COMMITTEE ON STATISTICS AND MACROECONOMIC ANALYSIS OF TOURISM
Seventh meeting
UNWTO Headquarters, Madrid, Spain
27-28 March 2006

Document for issue nº 1
“Statistical Balance of the Year 2005”

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1 Prepared by Scott M. Meis, Past Chairman and UNWTO Consultant
I have pleasure in presenting an assessment of the overall year-over-year progress of tourism statistics and macroeconomic analysis of tourism for 2005 as well as perspectives on the outlook for 2006 and emerging statistical issues and opportunities for the consideration of the Committee. This summary of events does not necessarily express the official views or positions of any of the members of the Committee nor is it an official document of the World Tourism Organization. Any errors of omission, fact or misinterpretation are the responsibility of the author.

This report is intended to provide a starting point for the annual deliberations of the Committee as well as a base document for an annual report to be subsequently presented in summary form to the Executive Council and published in the Enzo Paci Papers.

In 2005, the Chairman and the Secretariat introduced a revised structure to this document to respond to the broader communications objectives and new expanded mandate, greater accountabilities and new reporting requirements of the Committee consistent with UNWTO’s new status and new responsibilities as a UN Specialized Agency.

1. Current Global Situation Assessment

2005 was a very significant year for international tourism statistics and macroeconomic analysis when viewed from several key perspectives: substantively, institutionally, conceptually and methodologically. Significant advances were made in 2005 on all four of these dimensions of tourism statistics. That said, however, there still remain many challenges, gaps and shortcomings—some long standing and others newly emerging—that require further future attention and concentrated collective action.

Substantively, 2005 saw sustained growth in the strong recovery of global international tourism activity that began in 2004 after the disruptive external events of 2003. Based on detailed preliminary results for a large number of destinations the UNWTO World Tourism Barometer reports that the volume of international tourism arrivals in 2005 is estimated at 808 million, up 5.5% from 766 million in 2004. Remarkably, this growth was sustained despite a year filled with its own very significant external threats and disturbances including terrorism events, natural disasters, health scares, oil price rises, exchange rate fluctuations and political uncertainties. These results demonstrate the fact that in spite of a turbulent business environment the tourism sector has become increasingly resilient over the last few years. Indeed, although growth in the overall volume of international tourism activity was more moderate in 2005 than the plus 10% growth experienced in 2004, it was still almost 1.5 percentage points above the long-term average annual growth rate of 4.1%.

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2 The next meeting of the Committee is scheduled for 23-24 March 2005.
4 See UNWTO World Tourism Barometer, Volume 4, No.1, January 2006.
5 Ibid.
The sustained aggregate global increase in the volume of international tourism activity was also broad based, with 18 million of the 42 million additional arrivals occurring in Europe, 11 million in Asia and the Pacific, 7 million in the Americas, 3 million in Africa and 2 million in the Middle East.  

It is still too early to identify reliable trends in the overall value of international tourism for 2005 from aggregate estimates of international tourism expenditures and receipts. However, based on past experience -- in this case, the normal lagged pattern of expenditures following a sharp annual decline in tourism activity -- one would expect to find a slightly stronger growth in receipts worldwide than arrivals in 2005.

Notwithstanding the persistent technical challenges of timeliness in producing comprehensive and reliable estimates of the overall value of international tourism, 2005 saw the release of comprehensive statistical estimates of the overall value of international tourism trade for 2004. These numbers also contained another very significant story of their own. Tourism spending in that year by both personal and business travellers jumped 18% in 2004 to a record level of US $626 billion, led by a 31% rebound in travel to Asia. This impressive advance followed several years of stagnant revenue growth for the reasons noted previously. As mentioned above, outlays are on track to rise even further in 2005 despite a year filled with its own external threats and disturbances.

Since the mid-1980's, a period of rapid technological advance, trade liberalization and deregulation, the growth of international tourism flows has actually outpaced the rise of global goods trade. From 1985 to 2004, international tourism receipts expanded at an average annual rate of 9%, slightly faster than the 8% yearly rise in nominal goods exports or the 6.5% rate of increase in nominal global GDP.

The persistent sustained growth in international tourism despite external shocks reflects the influence of a number of driving factors, including rising disposable incomes, the emergence of low cost airlines with expanded routes and fewer restrictions, and (for most advanced economies) an aging population seeking more, and increasingly exotic vacation destinations. More recently, the explosion in internet sales has also supported growth in international travel. On-line travel bookings are one of the largest consumer e-commerce categories.

From a substantive macroeconomic standpoint, however, despite being a sustained global growth leader, tourism trade is still relatively small compared to the overall global trade in goods which totalled US$8.8 trillion in 2004.

