

The Tourism Satellite Account (TSA)

Year 2018

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 measures expenditure by both resident and non-resident tourists and gives a picture of the overall size of the tourism industry, including its contribution to Gross Domestic Product (GDP) and employment.
2. The Tourism Satellite Account 2018 has been compiled under the United Nations World Tourism Organisation 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 based on revised data available for 2018. The methodology used is comparable to that of the TSA 2010 and TSA 2017 posted on the Statistics Mauritius website.

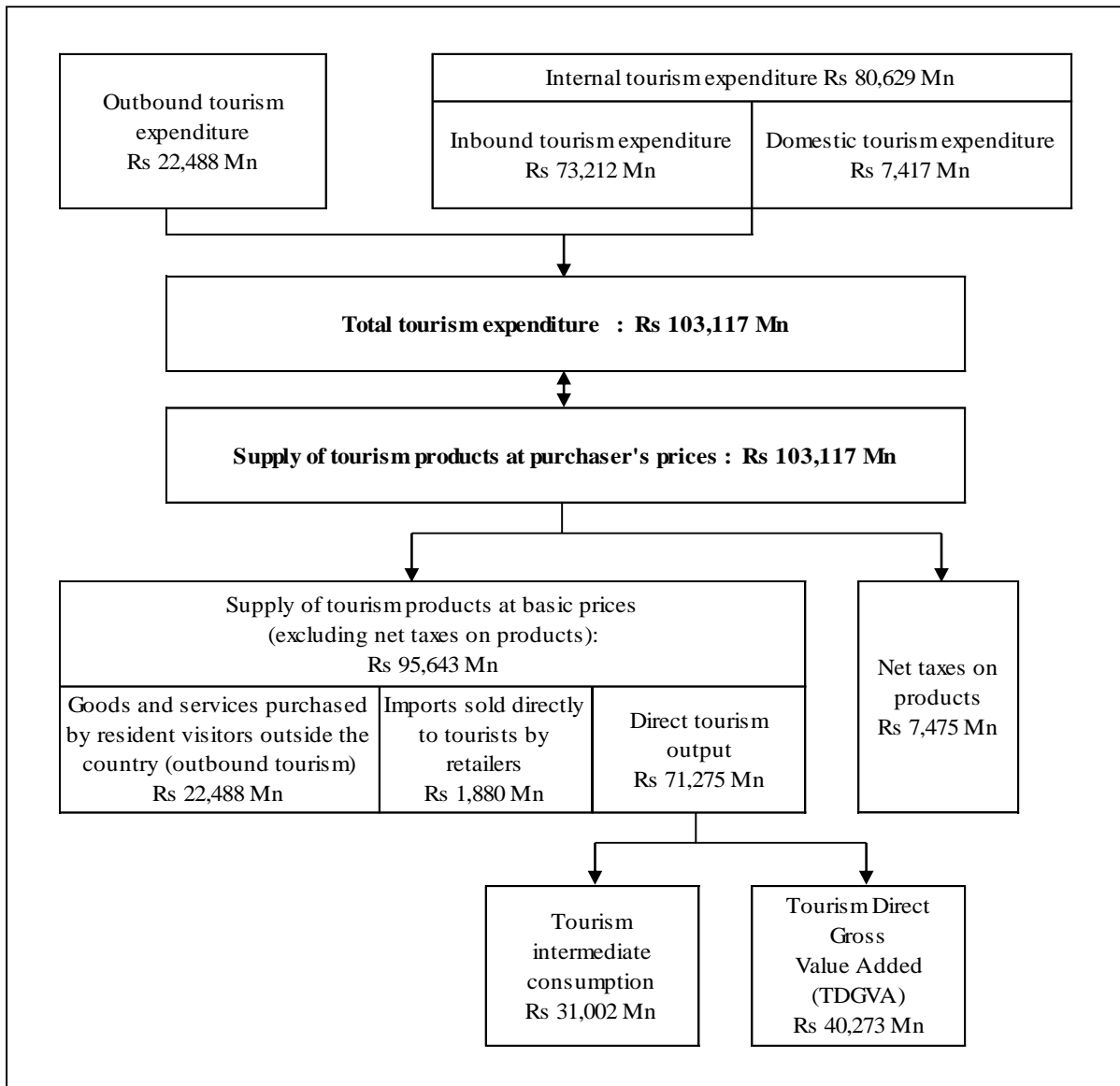
Key results for 2018

3. Total tourism expenditure at market prices was Rs 103.1 billion and is made up of the following expenditures:
 - inbound tourists: Rs 73.2 billion (71.0%),
 - outbound tourists: Rs 22.5 billion (21.8 %), and
 - domestic tourists: Rs 7.4 billion (7.2 %).
4. The Tourism Industry generated a contribution of Rs 40.3 billion or 9.3% of GDP.
5. Tourism balance of trade reached Rs 50.7 billion.
6. The tourism industry directly employed 76,860 persons (or 13.4% of total employment).
7. Tourists generated Rs 7.5 billion in revenue from taxes on products.

