Inbound tourism is the tourism of non-resident visitors within the economic territory of the country of reference.
- Inbound tourism consumption comprises the consumption of non-resident visitors within the economic territory of the country of reference and/or that provided by residents.
- Outbound tourism is the tourism of resident visitors outside the economic territory of the country of reference.
- Outbound tourism consumption comprises the consumption of resident visitors outside the economic territory of the country of reference and provided by non-residents.
- Internal tourism is the tourism of visitors both resident and non-resident, within the economic territory of the country of reference.
- Internal tourism consumption comprises the consumption of both resident and non-resident visitors within the economic territory of the country of reference and/or that provided by residents.

- National tourism is the tourism of resident visitors, within and outside the economic territory of the country of reference.
- National tourism consumption comprises the consumption of resident visitors within and outside the economic territory of the country of reference.

On the basis of these concepts, definitions and classifications, which indicate the boundaries of the tourism industry, the TSARMF recommends the development of ten main accounting tables that allow for the analysis of the economic features of tourism, encompassing demand, supply, impact on employment, etc. Table F presents the tables of the TSA in a condensed format. Each table places the focus on a different aspect of the tourism industry, but they are not completely independent as there are obvious links between them, especially when used for analysis.

Table F: Set of ten tables constituting the TSA

| Table | | Comment |
|-------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Inbound tourism consumption by products and categories of visitors | Tables 1 to 3 focus on the demand perspective and analyse visitor final consumption expenditure in cash, treating 'inbound', 'domestic' and 'outbound' tourism separately. Although the product breakdown is shared, the aim is to distinguish between the types of visitors. |
| 2 | Domestic tourism consumption by products and ad hoc sets of resident visitors | |
| 3 | Outbound tourism consumption by products and categories of visitors | |
| 4 | Internal tourism consumption by products and types of tourism | Table 4 also focuses on the demand perspective and combines all visitor final consumption expenditure in cash associated with inbound (table 1) and domestic (table 2) tourism with other components of visitors' consumption. |
| 5 | Production accounts of tourism and other industries | Table 5 focuses on the supply perspective and analyses the production of tourism characteristic industries as well as other industries. The production accounts (output and intermediate consumption by product) are shown in a format similar to the information included in a set of supply and use tables. |
| 6 | Domestic supply and internal tourism consumption by products | Table 6, which includes the confrontation between supply and internal tourism consumption, is regarded as the core of the TSA as it allows for the computation of tourism value added/ GDP and its components. |
| 7 | Employment in the tourism industries | Table 7 provides a detailed description of employment in the tourism sector, although this will be supplemented by the LAT. |
| 8 | Gross fixed capital formation of tourism industries and other industries | The tourism gross fixed capital formation still needs development. |
| 9 | Tourism collective consumption by functions and levels of government | Focuses on the involvement of government sector needs to be tied more closely with COFOG. |
| 10 | Non-monetary indicators | The 1993 SNA provides for physical indicators as part of satellite accounts. Table 10 therefore presents a number of non-monetary (physical) indicators related to tourism such as the number of trips and overnight stays, the number of establishments in tourism-characteristic and connected activities. |

The data intensiveness of the tables makes it impossible and unadvisable for countries to implement them simultaneously. The ten tables can be grouped into two different sets according to their degree of priority. Specifically, tables 1 to 7 and table 10 are regarded as being high priority as they include the minimum set of accounts needed to pursue a comparative analysis of tourism within a satellite framework. By contrast, tables 8 and 9 have a lower priority level because of their complex nature not only from a data perspective, but also from a conceptual approach. It is therefore recommended that they are done last.

The satellite account outlined above differs from the 1993 SNA in terms of the presentation of data, rather than conceptual differences. It is therefore not possible to rely purely on direct links between published or unpublished national accounts data and the TSA. It is necessary to do transformation and partitioning of transactions as well.

This process consists of:

- the extraction of tourism-specific products and activities from supply and use tables (see annexure A);
- the separation of the various margins and basic prices from the goods acquired by visitors, e.g. tour operators and package tours;
- the identification of visitor and non-visitor consumption (according to all its components), e.g. visitor consumption will include consumption of visitors for business, leisure and other tourism purposes;
- the dual classification of business tourism expenses;
- the extraction of the value of travel agency services from the costs of the services where they are currently included; and
- the net valuation of package tours.

The latter two adjustments differ from the first four as they have an effect on the valuations and classifications of flows within the different concepts of visitor consumption.

Although the tables provide for a framework to do a detailed analysis of the tourism industry, it is useful to calculate various tourism-related aggregates. This will allow for comparison with other macro-economic aggregates in the country, especially if this could be done at both current and constant prices. The current recommendations suggest the calculation of the following aggregates, which are considered as a set of relevant indicators of the size of tourism in an economy:

- internal tourism consumption in cash
- internal tourism consumption (in cash and in kind)
- value added of the tourism industries
- tourism value added
- tourism GDP

These are the aggregates to be used for international comparison in the first stage of TSA implementation and are considered as a set of relevant indicators of the size of tourism in an economy (TSARMF, p. 4.77 and 4.78).

Table 1: Inbound tourism consumption, by products and categories of visitors (visitor final consumption expenditure in cash) (net valuation)

| Products | Same-day visitors (1.1) | Tourists (1.2) | Total visitors (1.3)=(1.1)+(1.2) |
|------------------------------------------------------------|----------------------------|-------------------|-------------------------------------|
| A. SPECIFIC PRODUCTS | | | |
| A.1 Characteristic products (a) | | | |
| 1. Accommodation services | | | |
| 1.1 Hotels and other lodging services (3) | x | | |
| 1.2 Second homes services on own account or for free | x | | |
| 2. Food and beverage serving services (3) | x | x | x |
| 3. Passenger transport services (3) | | | |
| 3.1 Interurban railway (3) | | | |
| 3.2 Road (3) | | | |
| 3.3 Water (3) | | | |
| 3.4 Air (3) | | | |
| 3.5 Supporting services | | | |
| 3.6 Transport equipment rental | | | |
| 3.7 Maintenance and repair services | | | |
| 4. Travel agency, tour operator and tourist guide services | | | |
| 4.1 Travel agency (1) | | | |
| 4.2 Tour operator (2) | | | |
| 4.3 Tourist information and tourist guide | | | |
| 5. Cultural services (3) | | | |
| 5.1 Performing arts | | | |
| 5.2 Museum and other cultural services | | | |
| 6. Recreation and other entertainment services (3) | | | |
| 6.1 Sports and recreational sport services | | | |
| 6.2 Other amusement and recreational services | | | |
| 7. Miscellaneous tourism services | | | |
| 7.1 Financial and insurance services | | | |
| 7.2 Other good rental services | | | |
| 7.3 Other tourism services | | | |
| A.2 Connected products | | | |
| Distribution margins | | | |
| Goods (4) | | | |
| Services | | | |
| B. NON-SPECIFIC PRODUCTS | | | |
| Distribution margins | | | |
| Goods (4) | | | |
| Services | | | |
| TOTAL | | | |
| Number of trips | | | |
| Number of overnights | | | |

Source: TSARMF 2001

x does not apply

- (1) Corresponds to the margins of travel agencies.
- (2) Corresponds to the margins of tour operators.
- (3) The value is net of the amounts paid to travel agencies and tour operators.
- (4) The value is net of distribution margins.

(a) Even if they are called “products”, no goods are included for the time being.

Two main reasons led to that decision:

- the importance of the existing differences (both in level and structure) between the types of goods acquired by visitors according to the country and place visited;
- the existing limitations of the available sources of statistical information.

Nevertheless, goods are not completely banned from the analysis, as retail trade services (specialised and non-specialised) associated with the sale of goods to visitors are included within the list. This is due to the fact that the associated productive activity is in contact with the visitor and thus, given certain circumstances, can be viewed as a tourism activity.

Moreover, the list of products included in each of the 7 groups under consideration is shown in Annex II (TSA: RMF); the explanatory notes for each of them are also included in Annex I (TSA: RMF), so they may be clearly identified.

Table 2: Domestic tourism consumption, by products and ad hoc resident visitors (visitor final consumption expenditure in cash) (net valuation)

| Products | Resident visitors travelling only within the country of residence | | | Resident visitors travelling to a different country* | | | All resident visitors** | | |
|------------------------------------------------------------|-------------------------------------------------------------------|----------------|----------------------------------|------------------------------------------------------|----------------|----------------------------------|-------------------------------------|----------------------------|----------------------------------|
| | Same-day visitors (2.1) | Tourists (2.2) | Total visitors (2.3)=(2.1)+(2.2) | Same-day visitors (2.4) | Tourists (2.5) | Total visitors (2.6)=(2.4)+(2.5) | Same-day visitors (2.7)=(2.1)+(2.4) | Tourists (2.8)=(2.2)+(2.5) | Total visitors (2.9)=(2.3)+(2.6) |
| A. SPECIFIC PRODUCTS | | | | | | | | | |
| A.1 Characteristic products (a) | | | | | | | | | |
| 1. Accommodation services | x | | | x | | | x | | |
| 1.1 Hotels and other lodging services (3) | x | | | x | | | x | | |
| 1.2 Second homes services on own account or for free | x | x | x | x | x | x | x | x | x |
| 2. Food and beverage serving services (3) | | | | | | | | | |
| 3. Passenger transport services (3) | | | | | | | | | |
| 3.1 Interurban railway (3) | | | | | | | | | |
| 3.2 Road (3) | | | | | | | | | |
| 3.3 Water (3) | | | | | | | | | |
| 3.4 Air (3) | | | | | | | | | |
| 3.5 Supporting services | | | | | | | | | |
| 3.6 Transport equipment rental | | | | | | | | | |
| 3.7 Maintenance and repair services | | | | | | | | | |
| 4. Travel agency, tour operator and tourist guide services | | | | | | | | | |
| 4.1 Travel agency (1) | | | | | | | | | |
| 4.2 Tour operator (2) | | | | | | | | | |
| 4.3 Tourist information and tourist guide | | | | | | | | | |
| 5. Cultural services (3) | | | | | | | | | |
| 5.1 Performing arts | | | | | | | | | |
| 5.2 Museum and other cultural services | | | | | | | | | |
| 6. Recreation and other entertainment services (3) | | | | | | | | | |
| 6.1 Sports and recreational sport services | | | | | | | | | |
| 6.2 Other amusement and recreational services | | | | | | | | | |
| 7. Miscellaneous tourism services | | | | | | | | | |
| 7.1 Financial and insurance services | | | | | | | | | |
| 7.2 Other good rental services | | | | | | | | | |
| 7.3 Other tourism services | | | | | | | | | |
| A.2 Connected products | | | | | | | | | |
| Distribution margins | | | | | | | | | |
| Goods (4) | | | | | | | | | |
| Services | | | | | | | | | |
| B. NON-SPECIFIC PRODUCTS | | | | | | | | | |
| Distribution margins | | | | | | | | | |
| Goods (4) | | | | | | | | | |
| Services | | | | | | | | | |
| TOTAL | | | | | | | | | |
| | Number of trips | | | | | | | | |
| | Number of overnights | | | | | | | | |

Source: TSARMF 2001

* This set of visitors refers to those resident visitors whose trip will take them outside the economic territory of the country of residence. These columns will include their consumption expenditure before departure or after return.

x does not apply

** Due to the fact that some expenditures cannot be associated specifically to any of these categories of visitors (for instance, single purpose consumer durables bought or purchased outside the context of a trip), the estimation of domestic tourism consumption (which corresponds to the last column of the table) will require some specific adjustments. Visitor final consumption expenditure in cash for all resident visitors, is not strictly the sum of this concept for each category of visitors.