Nonetheless, at the level of individual national economies, the sector is an important contributor to output growth and employment for many nations and generates significant domestic spinoffs. 2005 saw Canada release its 5th Tourism Satellite...
Account benchmark study 11 revealing that overall tourism spending (both domestic and international) represents almost 2.5% of GDP, slightly larger than the output of the motor vehicles and parts industry. Direct tourism related employment attributable to tourism demand accounts for over 600,000 jobs in Canada, almost as many workers as the finance and insurance industry; while the whole tourism sector combined accounted for 1.7 million jobs in 2003, or 10.7% of the Canadian labour force. 12

As with goods trade, a distinguishing feature of the rise in international travel has been the emergence of non-traditional markets as key receiving jurisdictions. Between 1985 and 2004 Western Europe’s share of international tourism receipts fell from 45% to 41%, while North America’s share dropped from 24% to 19%. Meanwhile, spending on travel to “other destinations” has increased by almost 10 percentage points to 40% of all outlays. 13

Most notably, Asia’s international travel receipts, totalling US$120 billion in 2004, surpassed those of North America for the first time ever. With just over 19% of the global tourism market, Asia is now the number two travel destination region after Europe. China alone has seen a more than quadrupling in its share of global travel receipts over the past two decades, to 4% last year. 14

For many operators in traditional destinations the new Asian markets present a new opportunity as well as a new competitive threat.

China, in particular, is gaining in significance as a major purchaser of travel services supported by a rapidly expanding economy and a growing middle class as well as less stringent restrictions on its citizens. Chinese visitors accounted for just over 3% of individual international tourism expenses last year up from less than 1% in 1994, and now represent a bigger international travel consumer market than does Canada, a long established market with one of the highest individual international travel propensities in the world.

The importance of the development of these new markets is even more significant in the light of the decline in international travel by U.S. residents in recent years. The United States is still the world’s second largest source of international tourism dollars (after Germany), but accounted for only 12% of international tourism expenditures in 2004, year, down from 15% in 2000. 15

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13 Ibid.
14 Ibid.
15 Ibid.
2. Global Prospects 2006

2.1. UNWTO Panel of Experts

UNWTO has assembled a panel of more than 200 specialists from almost 90 countries and territories and representing both the public and private sectors who constitute the UNWTO Panel of Tourism Experts. The panel is queried quarterly by means of an email survey of their expert views of recent actual tourism performance as well as the perceived short-term prospects of the tourism sector. This allows performance and prospects to be compared over time as well as providing a comparison of the actual performance of the past four months with the prospects forecast for the same period four months earlier. The resulting responses are cumulated and translated into a UNWTO global Tourism Confidence Index.  

For 2006, the panel expectations are still generally positive with an average index score of 140, approximately equal to the same prospects index score of 140 posted for 2005 and corresponding to a verbal evaluation of “better than would be reasonably expected”.  

2.2. UNWTO Short Term Forecast

The UNWTO Short-Term Forecast developed in cooperation with the Finudacion Prenio Arce of the Universidad Politecnica de Madrid, also projects that the pattern of gradually slowing global growth in tourism activity is expected to continue in 2006. According to the econometric model that has been developed using the monthly series of data on tourist arrivals, international tourist arrivals worldwide are expected to grow between 4-5% in 2006, approximately one percentage point lower than in 2005, but still somewhat above the forecast long term annual growth rate of 4.1%. 

According to the UNWTO Barometer, this outlook is supported by the continued strength of the world economy in most parts of the world and the improved prospects for the eurozone economies, particularly its most important source market Germany. However, the growth rate is slowing down to a more sustainable pace as most of the pent-up demand in the market available after the difficult years 2001-2003 is absorbed by now.

3. Statistics Committee Meetings

The Committee on Statistics traditionally meets once a year at UNWTO’s Madrid Headquarters. In 2005 the Committee held its sixth annual meeting on 21-22 March. This was followed on March 23 by an ad hoc meeting of key internal stakeholders and selected external advisors to discuss the planning and organization of the proposed 2005 Conference on Tourism Satellite Accounts.

16 UNWTO Barometer, Volume 4, No. 1, January 2006.
17 Ibid.
18 Ibid.
19 The next meeting of the Committee is scheduled for March 27-28, 2006.
Attendance in 2005 was a little larger with a more mixed composition following changes in the terms of reference of the Committee endorsed by the UNWTO Executive Council in June 2004. Some 40 participants attended the sixth meeting including 17 from member states, 4 affiliate member representatives, 6 observers, 8 special invitees, 5 consultants and UNWTO Secretariat staff.

The agenda followed the now traditional order with some additional new topics consistent with the newly assigned roles and responsibilities of the Committee.

3.1. Opening Session

The meeting was opened with a welcome from David de Williers, UNWTO Deputy Secretary General as well as presentation of some of the key aspects of tourism in 2004 and early 2005 from the perspective of the UNWTO Secretariat.

3.2. Progress Report

After the opening, the Committee Chairman, Scott Meis and Antonio Massieu presented a brief progress report on tourism statistics and accounts in 2004 along with a proposal for the restructuring of the traditional annual statistical balance report.

