Office for National Statistics

Statistical bulletin

The UK Tourism Satellite Account (UK-TSA): 2013

The annual contribution of tourism to the UK economy from demand for goods and services caused by tourism activity and supply of these goods and services.

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1 . Main points

Tourism direct gross value added (TDGVA) was £59.0 billion in 2013.

Tourism direct employment (TDE) rose from 1.5 million in 2012 to 1.6 million in 2013.

The number of tourism direct full-time equivalents rose from 1.2 million in 2012 to 1.3 million in 2013.

Domestic tourism expenditure decreased from £106.6 billion in 2012 to £104.9 billion in 2013.

Inbound tourism expenditure rose from £21.8 billion in 2012 to £25.0 billion in 2013.

TDGVA was estimated to be £59.3 billion in 2014 and £61.1 billion in 2015.

2 . Introduction

The UK Tourism Satellite Account (UK-TSA) provides information about the demand for goods and services associated with the activity of tourists and the relationship of this demand to the supply of such goods and services within the UK economy.

The TSA methodology is necessary because tourism is not an industry in itself but rather defined by the characteristics of the consumer in terms of whether they are a tourist or resident and this, therefore, differs from "traditional" industries such as manufacturing and agriculture which are defined by the goods and services produced by themselves.

The UK-TSA sets out the contributions that tourism makes to the economy of the UK as a whole and to individual "tourism industries" in particular. Such industries invariably serve tourists and non-tourists alike and the UK-TSA includes a series of tourism ratios which are used to estimate the proportions of products supplied in the UK that are consumed by tourists (in Table 6 of the UK-TSA).

The Tourism Intelligence Unit (TIU) in the Office for National Statistics (ONS) has produced the 2013 UK-TSA in this release and was also responsible for previous UK-TSAs covering the individual years from 2008 to 2012.

This report presents the findings for the 2013 UK-TSA. The data for this is included in a set of TSA datasets available as a separate download. All findings are in current prices which means they are not adjusted for inflation, so caution should be taken when comparing with previous years.

A "nowcasting" technique has been applied to the 2013 UK-TSA to provide estimates of the main TSA aggregates for 2014 and 2015. A description of this methodology is available on the archived version of our website.

As well as providing an indication of the economic importance of tourism in the UK, the report includes information about tourism demand and supply and explanations of the internationally agreed concepts and definitions that are part of the TSA process. The production of the UK-TSA is commissioned by the Department for Culture, Media and Sport (DCMS).

3 . Tourism direct gross value added

TDGVA was worth £59.0 billion to the UK economy in 2013, which was a 2.9% increase when compared with 2012 where TDGVA stood at £57.3 billion (see Table 1). This is a key aggregate of the UK-TSA as it indicates the output of the set of UK tourism industries that is driven directly by tourism spend.

The majority of tourism characteristic activities saw growth. "Sport and recreation activities" contributed £2.4 billion to the total TDGVA estimate in 2013, but saw the largest monetary decrease - a 12% decrease on the industry's contribution in 2012. This can largely be explained by the London Olympics in 2012.

Table 1: Tourism direct gross value added by industry

United Kingdom, 2012-2013

			£ millions and percentage
	2012	2013	Change (%) between 2012 and 2013
Accommodation services for visitors	8,218	8,442	2.7
Food and beverage serving activities	8,633	8,729	1.1
Railway passenger transport services	2,137	2,206	3.2
Road passenger transport services	1,028	1,022	-0.6
Water passenger transport services	443	688	55.3
Air passenger transport services	3,886	4,405	13.4
Transport equipment rental services	274	215	-21.5
Travel agencies and other reservation services	8,441	7,999	-5.2
Cultural activities	1,665	1,636	-1.7
Sport and recreation activities	2,714	2,387	-12.1
Exhibitions & Conferences etc.	19	23	20.4
Other consumption products	19,885	21,244	6.8
Output of domestic producers (at basic prices)	57,344	58,997	2.9

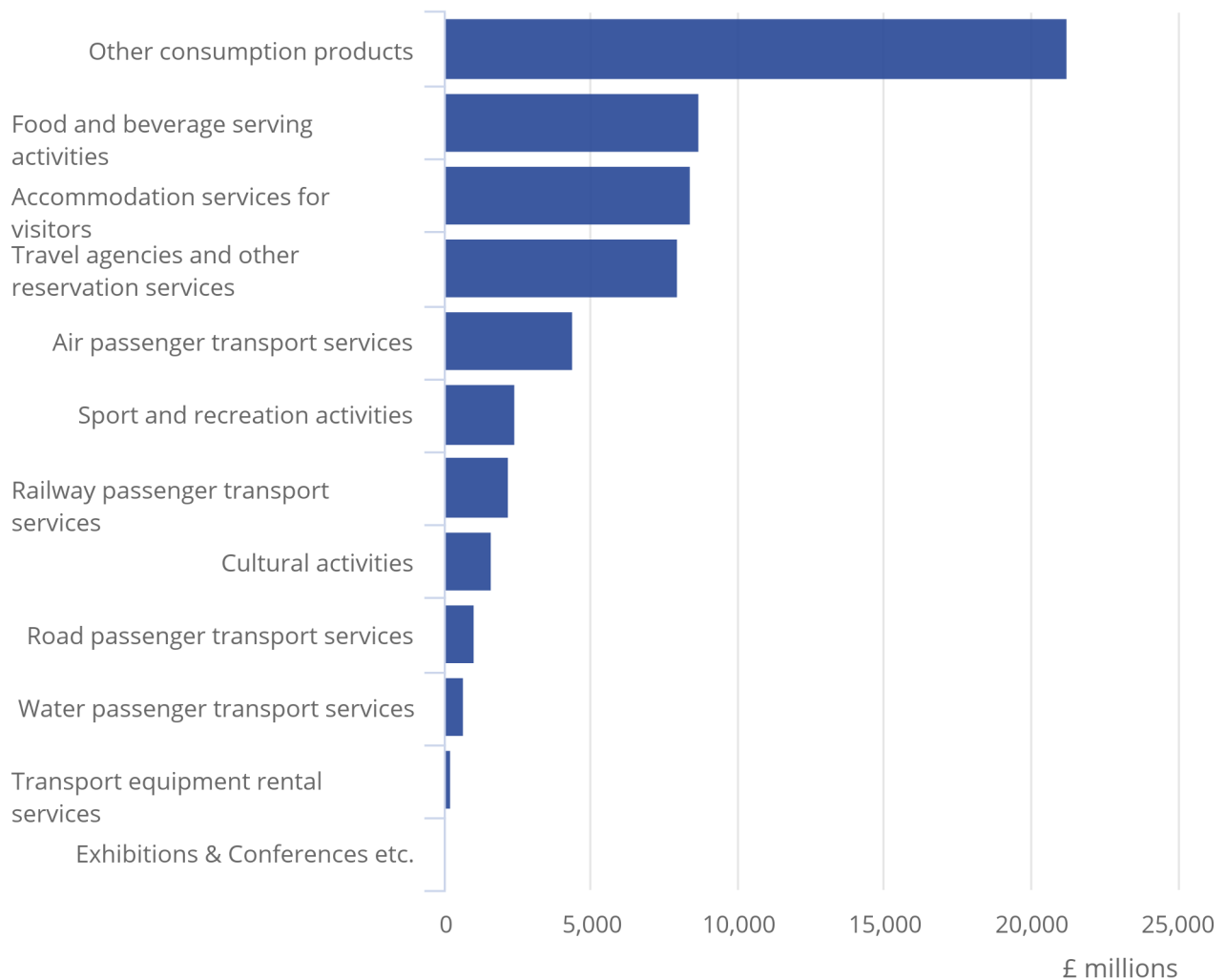Source: UK-TSA 2012 and 2013, Office for National Statistics

Notes:

1. Data may not sum due to rounding

Figure 1 shows the value of each of the individual tourism industries in 2013. The main contributor to TDGVA was "other consumption products" which refers to the proportion of output from non-tourism industries that is accounted for by tourism spend. This includes activities such as non-food shopping or expenditure on personal transport and other activities not included within the tourism industries.