Notes (1) to (4) and (a) as for Table 1

Table 3: Outbound tourism consumption, by products and ad hoc resident visitors (visitor final consumption expenditure in cash) (net valuation)

| Products | Same-day visitors (3.1) | Tourists (3.2) | Total visitors (3.3)=(3.1)+(3.2) |
|------------------------------------------------------------|-----------------------------|-------------------|-------------------------------------|
| A. SPECIFIC PRODUCTS | | | |
| A.1 Characteristic products (a) | | | |
| 1. Accommodation services | x | | |
| 1.1 Hotels and other lodging services (3) | x | | |
| 1.2 Second homes services on own account or for free | x | x | x |
| 2. Food and beverage serving services (3) | | | |
| 3. Passenger transport services (3) | | | |
| 3.1 Interurban railway (3) | | | |
| 3.2 Road (3) | | | |
| 3.3 Water (3) | | | |
| 3.4 Air (3) | | | |
| 3.5 Supporting services | | | |
| 3.6 Transport equipment rental | | | |
| 3.7 Maintenance and repair services | | | |
| 4. Travel agency, tour operator and tourist guide services | | | |
| 4.1 Travel agency (1) | | | |
| 4.2 Tour operator (2) | | | |
| 4.3 Tourist information and tourist guide | | | |
| 5. Cultural services (3) | | | |
| 5.1 Performing arts | | | |
| 5.2 Museum and other cultural services | | | |
| 6. Recreation and other entertainment services (3) | | | |
| 6.1 Sports and recreational sport services | | | |
| 6.2 Other amusement and recreational services | | | |
| 7. Miscellaneous tourism services | | | |
| 7.1 Financial and insurance services | | | |
| 7.2 Other good rental services | | | |
| 7.3 Other tourism services | | | |
| A.2 Connected products | | | |
| Distribution margins | | | |
| Goods (4) | | | |
| Services | | | |
| B. NON-SPECIFIC PRODUCTS | | | |
| Distribution margins | | | |
| Goods (4) | | | |
| Services | | | |
| TOTAL | | | |
| | Number of trips | | |
| | Number of overnights | | |

Source: TSARMF 2001

x does not apply

Notes (1) to (4) and (a) as for Table 1

Table 4: Internal tourism consumption, by products and types of tourism (net valuation)

| Products | Visitor final consumption expenditure in cash | | | Other components of visitors consumption (4.4)*** | Internal tourism consumption (in cash and in kind) (4.5)=(4.3)+(4.4) |
|------------------------------------------------------------------|-----------------------------------------------|--------------------------------------|--------------------------------------------------------|---------------------------------------------------|----------------------------------------------------------------------|
| | Inbound tourism consumption (4.1)* | Domestic tourism consumption (4.2)** | Internal tourism consumption in cash (4.1)+(4.2)=(4.3) | | |
| A. SPECIFIC PRODUCTS | | | | | |
| A.1 Characteristic products (a) | | | | | |
| 1. Accommodation services | | | | | |
| 1.1 Hotels and other lodging services (3) | | | | | |
| 1.2 Second homes services on own account or for free | x | x | x | | |
| 2. Food and beverage serving services (3) | | | | | |
| 3. Passenger transport services (3) | | | | | |
| 3.1 Interurban railway (3) | | | | | |
| 3.2 Road (3) | | | | | |
| 3.3 Water (3) | | | | | |
| 3.4 Air (3) | | | | | |
| 3.5 Supporting services | | | | | |
| 3.6 Transport equipment rental | | | | | |
| 3.7 Maintenance and repair services | | | | | |
| 4. Travel agency, tour operator and tourist guide services | | | | | |
| 4.1 Travel agency (1) | | | | | |
| 4.2 Tour operator (2) | | | | | |
| 4.3 Tourist information and tourist guide | | | | | |
| 5. Cultural services (3) | | | | | |
| 5.1 Performing arts | | | | | |
| 5.2 Museum and other cultural services | | | | | |
| 6. Recreation and other entertainment services (3) | | | | | |
| 6.1 Sports and recreational sport services | | | | | |
| 6.2 Other amusement and recreational services | | | | | |
| 7. Miscellaneous tourism services | | | | | |
| 7.1 Financial and insurance services | | | | | |
| 7.2 Other good rental services | | | | | |
| 7.3 Other tourism services | | | | | |
| A.2 Connected products | | | | | |
| Distribution margins | | | | | |
| Services | | | | | |
| B. NON-SPECIFIC PRODUCTS | | | | | |
| Distribution margins | | | | | |
| Services | | | | | |
| Value of domestically produced goods net of distribution margins | | | | | |
| Value of imported goods net of distribution margins | | | | | |
| TOTAL | | | | | |

Source: TSARMF

* Corresponds to 1.3 in table 1.

** Corresponds to 2.9 in table 2.

x does not apply

*** These components (referred to as visitor final consumption expenditure in kind, tourism social transfer in kind and tourism business expenses) are recorded separately as these components are not easily attributable by types of tourism.

Notes (1) to (3) and (a) as table 1

Table 5: Production accounts of the tourism industries and other industries (net valuation)

| Products | Tourism industries | | | | | | | | | | | | Total tourism industries | Tourism connected activities | Non-specific industries | Total output of domestic producers (at basic prices) | |
|--------------------------------------------------------------|--------------------|---|---|---|---|---|---|---|---|----|----|----|--------------------------|------------------------------|-------------------------|------------------------------------------------------|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | | | | | |
| A. SPECIFIC PRODUCTS | | | | | | | | | | | | | | | | | |
| A.1 Characteristic products (a) | | | | | | | | | | | | | | | | | |
| 1. Accommodation services | | | | | | | | | | | | | | | | | |
| 1.1 Hotels and other lodging services (3) | | x | | | | | | | | | | | | | | | |
| 1.2 Second homes services on own account or for free | x | | x | x | x | x | x | x | x | x | x | x | | | | x | |
| 2. Food and beverage serving services (3) | | x | | | | | | | | | | | | | | | |
| 3. Passenger transport services (3) | | x | | | | | | | | | | | | | | | |
| 3.1 Interurban railway (3) | | x | | | | | | | | | | | | | | | |
| 3.2 Road (3) | | x | | | | | | | | | | | | | | | |
| 3.3 Water (3) | | x | | | | | | | | | | | | | | | |
| 3.4 Air (3) | | x | | | | | | | | | | | | | | | |
| 3.5 Supporting services | | x | | | | | | | | | | | | | | | |
| 3.6 Transport equipment rental | | x | | | | | | | | | | | | | | | |
| 3.7 Maintenance and repair services | | x | | | | | | | | | | | | | | | |
| 4. Travel agency, tour operator and tourist guide services | | x | | | | | | | | | | | | | | | |
| 4.1 Travel agency (1) | | x | | | | | | | | | | | | | | | |
| 4.2 Tour operator (2) | | x | | | | | | | | | | | | | | | |
| 4.3 Tourist information and tourist guide | | x | | | | | | | | | | | | | | | |
| 5. Cultural services (3) | | x | | | | | | | | | | | | | | | |
| 5.1 Performing arts | | x | | | | | | | | | | | | | | | |
| 5.2 Museum and other cultural services | | x | | | | | | | | | | | | | | | |
| 6. Recreation and other entertainment services (3) | | x | | | | | | | | | | | | | | | |
| 6.1 Sports and recreational sport services | | x | | | | | | | | | | | | | | | |
| 6.2 Other amusement and recreational services | | x | | | | | | | | | | | | | | | |
| 7. Miscellaneous tourism services | | x | | | | | | | | | | | | | | | |
| 7.1 Financial and insurance services | | x | | | | | | | | | | | | | | | |
| 7.2 Other good rental services | | x | | | | | | | | | | | | | | | |
| 7.3 Other tourism services | | x | | | | | | | | | | | | | | | |
| A.2 Connected products | | x | | | | | | | | | | | | | | | |
| Distribution margins | | x | | | | | | | | | | | | | | | |
| Services | | x | | | | | | | | | | | | | | | |
| B. NON-SPECIFIC PRODUCTS | | x | | | | | | | | | | | | | | | |
| Distribution margins | | x | | | | | | | | | | | | | | | |
| Services | | x | | | | | | | | | | | | | | | |
| Value of domestic produced goods net of distribution margins | | x | | | | | | | | | | | | | | | |
| Value of imported goods net of distribution margins | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| TOTAL output (at basic prices) | | | | | | | | | | | | | | | | | |
| 1. Agriculture, forestry and fishery products | | | | | | | | | | | | | | | | x | x |
| 2. Ores and minerals | | | | | | | | | | | | | | | | x | x |
| 3. Electricity, gas and water | | | | | | | | | | | | | | | | x | x |
| 4. Manufacturing | | | | | | | | | | | | | | | | x | x |
| 5. Construction work and construction | | | | | | | | | | | | | | | | x | x |
| 6. Trade services, restaurants and hotel services | | | | | | | | | | | | | | | | x | x |
| 7. Transport, storage and communication services | | | | | | | | | | | | | | | | x | x |
| 8. Business services | | | | | | | | | | | | | | | | x | x |
| 9. Community, social and personal services | | | | | | | | | | | | | | | | x | x |
| Total intermediate consumption (purchaser price) | | | | | | | | | | | | | | | | | |
| Total gross value added of activities at basic prices | | | | | | | | | | | | | | | | | |
| Compensation of employees | | | | | | | | | | | | | | | | | |
| Other taxes less subsidies on production | | | | | | | | | | | | | | | | | |
| Gross mixed income | | | | | | | | | | | | | | | | | |
| Gross operating surplus | | | | | | | | | | | | | | | | | |

Source: TSARMF 2003

x does not apply

Notes (1) to (3) and (a) as table 1

Key to tourism industries columns

- 1 – Hotels and similar
- 2 – Second home ownership (imputed)
- 3 – Restaurants and similar
- 4 – Railway passenger transport

- 5 – Road passenger transport
- 6 – Water passenger transport
- 7 – Air passenger transport
- 8 – Passenger transport supporting services

- 9 – Passenger transport equipment rental
- 10 – Travel agencies and similar
- 11 – Cultural services
- 12 – Sporting and other recreational services