In particular, it was noted that, substantively, 2004 was marked by a strong recovery in tourism activity throughout the world, while the current outlook for 2005 was one of sustained growth despite the initial setback resulting from the recent Tsunami in South East Asia. It was also noted in particular that several significant institutional advances had been made in 2004 that were items of detailed discussion later in the agenda.

3.3. UNWTO new Specialized Agency status 20

The Chairman presented the positive decisions of the UNWTO Executive Council regarding his submission to them for new Terms of Reference 21 for the Statistics Committee including an expanded mandate, greater accountabilities, broader communications responsibilities and new reporting requirements for the Committee consistent with UNWTO's 22 new status and new responsibilities in the domain of tourism statistics as a UN Specialized Agency.

Vladimir Markhonko, an invited observer of the UN Statistics Division, presented an overview of the newly established Inter-Agency Coordination Group on Tourism Statistics (IACG on TS) created in September 2004 to facilitate the coordinating,

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20 See Documents 1 and 2, Sixth Meeting of the Committee on Statistics and Macroeconomic Analysis of Tourism, UNWTO Headquarters, Madrid, Spain 21-22 March 2005.
21 See Annex 3, “New terms of reference” of Document for Issue No. 3 “Call for strengthening the development of national Systems of Tourism Statistics and the international comparability of basic tourism data”.
specifying and updating of current international standards on tourism Statistics approved in 1993 and 2000. He outlined the structure of the new specialized coordination body consisting of a permanent core group at the plenary and working levels composed of the following organizations: the United Nations Statistics Division, the Statistical Office of the European Communities (Eurostat), the Organization for Economic Cooperation and Development (OECD), the International Monetary Fund (IMF), the International Labour Organization (ILO), the World Trade Organization (WTO) and the World Tourism Organization (UNWTO). Other international agencies such as the United Nations Conference on Trade and Development (UNCTAD), the United Nations Economic Council for Latin America and the Caribbean (UN ECLAC) and the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) will be invited on an occasional basis.  

Mr. Markhonko reported that an initial key decision of the IACG was that the current “…revision process should take the form of an open list of different issues based on the typology already adopted by the UN Statistical Commission for SNA93 revision: that is to distinguish between changes to the basic conceptual framework (requiring changes in key concepts that would impact data collection, compilation processes and analytical results) and amendments that do not require major changes (such as editorial amendments, clarification beyond dispute and interpretation)”.

Furthermore, he noted a further decision of the IACG to give initial priority to defining an agreed upon list of changes “in order to align the revision process of tourism statistics standards with the already established revision process of ISIC/CPA currently in progress and related classifications, as well as related macroeconomic frameworks (SNA93 and BPM5 and Migration/Household statistics). Thirdly, he noted another key agreement and decision of the IACG that there is “currently no need for fundamental or comprehensive changes to both sets of international standards as such changes would impede the process of implementation, which in most countries is presently underway”.

He also reported, briefly on the first meeting of the IACG Technical Sub-Group (TSG) which took place in Paris the previous month on 4 February 2005. In particular, he noted with pleasure that agreement was reached on a limited number of conceptual issues to be updated in present tourism statistics international standards. Specifically, a list of changes to the respective 1993 and 2000 standards was agreed to. Furthermore, it was also agreed that the revision process should also include other different types of amendments to present standards as recorded in both official texts. Lastly, he noted that the recent meeting of the TSG had also agreed on additional documents regarding tourism-specific aspects of other international statistical standards to be forwarded to other international technical committee meetings for them to discuss based on the agreements reached by the first meeting of the IACG on TS TSG.

24 Ibid.
25 Ibid.
Following Mr. Markhonko’s presentation on the recent advances and activities relating to the coordination and improvement of international standards relating to tourism statistics, Mr. Massieu shared the experience of his initial attempt to specify and articulate an “International Work Programme (WP) on tourism statistics” and the reception it received from the other international organizations. More importantly, he spoke further on his views on the significance and implications of these advances and activities relating to updating the tourism statistics standards and other related initiatives for “Enlarging UNWTO’s Statistical Programme of Work” for the period 2004-2005. He also tabled the Summary List of Issues for Discussion by the Technical Sub-group of IACG for questions, comments and discussions of the Committee.

3.4. UNWTO Statistical Program for the period 2006-2007

The Committee heard a presentation by Mr Massieu of an initial proposal of the UNWTO Statistical Program for the period 2006-2007 to be presented in 2005 to the next meetings of Executive Council and the General Assembly of the UNWTO respectively. In particular, he highlighted the new areas of emphasis that had been introduced in the areas of priorities, mission, planned outcomes and activities as a result of the UNWTO’s new status and new responsibilities in the domain of tourism statistics as a UN Specialized Agency and its involvement with the newly created IACG described previously.

