

The Tourism Satellite Account (TSA)

Introduction

1. A Tourism Satellite Account (TSA) integrates data about the supply and use of tourism-related goods and services into a single format. It summarizes the contribution tourism makes to production and employment, consistent and integrated with the official national accounts of the country. It measures expenditure by both resident and non-resident tourists, and thus gives a picture of the overall size of the tourism industry, including its contribution to gross domestic product (GDP) and employment.
2. Tourism Satellite Account 2010 provides a picture of the role tourism plays in Mauritius. It is compiled under the United Nations World Tourism Organization framework. A brief methodology including the concepts, definitions and classifications used, and data sources is given at Annex.

Note to users

The TSA presented in this report is experimental and is based on limited data available for 2010. It is not strictly comparable to the previous one published for 2005 due to the different treatment of domestic tourism.

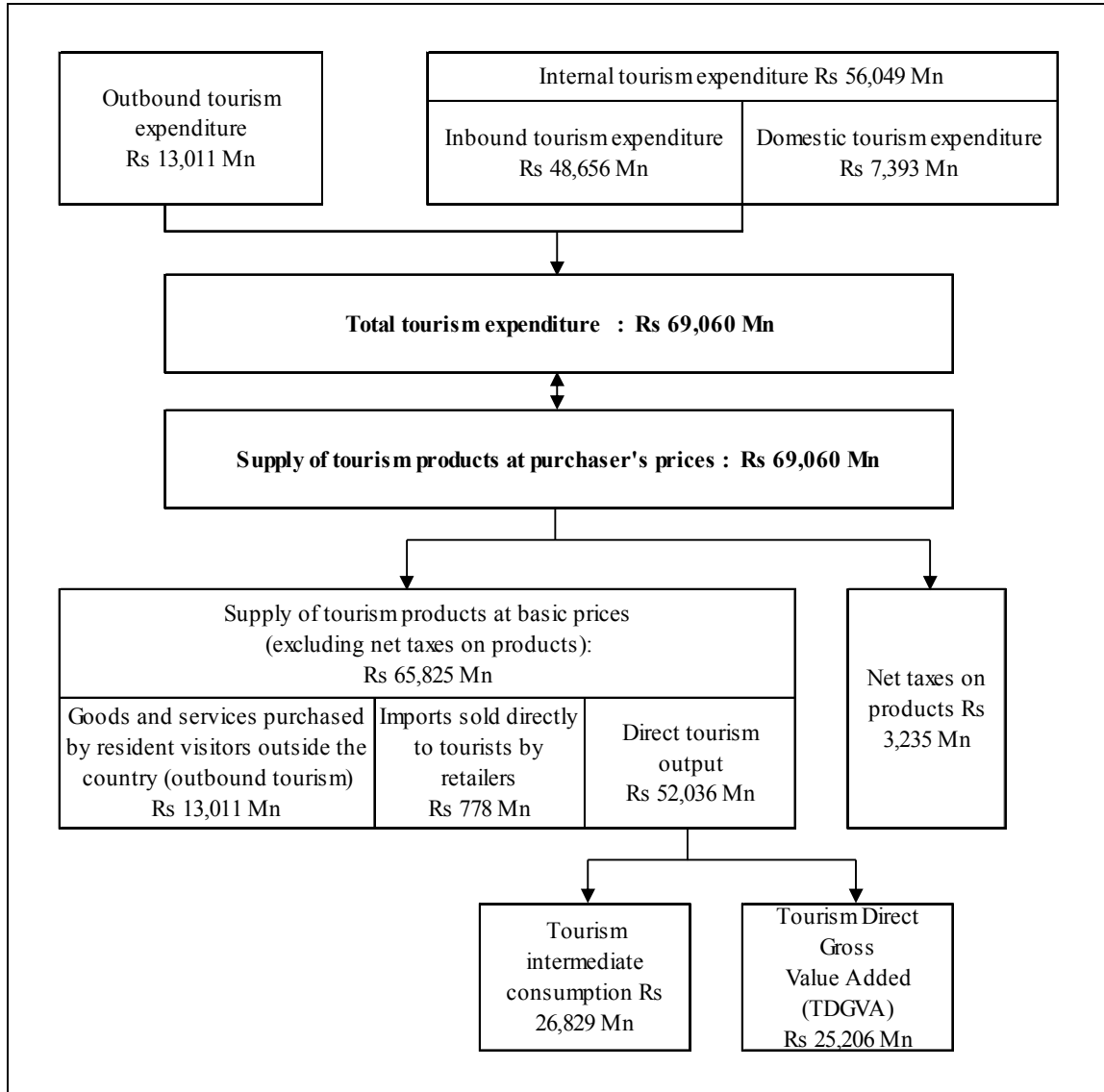
Key results for 2010

3. Total tourism expenditure at market prices was Rs 69.1 billion, made up of expenditure by
 - inbound tourists: Rs 48.7 billion (70.5%),
 - outbound tourists: Rs 13.0 billion (18.8%), and
 - domestic tourists: Rs 7.4 billion (10.7%).
4. Tourism generated a contribution to GDP of Rs 25.2 billion, or 9.5% of GDP.
5. The tourism industry directly employed 53,390 persons (or 9.6% of total employment).
6. Tourists generated Rs 3.2 billion in revenue from taxes on products.

Flow of tourism expenditure in the economy, 2010

7. The chart below shows the tourism expenditure of the different forms of tourism for 2010, and how it was met.