The highest contributors to TDGVA (other than "other consumption products") were "food and beverage serving services" (£8.7 billion), "accommodation services for visitors" (£8.4 billion) and 'travel agencies and other reservation services' (£8.0 billion).

Figure 1: Tourism direct gross value added (£ millions) by industry in the UK in 2013

Source: UK-TSA 2013, Office for National Statistics

Notes:

1. Current prices.

4 . Tourism demand in the UK in 2013

Tourism demand (or tourism consumption) is made up of 2 types of tourism: inbound tourism and domestic tourism. Inbound tourism is where foreign passengers travel to spend time in the UK, for either an overnight stay or a same day visit. Domestic tourism is made up of 4 components: overnight stays; same day visits; costs associated with second-home ownership; and expenditure on outbound trips (before leaving the UK).

Domestic tourism is broken down by excursions and overnight trips in both the report and the accompanying tables. When domestic tourism is reported at this level it does not include outbound travel unless specifically stated.

Inbound tourism

Inbound tourism consumption within the UK was estimated to be £24.9 billion in 2013, an increase of 14.7% from 2012 where the value stood at £21.8 billion (see Table 2). Inbound water passenger transport saw a big increase, reaching £454.0 million, up 83.8% on 2012 where the figure was £247.0 million, although this still remains a relatively small contributor to inbound tourism consumption.

Table 2: Inbound tourism consumption

United Kingdom, 2012-2013

			£ millions and percentage
	2012	2013	Change (%) between 2012 and 2013
Accommodation services for visitors	4,547	5,529	21.6
Food and beverage serving activities	3,288	3,759	14.3
Railway passenger transport services	329	438	33.1
Road passenger transport services	456	526	15.4
Air passenger transport services	2,956	3,282	11.0
Water passenger transport services	247	454	83.8
Transport equipment rental services	106	126	18.9
Travel agencies and other reservation services	97	112	15.5
Cultural activities	190	220	15.8
Sport and recreation activities	155	170	9.7
Exhibitions & Conferences etc.	93	133	43.0
Other consumption products	9,290	10,198	9.8
Total	21,753	24,948	14.7

Source: UK-TSA 2012 and 2013, Office for National Statistics
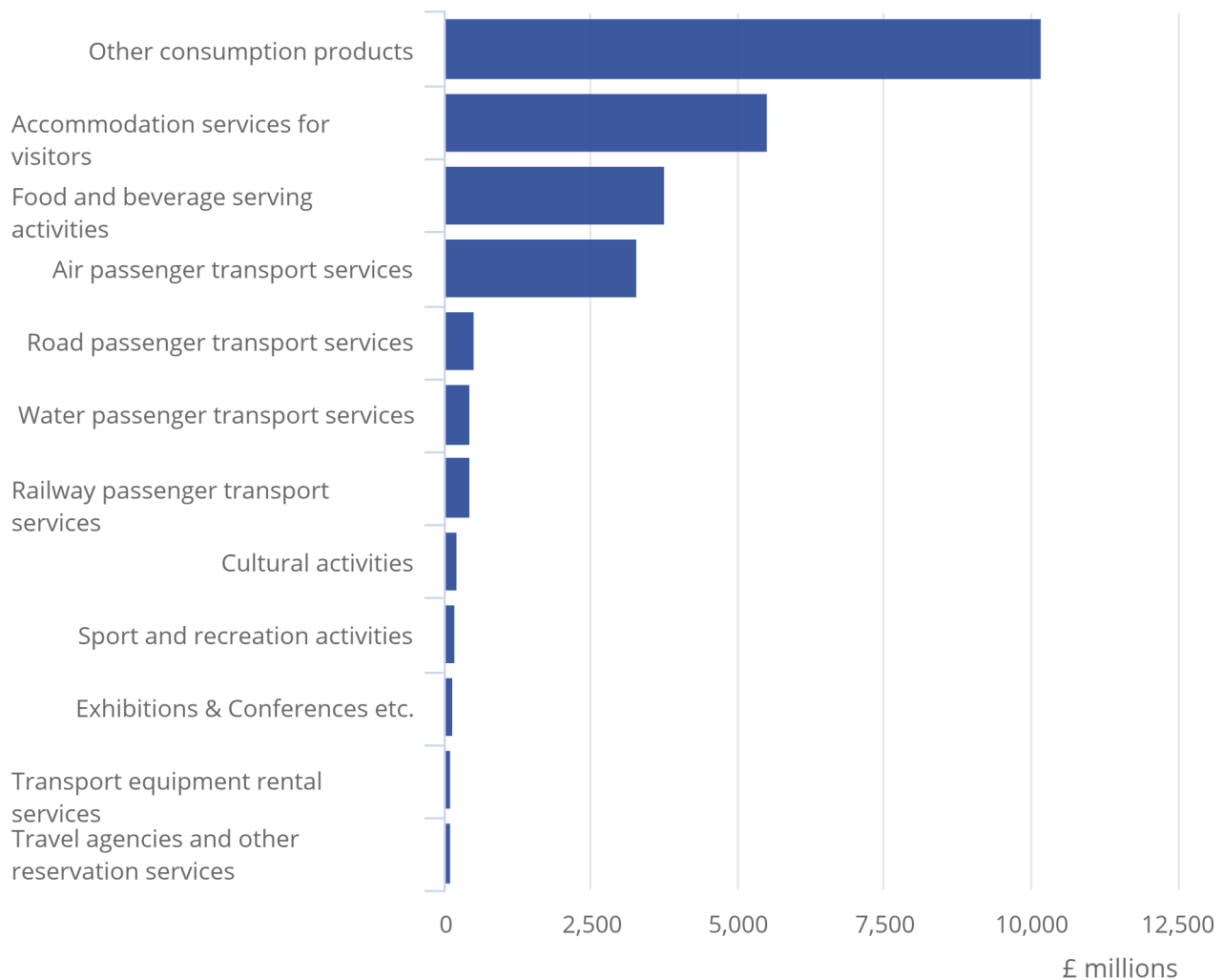
Notes:

1. Data may not sum due to rounding

Figure 2 shows that "other consumption products" was the highest contributor of tourism consumption in 2013, worth £10.2 billion. Beyond this there were 3 other main areas of tourism demand in 2013. These were:

- accommodation services for visitors, worth £5.5 billion

- food and beverage serving activities, worth £3.8 billion

- air passenger transport services, worth £3.3 billion

Figure 2: Inbound tourism consumption (£ millions) by industry in the UK in 2013

Source: UK-TSA 2013, Office for National Statistics

Notes:

1. Current prices

Domestic tourism

Domestic tourism describes the activities of a resident visitor within the UK which can include tourism trips with an overnight stay and tourism visits without an overnight stay, that is, a same day visit. There is also an amount of domestic tourism expenditure that takes place within the UK and is associated with UK residents making an overseas visit – this domestic outbound tourism often involves some expenditure on the UK territory before leaving the country. This can include spend at ports or expenditure on outbound flights on UK carriers and this is all accounted for within the TSA. Domestic tourism consumption, therefore, describes the tourism consumption within the UK economy of UK residents.

Domestic tourism consumption within the UK was £104.9 billion in 2013, a decrease of 1.7% or £1.8 billion from 2012 (see Table 3). This could be partly explained by a number of special events occurring in 2012, for example, the Olympics and the Queen's Diamond Jubilee.