After raising some questions of clarification regarding specific details of the new responsibilities, priorities and activities introduced in the proposed 2006-2007 programme of work; the Committee endorsed the programme presented by Mr. Massieu. At the same time, however, the Committee noted the limited resources of the UNWTO Statistics Department and expressed concern regarding the potential difficulties it might increasingly encounter in staying “on-strategy” and “on-plan” given the additional tasks emerging from its new roles and relationships particularly “carrying out the partial revision of the existing Recommendations on Tourism Statistics in the context of the general revision processes affecting the Balance of Payments, SNA93 and household/immigration statistics” as well as the Chair and Secretariat functions of the newly created Inter-Agency Coordination Group on Tourism Statistics (IACG on TS) and the significant number of supplementary ad hoc issue papers prepared in the second half of 2004 as inputs to required coordination processes between members of the IACG.

3.5. UNWTO Forthcoming World Conference

The Committee heard presentations by representatives the UNWTO Secretariat, UN ECLAC, ILO, the UNWTO Business Council and the UNWTO Education Council on the progress in planning for the forthcoming World Conference “The Tourism Satellite Account (TSA); Understanding Tourism and Designing Strategies”.

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The Committee also heard a separate progress report by the Chairman on the planned special contribution of the Committee to the proposed conference program consisting of the completion of a supplementary ad hoc research project to assess the state of development and problems of NTAs and CSOs in implementing the TSA:RMF.

After discussing various questions of clarification regarding specific details of the planning and preparations for the proposed conference and its associated proposed program of presentations and discussions, the Committee and observers endorsed the plans by the Secretariat and the other stakeholder partners in the event. They also offered their assistance in further developing the plans and the program as well as in promoting the event within their organizations and associated communications channels.

3.6. ISCO-88 Update: tourism occupations and related issues

The Committee heard a presentation by Mr. Massieu and supporting comments by Mr. Dirk Belau of the ILO regarding an external proposed to update selected tourism occupations in another international standard, ISCO-88. 28

The Committee raised and discussed a number of questions of clarification and some questions of substance and concern regarding the context of the initiative and the criteria and procedures used in identifying tourism related occupations as well as the details of the consultation process towards updating the standard in question.

The Committee also noted the important relationship between considerations of this topic and the separate research and development initiatives underway within one of its subcommittees as well as the ILO and various national initiatives to improve tourism employment statistics through the development of tourism labour accounts and/or a human resources module of the TSA.

Based on these considerations the Committee suggested that the Secretariat convey their questions and concerns to the proponents of the ISCO-88 update initiative.

But, also noting the heavy current workload of the UNWTO Statistics Program as well as the new responsibilities, priorities and activities introduced in the proposed 2006-2007 programme of work; the Committee recommended that the UNWTO forego any in-depth involvement with the proposed ISCO-88 initiative due to other priorities and commitments.

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3.7. Understanding and measuring the Meetings Industry: a UNWTO Business Council Initiative

The Committee heard with interest a presentation by Mr. Jens Jensen, a UNWTO Consultant to the UNWTO Business Council, of a project being initiated by the Business Council with the cooperation and involvement of the UNWTO Statistics Program to better reveal, measure and understand the economic activity associated with meetings conventions and incentive travel and its relationship to tourism.\textsuperscript{29}

The Committee also heard and noted the strong support for this project expressed by the representative of the International Congress & Convention Association, as an affiliate member of the UNWTO.

The Committee raised and discussed with Mr. Jensen several questions of clarification regarding the proposed focus and expected outcomes of the project already in progress and noted with pleasure the intentions of the Secretariat to include a presentation of the result of the current work in progress with the proposed program contents of the forthcoming global TSA conference in the fall of 2005.

3.8. The System of Tourism Statistics and the Tourism Satellite Accounts: Round Table on Work in Progress

The Committee heard a medley of round table of presentations by the members and invited observers on recent developments, initiatives, works in progress and accomplishments of the various national organizations and associations and international agencies concerned with the development and application of tourism statistics.

Presentations by UNWTO member countries and Non-member states included presentations by Australia, Austria, Canada, France, Israel, Mexico, Spain, Sweden and United Kingdom of recent leading edge projects and accomplishments.

Similar presentations were made by selected representatives of the Affiliate Members including the Association of Greek Tourist Enterprises, Centro-Internationale di Studi sull Economica Turistica (CISET), George Washington University and the International Congress and Convention Associations.

Similarly, the representatives of the various international organizations spoke of their recent progress on related initiatives in their different organizational contexts including reports by the representatives of the Economic Council of Latin America, International Labour Office, the OECD Tourism Committee Statistical Working Party, the Statistical Office of the European Communities (Eurostat), Ufficio Italiano dei Cambi (UIC), United Nations Statistics Division and the World Travel and Tourism Council,

Among these various presentations three were particularly noteworthy in terms of their implications for the current and future work of the Committee. One was the presentation by the representative of the Economic Commission for Latin America (ECLAC), identifying the emerging opportunity and new need for international cooperation in the development of tourism sustainability indicators. A second was the oral report of representative of the OECD Statistical Working Party regarding the proposed termination of the Tourism Program and the associated program of work of the Statistical Working Party. The third was a presentation by of Richard Vincent of Statistics Canada on Canada’s newly developed Business Conditions Survey of Traveller Accommodations Establishments and an associated short-term leading indicator index for the Canadian Accommodations Industry, the first such index in the Canadian services sector.