Table 6: Domestic supply and internal tourism consumption, by products (net valuation)

| Products | Tourism industries | | | | | | | | | | | | | | Total output of domestic producers (at basic prices) | Imports* | Taxes less subsidies on products of domestic output and imports | Domestic supply (at purchasers price) | Internal tourism consumption | Tourism ratio on supply |
|---------------------------------------------------------------------|--------------------|---------------|---------------------------------|---------------|--------|---------------|------------------------------------------|---------------|--------------------------|---------------|------------------------------|---------------|-------------------------|---------------|------------------------------------------------------|----------|-----------------------------------------------------------------|---------------------------------------|------------------------------|-------------------------|
| | Hotels and similar | | Second home ownership (imputed) | | ... | | Sporting and other recreational services | | Total tourism industries | | Tourism connected industries | | Non specific industries | | | | | | | |
| | Output | Tourism share | Output | Tourism share | Output | Tourism share | Output | Tourism share | Output | Tourism share | Output | Tourism share | Output | Tourism share | | | | | | |
| A. SPECIFIC PRODUCTS | | | | | | | | | | | | | | | | | | | | |
| A.1 Characteristic products (a) | | | | | | | | | | | | | | | | | | | | |
| 1. Accommodation services | | | | | | | | | | | | | | | | | | | | |
| 1.1 Hotels and other lodging services (3) | | | x | x | | | | | | | | | | | | | | | | |
| 1.2 Second homes services on own account or for free | x | x | | | x | x | x | x | | | x | x | x | x | | | x | x | | |
| 2. Food and beverage serving services (3) | | | x | x | | | | | | | | | | | | | | | | |
| 3. Passenger transport services (3) | | | x | x | | | | | | | | | | | | | | | | |
| 3.1 Interurban railway (3) | | | x | x | | | | | | | | | | | | | | | | |
| 3.2 Road (3) | | | x | x | | | | | | | | | | | | | | | | |
| 3.3 Water (3) | | | x | x | | | | | | | | | | | | | | | | |
| 3.4 Air (3) | | | x | x | | | | | | | | | | | | | | | | |
| 3.5 Supporting services | | | x | x | | | | | | | | | | | | | | | | |
| 3.6 Transport equipment rental | | | x | x | | | | | | | | | | | | | | | | |
| 3.7 Maintenance and repair services | | | x | x | | | | | | | | | | | | | | | | |
| 4. Travel agency, tour operator and tourist guide services | | | x | x | | | | | | | | | | | | | | | | |
| 4.1 Travel agency (1) | | | x | x | | | | | | | | | | | | | | | | |
| 4.2 Tour operator (2) | | | x | x | | | | | | | | | | | | | | | | |
| 4.3 Tourist information and tourist guide | | | x | x | | | | | | | | | | | | | | | | |
| 5. Cultural services (3) | | | x | x | | | | | | | | | | | | | | | | |
| 5.1 Performing arts | | | x | x | | | | | | | | | | | | | | | | |
| 5.2 Museum and other cultural services | | | x | x | | | | | | | | | | | | | | | | |
| 6. Recreation and other entertainment services (3) | | | x | x | | | | | | | | | | | | | | | | |
| 6.1 Sports and recreational sport services | | | x | x | | | | | | | | | | | | | | | | |
| 6.2 Other amusement and recreational services | | | x | x | | | | | | | | | | | | | | | | |
| 7. Miscellaneous tourism services | | | x | x | | | | | | | | | | | | | | | | |
| 7.1 Financial and insurance services | | | x | x | | | | | | | | | | | | | | | | |
| 7.2 Other good rental services | | | x | x | | | | | | | | | | | | | | | | |
| 7.3 Other tourism services | | | x | x | | | | | | | | | | | | | | | | |
| A.2 Connected products | | | x | x | | | | | | | | | | | | | | | | |
| Distribution margins | | | x | x | | | | | | | | | | | | | | | | |
| Services | | | x | x | | | | | | | | | | | | | | | | |
| B. NON-SPECIFIC PRODUCTS | | | | | | | | | | | | | | | | | | | | |
| Distribution margins | | | | | | | | | | | | | | | | | | | | |
| Services | | | | | | | | | | | | | | | | | | | | |
| Value of domestic produced goods net of distribution margins | x | x | x | x | x | x | x | x | x | x | x | x | x | x | x | | x | x | x | x |
| Value of imported goods net of distribution margins | | | | | | | | | | | | | | | | | | | | |
| TOTAL output (at basic prices) | | | | | | | | | | | | | | | | | | | | |
| 1. Agriculture, forestry and fishery products | | | | | | | | | | | x | x | x | x | x | | | | | |
| 2. Ores and minerals | | | | | | | | | | | x | x | x | x | x | | | | | |
| 3. Electricity, gas and water | | | | | | | | | | | x | x | x | x | x | | | | | |
| 4. Manufacturing | | | | | | | | | | | x | x | x | x | x | | | | | |
| 5. Construction work and construction | | | | | | | | | | | x | x | x | x | x | | | | | |
| 6. Trade services, restaurants and hotel services | | | | | | | | | | | x | x | x | x | x | | | | | |
| 7. Transport, storage and communication services | | | | | | | | | | | x | x | x | x | x | | | | | |
| 8. Business services | | | | | | | | | | | x | x | x | x | x | | | | | |
| 9. Community, social and personal services | | | | | | | | | | | x | x | x | x | x | | | | | |
| Total intermediate consumption (purchaser price) | | | | | | | | | | | | | | | | | | | | |
| Total gross value added of activities at basic prices | | | | | | | | | | | | | | | | | | | | |
| Compensation of employee | | | | | | | | | | | | | | | | | | | | |
| Other taxes less subsidies on production | | | | | | | | | | | | | | | | | | | | |
| Gross mixed income | | | | | | | | | | | | | | | | | | | | |
| Gross operating surplus | | | | | | | | | | | | | | | | | | | | |

Source: TSARMF 2003

... means that all tourism industries of the proposed list have to be considered one by one in the enumeration

x does not apply

* the imports referred to here are exclusively those which are purchased in the country of reference

Notes (1) to (3) and (a) as table 1

Table 7: Employment in the tourism industries

| Tourism industries | Number of establishments | Number of jobs total | | | Status in employment | | | | | | Number of employed persons total | | | |
|-----------------------------------------------|--------------------------|----------------------|--------|-------|----------------------|--------|-------|-------|--------|-------|----------------------------------|--------|-------|---|
| | | Male | Female | Total | Employees | | | Other | | | Male | Female | Total | |
| | | | | | Male | Female | Total | Male | Female | Total | | | | |
| 1 – Hotels and similar | | | | | | | | | | | | | | |
| 2 – Second home ownership (imputed) | | | | | | | | | | | | | | |
| 3 – Restaurants and similar | | x | x | x | x | x | x | X | x | x | x | x | x | x |
| 4 – Railways passenger transport | | | | | | | | | | | | | | |
| 5 – Road passenger transport | | | | | | | | | | | | | | |
| 6 – Water passenger transport | | | | | | | | | | | | | | |
| 7 – Air passenger transport | | | | | | | | | | | | | | |
| 8 – Passenger transport supporting services | | | | | | | | | | | | | | |
| 9 – Passenger transport equipment rental | | | | | | | | | | | | | | |
| 10 – Travel agencies and similar | | | | | | | | | | | | | | |
| 11 – Cultural services | | | | | | | | | | | | | | |
| 12 – Sporting and other recreational services | | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | | |

Source: TSARMF 2003

x does not apply

Table 8: Tourism gross fixed capital formation of tourism industries and other industries

| Products | Tourism industries | | | | | | | | | | | | Total tourism industries | Other industries | | | Total tourism gross fixed capital formation of tourism industries and others |
|-----------------------------------------------------------------------------------------|--------------------|---|---|---|---|---|---|---|---|----|----|----|--------------------------|-----------------------|--------|-------|------------------------------------------------------------------------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | | Public administration | Others | Total | |
| A. Produced non-financial assets | | | | | | | | | | | | | | | | | |
| A1. Tangible fixed assets | | | | | | | | | | | | | | | | | |
| 1. Tourism accommodation | | | | | | | | | | | | | | | | | |
| 1.1 Hotels and other collective accommodation | | x | | | | | | | | | | | | | | | |
| 1.2 Dwellings for tourism purposes | | | | | | | | | | | | | | | | | |
| 2. Other buildings and structures | | x | | | | | | | | | | | | | | | |
| 2.1 Restaurants and similar buildings | | x | | | | | | | | | | | | | | | |
| 2.2 Construction of infrastructure for passenger transport by road, rail, water and air | | x | | | | | | | | | | | (1) | | | | |
| 2.3 Buildings for cultural services and similar | | x | | | | | | | | | | | | | | | |
| 2.4 Constructions for sport, recreation and entertainment | | x | | | | | | | | | | | | | | | |
| 2.5 Other construction and structures | | x | | | | | | | | | | | (1) | | | | |
| 3. Passenger transport equipment | | x | | | | | | | | | | | | (1) | | | |
| 3.1 Road and rail | | x | | | | | | | | | | | | | | | |
| 3.2 Water | | x | | | | | | | | | | | | | | | |
| 3.3 Air | | x | | | | | | | | | | | | | | | |
| 4. Machinery and equipment | | x | | | | | | | | | | | (1) | | (1) | | |
| A2. Intangible fixed assets | | x | | | | | | | | | | | (1) | | (1) | | |
| B. Improvement of land used for tourism purposes | | | | | | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | | | | | | | | |

Memo:

| | | | | | | | | | | | | | | | | | |
|---------------------------------------------|--|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| C. Non-produced non-financial assets | | x | | | | | | | | | | | | | | | |
| 1. Tangible non-produced assets | | x | | | | | | | | | | | | | | | |
| 2. Intangible non-produced assets | | x | | | | | | | | | | | | | | | |
| TOTAL | | x | | | | | | | | | | | | | | | |

Source: TSARMF 2003

x does not apply

(1) Only that which is used for tourism purpose

Key to tourism industries columns

1 – Hotels and similar

2 – Second home ownership (imputed)

3 – Restaurants and similar

4 – Railway passenger transport

5 – Road passenger transport

6 – Water passenger transport

7 – Air passenger transport

8 – Passenger transport supporting services

9 – Passenger transport equipment rental

10 – Travel agencies and similar

11 – Cultural services

12 – Sporting and other recreational services

Table 9: Tourism collective consumption by functions and levels of government

| Function | National level (9.1) | Regional (state) level (9.2) | Local level (9.3) | Total tourism collective consumption (9.4)=(9.1)+(9.2)+(9.3) | Intermediate consumption by the tourism industries* |
|------------------------------------------------------------------------|-------------------------|---------------------------------|----------------------|-----------------------------------------------------------------|-----------------------------------------------------|
| Tourism promotion | | | | | |
| General planning and coordination related to tourism affairs | | | | | x |
| Generation of statistics and of basic information on tourism | | | | | x |
| Administration of information bureaus | | | | | |
| Control and regulation of establishments in contract with visitors | | | | | x |
| Specific control to resident and non-resident visitors | | | | | x |
| Special civil defense services related with the protection of visitors | | | | | |
| Other services | | | | | |
| TOTAL | | | | | |

Source: TSARMF 2003

x does not apply

* This column reflects the expenditure by the tourism industries in tourism promotion or other services related to the functions described, when relevant.