Table 3: Domestic tourism consumption by industry

United Kingdom, 2012-2013

			£ millions and percentage
	2012	2013	Change (%) between 2012 and 2013
Accommodation services for visitors	8,709	8,803	1.1
Food and beverage serving activities	28,388	27,671	-2.5
Railway passenger transport services	3,876	3,894	0.5
Road passenger transport services	2,311	2,284	-1.2
Water passenger transport services	954	1,345	41.0
Air passenger transport services	16,372	16,729	2.2
Transport equipment rental services	669	518	-22.6
Travel agencies and other reservation services	2,930	2,935	0.2
Cultural activities	5,409	5,198	-3.9
Sport and recreation activities	3,615	3,142	-13.1
Exhibitions & Conferences etc.	258	456	76.7
Other consumption products	33,137	31,881	-3.8
Total	106,628	104,854	-1.7

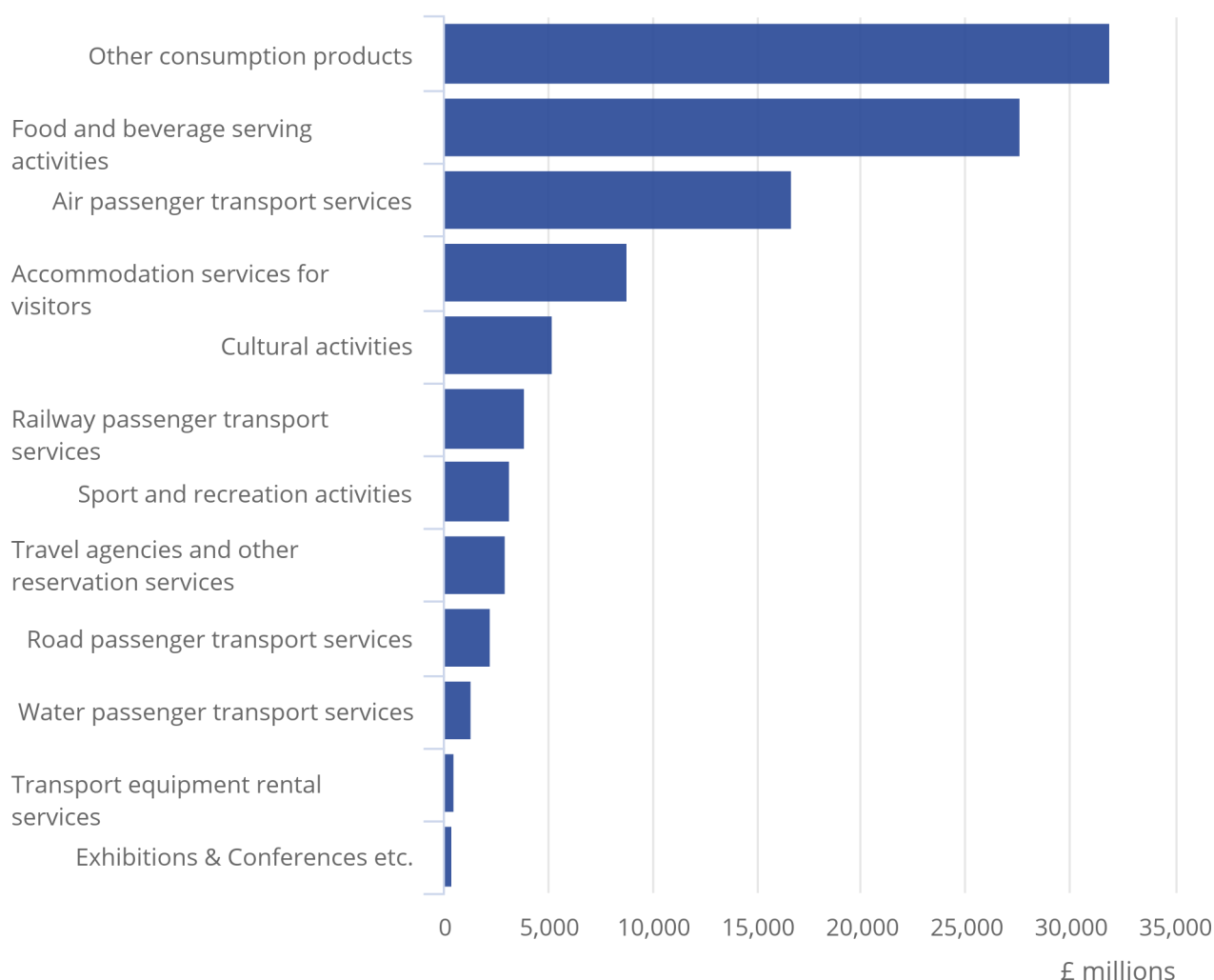Source: UK-TSA 2012 and 2013, Office for National Statistics

Notes:

1. Data may not sum due to rounding

Figure 3 shows that (apart from "other consumption products") "food and beverage serving activities", "air passenger transport services" (primarily for outbound travel), and "accommodation services" were the main components of domestic tourism consumption in 2013.

Figure 3: Domestic tourism consumption (£ millions) by industry in the UK, 2013

Figure 3: Domestic tourism consumption (£ millions) by industry in the UK, 2013

Source: UK-TSA 2013, Office for National Statistics

Notes:

1. Current prices

Table 4 focuses on domestic (UK-based) tourism consumption on trips with an overnight stay and shows that there was a 2.8% decrease in expenditure on these trips between 2012 and 2013, a decrease of £704.0 million in monetary terms. The table shows how this change is distributed across the tourism industries with big decreases in spend on "air passenger transport services", "road transport services" and "travel agencies and other reservation services" between 2012 and 2013.

Although there have been increases in spending in other areas such as "water passenger transport services", "sport and recreation activities", and "exhibitions and conferences" since 2012, they were not responsible for the majority of domestic tourism consumption.

Table 4: Domestic tourism consumption by overnight tourists by industry

United Kingdom, 2012-2013

			£ millions and percentage
	2012	2013	Change (%) between 2012 and 2013
Accommodation services for visitors	8,160	8,184	0.3
Food and beverage serving activities	4,813	4,806	-0.1
Railway passenger transport services	721	875	21.4
Road passenger transport services	385	266	-31.0
Water passenger transport services	160	226	41.3
Air passenger transport services	794	279	-64.8
Transport equipment rental services	190	206	8.6
Travel agencies and other reservation services	1,140	951	-16.6
Cultural activities	974	877	-9.9
Sport and recreation activities	533	573	7.6
Exhibitions & Conferences etc.	70	89	27.6
Other consumption products	6,922	6,824	-1.4
Total	24,861	24,157	-2.8

