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- General understanding of the terms “Travel” and “Tourism”
- The Balance of Payments link
- Information sources
- The Tourism Satellite Account (TSA) as an end-product
What is generally understood by the terms “Travel” and “Tourism” against the framework of the 6th edition of the draft *Balance of Payments Manual (BPM6)*?

- **Travel**
  - Displacement of persons between different geographic locations
  - For any purpose
  - For any duration
  - Called travellers

- **Tourism**
  - More limited than travel (cover specific types of trips)
  - Outside usual environment
  - For less than 1 year
  - Main purpose should not be employment
  - Called visitors (overnight visitors or tourists; same day visitors)

- Tourism is subset of Travel (will become more clear later)
Balance of Payments link

- Focuses on the description of the economic relationship between residents and non-residents
- In the well known macroeconomic equation:
  \[ Y = C + I + G + X - M \]
  
  \( X \) represents exports of goods and services
  \( M \) represents imports of goods and services

- Let’s focus on \( X \): (inbound)
  - Travel item in the Balance of Payments forms part of \( X \) since it represents an export of a service to non-residents
Non-residents “arriving” in a country can be identified at national borders as 2 main categories of natural persons:

- “inbound” travellers
  - arriving for work
  - seasonal workers
  - border workers
  - other frequent border crossers
  - long-term patients
  - long-term students
  - crews on regular lines
  - nomads/refugees (if intended length of stay is shorter than 1 year)
Inbound visitors include (this is regarded as tourism statistics)

- recreation, leisure
- business
- visiting family and relatives
- short-term study (shorter than 1 year)
- short-term health care (shorter than 1 year)
- religious
- shopping
- transit
– Expenditures of inbound travellers and inbound visitors are collectively found in the Balance of Payments under the “travel” item.

– On this basis, the “travel” item has a broader scope than tourism statistics.
Thus:
The “travel” and “international passenger carriage” item form part of $X$ in the equation for further processing in the supply and use tables and TSA.
Sources of information
  – Certain adjustments to the source information are necessary
  – Must make economic sense and portray economic reality
    – Big challenge!

• Departure Survey of SA Tourism (purpose of travel, spend information, visitor demographics, length of stay, satisfaction levels)
• Number of people from Stats SA
• Credit card information from Banking channels (outbound)
• International Transaction Reporting System (ITRS)
The TSA is the end-product of data that was subjected to other macroeconomic frameworks and is essentially a conceptual framework for understanding tourism from a macroeconomic perspective.

- Focuses on the description and measurement of tourism in its different forms (inbound, domestic and outbound)
- Provides a link to the System of National Accounts (SNA) and the Balance of Payments
- Consistent with the general supply and use tables at national level.
Thank you