Table 10: Non-monetary indicators

a. Number of trips and overnights by type of tourism and categories of visitors

| | Inbound tourism* | | | Domestic tourism | | | Outbound tourism | | |
|----------------------|-------------------|----------|----------------|-------------------|----------|----------------|-------------------|----------|----------------|
| | Same-day visitors | Tourists | Total visitors | Same-day visitors | Tourists | Total visitors | Same-day visitors | Tourists | Total visitors |
| Number of trips* | | | | | | | | | |
| Number of overnights | | | | | | | | | |

* In the case of inbound tourism, the variable would be "arrivals".

b. Inbound tourism: Number of arrivals and overnights by means of transport

| | Number of arrivals | Number of overnights |
|--------------------------------------------------------|--------------------|----------------------|
| 1. Air | | |
| 1.1 Scheduled flights | | |
| 1.2 Non-scheduled flights | | |
| 1.3 Other services | | |
| 2. Waterway | | |
| 2.1 Passenger lines and ferries | | |
| 2.2 Cruise | | |
| 2.3 Other | | |
| 3. Land | | |
| 3.1 Railway | | |
| 3.2 Motor coach on bus and other public road transport | | |
| 3.3 Private vehicles | | |
| 3.4 Vehicle rental | | |
| 3.5 Other means of land transport | | |
| TOTAL | | |

c. Number of establishments and capacity by forms of accommodation

| | Collective tourism establishments | | Private tourism accommodation | |
|------------------------------|-----------------------------------|--------|-------------------------------|-------|
| | Hotel and similar | Others | Second homes | Other |
| Number of establishments | | | | |
| Capacity (rooms) | | | | |
| Capacity (beds) | | | | |
| Capacity utilization (rooms) | | | | |
| Capacity utilization (beds) | | | | |

d. Number of establishments in tourism characteristic and tourism connected activities classified according to number of employed persons

| | 1-4 | 5-9 | 10-19 | 20-49 | 50-99 | 100-249 | 250-499 | 500-999 | >1000 | TOTAL |
|-----------------------------------------------|-----|-----|-------|-------|-------|---------|---------|---------|-------|-------|
| Tourism characteristic activities | | | | | | | | | | |
| 1 – Hotels and similar | | | | | | | | | | |
| 2 – Second home ownership (imputed) | x | x | x | x | x | x | x | x | x | x |
| 3 – Restaurants and similar | | | | | | | | | | |
| 4 – Railways passenger transport | | | | | | | | | | |
| 5 – Road passenger transport | | | | | | | | | | |
| 6 – Water passenger transport | | | | | | | | | | |
| 7 – Air passenger transport | | | | | | | | | | |
| 8 – Passenger transport supporting services | | | | | | | | | | |
| 9 – Passenger transport equipment rental | | | | | | | | | | |
| 10 – Travel agencies and similar | | | | | | | | | | |
| 11 – Cultural services | | | | | | | | | | |
| 12 – Sporting and other recreational services | | | | | | | | | | |
| Tourism connected activities | | | | | | | | | | |
| TOTAL | | | | | | | | | | |

Source: TSARMF 2003

5. Data sources for a tourism satellite account

It is not possible to describe an 'ideal' data set for the development of a TSA. There will always be a need for more detailed or timely analysis that cannot be met by the available data at the time. However, it is possible to give an indication of what the minimum data set should include to enable the development of each of the ten recommended tables. This will form the basis for any strategy aimed at the development of the necessary basic statistics, in addition to the prioritisation of the completion of the various tables.

5.1 Recommended minimum data sources

In addition to quantitative information on the flow of visitors such as the number of arrivals and descriptive information on the manner in which visitors are received and served, countries now need robust information and indicators to enhance the credibility of the measurements concerning the economic importance of tourism.

The data required cover the following main areas:

- analysis of the *demand* generated by the different forms of tourism (within the same economy, from other economies or toward other economies), classified according to the characteristics of the visitors themselves, their trips and the goods and services acquired;
- the impacts of the *supply* of tourism-related goods and services on the basic macro-economic variables of the country of reference, in particular, production functions and the interrelationship between activities, which provide the basis for impact analysis;
- descriptions of the nature of *employment* and jobs, capital formation and of non-financial investment;
- imports and exports and impacts on *balance of payments*; and
- effects on government *revenues*, generation of personal and business income.

TSAs have been designed as an integrated framework, which takes into account information sourced from different statistical fields, aiming to provide a comprehensive overview of tourism within the economic system. It supports the understanding of the economic significance of tourism within and between countries.

5.2 Existing data sources⁴

5.2.1 Stats SA

Stats SA produces and disseminates official statistics supporting policy-making in South Africa. Various surveys have been and are still being conducted, and these range from the annual household surveys to monthly indicators of economic activity in specific sectors, such as the accommodation survey. However, very few of the existing surveys were developed with the STS in mind, leading to a weak linkage between a potential data source and the TSA. Also, very few surveys are tourism-specific or related, especially on the supply side. In most cases, if tourism is covered, then there is a problem pertaining to the period of that coverage.

Stats SA has embarked on a strategy to improve the quality of its range of economic statistics, leading to more robust estimates of national accounts. This will then lead to

⁴ This section was correct as on 31 March 2005.

improvement in the basic statistics required for the compilation of TSA. Given that the aim of the strategy was not to develop TSA, it will not necessarily address all relevant issues. In addition, TSA development is also reliant on information collected as part of the social statistics programme.

In an attempt to close the gap, Stats SA introduced two new monthly surveys in the 2004/05 financial year, namely an extension of the accommodation survey and a survey on restaurants, bars and canteens. In addition, resources were made available to conduct a periodic large sample survey (LSS) on the business services industry in the 2003/04 financial year and LSSs on accommodation and personal services in the 2004/05 financial year, enabling the collection of information relevant to the tourism industry. Furthermore, the questionnaires for the 2003 and 2004 general household surveys were extended to include data related to the development of TSAs. These surveys will contribute significantly to closing some of the gaps in the tables. Table G lists the data sets that are currently collected by Stats SA.

Table G: Current data sets related to tourism at Stats SA

| Survey/Administrative Data | Conducted in the past? | Frequency |
|----------------------------------------------------|-------------------------------|----------------------------------------|
| Arrivals and departures statistics | Yes | Monthly and annually |
| Government statistics | Yes | Annually |
| General household survey | Started in 2003 | Annually |
| Survey of enterprises with branches: Accommodation | Started in 2003 | Periodically |
| Survey of trading statistics of hotels | Yes | Monthly (Discontinued from March 2004) |
| Tourism accommodation survey | Started in 2004 | Monthly |
| Survey of food and beverages | Started in Nov 2004 | Monthly |
| Large sample survey on accommodation | Started in Nov 2004 | Periodically |
| Large sample survey on personal services | Started in Nov 2004 | Periodically |
| Economic activity survey | Yes | Annually |
| Income and expenditure survey | Yes | Every 5 years |

5.2.1.1 Arrivals and departures statistics

Legal movements across the South African borders fall under the jurisdiction of the Department of Home Affairs (DHA). Information on tourism is obtained from all ports of entry. Information on arrivals in and departures from South Africa are captured by DHA and loaded onto the mainframe computers at Bureau Nucleus. Stats SA accesses this data remotely, which is then used as part of the input data for the monthly statistical release P0351: *Tourism and migration*. The latest information

available for P0351 is for September 2004 (published in December 2004). In addition to the statistical release, an annual report on tourism is also published.

The statistical release contains information on:

- the number of arrivals and departures of foreign travellers by purpose of visit, i.e. business, holiday, study, work, contract workers, border traffic concessions, transit, and unspecified; and
- the number of arrivals and departures by foreign travellers by mode of travel, namely rail, road, sea and unspecified.

However there are concerns about the availability of this information, namely:

- Information on South Africans leaving or arriving in South Africa is no longer available, as '.... South African departures and arrivals are no longer required to have their passport barcodes scanned at the ports of entry and exit. Therefore, statistics on their departures and arrivals are no longer available. Moreover those departing through the three international airports are no longer required to complete departure forms. This is due to the implementation of the Immigration Act (No. 13 of 2002) by the Department of Home Affairs as from April 2003'.
- The definition of tourism used in this report is not the same as the definition recommended by the WTO.
- Data on 'same-day' visitors are not available.
- The length of stay equals the length of the visa, instead of the actual length of stay.

5.2.1.2 Government statistics

The following government statistics are published on an annual basis:

- Statistical release P9102: *Financial statistics of extra-budgetary accounts and funds*, which provides detailed financial statistics of expenditure (economically and functionally classified) by the national and provincial extra-budgetary accounts and funds. Financial statistics for 2002/2003 was published on 25 August 2004.
- Statistical release P9103: *Financial statistics of universities and technikons*, which provides expenditure information of universities and technikons for the financial year ended 31 December 2003. The latest information available is for the financial year ended 31 December 2003 (published in September 2004).
- Statistical release P9114: *Financial census of municipalities*. Since 2002 Stats SA undertakes an annual census of municipalities covering local, district and metropolitan municipalities. The purpose of the census is to provide both stakeholders and users with information allowing for analysis and assessment of the state of local government finances. The census was designed to obtain financial information on local government institutions relating to:
 - the consolidated balance sheet as at the end of the financial year;
 - analysis of the acquisition of fixed assets during the financial year;
 - transactions of all types of funds, reserves, etc. for the financial year; and
 - income statement and appropriations for the financial year – for rates and general services as well as for housing and trading services.

The latest information available is for the financial year ended 30 June 2003.

- Statistical release P9119.2: *National government expenditure*, which provides detailed financial statistics of expenditure (economically and functionally

classified) defrayed from the National Revenue Fund. The latest information available is for the 2002/2003 financial year (published in June 2004).

- Statistical release P9120: *Provincial government expenditure*, which provides detailed financial statistics of expenditure (economically and functionally classified) defrayed from the nine provincial revenue funds, as well as other accounts. The latest information available is for the 2002/2003 financial year (published in September 2004).

However there were concerns that

- Although tourism collective consumption is available by the levels of government, it is not available (at Stats SA) by the functions of government.
- Uncertainty exists on the different variables that need to be included in the calculation of tourism's collective consumption by the levels of government.

5.2.1.3 General household survey

The aim of conducting the general household survey (GHS), which covers 30 000 households, is to generate national indicators to measure the level of development and performance of various government programmes and projects. Where such indicators exist, the survey will act as both a monitoring and an evaluation tool. Where such indicators have not been derived, the survey will provide information to establish those indicators that can be subsequently monitored in future. This will be done by designing and administering a questionnaire to selected South African households, which will provide information on the need, availability and use of services.

Tourism-related questions were added for the first time in the 2003 GHS to obtain domestic expenditure patterns on tourism. Questions on the GHS cover the following issues:

- number of trips undertaken
- main reason for the trip
- length of the trip
- expenditure during the trip
- type of accommodation used during the trip.

However, first indications are that some of the questions in the 2003 GHS were not understood correctly, thereby yielding wrong data. These questions were adapted in the 2004 GHS.

5.2.1.4 Survey of enterprises with branches: 2003

Stats SA undertook a unit survey of enterprises with branches during 2003. The objectives of the survey were to:

- determine branches with geographical units (GEOs) for each of the 400 sampled enterprises; and
- determine the location, type of establishment, number of stay units, contact details and turnover for each branch.

The information obtained from the unit survey improved the business register for, *inter alia*, the drawing of samples for the two new tourism surveys which started in 2004: accommodation, and food and beverages surveys.

5.2.1.5 Survey of trading statistics of hotels

The survey of trading statistics of hotels was a monthly survey covering a sample of private hotels (420 hotels) in the formal accommodation industry in South Africa. The results were published monthly in statistical release P6441: *Hotels: trading statistics*. The survey was designed to obtain information on room income, income from catering, bar-sales, income from off-sales, other income (sundries), number of rooms available, number of nights sold, number of beds available and number of bed nights sold. The latest and last information available is for February 2004 (published in April 2004) as the survey was discontinued in March 2004 and replaced by the survey of tourism accommodation.