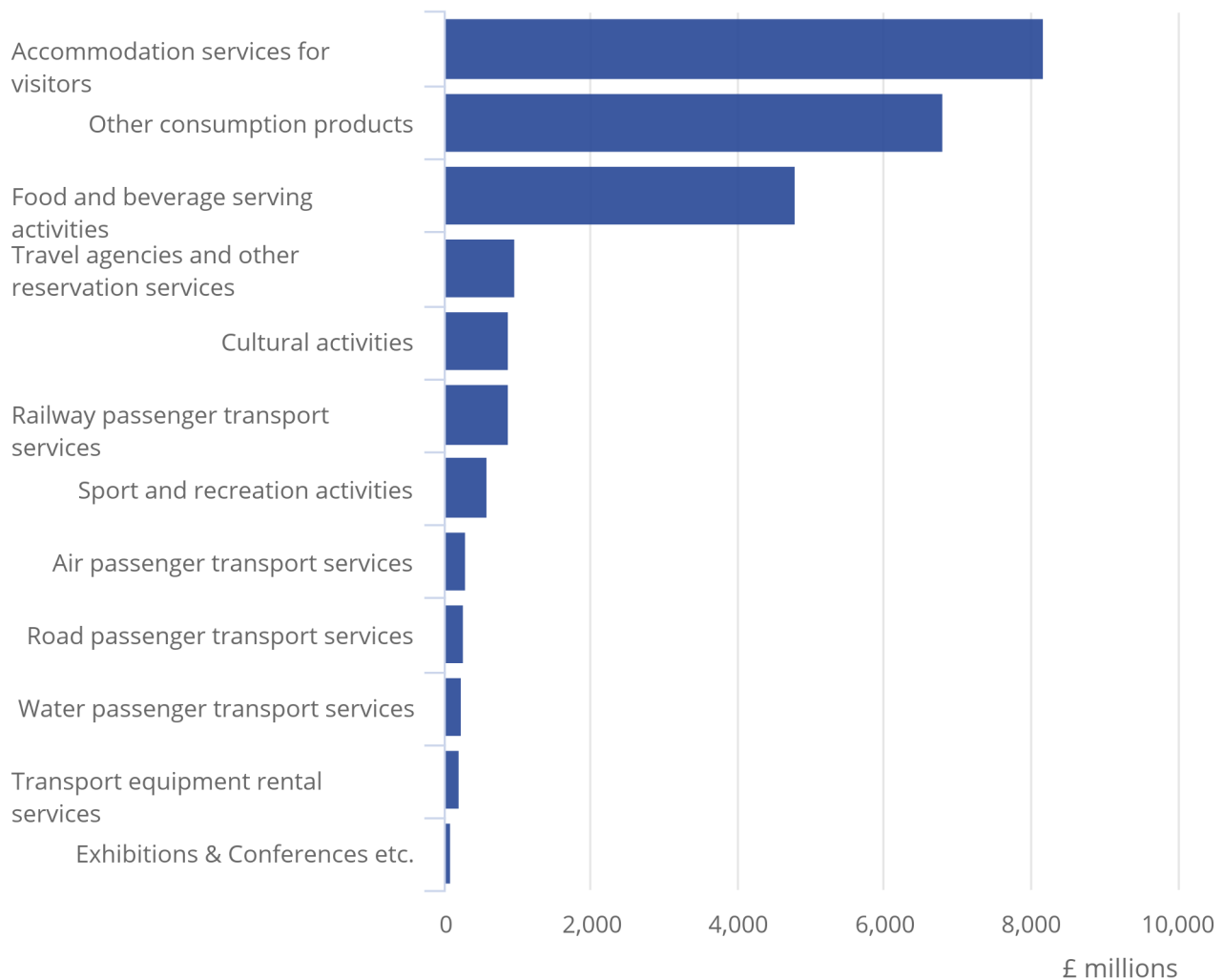Source: UK-TSA 2012 and 2013, ONS

Notes: current prices

1. Data may not sum due to rounding

Figure 4 shows that spend on "accommodation services for visitors", "food and beverage serving activities" and "other consumption products" accounted for 82% of all domestic overnight consumption.

Figure 4: Domestic tourism consumption by overnight tourists (£ millions) by industry in the UK, 2013

Source: UK-TSA 2013, Office for National Statistics

Notes:

1. Current prices

Table 5 highlights the importance of same day visits, in terms of tourism spend or consumption in 2013. This was the largest element of tourism spend in the UK, amounting to £54.3 billion in 2013, a decrease of £2.8 billion or 5% since 2012. The table shows how this change is distributed across the tourism industries with decreases in spend on "air passenger transport services", "sport and recreation activities" and "transport equipment rental services" and very large increases in spend on "exhibitions and conferences" and "water passenger transport" between 2012 and 2013, although proportionally, they contribute small amounts to the tourism consumption.

Table 5: Domestic tourism consumption by day visitors by industry

United Kingdom, 2012-2013

			£ millions and percentage
	2012	2013	Change (%) between 2012 and 2013
Accommodation services for visitors	-	-	-
Food and beverage serving activities	23,029	22,283	-3.2
Railway passenger transport services	2,646	2,421	-8.5
Road passenger transport services	1,297	1,319	1.7
Water passenger transport services	366	703	92.0
Air passenger transport services	616	540	-12.3
Transport equipment rental services	479	311	-35.0
Travel agencies and other reservation services	284	317	11.5
Cultural activities	4,435	4,320	-2.6
Sport and recreation activities	3,082	2,569	-16.7
Exhibitions & Conferences etc.	188	367	95.0
Other consumption products	20,696	19,167	-7.4
Total	57,118	54,316	-4.9

Source: UK-TSA 2012 and 2013, Office for National Statistics
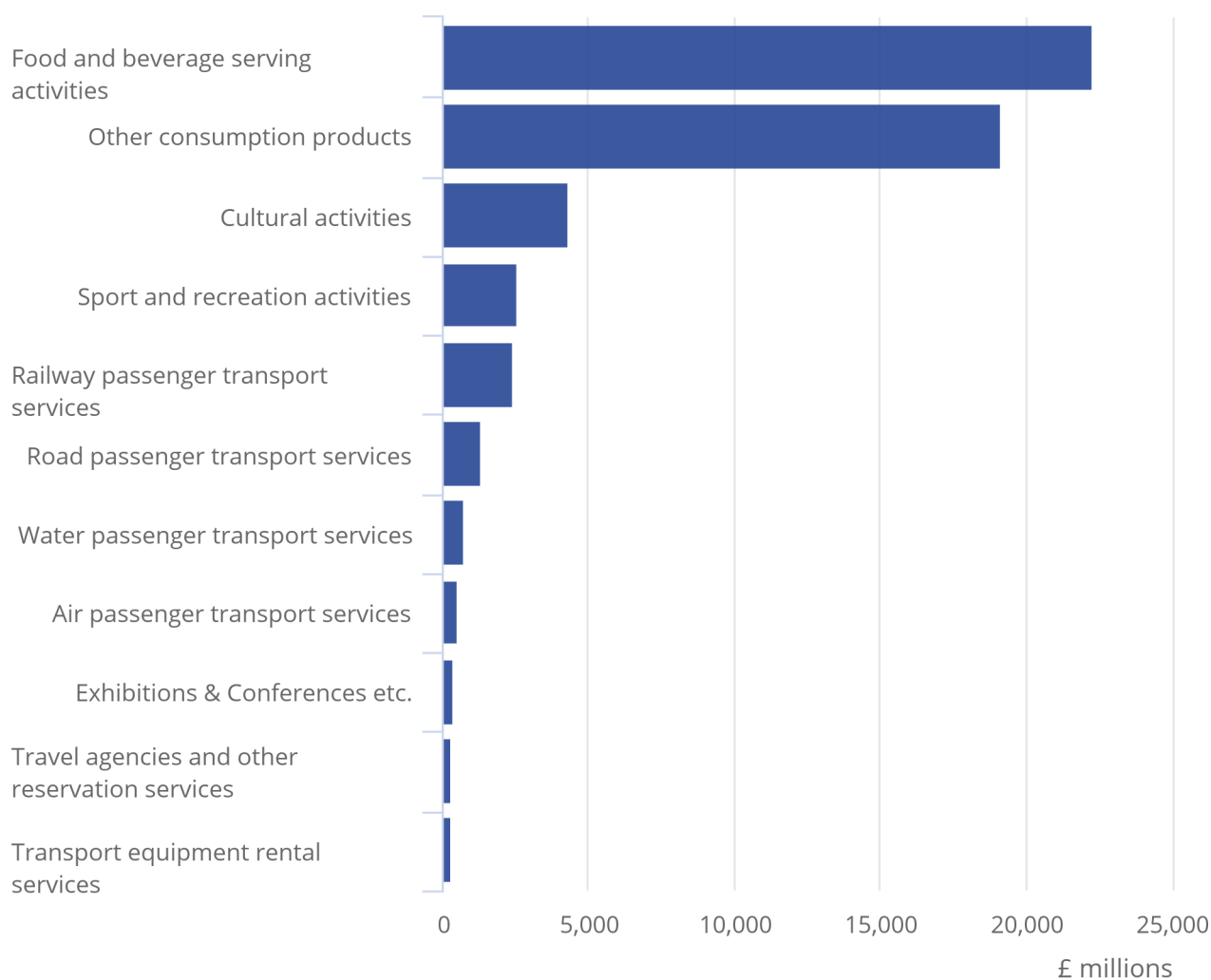
Notes: current prices

1. Data may not sum due to rounding

In Figure 5 the main contributors to day visit spend in 2013 are shown and these include "food and beverage serving activities", "other consumption products", "cultural activities", and 'sport and recreation activities'. These tourism sub-industries accounted for 89% of all domestic day visit spending in 2013.