The Flow of tourism expenditure in the Economy, 2018

8. Chart 1 shows the tourism expenditure of the different forms of tourism for 2018, and how it was met.

Chart 1: Tourism Expenditure, 2018



Source: 2018 Survey of Inbound, Outbound, and Domestic Tourism

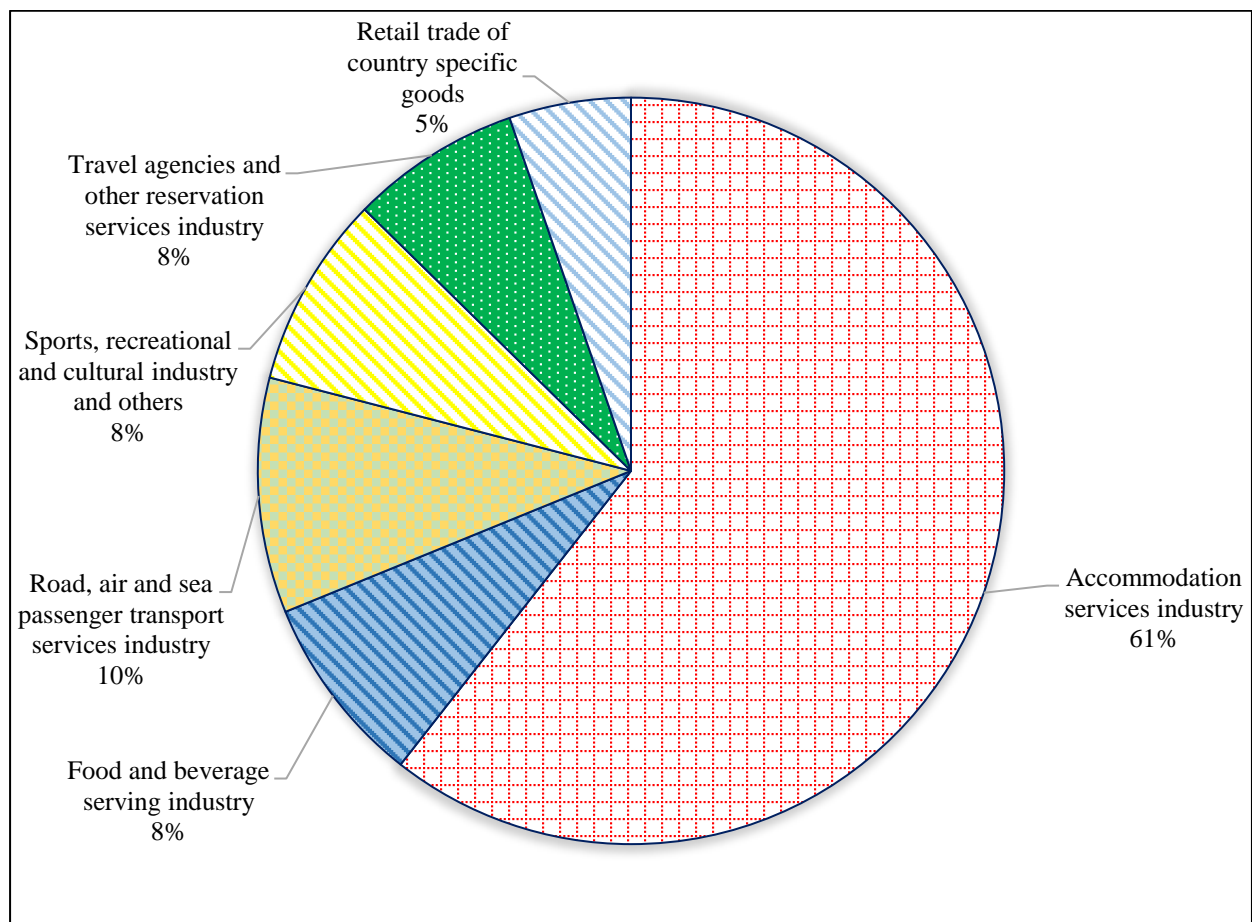
9. In 2018, the total tourism expenditure at market prices was estimated at Rs 103.1 billion. Inbound tourism expenditure was Rs 73.2 billion (71.0%), outbound tourism expenditure was Rs 22.5 billion (21.8%), and domestic tourism expenditure was Rs 7.4 billion (7.2%).
10. The total tourism supply at the basic price in 2018 worked out to Rs 95.6 billion after the deduction of all taxes and subsidies amounting to Rs 7.5 billion.
11. The total supply at basic prices included Rs 80.6 billion of imported and locally produced tourism goods and services purchased by resident visitors (domestic tourism) and non-resident visitors (inbound tourism) within the country and Rs 22.5 billion of imported tourism goods and services consumed by resident visitors outside the country (outbound tourism).