3.9. Measuring tourism expenditure associated with domestic tourism: a joint initiative of ILO and UNWTO

The Committee heard with interest a brief presentation by Mr. Massieu and supporting comments by Mr. Dirk Belau of the ILO regarding the progress of a joint initiative of the two international agencies to develop a standardized statistical instrument for measuring tourism expenditures associated with domestic tourism as a part of common overall annual household expenditures surveys. 30

Owing to time limitations, the Committee did not discuss this item in depth. Instead, the Secretariat invited Committee members to review the document and supply any comments and suggestions by email as soon as conveniently possible.

4. Interim Committee Task Force and Working Group Meetings

No interim Committee Task Force or Working Group Meetings were held in 2005 owing to the weight of activities and commitments on staff and committee members relating to other priorities, firstly, the planning and development of the UNWTO Iguazu Conference on Tourism Satellite Accounts and, secondly, the meetings and activities of the newly created Inter-Agency Coordination Group on Tourism Statistics and the associated weight of new requirements and activities of the UNWTO Statistical Program, staff and consultants.

However, one major supplementary activity of the Chairman, staff and selected consultants and Committee members throughout 2005 was the Committee’s contribution the Iguazu Conference, namely the development and implementation of a supplementary research project to assess the state of development and problems of NTO’S and NSO’s in implementing the TSA:RMF. The results of this special ad hoc project were subsequently presented at the Iguazu Conference in Session 4 “Sharing experiences in TSA implementation”.

5. Meetings and Activities of the Inter-Agency Coordination Group on Tourism Statistics

Summaries of the recent activities of the *Interagency Coordination Group on Tourism Statistics* (IACG) are presented in the recent new newsletter of the Interagency Task Force on Statistics of International Trade in Services [31] as well as the agenda reference document for Issue No. 5 of the forthcoming meeting of the UNWTO Statistics Committee entitled “Updating tourism statistics international standards: its opening to the public domain”. [32]

The second meeting of the IACG (originally scheduled for September 2005) recently took place in New York on 24 February 2006. At that occasion, UNWTO presented four discussion papers prepared throughout 2005 for the consideration of the IACG and the intervening meetings of other stakeholder groups: (1) a paper outlining its proposed list of issues and specific proposal for an electronic discussion forum to facilitate a transparent process for updating current existing international standards pertaining to tourism statistics, [33] (2) a “position paper” on the subject “An exception to the product dimension: the “business / personal split on the travel item”, [34] (3) an “issue paper” entitled “Update of the Definition of Visitor / List of Tourism Purposes / International Travellers Excluded as Visitors”, [35] and (4) another “position paper” entitled “Measuring Time Share in the Tourism Satellite Account (TSA) and Related Macroeconomic Frameworks (SNA93 and BPM5).” [36]

Further information on the reception and discussion of these various working “issue papers and position papers is expected at the forthcoming seventh meetings of the UNWTO Statistics Committee on 27-28 March 2006.

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[34] See the “position paper” entitled “An exception to the product dimension: the “business / personal split on the travel item” presented to the TSG of the IACG on TS for discussion at its second meeting (24 February 2006, New York) which was also included previously as part of the Note forwarded (4 February 2005) by the Technical Sub-group on Tourism Statistics to the Balance of Payment Committee (BOPCOM) and the Advisory Experts Group on National Accounts (AEG).
6. Iguazu Conference on Tourism Satellite Accounts

Unquestionably, one of the highpoints of 2005 in terms of tourism statistics was the UNWTO Iguazu conference “The Tourism Satellite Account: Understanding Tourism and Designing Strategies”. On October 3-6, 2005 UNWTO and the combination of the Secretariat of Tourism of Argentina, the Ministry of Tourism of Brazil and the National Tourism Secretariat of Paraguay, co-hosted one of the most important conferences on tourism statistics to date in the new millennium. Apart from the thoughtful and efficient organization of this conference, the excellent hospitality and the spectacular environment of the Iguazu waterfalls area, the scope and quality of the presentations and discussions was particularly remarkable.

The opening keynote address, eight sessions and two workshops of the conference involving more that 70 speakers covered a wide range of significant topics and themes including:

- A keynote address on the subject of “Introducing Tourism Into the Mainstream of Economics”;
- The TSA’s relevance for policy makers
- TSA implications for trade policies
- Adapting the TSA conceptual framework: the regional perspective
- Sharing experiences in TSA implementation
- Linking environmental accounting with the TSA
- Business strategy design and its relation to the TSA project
- Monitoring labour markets in the tourism sector
- Measuring the Meetings Industry
- Market intelligence for action and forecasting: the TSA contribution
- Using the TSA framework to design tourism strategies: basic areas of application.