Figure 5: Domestic tourism consumption by day visitors (£ millions) by industry in the UK, 2013

Notes:

1. Current prices

5 . Tourism employment in the UK in 2013

Table 6 shows the change in tourism direct employment (TDE) between 2012 and 2013. This is employment that is directly supported by tourism consumption across the tourism industries. There was an increase of 4.7%, equating to approximately 72,000 jobs, in tourism during this period. The largest gains were in "accommodation services for visitors" and "food and beverage serving activities", in terms of numbers employed.

Table 6: Tourism direct employment

United Kingdom, 2012-2013

			Thousands and percentage
	2012	2013	Change (%) between 2012 and 2013
Accommodation services for visitors	298.3	341.9	14.6
Food and beverage serving activities	433.6	442.3	2.0
Railway passenger transport services	25.5	24.1	-5.5
Road passenger transport services	89.6	69.2	-22.8
Water passenger transport services	1.9	2.2	15.8
Air passenger transport services	54.3	50.7	-6.6
Transport equipment rental services	1.5	1.5	0.0
Travel agencies and other reservation services	106.0	96.0	-9.4
Cultural activities	72.6	78.6	8.3
Sport and recreation activities	88.1	76.6	-13.1
Exhibitions & Conferences etc.	0.4	0.7	75.0
Other consumption products	360.1	420.0	16.6
Total	1,531.9	1,603.9	4.7

Source: UK-TSA 2012 and 2013, Office for National Statistics
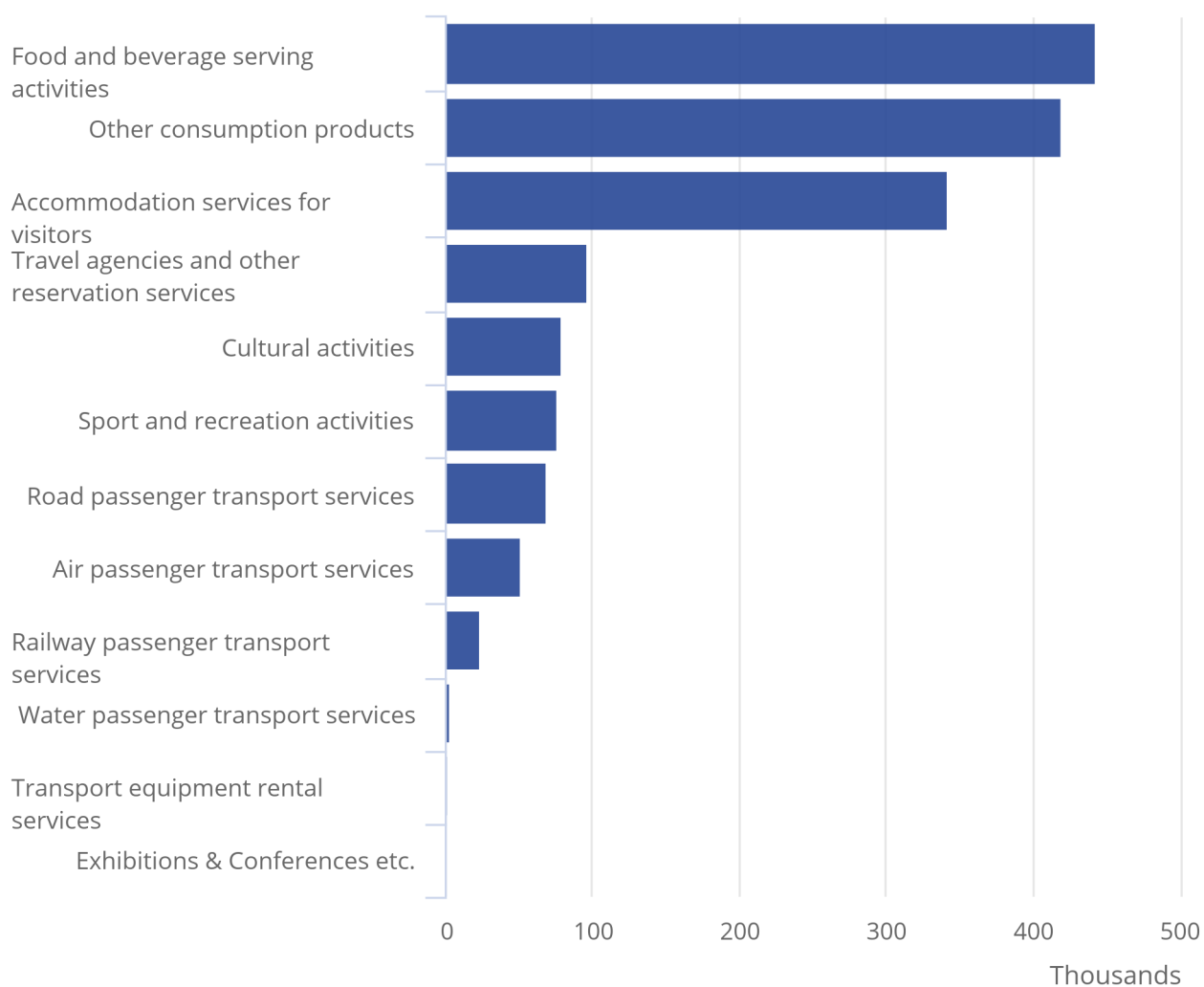
Notes:

Tourism totals for Tourism Direct Employment includes employment data relating to "other consumption products"

Data may not sum due to rounding

The biggest contributors to TDE in the UK in 2013 were "food and beverage serving activities", "other consumption products" and "accommodation services for visitors", as shown in Figure 6.

Figure 6: Tourism direct employment (thousands) in the UK, 2013

Source: UK TSA 2013, Office for National Statistics

Notes:

1. Tourism totals for Tourism Direct Employment include employment data relating to "other consumption products".

Table 7 shows the change in tourism direct full-time equivalents (FTEs) between 2012 and 2013 with an increase of 5%, or approximately 60,400, tourism direct FTEs.

Table 7: Tourism direct FTEs

United Kingdom, 2012-2013

Thousands and percentage

	2012	2013	Change (%) between 2012 and 2013
Accommodation services for visitors	233.0	262.4	12.6
Food and beverage serving activities	294.8	302.9	2.7
Railway passenger transport services	25.1	23.5	-6.4
Road passenger transport services	86.3	66.4	-23.1
Water passenger transport services	1.7	2.0	17.6
Air passenger transport services	48.8	45.2	-7.4
Transport equipment rental services	1.4	1.4	0.0
Travel agencies and other reservation services	94.6	85.8	-9.3
Cultural activities	64.5	68.7	6.5
Sport and recreation activities	64.0	56.8	-11.3
Exhibitions & Conferences etc.	0.4	0.6	50.0
Other consumption products	304.5	363.9	19.5
TOTAL	1,219.1	1,279.5	5.0