12. For the year 2018 intermediate consumption of local producers of tourism goods and services was estimated at Rs 31.0 billion, representing 43.5% of the gross output valued at Rs 71.3 billion. 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 40.3 billion. This represents 9.3 % of the Gross Domestic Product (GDP).

Tourism Direct Gross Value Added (TDGVA) by Industry, 2018

13. Around 61% of the total TDGVA was generated by industries providing “Accommodation services”, 8% by “Sports, recreational and cultural industries and others”, 10% by “Road, air, and sea passenger transport services”, 8% by “Travel agencies and other reservation services”, 5% by “Retail trade of country-specific goods” and 8% by “Food and beverage serving industry”.

Chart 2: Percentage distribution of Tourism Direct Gross Value Added by industry, 2018



Source: 2018 Survey of Inbound, Outbound, and Domestic Tourism

Composition of tourism expenditure, 2018

14. As given in Table A, in 2018, around 68% of the tourism expenditure of non-resident visitors within the country (inbound tourism) was on accommodation services (55.1%) and air passenger transport (12.5%).
15. Resident visitors outside the country (outbound tourism) spent mostly on shopping (35.6%), accommodation services (27.3%), and food and beverages (12.9%), while residents spent mostly on air/sea transport (51.0%) within the country either as part of a domestic tourism trip or part of an outbound tourism trip.

Table A: Distribution of tourism expenditure by product and category of tourists, 2018

Product groups	Oubound tourism expenditure (%)	Internal tourism expenditure	
		Inbound tourism expenditure (%)	Domestic tourism expenditure (%)
Accommodation services for visitors	27.3	55.1	14.9
Food and beverage serving services	12.9	8.0	10.6
Road passenger transport services	4.7	3.8	3.4
Air and sea passenger transport services	11.3	12.5	51.0
Transport equipment rental services	0.4	1.8	2.1
Travel agencies and other reservation services	4.2	6.1	2.1
Recreational, cultural and sports services	0.8	4.4	0.9
Country specific tourism characteristics goods and services	35.6	7.0	12.2
Other consumption goods and services	2.8	1.2	2.7
Total tourism expenditure	100.0	100.0	100.0

Source: 2018 Survey of Inbound, Outbound, and Domestic Tourism

International trade in tourism

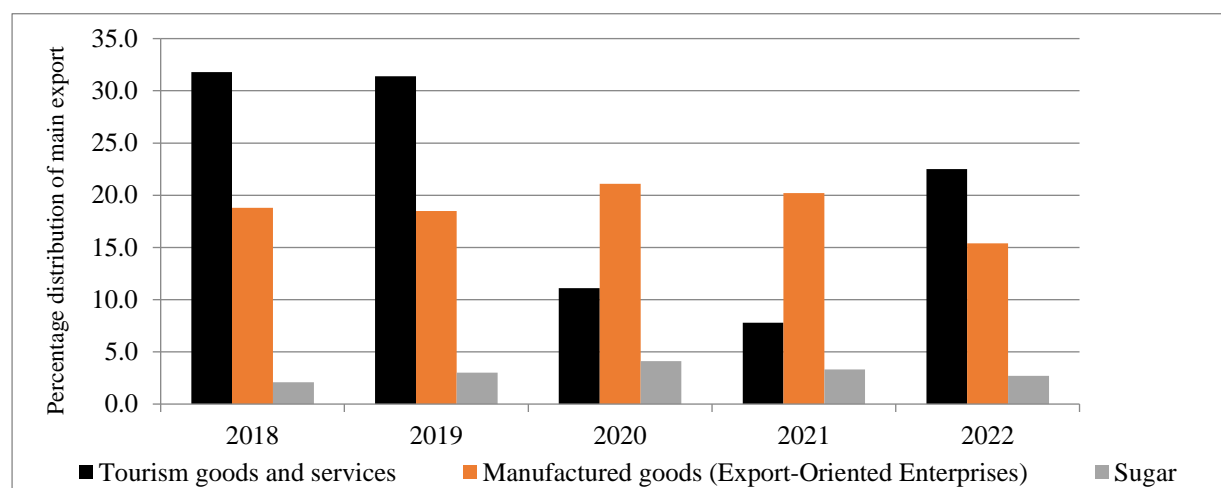
16. Exports of tourism goods and services comprised locally produced goods and services purchased by non-resident visitors in the country (inbound tourism expenditure). Table B and Chart 3 compare revenue from exports of tourism goods and services with that of exports of export-oriented enterprises and sugar over the period 2018 to 2022.