This rich combination of sessions, attended by more than 430 delegates from more than 80 countries, provided the delegates with “a unique opportunity to assess the actual level of development, analysis and application of the Tourism Satellite Account (TSA) worldwide”.

The UNWTO believes that with this level of participation, “the Conference served as a valuable forum for the exchange of experiences and helped to delineate a set of basic goals that should guide its programme of work in the coming years”. From its viewpoint, relevant key goals for its statistical programme of work that have emerged from the exchange of knowledge and technical experiences at the conference include the following:

37 See the UNWTO report entitled “The Iguazu Conference: UNWTO Findings and Evaluation”.
38 See also the CD ROM of the proceedings entitled “Documents,” WTO Conference Co-organized with Argentina, Brazil and Paraguay, Iguazu 3-6 October 2005 The Tourism Satellite Account: Understanding Tourism and Designing Strategies.
39 Ibid.
1. Ensuring the legitimacy and credibility of a TSA exercise
2. Protecting the TSA brand
3. Guaranteeing its continuity
4. Viewing the TSA as a continuous work in progress
5. Promoting a strategic alliance between NTAs and CSOs
6. Bringing economic analysis to the forefront
7. Fostering TSA use for the formulation of policies and strategies
8. Providing a new leadership role for NTAs
9. Sharing knowledge and experience
10. Defining a far-reaching program of technical assistance.

Among the many significant insights and experiences emerging at Iguazu, several were particularly significant in the context of this report of the 2005 statistical balance:

1) The signing of a multi-year agreement between UNECLAC and UNWTO on statistics and economic analysis of tourism, the first of agreement of its kind dealing with technical cooperation on tourism statistics at the level of international organizations with responsibilities relating to tourism statistics.

2) Workshop 1, on the subject of Linking Environmental Accounting With the TSA, the first discussion of its kind at a major international event to start to examine the necessary technical advances required to measure and monitor the relationship between tourism and the environment a fundamental basis for addressing to often mentioned policy goal of tourism sustainability.

3) The release of the milestone central paper “Using TSAs to measure the Meetings and Events Industry” presented in Session 6 Measuring the Meetings Industry, addressing a long standing industry users’ statistical requirement that has been an important gap and limitation in TSA related industry information to date.

4) The release of preliminary results of a survey conducted by the UNWTO Statistics Committee, as an important input to the discussion in session 4 as well as the overall conference, identifying 67 countries as having established TSA projects, having recently developed relevant TSA experimental exercises, or expecting to begin constructing a TSA during the period 2005/2006 and also revealing a number of significant needs for additional technical guidance on TSAs on the part of the UNWTO. 41

5) And finally, the release at the conference of the 5th Canadian TSA benchmark study, providing new insights into the stability and value of TSA results and the sustained significance of tourism in the Canadian economy. 42

Lastly, in the context of this report it is important to note and recognize the four additional substantial conceptual and technical paper contributions of the UNWTO Department of Statistics and Economic Measurement of Tourism to the conference. These papers were linked to sessions 2, 3 and 7 of the conference and published separately at the conference as supporting documents:

- **Document 1**: General guidelines for the development of foreign direct investment indicators on the tourism sector (Session 2);
- **Document 2**: Tourism as an internationally traded service – A guide for measuring arrivals and associated expenditures of non-residents (Session 2);
- **Document 3**: Adapting the National TSA project to sub-national levels – A discussion paper (Session 3);
- **Document 4**: Measuring domestic tourism and the use of household surveys – A working paper (Session 7).

### 7. Other Activities of International and National Agencies and Institutions

#### 7.1. International Statistical Cooperation

##### 7.1.1. Introduction of the First Newsletter of the Interagency Task Force on Statistics of International Trade in Services (TFSITS)

January 2006 saw the release of the first issue of a new newsletter that responds to the growing demand for technical guidance and knowledge sharing from statistical compilers around the world relating to current initiatives to improve the measurement of international trade in services. The aim of the new newsletter is twofold i) to raise awareness of international developments in this important area; and ii) to expand and strengthen the network of statistical compilers and analysts of international trade in services and facilitate communications.  

##### 7.1.2. Update of the Manual on Statistics of International Trade in Services

The Interagency Task Force on Statistics of International Trade in Services has also announced plans to produce an updated Manual on Statistics of International Trade in Services (MSITS) by the end of 2008 for approval by the UN Statistical Commission in 2009. This work is currently scheduled to begin in the first half of 2006 following the current updating of the System of National Accounts (1993 SNA), the Balance of Payments Manual, the activity and product classifications ISIC and CPC, together with a proposal to develop a chapter in the BOPM on Mode 4 (natural persons supplying services). The updating process is to be facilitated with a worldwide consultation via a questionnaire on issues for the updating including a review of the Extended Balance of Payments Services Classification (EBOPS).  