5.2.1.6 Tourism accommodation survey

The survey of tourism accommodation is a new monthly survey (starting from April 2004) covering a sample (166 stratum 1 enterprises collected at an establishment level) of private establishments operating in the formal accommodation sector in South Africa. A new sample was drawn at the beginning of September 2004 (800 establishments on a five-digit SIC level) and went into the field from November 2004. The first information will be available in July 2005.

This survey covers all the establishments that are mainly engaged in providing short-stay accommodation. These include:

- 64101 – Hotels, motels and inns
- 64102 – Caravan parks and camping sites
- 64103 – Guest houses and guest farms
- 64109 – Other accommodation.

It collects information on:

- type of establishment;
- relevant grading of establishment;
- number of stay units⁵ available on the last night of the month;
- number of stay units sold for the month;
- income from accommodation for the month;
- income from restaurant and bar sales for the month;
- other income for the month;
- total operating expenses excluding capital for the month;
- total number of employees at the end of the month;
- total gross basic salaries and wages paid at the end of the month.

However, employment data collected through this survey do not provide sufficient detail for the TSA.

5.2.1.7 Survey of food and beverages

The survey of food and beverages is a new monthly survey, which started in April 2004, covering a sample of private establishments (193 stratum 1 enterprises collected at an establishment level) operating in the formal restaurants, bars and canteens sector in South Africa. A new sample was drawn at the beginning of

⁵ A stay unit describes the unit of accommodation that is available to be charged out to guests, for example, a powered site in a caravan park or a room in a hotel.

September 2004 (400 establishments on a 5-digit SIC level) and went into the field from November 2004. The first information will be available in July 2005.

This survey covers the following establishments:

- 64201 – Restaurants or tearooms with a liquor licence
- 64202 – Restaurants or tearooms without a liquor licence
- 64203 – Take-away counters
- 64204 – Caterers
- 64209 – Other catering services.

Information will include:

- Main type of establishments under this enterprise, e.g. take-away counters, drinking places, social caterers etc.
- Trading income, e.g. from catering, bar sales, off-sales etc.

5.2.1.8 Large sample survey: Accommodation services

The accommodation large sample survey is a periodic survey covering the activities of a sample of private enterprises operating in the accommodation sector in South Africa. It is proposed that the sample be drawn on a three-digit SIC level. The survey was done in November 2004 and the information for the financial year ended on any date between 1 July 2003 and 30 June 2004 will be available in December 2005.

Information collected will include:

- location of the establishment;
- type of ownership or organisation;
- main type of establishments under the enterprise, e.g. bed and breakfast, guest house and hotel;
- number of stay units available on the last night of the month;
- number of stay units sold;
- number of employees who received salaries and wages for the pay period ended on or before 30 June 2003, disaggregated into gender, full-time and part-time employment;
- income items from accommodation, restaurants and bar sales, services rendered, rental and leasing of land, buildings and other structures and interest received; and
- expenditure items such as purchases, interest paid, total gross salaries and wages paid, travelling, accommodation and entertainment, and staff training.

5.2.1.9 Large sample survey of personal services

A large sample of personal services will be conducted in the 2004/05 financial year. A maximum combined sample size of 17 000 units (SIC 961, 963 and 964 on a three-digit level and the rest of SIC 9 on a two-digit level) is proposed. The information from this survey will be available in December 2005. Cultural services and sporting and other recreational services (SIC 964) are applicable from the TSA side.

The main concern, however, is that the level on which the sample is drawn will not provide enough detail for purposes of the TSA.

5.2.1.10 *Economic activity survey*

The economic activity survey (EAS) is an annual survey, measuring overall activity in the South African economy. It is based on a sample (12 000 units) of private and public enterprises operating in the formal non-agricultural business sector of the South African economy, excluding financial intermediation, insurance and government institutions. The results will be published annually in statistical release P8001: *Economic activity survey*. The first results on selected ratios for 2001 and 2002 were published in December 2003.

For the 2003 EAS (P8001: *Economic activity survey for 2001, 2002 and 2003*) the sample (12 000 units) was based on an integrated business register consisting of units that pay value-added tax (VAT) and income tax. The 2003 EAS was published in November 2004.

However, the sample is not detailed enough to give a breakdown of tourism-related activities. We must therefore rely on fixed structures until the next large sample survey starts.

5.2.1.11 *Income and expenditure survey*

The income and expenditure survey (IES) of households used to be conducted every 5 years⁶, covers 30 000 households and is published in statistical release P0111. Its main aim is not to collect tourism-related information but a few tourism-related topics were included.

The following topics were included in the 2004 survey:

- annual holiday expenditure on accommodation;
- cost of meals and snacks purchased and consumed away from home or purchased as take-aways;
- cost of alcoholic and non-alcoholic beverages purchased and consumed in cafes, restaurants, hostels, bars, etc;
- cost of alcoholic and non-alcoholic beverages purchased in shops, cafes, bottle stores, from off-sales, etc. but consumed elsewhere;
- insurance paid for holiday purposes; and
- net income from letting of fixed property for holiday purposes.

The spending patterns on tourism-related products and services in the IES can be compared to those of the general household survey.

However, the 'distribution ratios' for the TSA will have to be developed in order to use this information.

5.2.2 **South African Tourism**

In addition to the data available at Stats SA, the information collected through the surveys of South African Tourism (SAT)⁷ is extensively used in the compilation of the TSAs (see Table H).

⁶ In future the survey will take place every 3 years.

⁷ Stats SA is verifying the methodology of the SAT collection methods.

Table H: Current data sets related to tourism at South African Tourism

| Survey/administrative data | Frequency | Last reference year | Coverage |
|-----------------------------------|------------------|----------------------------|-----------------|
| Departure survey | Monthly | 2003 | 20 400 |
| Domestic survey | Monthly | 2003 | 24 000 |

5.2.2.1 Departure survey

SAT conducts surveys of departing foreign tourists to gain an understanding of their spending, travel behaviours, perceptions, buying process and travel patterns in South Africa. These surveys are designed to provide marketing information to South African Tourism.

The surveys are conducted at the three major international airports, i.e. Johannesburg International, Cape Town International and Durban International, as well as 10 land border posts.

This survey has been expanded and the methodology revised since 2002 to enable the collection of data to allow detailed analysis with regard to travel patterns and a deeper understanding of the seasonality of the priority segments of SAT.

5.2.2.2 Domestic survey

A monthly household survey was introduced in 2004 to understand the spending, travel behaviour, perceptions, buying process and travel patterns of South Africans. Like the departure survey, this survey is designed to provide marketing information to SAT and the provincial tourism authorities.

This survey is an expansion of a national household survey conducted in 2001 and a subsequent survey conducted in 2003. The methodology has been revised to ensure that the key metrics of the size and value of the domestic market are tracked.

SAT is consistently expanding the coverage and refining the methodologies of its surveys to ensure that they are representative of the population. Although the methodology used by SAT has gone through a first phase of quality checks at Stats SA, it still does not represent official statistics.

5.2.3 South African Reserve Bank

The South African Reserve Bank (SARB) compiles and publishes the Balance of Payments for SA. The compilation of the Balance of Payments for Tourism (BoPT) has however not started yet.

6. Work done on a TSA for South Africa

Over the past 14 years, the World Travel and Tourism Council (WTTC) and its economic consultants, Oxford Economic Forecasting Ltd (OEF), developed and published research on the economic contribution of travel and tourism to the world, regional and national economies. Since the beginning of 1990, they have developed practical real world models to illustrate travel and tourism's economic contribution. These were based on the needs of private sector leaders, public sector policy-makers and industry researchers to interpret the SNA. The research is firmly anchored in the international standard for the TSA approved by the Statistics Commission of the United Nations in 2000, launched at the TSA Conference held in Vancouver in May 2001, and published as *Tourism Satellite Account: Recommended Methodological Framework*. In addition a public-private sector experts committee was formed under the auspices of the WTO to fine-tune the TSA conceptual framework to give an accurate and comprehensive perspective on travel and tourism. The WTTC/OEF research assumes the conceptual framework of the UN international standard with a number of extensions and combines the most sophisticated economic modelling and forecasts available from OEF with the most up-to-date, publicly available data to generate a comprehensive implementation of travel and tourism accounting.

The WTTC has produced two reports specifically for South Africa. The first, commissioned by the Department of Environmental Affairs and Tourism (DEAT), was completed in 1998. The second report (for 2002) was commissioned by WTTC members and built on the previous work. It updated the historical results, estimated the current performance of South Africa's travel and tourism industry and provided forecasts based on the most recent national and international data sources and econometric models developed by the OEF. This TSA research quantifies all aspects of travel and tourism demand, from personal consumption to business purchases, capital investment, government spending and exports. It also translates this information into economic concepts of production such as GDP and employment, which can be compared with other industries and the economy as a whole to assist in policy and business decision processes.

The conclusions from the latest WTTC report were surprisingly lacklustre. Although travel and tourism is one of the highest priority industries (and employers) for the South African government, it was only expected to directly generate a middle-of-the-road R31,1 billion (3,0%) of the GDP and 492 700 jobs (3,0% of the total employment) in 2002. However, since travel and tourism touches all sectors of the economy, its real impact was greater than 3%. South Africa's total travel and tourism industry (directly and indirectly) accounted for 1 148 000 jobs (6,9% of the total employment), R72,5 billion (7,1%) of GDP, R43,8 billion of exports (12,5% of total exports), R17,1 billion of capital investment (10,3% of investment) and R920 million (0,5%) of government expenditure. The difference between the 2002 and 1998 research was a significant downgrading of expectations, as targets were consistently missed.

Nevertheless, the future prospects of travel and tourism in South Africa remain extraordinarily bright. There is widespread recognition, although somewhat more realistic and pragmatic, of the industry's current and potential contribution to the national economy and, more importantly, the limiting factors that are constraining its potential. Travel and tourism offers enormous potential as a catalyst for future economic and social development across the country. Looking ahead, the forecast is healthy but modest, with a projected 4,9% real growth per annum between 2002 and 2012.

Between 2002 and 2012, South Africa's travel and tourism is expected to achieve annualised real growth of:

- 5,1% in travel and tourism GDP, to R84,8 billion in 2012 for the industry directly and to R194,3 billion for the overall travel and tourism economy (direct and indirect expenditures);
- 3,3% in travel and tourism employment, to 679 200 jobs directly in the industry, and 3,1% to 1 555 300 jobs in the overall travel and tourism economy (direct and indirect) in 2012;
- 4,8% in total travel and tourism demand, to R288,5 billion in 2012;
- 4,7% in visitor exports, to R82,2 billion by 2012;
- 5,2% in capital investment, to R47,0 billion in 2012; and
- 1,6% in government expenditure, to R1,8 billion in 2012.

WTTC's research highlights the need for South Africa to address mission-critical issues such as strengthening tourism management, enhancing the national tourism organisation and clarifying aviation policies.