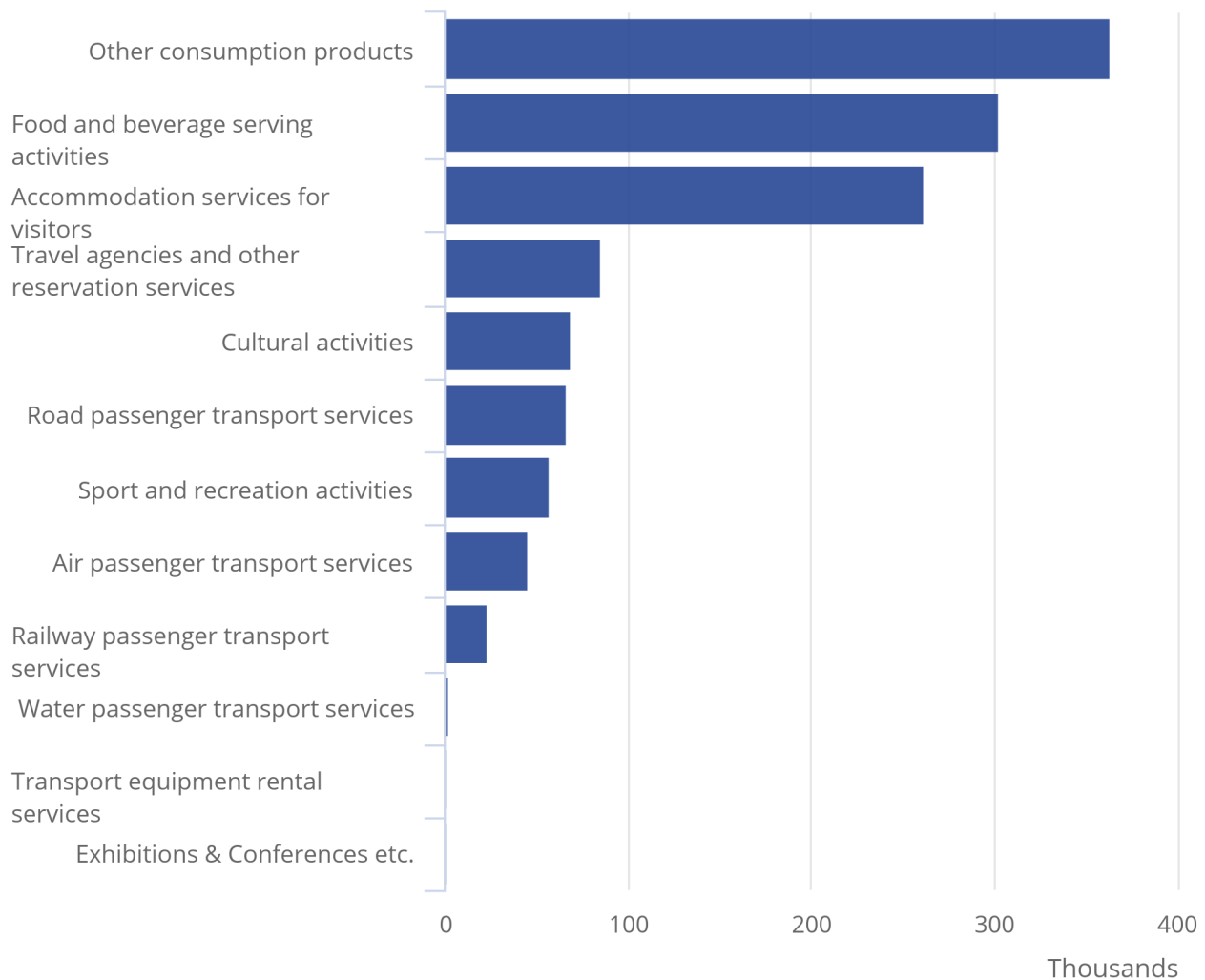Source: UK-TSA 2012 and 2013, Office for National Statistics

Notes:

1. Tourism Totals for Tourism Direct FTEs includes employment data relating to "other consumption products"

2. Data may not sum due to rounding

Figure 7 shows that "food and beverage serving activities", "accommodation services for visitors", "travel agencies and other reservation activities", and "other consumption products" were the biggest source of tourism direct FTEs in the UK in 2013.

Figure 7: Tourism direct FTEs (thousands) in the UK, 2013

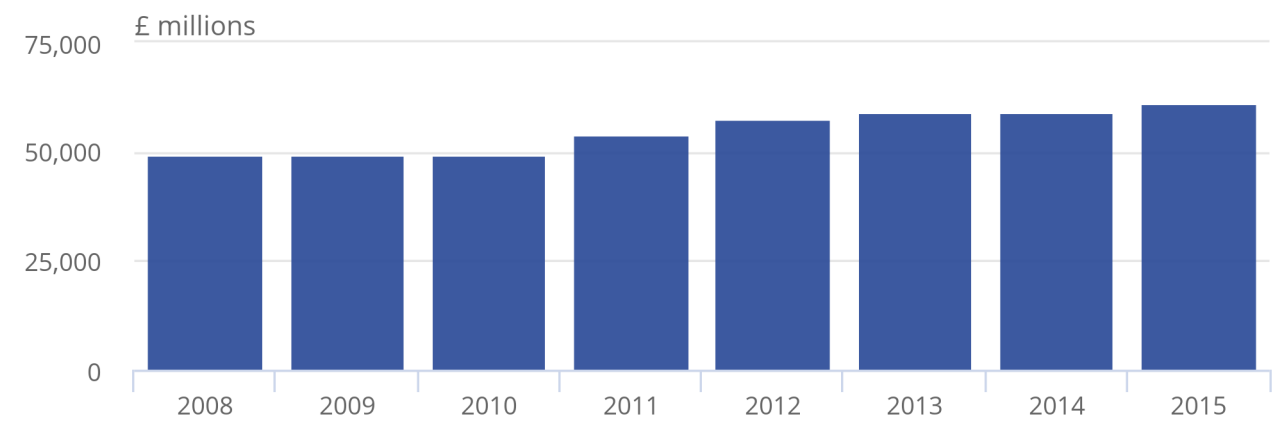**Source: UK TSA 2013, Office for National Statistics**

Notes:

1. Tourism totals for Tourism Direct FTEs include employment data relating to "other consumption products".

6 . Nowcast estimates

Figure 8 shows how tourism direct gross value added (TDGVA) has grown since 2008 when it stood at £49.4 billion, to £59.0 billion in 2013. Applying a nowcast technique allows estimates of TDGVA to be produced for 2014 and 2015, at £59.3 billion and £61.2 billion respectively. Further information on the [methodology of nowcasting](#) is available on the archived version of our website.

Figure 8: Total tourism direct GVA 2008 – 2013, nowcast estimates of tourism direct GVA 2014 and 2015, in the UK

Figure 8: Total tourism direct GVA 2008 – 2013, nowcast estimates of tourism direct GVA 2014 and 2015, in the UK

Source: UK TSA 2013, Office for National Statistics

Notes:

1. Current prices

Table 8 shows the change between each year emphasising the flat growth in TDGVA between 2008 and 2010, the high level of growth in TDGVA in both 2011 and 2012, and then the slowdown in TDGVA growth in 2013 followed by a further slowdown in TDGVA growth in 2014, before an increase of growth in 2015. TDGVA growth peaked in 2011 where it was 9.8% and stood at 6.3% in 2012, 2.9% in 2013, 0.5% in 2014 and 3.2% in 2015. In the UK-TSA for 2012, we provided estimates for 2013 and 2014 based on the same nowcast methodology and projected that in 2013 TDGVA would be £58.7, billion which is £0.3 billion short of the actual TSA estimate for 2013 shown in Table 8. For 2014, the previous nowcast estimate stood at £59.6 billion which £0.3 billion higher than the current estimate suggested in Table 8. This is largely due to changes in the estimate for costs associated with second-home ownership within the UK-TSA and revisions to the GVA series used to calculate the nowcast estimates.