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44 Ibid. p. 2.
7.2. Technical Sub-Group on the Movement of Persons – Mode 4 (natural persons supplying services)

This technical sub-group was established by the UN Statistical Commission at its thirty-fifth session in 2004. “The TSG focuses on a) developing a new definition of remittances within the balance of payments (BOP) and b) developing a framework for measuring the economic impacts of movement of persons and, in particular of Mode 4, for inclusion in the update of the Manual of Statistics on International Trade in Services.”  

UNWTO has been actively involved in the ongoing extensive discussions of conceptual definitions of remittances with particular focus on the clarifying the gaps and differences between the TSA:RMF and BOP. Future planned discussions will focus on a set of variables to measure the movement of persons in relation to Mode 4 as well as the economic impact of the movement of persons in the broader sense.  


The update of the 1993 System of National Accounts (SNA) and the revision of the Balance of Payments Manual – Fifth Edition (BMP5) are currently in progress with both updated manuals scheduled to be published in 2008. Of particular interest and significance to tourism statisticians and economists have been the discussions and decisions stimulated by UNWTO experts of the treatment of travel services, partly to assist in linking the Balance of Payments concepts more closely to those of the Tourism Satellite Account. Most of the decisions to date have been clarifications of the existing travel services item relating in particular to expenditures by military personnel and civil servants employed in government enclaves, the evaluation of services of travel agencies and tour operators, the split between business and personal travel, a supplementary presentation combining travels services and passenger transportation and further supplementary detail on travel services.

The active involvement of UNWTO and its experts and the positive reception to their positions in these significant and far reaching discussions is a highly noteworthy first-time experience, arguably related to the growing acceptance of the TSA and the associated recognition of tourism as credible economic phenomenon force, as well as the new status of the UNWTO as a full fledged Specialized Agency of the UN with special responsibilities for leadership in tourism statistics.

7.4. ISI Committee on Statistics of Travel and Tourism (COSTT)

2005 also saw the fifth Administrative meeting of the Marco Polo Committee on Statistics of Travel and Tourism (COSTT) on April 7 during the 55th Session of the International Statistical Institute (ISI) 5-12 April in Sydney, Australia.

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45 Ibid. p. 3.
46 Ibid.
47 Ibid. p. 5.
The Marco Polo Committee was formed in 1993 to stimulate the development of statistics in the travel and tourism industries, and to stimulate communications among those who are interested in using travel and tourism statistics. It is an informal association of persons who have technical and scientific, or professional interest in tourism statistics, whether or not they are members of ISI or its sections. An Executive Committee elected for a period of two years at each biennial Administrative Meeting. The Secretariat of COSTT is provided by the Centro-Internazionale di Studi sull Economia Turistica (CISET) at the University Ca Foscari of Venice, Italy. The general aims of COSTT are to improve the collection, analysis, publication and use of statistics on tourism demand, supply and other economic measures. As of April 2005, membership in the network, which is voluntary and requires no financial commitment, had grown to a total of more than 50 individuals.

The 2005 Administrative meeting approved a new strategic plan for 2005-2007 with a main strategic priority of positioning COSTT as a leading organization in facilitating the exchange and use of tourism datasets among tourism researchers internationally.

The meeting also elected a new Executive Committee for the 2005-2007 period under the leadership of the incoming Chairman Joseph O’Leary of the Department of Recreation, Parks and Tourism Sciences of Texas Agricultural and Mining University, College Station, Texas, USA.

COSTT also organized an Invited Paper Session (IPM071) during the main paper sessions of ISI 2005 on the topic of “International Tourism Flows: Measuring Volumes, Values and Characteristics. The session involving more than 40 participants included for excellent invited speakers papers:

- New Developments in the Measurement of International Tourism and Policy Implications (Stan Fleetwood, Australian Bureau of Statistics);
- Dealing With Unknown Reference Populations in Inbound Borders Surveys, (Luca Buloroini, Andrea Alivernini and Giuseppe Ortolani, Ufficio Italiano de Cambi);
- Measuring Volumes, Values and Characteristics of International Tourism Flows – The Case of Mauritius (Malati Pochun, Mauritius Tourism Authority);

Work is currently progressing on the possibility of organizing two Invited Paper Sessions relating to tourism statistics at the next 56th Session of the ISI in Lisbon, Portugal in 2007.
7.5. Travel and Tourism Research Association (TTRA) Annual Conference, 18-20 June 2006 Dublin, Ireland

Plans have been recently confirmed to hold two sessions at the forthcoming Dublin TTRA Conference relating to the agenda of the UNWTO Statistics Committee and current issues and activities of the 2004-2005 and 2006-2006 work programmes of the UNWTO Department of Statistics and Economic Measurement of Tourism 1) Visitor Expenditures and Economic Impacts; 2) Tourism Industry and Economic Impacts. The papers of these two special topic sessions are linked to a forthcoming Special Issue of the Journal of Travel Research on the “Economic Impacts of Tourism”. Eleven manuscripts on a variety of methodological and applied issues will be included in the Special Issue. Authors of eight of the manuscripts will be attending the Dublin meetings and will present abbreviated versions of their papers. These two forthcoming sessions along with the JTR Special Issue provide an excellent opportunity to showcase the recent progress, as well as the persistent and emerging issues and challenges relating to tourism statistics and economic measurement to the broader community of tourism industry and academic researchers, analysts and students.