Although the figures obtained by the WTTC's simulated TSAs are an indication of the situation in South Africa they by no means take into account all the country-specific phenomena, are full of assumptions, and to a great extent based on experiences in other countries. South Africa has therefore opted not to introduce a simulated TSA for the country, but rather for a fully-fledged TSA, to be constructed in a phased approach, according to the recommendations of the WTO.

7. Recommendations for South Africa

1. The biggest challenge for the compilation of the TSA for South Africa is to prioritise and put plans in place to collect the necessary information. These will include, in a recommended priority order, the following:
 - to sustain the availability of established data sets, e.g. arrivals and departures statistics of residents and non-residents of South Africa;
 - to improve the level of classification of units on the business register in order to draw samples on at least a three-digit SIC level to collect the much-needed supply-side data. The last column in Annexure C is recommended for the first round sampling of the EAS for tourism-related activities;
 - to determine the correct vehicle to collect employment data for the tourism industry;
 - to establish a tourism-specific household survey in order to obtain the consumption patterns of domestic and outbound tourism;
 - to use existing administrative information collected by other institutions e.g. the customs declaration form administered by SARS;
 - to ensure that standard (international) definitions for tourism related terms are used;
 - to collect information on same-day visitors;
 - to collect information (e.g. expenditure patterns) of outbound tourism;
 - to collect all the information needed for the TSA for a specific year in order to compile the TSAs for that year; and
 - to identify new data sources.
2. The memorandum of agreement will be signed by the heads of the relevant institutions as a matter of urgency;
3. The recommendations are grouped into short-, medium- and long-term⁸ activities in Tables I and J.

⁸ Short-term is defined as an activity that can be done within the next year (end 2005), medium-term within the next two years (end 2006) and long-term within the next three years (end 2007).

Table I: Recommendations sorted by period

| Activity | Short-term | Medium-term | Long-term | Responsible organisation |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|------------------|---------------------------------|
| Include the South African Revenue Services in the inter-institutional steering committee and working group | X | | | Stats SA |
| Discuss the proposed definition of the 'usual environment' for South Africa with all stakeholders and reach an agreement | X | | | Stats SA & SAT |
| Test the possible use of the quarterly employment survey to collect figures on employment in the tourism industries | X | | | Stats SA |
| Rename the 'Tourism and migration' release to 'Travellers and migration' | X | | | Stats SA |
| Rectify the Immigration Act to enable the collection of movements (arrivals and departures) of South African residents | X | | | DHA |
| Investigate the difference between the visitor consumption expenditure figures generated by SAT and the balance of payment figures | X | | | SAT & SARB |
| Ensure that capital purchases are not included in the tourism consumption expenditure calculations of the departure survey | X | | | SAT & SARB |
| Make a decision about when to include day visitors in the different surveys, e.g. GHS or alternatively implement a day visitor survey | X | | | Stats SA & SAT |
| Restructure the tourism module (Section 3) for the 2005 GHS | X | | | Stats SA |
| Train interviewers for the 2005 GHS so that they, for example, have a clear understanding of what a domestic trip is | X | | | Stats SA |
| Change the classification of tourist consumption expenditure in the GHS so that it corresponds with the products identified in the TSA | X | | | Stats SA |
| Review the expenditure categories that are used in the GHS on an annual basis to ensure that they capture the most significant items | X | | | Stats SA |
| Ensure that capital purchases are not included in the tourism consumption expenditure calculations of the GHS | X | | | Stats SA |
| Make sure that the correct terminology is used when measuring tourism see example of 'visitor' | X | | | All |

Table I: Recommendations sorted by period (continued)

| Activity | Short-term | Medium-term | Long-term | Responsible organisation |
|---------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------|-----------|--------------------------|
| Ensure that 'country of residence', 'purpose of visit' and 'occupation' is captured for all foreign arrivals to South Africa | X | | | DHA & Stats SA |
| Analyse data as it becomes available and include it in the TSA | X | | | Stats SA |
| Sought all other sources of information that might help either with the compilation of the TSA or to benchmark figures generated from the surveys | X | | | Stats SA |
| Establish ways to collect/calculate the length of stay | X | | | DHA & Stats SA |
| Shorten the recall period for outbound trips in the domestic tourism survey by SAT | X | | | SAT |
| Form a higher-level inter-institutional steering committee (at least heads of departments level) | | X | | Stats SA |
| Investigate findings of the departure survey and domestic tourism survey done by South African Tourism (SAT) | | X | | Stats SA & SAT |
| Discuss and implement the recommendation for the weighting of the departure survey | | X | | SAT |
| Investigate the methodological process used to undertake SAT's domestic tourism survey | | X | | Stats SA |
| Include package travel in the GHS | | X | | Stats SA |
| Include questions on employment data by gender and type of work in the monthly survey of tourist accommodation by Stats SA | | X | | Stats SA |
| Include questions on bed occupancy rate in the monthly survey of tourist accommodation of Stats SA | | X | | Stats SA |
| Include questions on employment data by gender and type of work in the monthly survey of food and beverage outlets by Stats SA | | X | | Stats SA |
| Include question of operating expenses in the monthly survey of food and beverage outlets by Stats SA | | X | | Stats SA |
| Include gender in the QES if it is found to be the correct vehicle for the collection of employment data for the tourism industries | | X | | Stats SA |
| Amend the outbound tourism section of SAT's domestic tourism survey to capture more detailed data on outbound trips | | X | | SAT |
| Include package trips and other pre-trip consumption expenditure in the inbound tourist consumption expenditure data | | X | | SAT |

Table I: Recommendations sorted by period (concluded)

| Activity | Short-term | Medium-term | Long-term | Responsible organisation |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|------------------|---------------------------------|
| Change the classification of tourist consumption expenditure in SAT's surveys so that it corresponds with the products identified in the TSA | | X | | SAT |
| Review the expenditure categories that are used in SAT's departure survey on an annual basis to ensure that they capture the most significant items | | X | | SAT |
| Include the 'usual environment' as a screening question in the departure survey of SAT | | X | | SAT |
| Disaggregate the outbound tourism consumption in the domestic tourism survey by SAT, by consumption expenditure items | | X | | SAT |
| Include package trips for outbound travel in the domestic tourism survey by SAT | | X | | SAT |
| Include a question on consumption made by the outbound tourist on goods or services in South Africa prior to their departure in the Domestic Tourism Survey of SAT | | X | | SAT |
| Start to reconcile supply and demand in the tourism industry | | X | | Stats SA |
| Categorise expenditure questions in the EAS into the suggested groupings | | | X | Stats SA |
| Compile pilot/preliminary TSA with the emphasis on Tables 1, 2, 3, 4, 5, 7 and 10 | | | X | Stats SA |
| Develop and maintain an accommodation frame/register/data base so that sampling of this sector can be undertaken at an establishment level | | | X | Stats SA |
| Include the measurement of outbound consumption expenditure in the GHS | | | X | Stats SA |
| Consider the implementation of a domestic and outbound tourism survey by Stats SA in place of SAT's domestic tourism survey | | | X | Stats SA |
| Categorise expenditure questions in the large sample survey of accommodation by the suggested groupings | | | X | Stats SA |
| Consider the inclusion of some indicators concerning the operational aspects of each accommodation establishment in the large sample survey of accommodation, e.g. room and bed occupancy rate | | | X | Stats SA |

Table J: Recommendations sorted by activity

| Activity | Short-term | Medium-term | Long-term | Responsible organisation |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------|------------------|---------------------------------|
| General: | | | | |
| Ensure that the correct terminology is used when measuring tourism see example of ‘visitor’ | X | | | All |
| Discuss the proposed definition of the ‘usual environment’ for South Africa with all stakeholders and reach an agreement | X | | | Stats SA & SAT |
| Consider the implementation of a domestic and outbound tourism survey by Stats SA in place of SAT’s domestic tourism survey | | | X | Stats SA |
| Inter-institutional steering committee: | | | | |
| Include the South African Revenue Services in the inter-institutional steering committee and working group | X | | | Stats SA |
| Form a higher-level inter-institutional steering committee (at least heads of departments level) | | X | | Stats SA |
| Construction of a TSA: | | | | |
| Analyse data as it becomes available and include it in the TSA | X | | | Stats SA |
| Sought all other sources of information that might help either with the compilation of the TSA or to benchmark figures generated from the surveys | X | | | Stats SA |
| Start to reconcile supply and demand in the tourism industry | | X | | Stats SA |
| Compile pilot/preliminary TSA with the emphasis on Tables 1, 2, 3, 4, 5, 7 and 10 | | | X | Stats SA |
| Tourism and migration release: | | | | |
| Rename the ‘ <i>Tourism and migration</i> ’ release to ‘ <i>Travellers and migration</i> ’ | X | | | Stats SA |
| Quarterly employment survey (QES): | | | | |
| Test the possible use of the quarterly employment survey to collect figures on employment in the tourism industries | X | | | Stats SA |
| Include gender in the QES if it is found to be the correct vehicle for the collection of employment data for the tourism industries | | X | | Stats SA |
| Economic activity survey (EAS): | | | | |
| Categorise expenditure questions in the EAS by the suggested groupings | | | X | Stats SA |

Table J: Recommendations sorted by activity (continued)

| Activity | Short-term | Medium-term | Long-term | Responsible organisation |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------|-----------|--------------------------|
| General household survey (GHS): | | | | |
| Make a decision about when to include day into the different surveys, e.g. GHS or alternatively implement a day visitor survey | X | | | Stats SA & SAT |
| Restructure the tourism module (Section 3) for the 2005 GHS | X | | | Stats SA |
| Train interviewers for the 2005 GHS so that they, for example, have a clear understanding of what a domestic trip is | X | | | Stats SA |
| Change the classification of tourist consumption expenditure in the GHS so that it corresponds with the products identified in the TSA | X | | | Stats SA |
| Review the expenditure categories that are used in the GHS on an annual basis to ensure that they capture the most significant items | X | | | Stats SA |
| Ensure that capital purchases are not included in the tourism consumption expenditure calculations of the GHS | X | | | Stats SA |
| Include package travel in the GHS | | X | | Stats SA |
| Include the measurement of outbound consumption expenditure in the GHS | | | X | Stats SA |
| Survey of tourism accommodations: | | | | |
| Include questions on employment data by gender and type of work in the monthly survey of tourist accommodation by Stats SA | | X | | Stats SA |
| Include questions on bed occupancy rate in the monthly survey of tourist accommodation by Stats SA | | X | | Stats SA |
| Develop and maintain an accommodation frame/register/data base so that sampling of this sector can be undertaken at an establishment level | | | X | Stats SA |
| Survey of food and beverage outlets: | | | | |
| Include questions on employment data by gender and type of work in the monthly survey of food and beverage outlets by Stats SA | | X | | Stats SA |
| Include question of operating expenses in the monthly survey of food and beverage outlets by Stats SA | | X | | Stats SA |