Chart 1: Tourism expenditure, 2010



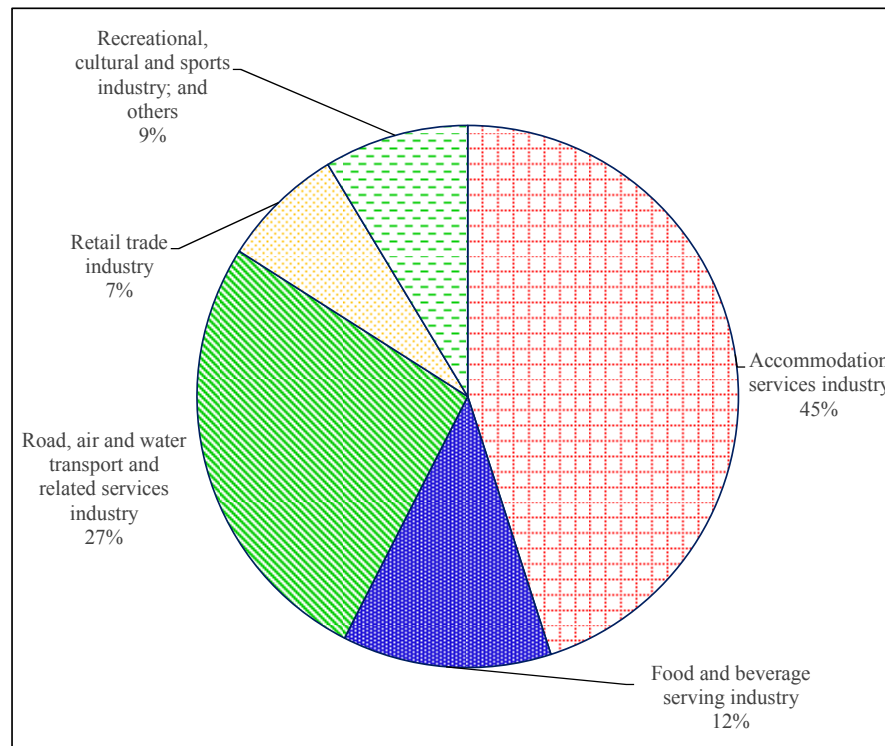
8. In 2010, the total tourism expenditure at market prices was estimated at Rs 69,060 million. Inbound tourism expenditure was Rs 48,656 million (70.5%), outbound tourism expenditure Rs 13,011 million (18.8%) and domestic tourism expenditure Rs 7,393 million (10.7%).
9. After removing all taxes net of subsidies amounting to Rs 3,235 million, the total tourism supply at basic prices worked out to Rs 65,825 million.
10. The total supply at basic prices included Rs 52,814 million of imported and locally produced tourism goods and services purchased by resident visitors (domestic tourism) and nonresident visitors (inbound tourism) within the country, and Rs 13,011 million of imported tourism goods and services consumed by resident visitors outside the country (outbound tourism).

11. Intermediate consumption of local producers of tourism goods and services was estimated at Rs 26,829 million, representing 51.6% of their gross output, valued at Rs 52,036 million. Their value added or the total Tourism Direct Gross Value Added (TDGVA) at basic prices, calculated as the difference between the gross output and the intermediate consumption worked out to Rs 25,206 million. This represents 9.5% of Gross Domestic Product (GDP) at basic prices.

Tourism Direct Gross Value Added (TDGVA) by industry, 2010

12. Around 45% of the total TDGVA was generated by industries providing “Accommodation services”, 12% by “Food and beverage serving industry”, 27% by “Road, air and water transport, and related services industry” and 7% by “Retail trade industry” and the remaining 9% by “Recreational, cultural, sports industry” and “others”.