Table 8: Tourism direct gross value added (TDGVA)

United Kingdom, 2008-2015

£ millions and percentage

	TDGVA	Change (%) based on previous year
2008	49,444	-
2009	49,217	-0.5
2010	49,148	-0.1
2011	53,947	9.8
2012	57,344	6.3
2013	58,997	2.9
2014	59,268	0.5
2015	61,183	3.2

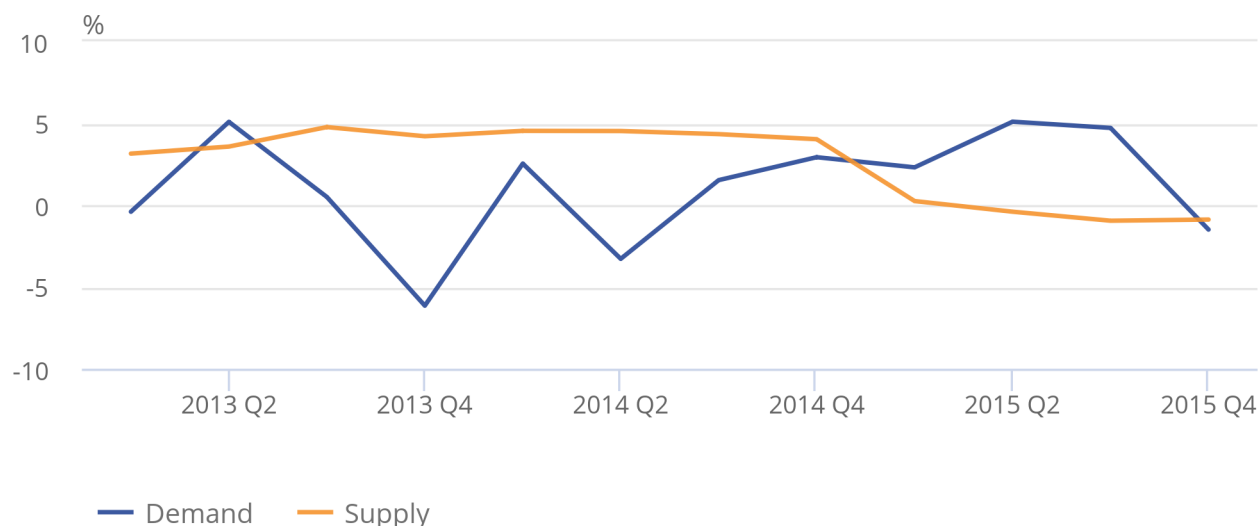Source: UK-TSA 2013, Office for National Statistics

Notes: current prices

1. Data may not sum due to rounding

TDGVA is calculated by reconciling the supply (the output of tourism industries) with the demand (tourist expenditure) side of tourism, so that the proportion of the output of tourism industries that is accounted for by tourism expenditure can be estimated. The reason behind the small increase in TDGVA in 2014 is shown in Figure 9. In all 4 quarters of 2014, the chart shows that the growth rate of tourism supply was higher than the growth rate of tourism demand (based on the same quarter the previous year). This has caused a decrease in the percentage of supply attributable to the demand and, therefore, has had the effect of reducing the size of the increase in TDGVA nowcasted for 2014 (to a 0.5% increase). The chart also shows the subsequent increase in tourism demand in 2015 coupled to a reduction in total tourism supply which has driven the nowcasted increase in TDGVA (3.2% growth on 2014).

Figure 9: The percentage growth in tourism supply/demand based on the same quarter of the previous year, 2012-2015

Figure 9: The percentage growth in tourism supply/demand based on the same quarter of the previous year, 2012-2015

Source: UK TSA 2013, Office for National Statistics

7. Background notes

1. **The Tourism Satellite Account explained**

   The Tourism Satellite Account (TSA) is an extension to a System of National Accounts (SNA) which enables an understanding of the size and role of tourism-related economic activity, which is usually "hidden" within such accounts. Using a SNA framework to examine tourism is important as, in essence, this allows (through the TSA) for the separation of expenditure of residents and tourists. This enables the estimation of main variables such as how much individual industries depend upon tourists, and, by extension, how much value-added and employment is supported by tourists.

   The TSA is regarded as the central component of an Integrated System of Tourism Statistics (ISTS) and is used as a tool to assess the value of tourism, and to identify gaps in our knowledge of the sector. Furthermore the TSA can be employed to illuminate linkages between tourism and other parts of the economy within a national accounting framework, for example with environmental accounts or household consumption expenditure.

   Therefore, the challenge is to measure economic activity generated by tourism in such a way that it enables comparison to be made with other activities taking place in the same reference area. By adding complexity to the existing SNA we can reveal the economic worth of tourism activity. It follows from this that there is potential for embedding the tourism sector more fully into the National Accounts framework through the mechanism of a satellite account.

TSA concepts

In terms of the actual formulation of TSAs, there are a number of conceptual issues which can usefully be explained at this stage. The standard definition of tourism is highlighted within the International Recommendations on Tourism Statistics (IRTS 2008) from the World Tourism Organisation (UNWTO), Organisation for Economic Co-operation and Development (OECD) and Eurostat to reflect the importance of defining what a visitor is and how that is related to travel (tourism being a sub-set of travel);

"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. These trips taken by visitors qualify as tourism trips. Tourism refers to the activity of visitors" (IRTS 2008, para 2.9).

There are different forms of tourism, characterised by the various categories of visitor. These are primarily made up of domestic tourism (which includes visitors staying overnight, taking day visits within their own country, or expenditure on trips before they leave their country of residence) and inbound tourism which includes visitors to the reference country.

There are further important classifications available internationally that relate to the different main purposes of a tourism trip, in particular the concept of tourism expenditure. This can be further elaborated upon with reference to different categories of expenditure which may vary according to the classification of the purpose of the trip.

The TSA Recommended Methodological Framework of 2008 from UNWTO, OECD, and Eurostat (TSA: RMF 2008 hereafter) attempts to clarify these important classifications. It does this by acting, firstly, as a statistical tool that complements those concepts, definitions, aggregates and classifications, already presented in the IRTS 2008 and articulating them into 10 analytical tables. Those tables provide elements to validly compare estimates between regions, countries or groups of countries. These elements are also comparable with other internationally recognised macro-economic aggregates and compilations (TSA:RMF, 2008).

Secondly, the TSA:RMF 2008 acts as the framework to guide countries in the further development of their system of tourism statistics, the main objective being the completion of the TSA, which could be viewed as a synthesis, or the core, of such a system (TSA:RMF, 2008). Within the TIU at ONS the development of an Integrated System of Tourism Statistics (ISTS) is a particular goal and the TSA is viewed as a principal component of that system from which other derived statistics can then be produced, for example regional estimates of the value of tourism (based on a national level reconciliation of the supply and demand components of tourism).

The TSA provides the conceptual framework for the comprehensive reconciliation of tourism supply and demand data. Therefore, for any country undertaking a TSA there is a necessity for a consideration of tourism internal demand, specifically tourism consumption (or expenditure of tourists).

To undertake this kind of tourism measurement and analysis within a SNA framework requires a particular classification of products and productive activities. The classification refers to (1) products, mainly those belonging to tourism expenditure, and (2) productive activities that are the basis for defining tourism industries (TSA:RMF, 2008). Products can be sub-divided into those that are associated with consumption and those not (non-consumption products). Tourism characteristic activities are those that typically produce tourism characteristic products. Tourism characteristic products are those that satisfy one or both of the following criteria: (a) tourism expenditure on the product should represent a significant share of total tourism expenditure (share-of-expenditure/demand condition); (b) tourism expenditure on the product should represent a significant share of the supply of the product in the economy. This criterion implies that the supply of a tourism characteristic product would cease to exist in meaningful quantity in the absence of visitors (IRTS 2008).

Table 9 shows the categories of tourism activities and products used in the TSA.

Table 9: Categories of tourism products and activities

Products	Activities
1. Accommodation services for visitors	1. Accommodation for visitors
2. Food and Beverage serving services	2. Food and Beverage serving activities
3. Railway passenger transport services	3. Railway passenger transport

4. Road passenger transport services	4. Road passenger transport
5. Water passenger transport services	5. Water passenger transport
6. Air passenger transport services	6. Air passenger transport
7. Transport equipment rental services	7. Transport equipment rental
8. Travel agencies and other reservation services	8. Travel agencies and other reservation services activities
9. Cultural services	9. Cultural activities
10. Sports and recreational services	10. Sports and recreational activities
11. Country-specific tourism characteristic goods	11. Retail trade of country-specific tourism characteristic goods
12. Country-specific tourism characteristic services	12. Country-specific tourism characteristic activities

Source: Office for National Statistics

To summarise, the purpose of the Tourism Satellite Account is to provide an overview of the supply and use of goods and services for the various types of tourism and to reconcile the supply of these products with the demand for them, or consumption, by tourists.