Table J: Recommendations sorted by activity (continued)

| Activity | Short-term | Medium-term | Long-term | Responsible organisation |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Large sample survey of accommodation:</p> <p>Categorise expenditure questions in the large sample survey of accommodation by the suggested groupings</p> <p>Consider the inclusion of some indicators concerning the operational aspects of each accommodation establishment in the large sample survey of accommodation, e.g. room and bed occupancy rate</p> | | | <p>X</p> <p>X</p> | <p>Stats SA</p> <p>Stats SA</p> |
| <p>Department of Home Affairs:</p> <p>Rectify the Immigration Act to enable the collection of movements (arrivals and departures) of South African residents</p> <p>Establish ways to collect/calculate the length of stay</p> <p>Ensure that 'country of residence', 'purpose of visit' and 'occupation' is captured for all foreign arrivals to South Africa</p> | <p>X</p> <p>X</p> <p>X</p> | | | <p>DHA</p> <p>DHA & Stats SA</p> <p>DHA & Stats SA</p> |
| <p>South African Tourism:</p> <p>Investigate the difference between the visitor consumption expenditure figures generated by SAT and the balance of payment figures</p> <p>Ensure that capital purchases are not included in the tourism consumption expenditure calculations of the departure survey</p> <p>Shorten the recall period for outbound trips in the domestic tourism survey by SAT</p> <p>Investigate findings of the departure survey and domestic tourism survey conducted by SAT</p> <p>Discuss and implement the recommendation for the weighting of the departure survey</p> <p>Investigate the methodological process used to undertake SAT's domestic tourism survey</p> <p>Amend the outbound tourism section of SAT's domestic tourism survey to capture more detailed data on outbound trips</p> <p>Include package trips and other pre-trip consumption expenditure in the inbound tourist consumption expenditure data</p> <p>Change the classification of tourist consumption expenditure in SAT's surveys so that it corresponds with the products identified in the TSA</p> <p>Review the expenditure categories that are used in SAT's Departure Survey on an annual basis to ensure that they capture the most significant items</p> | <p>X</p> <p>X</p> <p>X</p> | <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> <p>X</p> | | <p>SAT & SARB</p> <p>SAT & SARB</p> <p>SAT</p> <p>Stats SA & SAT</p> <p>SAT</p> <p>Stats SA</p> <p>SAT</p> <p>SAT</p> <p>SAT</p> |

Table J: Recommendations sorted by activity (concluded)

| Activity | Short-term | Medium-term | Long-term | Responsible organisation |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------|-----------|--------------------------|
| Include the 'usual environment' as a screening question in the departure survey by SAT | | X | | SAT |
| Disaggregate the outbound tourism consumption in the Domestic Tourism Survey by SAT, by consumption expenditure items | | X | | SAT |
| Include package trips for outbound travel in the domestic tourism survey by SAT | | X | | SAT |
| Include a question on consumption made by the outbound tourist on goods or services in South Africa prior to their departure in the domestic tourism survey by SAT | | X | | SAT |

8. References

Commission of the European Communities, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations and World Bank, *System of National Accounts*, 1993 (Brussels/Luxembourg, New York, Paris, Washington, D.C.) (SNA 1993)

World Tourism Organisation, Organisation for Economic Co-operation and Development and Commission of European Communities, *Tourism Satellite Account: Recommended Methodological Framework*, 2001 (TSARMF 2001)

Annexures

Annexure A: Tourism characteristic products

The list of tourism characteristic products is provisional and corresponds to products considered characteristic for purposes of the international comparability of results. Consequently, it is meant to serve as a proposal of how, in the future, the various international organisations could present, in a comparable way, the results of countries that have developed a TSA.

In coding the various items, six-digit codes, with a point between the fifth and sixth digits, were used. The first five digits correspond to the CPC, Version 1.0 code, and the sixth digit is used exclusively for the present list. If the sixth digit is a zero, it means that this item is the same as the one presented in CPC, Version 1.0 and has been drawn from it, but if the sixth digit is not a zero the item corresponds only partly to the CPC code. For example, code 63110.0, 'Hotel and motel lodging services', is identical to CPC code 63110, whereas code 63199.1, 'Sleeping car....', corresponds only in part to CPC code 63199.

1. Accommodation services

1.1 Hotels and other lodging services

| | |
|---------|-----------------------------------------------------------------------------------|
| 63110.0 | Hotel and motel lodging services |
| 63191.0 | Holiday centre and holiday home services |
| 63192.0 | Letting services of furnished accommodation |
| 63193.0 | Youth hostel services |
| 63194.0 | Children's training and holiday camp services |
| 63195.0 | Camping and caravanning site services |
| 63199.1 | Sleeping-car and similar services in other transport media; residence of students |

1.2 Second homes services on own account or for free

This subclass includes the imputed rent on owned second homes or for-free and time-share apartments. There is no code in CPC with this information.

| | |
|---------|-------------------------------------------|
| 72211.1 | Support services to time-share activities |
|---------|-------------------------------------------|

2. Food and beverage serving services

| | |
|---------|-----------------------------------------------------------|
| 63210.0 | Meal-serving services with full restaurant services |
| 63220.0 | Meal-serving services in self-service facilities |
| 63290.0 | Other food-serving services |
| 63300.0 | Beverage-serving services for consumption on the premises |

3. Passenger transport services

3.1 Interurban railway transport services

| | |
|---------|-------------------------------------------|
| 64111.1 | Scheduled rail services of passengers |
| 64111.2 | Non-scheduled rail services of passengers |

3.2 Road transport services

| | |
|---------|----------------------------------------------------------------------------|
| 64213.0 | Interurban scheduled road transport services of passengers |
| 64214.0 | Interurban special purpose scheduled road transport services of passengers |
| 64219.1 | Scheduled ski-hills services |
| 64219.2 | Teleferic -funicular services |
| 64221.0 | Taxi services |
| 64222.0 | Rental services of passenger cars with operator |
| 64223.0 | Rental services of buses and coaches with operator |

3.3 Water transport services

| | |
|---------|--------------------------------------------------------------------------|
| 65111.0 | Coastal and transoceanic water transport services of passengers by ferry |
| 65119.1 | Scheduled transport services of passengers |
| 65119.2 | Non-scheduled transport services of passengers |
| 65119.3 | Cruise ship services |
| 65130.1 | Personal passenger vessel services |
| 65211.0 | Inland water transport services of passengers by ferries |
| 65219.1 | Other scheduled Inland water transport services of passengers |
| 65219.2 | Sightseeing excursion services |
| 65219.3 | Cruise services |
| 65230.0 | Rental services of inland water vessels with operator |

3.4 Air transport services

| | |
|---------|------------------------------------------------|
| 66110.0 | Scheduled air transport services of passengers |
| 66120.1 | Non-scheduled air services of passengers |
| 66120.2 | Sightseeing services, aircraft or helicopter |
| 66400.0 | Rental services of aircraft with operator |

3.5 Supporting passenger transport services

| | |
|---------|--------------------------------------------------------------------------|
| 67300.0 | Navigational aid services |
| 67400.0 | Supporting services for railway transport |
| 67510.0 | Bus station services |
| 67530.1 | Parking of passenger terminal transport |
| 67610.0 | Port and waterway services (excluding cargo handling) |
| 67690.1 | Vessel fuelling services |
| 67690.2 | Maintenance and upkeep services to private recreation passenger services |
| 67710.0 | Airport operation services (excluding cargo handling) |
| 67790.0 | Other supporting services for air or space transport |

3.6 Passenger transport equipment rental

| | |
|---------|----------------------------------------------------------------------------|
| 73111.0 | Leasing or rental services concerning cars and light vans without operator |
| 73114.1 | Leasing or rental services concerning campers/motor without operator |
| 73115.1 | Leasing or rental services concerning passenger vessels without operator |
| 73116.1 | Leasing or rental services concerning passenger aircraft without operator |

3.7 Maintenance and repair services of passenger transport equipment

| | |
|---------|---------------------------------------------------------------------------------------------------------------|
| 87143.0 | Maintenance and repair services of trailers, semi-trailers and other motor vehicles not elsewhere classified. |
| 87149.1 | Maintenance and repair services of leisure vessel of own use |
| 87149.2 | Maintenance and repair services of leisure aircraft of own use |

4. Travel agency, tour operator and tourist guide services

4.1 Travel agency services

| | |
|---------|------------------------|
| 67811.0 | Travel agency services |
|---------|------------------------|

4.2 Tour operator services

| | |
|---------|------------------------|
| 67812.0 | Tour operator services |
|---------|------------------------|

4.3 Tourist information and tourist guide services

| | |
|---------|------------------------------|
| 67813.0 | Tourist information services |
| 67820.0 | Tourist guide services |

5. Cultural services

5.1 Performing arts

| | |
|---------|---------------------------------------------|
| 96230.0 | Performing arts facility operation services |
| 96310.0 | Services of performing artists |

5.2 Museum and other cultural services

| | |
|---------|------------------------------------------------------------------|
| 96411.0 | Museum services except for historical sites and buildings |
| 96412.0 | Preservation services of historical sites and buildings |
| 96421.0 | Botanical and zoological garden services |
| 96422.0 | Nature reserve services including wildlife preservation services |

6. Recreation and other entertainment services

6.1 Sports and recreational sport services

| | |
|---------|--------------------------------------------------------------------------|
| 96510.0 | Sports and recreational sports event promotion and organisation services |
| 96520.1 | Golf course services |
| 96520.2 | Ski fields |
| 96520.3 | Race circuit |
| 96520.5 | Recreation park and beach services |
| 96590.1 | Risk sport and adventure |

6.2 Other amusement and recreational services

| | |
|---------|----------------------------|
| 96910.1 | Theme park services |
| 96910.2 | Amusement park services |
| 96910.3 | Fair and carnival services |
| 96920.1 | Casino services |
| 96920.2 | Slot machine services |

7. Miscellaneous tourism services

7.1 Financial and insurance services

| | |
|---------|----------------------------------------------------|
| 71100.1 | Travel card services |
| 71100.2 | Travel loan services |
| 71311.1 | Travel life insurance services |
| 71320.1 | Travel accident insurance services |
| 71320.2 | Travel health insurance services |
| 71334.1 | Passenger's aircraft of own use insurance services |
| 71334.2 | Passenger's vessel of own use insurance services |
| 71339.1 | Travel insurance services |
| 71552.0 | Foreign exchange services |

7.2 Other rental services

| | |
|---------|-------------------------------------------------------------------|
| 73240.1 | Non-motorised land transport equipment leasing or rental services |
| 73240.2 | Winter sports equipment leasing or rental services |
| 73240.3 | Non-motorised air transport equipment leasing or rental services |
| 73240.4 | Water sports and beach equipment leasing or rental services |
| 73240.5 | Camping equipment leasing or rental services |
| 73240.6 | Saddle horse leasing or rental services |
| 73290.1 | Photographic camera rental services |

7.3 Other tourism services

| | |
|---------|-------------------------------------------------|
| 85970.0 | Trade fair and exhibition organisation services |
| 97230.4 | Spa services |
| 91131.1 | Fishing licence services |
| 91131.2 | Hunting licence services |
| 91210.1 | Passport issuing services |
| 91210.2 | Visa issuing services |
| 96620.2 | Guide services (mountain, hunting and fishing) |
| 97910.0 | Escort services |

Annexure B: List of tourism characteristic activities

Tourism characteristic activities can be identified as those productive whose principal output is characteristic of tourism. As the set of these activities does not comprise a single industry conforming to 1993 SNA definition, the TSA defines tourism industries as all establishments whose principal productive activity is a tourism characteristic activity.