17. Exports of tourism goods and services accounted for around 32% of the country's total exports of goods and services in 2018. Comparatively, manufactured goods of the export-oriented enterprises represented around 19% and sugar around 2%.

Table B: Export of tourism goods and services, manufactured goods of Export-Oriented Enterprises, and sugar, 2018-2022

Main exports	2018		2019		2020		2021		2022 ¹	
	Rs Mn	%	Rs Mn	%	Rs Mn	%	Rs Mn	%	Rs Mn	%
Total exports of goods and services	230,503	100.0	228,749	100.0	176,631	100.0	211,641	100.0	324,181	100.0
<i>of which:</i>										
Tourism goods and services	73,212	31.8	71,821	31.4	19,598	11.1	16,449	7.8	73,060	22.5
Export-Oriented Enterprises	43,311	18.8	42,319	18.5	37,289	21.1	42,657	20.2	49,918	15.4
Sugar	4,949	2.1	6,810	3.0	7,273	4.1	7,029	3.3	8,801	2.7

Source: Balance of payments, External Trade and National Accounts Estimates ¹/Provisional

Chart 3: Share of main export items in the total exports of goods and services, 2018-2022

Source: Balance of payments, External Trade and National Accounts Estimates

18. 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 resident visitors outside the country) for the period 2018 to 2022 is shown in Table C below.

19. The tourism balance of trade for 2018 was around Rs 50.7 billion, and a slight decrease was observed in 2019. However, a sharp decrease was noted in 2020 and 2021, and in 2022, the balance of trade in the tourism sector increased to Rs 53.9 billion.

Table C: Balance of trade of tourism sector, export-oriented enterprises, and total economy, 2018-2022

	Rs Mn				
	2018	2019	2020	2021	2022 ¹
Total exports of goods and services	230,503	228,749	176,631	211,641	324,181
<i>of which</i>					
Tourism sector	73,212	71,821	19,598	16,449	73,060
Export-oriented enterprises	43,311	42,319	37,289	42,657	49,918
Total imports of goods and services	259,979	265,399	208,640	257,590	359,158
<i>of which</i>					
Tourism sector	22,488	23,298	8,560	5,982	19,175
Export-oriented enterprises	25,929	24,645	19,629	25,673	33,466
Balance of trade (Goods and services)	-29,476	-36,650	-32,009	-45,949	-34,977
<i>of which</i>					
Tourism sector	50,724	48,523	11,038	10,467	53,885
Export-oriented enterprises	17,382	17,674	17,660	16,984	16,452

Source: Balance of payments, External Trade and National Accounts Estimates ¹ Provisional