The TSA tables

The UNWTO, OECD and Eurostat recommend 10 tables for use in a TSA but only Tables 1 to 6 are currently considered as 'core'. Table 6 is regarded as the 'heart' of the TSA, reconciling data found elsewhere in the TSA (Table 4, which synthesises data from Tables 1 and 2 (which relate to inbound and domestic tourism expenditure), and Table 5 (relating to the products produced by tourism activities)). The tables are available in the dataset for this release.

Taken collectively, the TSA tables make it possible to identify the branches of tourism which generate the most value added, those that create the most jobs and those for which tourism consumption is highest. Developing a TSA requires not only a transformation and partitioning of the information already existing in the Supply and Use Tables of the country (particularly in relation to Table 5), but also a basic set of direct data collection procedures regarding tourism expenditure data. In other words the demand side features of the tourism sector need to be collected and analysed within the TSA framework and presented in Tables 1 and 2 of the TSA.

The TSA aggregates

This section highlights what may be considered, although these may similarly be termed the statistics that would generate the most interest in policy terms. These outputs are often referred to as the TSA aggregates. A number of macroeconomic aggregates can be derived that describe the size of the economic contribution of tourism, such as tourism direct gross value added (TDGVA) and tourism direct employment (TDE), consistent with similar aggregates for the total economy and for other productive economic activities and functional areas of interest. These aggregates require, however, the formulation of a so-called tourism ratio which is a main measure from the TSA in that it reconciles demand and supply, through the computation of a ratio of the sum of all the demand side data components to the total obtained from the supply side data components (the total supply of tourism products).

These are measures that reflect the reconciliation of supply and demand within the TSA and therefore refer to the direct impact of tourism on the economy.

The TSA, however, does not undertake a measurement of the indirect and induced effects of tourism consumption on the economy as a whole. This can only be achieved through alternative forms of analysis such as Input-Output analysis or Computable General Equilibrium (CGE) models (TSA:RMF, 2008).

The main elements of a Tourism Satellite Account have been highlighted here but it is recognised that this is not an exhaustive treatment of a complex and substantial set of guidance on the subject from the UNWTO. Readers are directed towards the TSA:RMF 2008 for a complete description of the TSA process.

2. **Methodology and sources**

Methodology and sources overview

The 2013 UK Tourism Satellite Account (UK-TSA) is the successor to the 2012 UK-TSA. The 2012 UK-TSA contained revised TSA estimates back to 2008. The 2013 version of the UK-TSA is consistent with the previous iterations from 2008 to 2012 which allows for more time-series analysis to be undertaken. This section of the release gives information about sources and methods used in each UK-TSA table.

Demand side sources

International Passenger Survey (IPS), 2013 to 2015, ONS

The IPS provides estimates of the expenditure on visits to the UK by overseas visitors. This has been used in Table 1 of the UK-TSA where it is combined with estimates of expenditure on fares paid to UK carriers for inbound travel (also extracted from IPS findings). Together these provide estimates of total inbound tourism expenditure but the IPS provides no detailed breakdown of expenditure by product so further sources have been used for such a breakdown (Supply and Use Tables). The IPS also provides expenditure data on visits abroad by UK residents which have been used to provide the totals in Table 3 (outbound tourism expenditure). The lack of a breakdown by product again requires the use of Supply and Use Tables to complete the table. Estimates of expenditure on fares paid for outbound travel are not included in Table 3 but are in the part of Table 2 showing domestic tourism expenditure on outbound trips. Again, the fare information is sourced from the IPS but in this case all nationalities of carrier are included.

Input-Output Supply and Use Tables 2013, ONS

Supply and Use Tables (SUT) are part of the UK National Accounts system. They are annual tables, compiled around 18 months after the year in question and they include 3 tables for each year, one of which is divided into two. The tables relate to supply of products, demand of products (split into intermediate and final demand) and households final consumption expenditure (HHFCE). The HHFCE table includes 2 columns of information about non-resident household expenditure in the UK and UK resident household expenditure abroad. The totals are broken down into expenditure relating to 110 products and these are used in Table 1 and Table 3 of the UK-TSA to apportion total expenditure from the IPS to tourism products. Although the HHFCE table does not solely relate to tourists, we have assumed that they make up such a large proportion of each total that the HHFCE data make a good proxy for a breakdown of the expenditure in the IPS.

Great Britain Tourism Survey (GBTS) 2013 to 2015, National Tourism Boards

The GBTS is an annual survey jointly sponsored by national tourist boards. The respondents are Great Britain residents who are asked about the volume and value of their tourism visits within the UK that include an overnight stay. The GBTS total expenditure feeds into the domestic overnight visitors' column of Table 2 and provides some breakdown by product. Analysis of visits from holiday bases using data from the 2013 Great Britain Day Visits Survey was used to finalise the product breakdown in Table 2.

Great Britain Day Visits Survey (GB-DVS) 2013 to 2015, National Tourism Boards

The GB-DVS is the first Great Britain-wide survey of day visits since 2002 to 2003 and replaces the 2005 England Leisure Visits Survey (ELVS) as the data source for the relevant column in the UK-TSA Table 2. Analysis of responses to the GB-DVS has provided the required split of expenditure by product.

Northern Ireland Continuous Household Survey 2013-2015, Northern Ireland Statistics and Research Agency

The new GB-DVS and GBTS do not interview residents of Northern Ireland although they do provide information about visits to it from other parts of the UK. Therefore, data on Northern Ireland day visits from the Continuous Household Survey was combined with the GB-DVS data before converting to 2013 totals using Consumer Trends. Information about overnight visits by Northern Ireland residents was also combined with data from the GBTS.

Morgan Stanley Survey of Airport Spend 2005, run by who?

Table 2 of the UK-TSA includes an estimate of domestic tourism expenditure on outbound trips. As well as fares data from the IPS, we have used the results of a survey undertaken by Morgan Stanley in 2005

which provided an estimate of expenditure by product in UK airports. We have assumed that the data can be extended to include other points of departure and have used Consumer Trends data to convert 2005 data to 2013 equivalents.

ONS Consumer Trends 2013, ONS

Detailed HHFCE estimates are published annually and quarterly in ONS's Consumer Trends. The data are broken down by product and this has allowed us to convert non 2013 expenditure by product from tourism surveys to 2013 equivalents in Table 1. The assumption is that tourism expenditure on specific products in these cases has risen or fallen by the same proportions as overall HHFCE on the same product.

Sources of supply data

Annual Business Survey (ABS) 2013, ONS

The ABS is used to extract the proportion of SUT products or activities (for example, cultural activities) that are tourism and non-tourism. We use SIC 2007 5 digit estimates of output to extract these proportions. The ABS is also used to determine the number of enterprises in tourism characteristic industries in Table 7.

Annual Population Survey (APS) 2013, ONS

The APS is used to determine the proportions of self-employed individuals in the tourism characteristic industries for Table Seven. APS data is also used to split the output of accommodation services between "accommodation services for visitors" and "food and beverage serving activities" in Table 7. This is done by examining the proportion of people engaged in occupations relating to accommodation, and food and drink in the accommodation industry. This is because output attributable to the serving of food and drink should be accounted for under food and beverage serving activities within the TSA.

Annual Survey of Hours and Earnings (ASHE) 2013, ONS

ASHE is used to determine the average hours worked in tourism characteristic industries to better determine the full time equivalents estimates in Table 7.

Business Register and Employment Survey (BRES) 2013, ONS

BRES is used to determine the proportions of employees in the tourism characteristic industries in Table Seven.

Input-Output and Supply Use Tables – the Make Matrix or detailed supply matrix, ONS

To reconcile the output of industries to the output of products requires a "Make Matrix" (MM). This is essentially a detailed supply table, showing the value of products produced by each industry. It is largely diagonal, so that products are mainly produced by their corresponding industry. Nonetheless, there are some off-diagonal elements to it. ONS supplies an MM for internal use only due to its disclosive nature. However, the results that we derive from the MM are not disclosive in any way as it is used solely to apportion industry, or activity, output across tourism products.