Chart 2: Percentage distribution of Tourism Direct Gross Value Added by industry, 2010



Composition of tourism expenditure, 2010

13. In 2010, around 60% of tourism expenditure of non-resident visitors within the country (inbound tourism) were on accommodation services (42.3%) and air passenger transport (18.9%).
14. Resident visitors outside the country (outbound tourism) spent mostly on shopping (38.3%), accommodation services (34.0%) and food and beverages (9.8%), while residents spent mostly on air/sea transport (82.0%) within the country either as part of a domestic tourism trip or part of an outbound tourism trip.

Table 1: Distribution of tourism expenditure by product and category of tourists, 2010

Product group	Outbound tourism expenditure (%)	Internal tourism expenditure	
		Inbound tourism expenditure (%)	Domestic tourism expenditure (%)
Accommodation services	34.0	42.3	4.1
Food and beverages	9.8	11.0	5.8
Road passenger transport	3.0	7.9	0.6
Air and sea passenger transport	6.0	18.9	82.0
Transport equipment rental services	0.9	1.7	0.0
Travel agencies and other reservation services	1.8	4.3	0.6
Recreational, cultural services and sporting services	2.2	2.1	0.7
Country specific tourism characteristics goods and services	38.3	9.8	5.6
Other consumption goods and services	4.0	1.9	0.5
Total tourism expenditure	100.0	100.0	100.0

Source: 2010 Survey of Inbound and Outbound Tourism

International trade in tourism

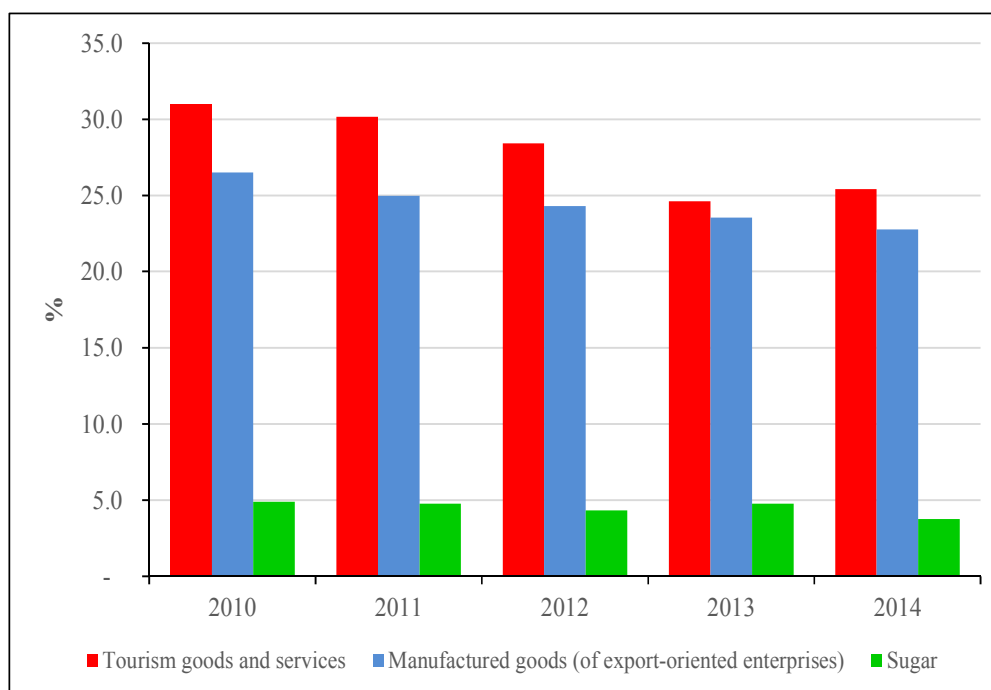
15. Exports of tourism goods and services comprise locally produced goods and services purchased by non-resident visitors in the country (inbound tourism expenditure). Table 2 and Chart 3 compare revenue from exports of tourism goods and services with that of exports of export-oriented enterprises and sugar over the period 2010 to 2014.
16. Exports of tourism goods and services remain our main exports, accounting for around 25% of the country's total exports of goods and services in 2014. Comparatively, manufactured goods of the export-oriented enterprises represent around 23% and sugar around 4%.