Contribution of the tourism sector

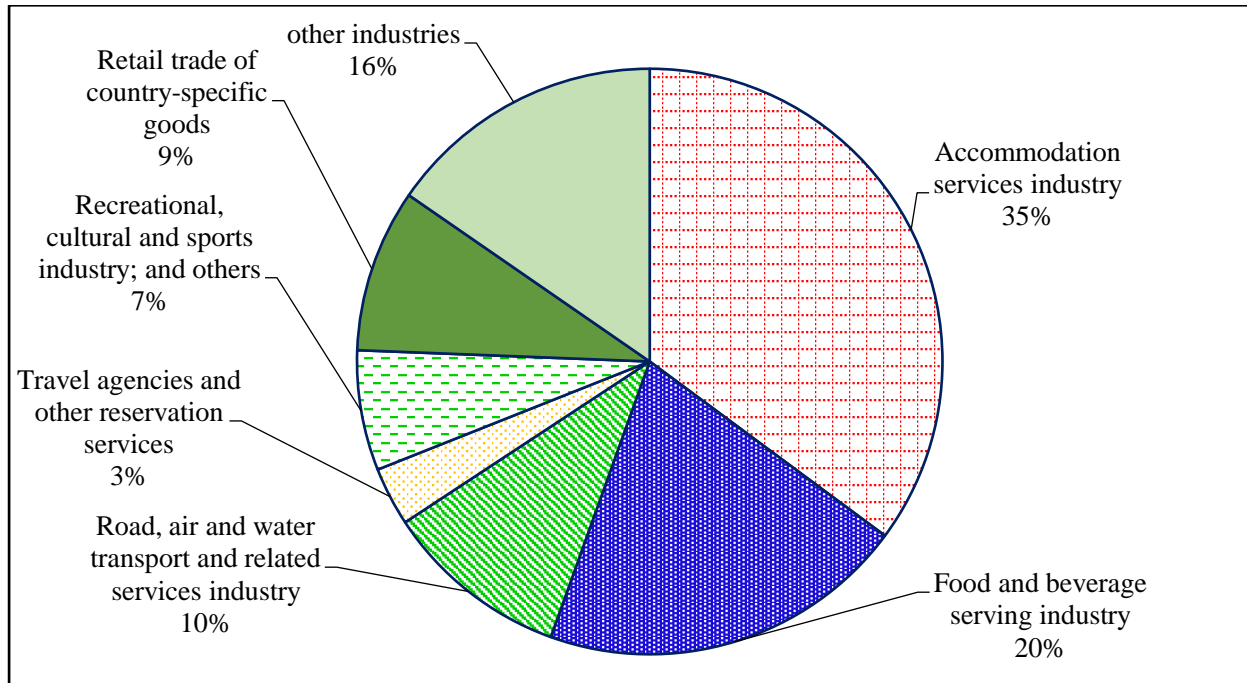
Table D: Contribution of the tourism sector to the economy, 2018-2022

	2018		2019		2020		2021		2022 ¹	
	Value	% of total economy	Value	% of total economy	Value	% of total economy	Value	% of total economy	Value	% of total economy
Employment	76,860	13.4	83,774	14.4	75,165	13.7	58,784	11.4	68,037	12.4
Value Added (Rs. Mn)	40,273	9.3	40,944	9.2	10,646	2.7	9,761	2.3	43,028	8.6

¹ Provisional

20. In the year 2018, the tourism sector generated Rs 40,273 million as direct value added. This represented 9.3% of the GDP which was valued at Rs 435,376 million.
21. For the year under review, direct tourism employment stood at 76,860, representing 13.4% of total employment which was 573,100. Among those working in the tourism sector, 35% were employed in the “Accommodation Services” industry and 20% were in the “Food and beverage serving” industry.
22. Chart 4 shows the percentage distribution of direct tourism employment in various industries.

Chart 4: Percentage distribution of direct tourism employment, 2018



Source: 2018 Survey of Inbound, Outbound, and Domestic Tourism

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Technical note

Methodology for the computation of a Tourism Satellite Account

1. Introduction

This Tourism Satellite Account (TSA) for the reference year 2018 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 productive activities that cater mainly to 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 a trip undertaken between the Island of Mauritius and the Island of Rodrigues.

4. Sources of data

Data used were from the following:

- (i) The 2018 Supply and Use Table for the Republic of Mauritius, worked out from bench data from the 2018 Census of Economic Activities.
- (ii) The 2018 Balance of Payments (BOP) Statistics of the Bank of Mauritius.
- (iii) The results of the 2018 Survey of Inbound Tourism.
- (iv) The results of the 2018 Survey of Domestic Tourism
- (v) The results of the 2018 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 purposes) 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 a country on 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. It includes an estimate of domestic expenditure for outbound transportation such as payments to local travel agents/tour operators and local carriers.

(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) Internal tourism expenditure

Internal tourism expenditure consists of all expenditures for tourism purposes by both residents and non-residents within the economic territory,

(xiii) 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.

(xiv) Gross Output

Gross Output for the tourism sector includes the value of goods and services produced by tourism industries.

(xv) 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.

(xvi) *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.

(xvii) *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 the 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.

(xviii) *Direct employment in the tourism industry*

An estimate of direct tourism employment has been worked out based on the data available from the 2018 Census of Economic Activities for both large and other than large establishments, the annual survey of Employment and Earnings from large establishments supplemented by estimates from the Continuous Multipurpose Household Survey for other than large establishments conducted by Statistics Mauritius and license statistics.

(xix) *Taxes on products*

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

(xx) *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.

(xxi) *Gross Fixed Capital Formation (GFCF)*

GFCF is the net additions to the physical assets of the country in a year. These consist mainly of investment in buildings, plants, machinery and transport equipment, all valued at market prices.