Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Target 8.9: By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products

Indicator 8.9.1: Tourism direct GDP as a proportion of total GDP and in growth rate

Institutional information

Organization(s):
World Tourism Organization (UNWTO)

Concepts and definitions

Definition:
Tourism Direct GDP (TDGDP) is defined as the sum of the part of gross value added (at basic prices) generated by all industries in response to internal tourism consumption plus the amount of net taxes on products and imports included within the value of this expenditure at purchasers’ prices. The indicator relies on the Tourism Satellite Account: Recommended Methodological Framework 2008, an international standard adopted by the UN Statistical Commission and elaborated by UNWTO, OECD and EUROSTAT.

Rationale:
Target 8.9 has several dimensions; this caters to the dimension: tourism; promote [...] tourism. The value of the economic contribution of tourism captured by this indicator, and (relative) increases or decreases in it, could indicate the degree to which tourism is being successfully promoted. This indicator is useful for policy on tourism at national level and the level of sub-national regions as it gives a more inclusive measure of the economic contribution of tourism (i.e. including all forms of tourism according to International Recommendations for Tourism Statistics 2008), which can be compared to GDP contributions of other economic activities. The indicator has been found especially useful in promoting and mainstreaming tourism in policy agendas at all levels. The indicator can also be compared across countries.

Concepts:
Tourism direct gross value added (TDGVA) is the part of gross value added generated by tourism industries and other industries of the economy that directly serve visitors in response to internal tourism consumption.

Gross Domestic Product (GDP): It is the main measure of national output, representing the total value of all final goods and services within the System of National Accounts (SNA) production boundary produced in a particular economy (that is, the dollar value of all goods and services within the SNA production boundary produced within a country’s borders in a given year). According to the SNA, “GDP is the sum of gross value added of all resident producer units plus that part (possibly the total) of taxes on products, less subsidies on products, that is not included in the valuation of output ... GDP is also equal to the sum of the final uses of goods and services (all uses except intermediate consumption) measured at purchasers’ prices, less the value of imports of goods and services GDP is also equal to the sum of primary incomes distributed by resident producer units.”
Comments and limitations:
Given that a growing number of countries produce Tourism Satellite Account (TSA), data on the suggested indicators could become available in many more countries in the near future. The data demands – among others - detailed input-output or supply and use tables for setting up a TSA; this means that it is often not possible to have current data or frequent updating of the TSA. Therefore, some countries produce estimates of TSA aggregates, in between reference years, to have more current data and to produce a time series.

TDGDP/GDP tends to do not show large variations from one year to the next and variations may stem from the numerator and/or denominator. This could warrant considering the indicator in different forms: absolute value, % change in constant price, and TDGDP per visitor or per employed person.

Methodology

Computation Method:

Tourism direct GDP as a proportion of total GDP (in%):

\[
\left( \frac{tdgdp}{gdp} \right) \times 100
\]

Tourism direct GDP in growth rate

\[
\\frac{(tdgdp_t / tdgdp_{t-1})-1}{100}
\]

Disaggregation:

TDGDP is derived from the productive activities that cater directly to tourism and so it could be possible to disaggregate by tourism industries (e.g. accommodation for visitors, the different kinds of passenger transportation, etc.). Sub-national disaggregation/estimates of Tourism Direct GDP are possible and there are a number of subnational regions that have information on this. However, there is no consensus on a methodology for doing this in a standardized way, compromising international comparability. In any case, it seems that collection of data would be warranted only for those regions that consider tourism a significant (economic) activity.

Treatment of missing values:

- At country level

UNWTO will use the travel credits and passenger transport credits according to the Balance of Payments and International Investment Position Manual sixth edition (BPM6) related to GDP as a proxy of the TDGDP. The mode of calculation of the proxy is:

\[
(\text{travel credits} + \text{passenger transport credits}) / (\text{Gross Domestic Product}) \times 100.
\]

This indicator represents a basic evaluation of tourism’s economic contribution to the national economy, which is largely available for most countries, internationally comparable, and comparable to other
economic indicators. Indeed, this indicator is regularly produced by UNWTO and disseminated in its worldwide database.

Methods and guidance available to countries for the compilation of the data at the national level:
The methodology is described in the Tourism Satellite Account: Recommended Methodological Framework 2008.

UNWTO, in collaboration with UNSD, is currently developing a Compilation Guide for the TSA that will be available for all countries in the course of 2020.

For the purposes of SDG reporting, UNWTO has developed an experimental approach that might be used by countries with limited data to compile estimates of TDGDP using the conceptual framing of the TSA and the most commonly available data but not requiring the full compilation of TSA. In this regard, the approach is intended to provide a starting point for countries with limited data that can then move towards the compilation of TSA and the more complete measurement of TDGDP. For more information, see Proposals for estimating Tourism Direct GDP with limited data.

Quality assurance
Any discrepancies are resolved through written communication with countries.

Data Sources

Description:
The indicator is sourced from countries' Tourism Satellite Account, which is a satellite account to the National Accounts.

Collection process:
UNWTO sends a pre-filled questionnaire (including data from official publications and official websites) to countries to collect the latest data on TDGDP. In order to lighten the reporting burden of countries, UNWTO receives data from the Organisation for Economic Co-operation and Development (OECD) on behalf of its constituents. This exercise is being carried out on a yearly basis.

Data Availability

Description:
More than 70 countries have some kind of TSA exercise and data available on this indicator, as shown in an international TSA data compilation exercise UNWTO realized in 2010 (see “TSA data around the world”).

Furthermore, TSA-information from Eurostat might be considered, as well (see „TSA in Europe“).
Time series:
Annual data from 2008 to 2018 are available.

Calendar

Data collection:
The exercise to collect official TDGDG from countries using UNWTO’s questionnaire starts in August 2019 for the data available up to the end of the previous year.

Data release:
First release will be in February 2020.

Data providers

National Statistics Offices and/or National Tourism Administrations.

Data compilers

World Tourism Organization (UNWTO)

References

International Recommendations for Tourism Statistics 2008 (IRTS 2008)

URL:

Related indicators

14.7 By 2030, increase the economic benefits to small island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.
12.b.1 Implementation of standard accounting tools to monitor the economic and environmental aspects of tourism sustainability