Table 2: Export of tourism goods and services, manufactured goods of export-oriented enterprises and sugar, 2010-2014

Main exports	2010		2011		2012		2013		2014 ¹	
	Rs Mn	%	Rs Mn	%	Rs Mn	%	Rs Mn	%	Rs Mn	%
Total exports of goods and services	157,036	100.0	172,564	100.0	187,688	100.0	198,793	100.0	207,333	100.0
<i>of which:</i>										
Tourism goods and services	48,656	31.0	52,058	30.2	53,311	28.4	48,933	24.6	52,695	25.4
Export Oriented Enterprises	41,622	26.5	43,100	25.0	45,606	24.3	46,778	23.5	47,215	22.8
Sugar	7,708	4.9	8,226	4.8	8,135	4.3	9,480	4.8	7,783	3.8

¹ Provisional

Chart 3: Share of main export items in the total exports of goods and services, 2010-2014



17. Tourism balance of trade, defined as tourism exports (locally produced goods and services purchased by non-resident visitors in the country) net of tourism imports (goods and services purchased by residents visitors outside the country) for the period 2010 to 2014 is shown in Table 3 below.
18. Steady increases were noted in the tourism balance of trade during the period 2010 to 2012. In 2013, it declined due to high increase in tourism imports and a drop in tourism exports.

Table 3: Balance of trade of tourism sector, export-oriented enterprises, and total economy, 2010-2014

	2010	2011	2012	2013	2014 ¹
Total exports of goods and services	157,036	172,564	187,688	198,793	207,333
<i>of which:</i>					
Tourism sector	48,656	52,058	53,311	48,933	52,695
Export Oriented Enterprises	41,622	43,100	45,606	46,778	47,215
Total imports of goods and services	190,777	214,328	229,399	243,514	243,862
<i>of which:</i>					
Tourism sector	13,011	12,265	11,828	13,991	15,459
Export Oriented Enterprises	23,007	27,025	26,665	29,340	27,473
Balance of trade (goods and services)	-33,741	-41,764	-41,711	-44,721	-36,529
<i>of which:</i>					
Tourism sector	35,645	39,793	41,483	34,942	37,236
Export Oriented Enterprises	18,615	16,075	18,941	17,438	19,742

¹ Provisional

Contribution of tourism sector

Table 4: Contribution of tourism sector ¹ to the economy

	2005		2010	
	Value	% of total economy	Value	% of total economy
Employment	42,360	8.6	53,390	9.6
Value Added (Rs. Mn)	20,301	12.5	25,206	9.5

¹ Estimates for 2005 has been worked out based on methodology used for TSA 2010. The data for value added for 2005 is therefore different from that published in TSA 2005. Information on the change in methodology is given at paragraph 3(iii) in Annex.

19. In the year 2010, tourism sector generated Rs 25,206 million as direct value added. This represented 9.5% of GDP.
20. For the year under review, direct tourism employment stood at 53,390, representing 9.6% of total employment. Among those working in the tourism sector, 45% were employed in the 'Accommodation Services' industry.

Statistics Mauritius
Ministry of Finance and Economic Development
Port Louis
August 2015

Contact person

Mr. E. Romjon, Acting Statistician
 Ministry of Tourism and External Communications
 3rd Floor, Victoria House, Port Louis
 Tel: (230) 211-9043, Fax: (230) 210-3901
 Email: eromjon@govmu.org

Technical note

Methodology for the computation of a Tourism Satellite Account

1. Introduction

This Tourism Satellite Account (TSA) for reference year 2010 has been constructed in line with the recommendations of the 2008 Tourism Satellite Account Recommended Methodological Framework (TSA: RMF 2008) of the United Nations World Tourism Organisation (UNWTO). A major feature of this methodology is that it analyses tourism and its relationship with the rest of the economy within the central framework of national accounting, the 2008 System of National Accounts (SNA2008). Hence, tourism's contribution to national accounts aggregates can be determined and compared with other industries.

2. What is a TSA?

A Tourism Satellite Account analyses in detail all the aspects of demand for goods and services associated with tourism activities and how this demand is met by other economic activities.

From the supply side, tourism constitutes the productive activities that cater mainly for visitors. Goods and services produced locally for tourists (tourism output) and imports of tourism products make up the total supply of tourism products.

Tourism on the demand side refers to the activities of visitors, and their role in the acquisition of goods and services and focuses on tourism expenditure by category of tourism, namely outbound, inbound and domestic.

A TSA provides for

- (i) macroeconomic aggregates that describe the size and the economic contribution of different forms of tourism;
- (ii) data on tourism consumption, and how the demand is met by domestic supply and imports;
- (iii) detailed production accounts of the tourism industries including linkages with other productive economic activities.

Limitations

- (iv) However, the TSA measures only the direct contribution of the sector in the economy of a country. The total impact (including indirect and induced effects) on the economy is not fully reflected in the TSA, and can best be measured and analyzed using other means such as input-output or computable general equilibrium models based on the TSA or other modeling instruments which allow for comprehensive tourism impact analysis.