The following table reveals the similarity between the 12 items of the provisional list used in the TSA tables and their corresponding codes in ISIC, Rev. 3 and SICTA.

| Activities description | ISIC, Rev.3 | SICTA |
|----------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------|
| 1. Hotels and similar | 5510 | 5510 |
| 2. Second home ownership (imputed) | Part of 7010 | Part of 7010 |
| 3. Restaurants and similar | 5520 | 5520 |
| 4. Railway passenger transport services | Part of 6010 | 6010-1, 6010-2 |
| 5. Road passenger transport services | Part of (6021 and 6022) | 6021-1, 6021-2, 6021-3, 6022-1, 6022-2, 6022-3, 6022-4 |
| 6. Water passenger transport services | Part of (6110 and 6120) | 6110-1, 6110-2, Part of 6110, 6120-1, 6120-2, 6120-3, Part of 6120 |
| 7. Air passenger transport services | Part of (6210 and 6220) | 6210-1, 6220-1, 6220-2 |
| 8. Transport supporting services | Part of 6303 | 6303-1, 6303-2, 6303-3 |
| 9. Transport equipment rental | Part of (7111, 7112 and 7113) | 7111-1, 7111-2, 7111-3 Part of 7112, 7113-1 |
| 10. Travel agencies and similar | 6304 | 6304 |
| 11. Cultural services | 9232, 9233 | 9232-1, 9232-2, 9233-1, 9233-2 |
| 12. Sporting and other recreational services | Part of 9214 Part of 9241 Part of 9219 Part of 9249 | Part of 9214 Part of 9241 9219-1 Part of 9249 |

Annexure C: Recommended list of tourism activities for the first round of sampling

| Activities description | Classification systems | | | Recommended for sampling |
|--------------------------------------|----------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------|
| | ISIC, Rev. 3 | SICTA | SIC, Rev. 5 | SIC, Rev. 5 |
| Hotels and similar | 5510 | 5510 | 6410 | 641 |
| Second home ownership (imputed) | Part of 7010 | Part of 7010 | Part of 84110 Part of 84130 Part of 84210 Part of 84220 Excluding 84120 | Leave out |
| Restaurants and similar | 5520 | 5520 | 6420 | 642 |
| Railway passenger transport services | Part of 6010 | 6010-1 6010-2 | Part of 71111 Part of 71112 | 711 |
| Road passenger transport services | Part of 6021 Part of 6011 | 6021-1 6021-2 6021-3 6022-1 6022-2 6022-3 6022-4 | Part of 71211 Part of 71221 Part of 71222 Part of 71229 Excluding 71212 Excluding 71231 Excluding 71239 | 712 |
| Water passenger transport services | Part of 6110 Part of 6120 | 6110-1 6110-2 Part of 6110 6120-1 6120-2 6120-3 Part of 6120 | Part of 72111 Part of 72112 Part of 72200 | 72 |
| Air passenger transport services | Part of 6210 Part of 6220 | 6210-1 6220-1 6220-2 | Part of 73000 | 73 |
| Transport supporting services | Part of 6303 | 6303-1 6303-2 6202-3 | Part of 74131 Part of 74133 Part of 74134 Part of 74135 Part of 74139 Excluding 74132 | 7413 (74) |
| Transport equipment rental | Part of 7111 Part of 7112 Part of 7113 | 7111-1 7111-2 7111-3 Part of 7112 7113-1 | Part of 85110 Part of 85120 Part of 85130 | 851 |
| Travel agencies and similar | 6304 | 6304 | 74140 | 7414 (74) |
| Cultural services | 9232 9233 | 9232-1 9232-2 9233-1 9233-2 | 96111 96112 96121 96122 96130 96140 96190 96310 96320 96330 Excluding 96200 | 961 & 963 (96) |

| Activities description | Classification systems | | | Recommended for sampling |
|------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------|--------------------------------|--------------------------|
| | ISIC, Rev. 3 | SICTA | SIC, Rev. 5 | SIC, Rev. 5 |
| Sporting and other recreational services | Part of 9214 Part of 9241 Part of 9219 Part of 9249 | Part of 9214 Part of 9241 9219-1 Part of 9249 | Part of 96410 Part of 96490 | 964 (96) |

Annexure D: Glossary

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| Domestic tourism | The tourism of resident visitors within the economic territory of the country of reference. |
| Domestic tourism consumption | Domestic tourism consumption is the consumption of domestic tourism, that is, the consumption incurred as a direct result of resident visitors traveling within their country of residence. These purchases might include goods or even services produced abroad or by non-residents but sold within the domestic economy (imported goods and services). |
| Establishment | An establishment is an enterprise or part of an enterprise, that is situated in a single location and in which only a single (non-ancillary) productive activity is carried out or in which the principal productive activity accounts for most of the value added. |
| Household actual final consumption | Household actual final consumption adds to household final consumption expenditure the social transfers in kind received from General Government and Non Profit Institutions Serving Household (NPISHs). These refer to social security benefits and social assistance benefits received in kind, and to the individual non-market goods and services provided by government and NPISHs. |
| Household final consumption expenditure | Household final consumption expenditure includes all consumption expenditure made by households from their own cash resources (including all income in cash received), as well as all the counterpart of income in kind (except social transfers in kind) that household might have received, such as remuneration in kind and other transfers in kind. It also includes the value of all consumption of output for own final use, such as those provided by second homes on own account used for tourism purposes or what it can have received through barter transactions. |
| Inbound tourism | Inbound tourism comprises the tourism of non-resident visitors within the economic territory of the country of reference. |
| Inbound tourism consumption | Inbound tourism consumption is the consumption of inbound tourism, that is, the consumption incurred as a direct result of non-resident visitors traveling to and within the given country. It is limited to purchases from providers resident in the given country. The goods purchased within the given country might have been imported by the given country. |
| Internal tourism | Internal tourism comprises of the tourism of visitors, both resident and non-resident, within the economic territory of the country of reference. Internal tourism comprises domestic tourism and inbound tourism. |

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| Internal tourism consumption | Internal tourism consumption is the consumption of internal tourism, that is, it comprises all consumption expenditure of visitors both resident and non-resident visiting the given country (compiling economy). It is the sum of domestic tourism consumption and inbound tourism consumption. It might include goods and services imported into the country and domestically sold to visitors. |
| International tourism | International tourism comprises inbound tourism and outbound tourism. |
| International tourism consumption | International tourism consumption comprises inbound tourism consumption and outbound tourism consumption. |
| National tourism | National tourism comprises of the tourism of resident visitors, within and outside the economic territory of the country of reference. National tourism is the tourism by residents, that is, it comprises domestic tourism and outbound tourism. |
| National tourism consumption | National tourism consumption comprises all tourism consumption by resident visitors regardless of where it occurs. It includes all domestic tourism consumption and outbound tourism consumption by residents of the given country (compiling economy). These purchases may include nationally produced goods and services, imported goods purchased from resident providers, and goods and services purchased from non-resident providers, such as in countries visited. |
| Outbound tourism | Outbound tourism comprises of the tourism of resident visitors outside the economic territory of the country of reference. |
| Outbound tourism consumption | Outbound tourism consumption is the consumption of outbound tourism, that is, the consumption incurred as a direct result of residents traveling to countries other than the one in which they reside. While most of this consumption happens outside the given country (compiling economy), such purchases might include goods and services produced in the visitor's country of residence and acquired for the trip. Purchases of international transportation are included in their entirety regardless of the residence of the carrier. |
| Production | Production is a process, carried out under the responsibility, control and management of an institutional unit, in which labour and assets are used to transform inputs of goods and services into outputs of other goods and services. All goods and services produced as outputs must be such as they can be sold on markets, or at least be capable of being provided by one unit to another, with or without charge. |

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| Residence | The residence of an institutional unit is the location where can be found its centre of principal economic interest. The residence of a household is that of all its members. |
| Stay unit | A stay unit describes the unit of accommodation that is available to be charged out to guests, for example, a powered site in a caravan park or a room in a hotel. |
| Tourism | Tourism 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. |
| Tourism characteristic activities | Tourism characteristic activities are those productive activities that have tourism characteristic products as their principal output. The sum of all tourism characteristic activities comprise the tourism industries. |
| Tourism characteristic products | Tourism characteristic products are those which, in most countries, would cease to exist in meaningful quantity or those of which the consumption would be significantly reduced in the absence of tourism, and for which statistical information seems possible to obtain. |
| Tourism collective consumption | Tourism collective consumption includes government expenditures on certain non-market collective services used by visitors and the productive activities that serve them. |
| Tourism connected activities | Tourism connected activities are those productive activities having as their principal output tourism connected products. |
| Tourism connected products | Tourism connected products are those products which are consumed by visitors in volumes which are significant for the visitor and/or the provider but which are not included in the list of tourism characteristic products. |
| Tourism consumption | Tourism consumption is the total consumption expenditure made by a visitor or on behalf of a visitor for and during his/her trip and stay at destination. |
| Tourism demand | Tourism demand is the sum of the tourism consumption, the tourism collective consumption and tourism gross fixed capital formation. |
| Tourism gross domestic product | Tourism GDP is the GDP generated in the economy by the tourism industries and other industries in response to tourism internal consumption. |
| Tourism gross fixed capital formation | Tourism gross fixed capital formation is the sum of the gross fixed capital formation in specific tourism fixed produced assets by all economic productive activities and the gross fixed capital formation of tourism industries in non-specific tourism fixed assets. |

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| Tourism industry | A tourism industry consists of a set of establishments whose principal productive activity is a tourism characteristic activity. |
| Tourism internal consumption | Tourism internal consumption comprises all tourism consumption expenditure that takes place within the given country (compiling economy). It includes all domestic tourism consumption, inbound tourism consumption, and the part of outbound tourism consumption which corresponds to goods and services provided by residents. It might include goods and services imported into the economy and domestically sold to visitors. It differs from internal tourism consumption by the part of outbound tourism consumption which corresponds to goods and services provided by residents. |
| Tourism non-specific products | Tourism non-specific products are all other products which are not tourism specific. |
| Tourism sector | The tourism sector consists of the set of institutional units whose principal economic activity is a tourism characteristic activity. These units might belong to the following institutional sectors: households, non-financial corporations (private, foreign owned, publicly owned), financial corporations, general government or Non-Profit Institutions Serving Households. |
| Tourism specific produced fixed assets | Tourism specific produced fixed assets are those assets specifically designed to produce tourism goods and services. If tourism did not exist, such assets would be severely impacted in terms of their utility and value. |
| Tourism specific products | Tourism specific products consist of the set of tourism characteristic products and tourism-connected products. |
| Tourism Value Added | Tourism Value Added is defined as the value added generated in the economy by the tourism industries and other industries in response to tourism internal consumption. |
| Traveller | A traveller is any person on a trip between two or more countries, or between two or more localities within his country of usual residence. |
| Value added of the tourism industries | Value added of the tourism industries is the value added of all characteristic producers, regardless of whether all or even some of their output is provided to visitors. It leaves out the effect of tourism consumption on other productive activities which might serve them. |
| Visitor | A visitor is any person traveling to a place other than that of his usual environment for less than 12 months and whose main purpose of trip is other than the exercise of an activity remunerated from within the place visited. |

**Visitors'
expenditures**

Visitors' expenditures are traditionally used in the analysis of tourism economy. They include expenditures on goods and services consumed by visitors for and during their trips and stay at destination. It corresponds with the monetary transactions component of tourism consumption.