7.6. Other Selected Research

7.6.1. Canadian Tourism Industry Outlook

One other noteworthy highlight of 2005 was the, first ever, new Canadian Conference Board release of a newly developed forward-looking micro-economic portrait of the current and medium-term future profitability and growth of the Canadian tourism sector and its key component industry groups. This new leading-edge industry-oriented analytical report is modeled after other similar forward-looking business-oriented reports developed previously for manufacturing and resource-based industries in Canada. Its development is based on the integration of results from the Canadian TSA and its further extension, the 15 year time series of Canadian National Tourism Indicators, with tourism demand and total economy and other industry forecasting models developed previously by the Board.

7.6.2. Research and Standards on Tourism Statisticians and Researchers

In 2005, the Canadian Tourism Human Resources Council in partnership with the Travel and Tourism Research Association, has initiated a project to research and develop occupational standards, descriptions and criteria for the occupation of tourism researcher/statistician.

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48 Canada’s Tourism Industry Outlook (Conference Board of Canada, January 2006).

In addition to the other forthcoming events and activities mentioned previously the Agenda and reference documents, UNWTO’s Statistical Programme for 2006-2007 is included in the preliminary agenda of the seventh meetings of the UNWTO Committee On Statistics and Macroeconomic Analysis of Tourism for further discussion regarding its scope, prioritization and the potential for enhancing leverage and cooperation between the UNWTO and the Committee members with respect to identifying examples of good practices relating to the initiatives described in the programme.

It is worth noting that the Programme and the associated outputs and performance indicators described therein has already been endorsed by the UNWTO Secretariat as a part of the document “UNWTO Agenda 2010” submitted to UNWTO’s General Assembly (Dakar, Senegal, 28 November – 2 December 2005).

9. Conclusion

2005 was a very significant year for international tourism statistics and macroeconomic analysis when viewed from the several different key perspectives discussed in this report: substantively, institutionally, conceptually and methodologically. Significant advances were made in 2005 on all four of these dimensions of tourism statistics. Substantively, 2005 saw sustained growth in the strong recovery of global international tourism activity that began in 2004 after the disruptive external events of 2003. From an institutional perspective, the recent and rapid advances in cooperative activities relating to tourism by the various members and sub-groups of the newly formed Interagency Coordination Group on Tourism Statistics (IACG) have been particularly remarkable. Furthermore, the positive impacts of some early decisions are already apparent. The body of working papers contributing to those activities and discussions as well as the considerable body of new thought, knowledge and experiences prepared and assembled for the 2005 Iquazu conference has also been remarkable. And of course, the event itself provided a unique opportunity to assess and celebrate the recent progress in the domains of tourism-related statistics and economics. The positive recent progress seen from that vantage point in 2005 is nothing short of amazing!

On the negative side of the statistical balance sheet for 2005, on the other hand, there is the organizational setback of the reported termination of the OECD Tourism Committee Statistical Working Party. Also, there still remain many challenges, gaps and shortcomings—some long standing and others newly emerging-- that require further future attention and concentrated collective action. In the opinion of the author of this report, four particular gaps remain largely neglected and, as such, warrant further future consideration and collective effort:

1. Domestic tourism statistics -- despite the passage of 15 years since the new definitions of domestic tourism were endorsed and promulgated, domestic tourism statistics still remain largely dispersed, disaggregated and incomparable with no combined global data base. As a result, the full global economic significance of tourism continues to be understated and unmeasured.

2. External Risk Scenario Analysis of Avian Flu – despite the increasing spread of Avian Flu and growing concerns, and active assessments of other institutional aspects of the growing likelihood of a possible future flu pandemic; no rigorous quantitative analysis has yet been carried out and published on the likely tourism implications of this major potential threat to the future growth of tourism.

3. Media coverage – despite the passage of more than ten years since the release of the first Tourism Satellite Account, most public and business news media outlets and the associated coverage of travel and tourism remains uninformed of, and unaffected by, the recent conceptual and measurement advances in tourism statistics and economics.

4. Data exchange – despite significant recent and cumulative public and private investments in tourism related statistical infrastructure, data and analytical economic instruments; the major share of the data and information being cumulated remains unanalyzed, unshared and inaccessible to the larger community of tourism statisticians, analysts and researchers. As a result, the full potential value of the current level of investment in tourism statistical and economic information assets is largely unrealized.