3. Coverage

The different forms or categories of tourism covered are:

- (i) ***Inbound tourism*** which comprises activities of a non-resident visitor within the country of reference on an inbound tourism trip;
- (ii) ***Outbound tourism*** which covers activities of a resident visitor outside the country as part of an outbound trip;
- (iii) ***Domestic tourism*** which comprises activities of a resident visitor within the country either as part of a domestic tourism trip or part of an outbound tourism trip. A domestic tourism trip refers to trip undertaken between the Island of Mauritius and the Island of Rodrigues. To note that in previous TSAs compiled by Statistics Mauritius, domestic tourism trips also included trips by resident visitors within the country and excluded air ticket purchased from Air Mauritius for outbound trips.

4. Sources of data

Data used were from the following:

- (i) The 2007 Supply and Use Table for the Republic of Mauritius, worked out from bench data from the 2007 Census of Economic Activities.
- (ii) The 2010 Balance of Payments (BOP) Statistics of the Bank of Mauritius.
- (iii) The results of the 2010 Survey of Inbound Tourism.
- (iv) The results of the 2010 Survey of Outbound Tourism.

5. Classifications

The classifications used are the United Nations international classifications, namely the Central Product Classification (CPC Ver.2) for the identification of tourism products and the International Standard Industrial Classification of Economic Activities (ISIC Rev 4) for tourism activities.

6. Definitions

(i) *Visitor*

A visitor is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited.

(ii) *Tourist*

A tourist is defined as a non-resident visitor staying overnight.

(iii) *Excursionist*

An excursionist (same day visitor) is a non-resident visitor arriving and leaving in a country the same day.

(iv) *Inbound tourism*

Inbound tourism comprises the activities of a non-resident visitor within the country of reference.

(v) Outbound tourism

Outbound tourism covers the activities of a resident visitor outside the country of reference as part of an outbound tourism trip.

(vi) Domestic tourism

Domestic tourism comprises activities of a resident visitor within the country of reference either as part of a domestic tourism trip or part of an outbound tourism trip.

(vii) Internal tourism

Internal tourism comprises domestic and inbound tourism.

(viii) The Supply and Use Table (SUT)

The SUT is a core table in the System of National Accounts which presents by product group, the resources and uses of goods and services for the total economy.

(ix) Domestic tourism expenditure

Domestic tourism expenditure is the tourism expenditure of a resident visitor within the economy of reference.

(x) Inbound tourism expenditure

Inbound tourism expenditure is the tourism expenditure of a non-resident visitor within the economy of reference.

(xi) Outbound tourism expenditure

Outbound tourism expenditure is the tourism expenditure of a resident visitor outside the economy of reference.

(xii) Tourism Balance of Trade

Tourism imports comprise goods and services purchased by residents on a trip outside the country whilst tourism exports comprise goods and services purchased by non-resident visitors in the country. The Tourism balance of trade is defined as tourism exports net of tourism imports.

(xiii) Gross Output

Gross Output for the tourism sector includes the value of goods and services produced by tourism industries (tourism output) and imported items purchased by tourists.

(xiv) Intermediate consumption

Intermediate consumption of industries covers non-durable goods and services used up in the production process. For this TSA, intermediate consumption of industries (providing the product) has been calculated as a percentage of gross output assuming the same ratios of the SUT.

(xv) Tourism Direct Gross Value Added (TDGVA)

Tourism Direct Gross Value Added is calculated as the difference between the gross output and intermediate consumption. It adds the parts of gross value added generated by tourism industries and other industries of the economy that serve directly visitors.

(xvi) Valuation

Gross output is valued at basic prices, that is, the amount receivable by the producer exclusive of taxes payable and inclusive of subsidies receivable on the products. Intermediate consumption is at purchaser's price, that is, it includes trade margins of wholesalers and retailers as well as additional transport charges payable by the purchaser and non-deductible VAT.

(xvii) Direct employment in tourism industry

Direct tourism employment is derived by applying the technical ratio (value added of tourism share over value added of whole industry) to the number of people employed in each industry. This approach produces a value for the number of people in each industry as a result of tourism.

(xviii) Taxes on products

Taxes on products are payable on good and services when they are produced, sold or used. Examples are excise duties, import duties and Value Added Taxes (VAT).

(xix) Taxes on production

Taxes on production are taxes payable out of the value added of producers. This category of taxes includes taxes levied on property, fixed assets and labour employed. Examples are municipal rates, motor vehicle licences and business licences.