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Improving the measurement of the economic impacts of tourism for policymaking

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Extended abstract

1. The demand for robust data and evidence on the economic impact of tourism has never been stronger. Providing access to tourism data has become a key priority for many countries and the sector to enable better decision making for government, business and the local community. The ability to measure the economic impacts of tourism provides policy makers with the evidence necessary to ensure that future policies are targeted to meet strategic objectives. As resource and capacity constraints continue to play a role, there is a need to consider what data is meaningful to portray the tourism context and enable decision making.

2. The rapid succession of recent crises has highlighted the importance of having timely, granular and comparable data to effectively inform policy and business decisions, and ensure policies are well targeted, have the desired impact and meet strategic objectives. More progress is needed to better measure the economic, environmental and social dimensions of tourism, and develop timely and robust indicators and tools to monitor the effectiveness of tourism policies and the resilience and sustainability of tourism development. Digitalisation has opened up new opportunities to support data-driven policy decisions and meet the policy demand for new, more granular and more timely data in a rapidly changing world. This is putting pressure on statistical agencies and organisations to exploit new sources of data.

3. The development of tourism activity, like with many other economic sectors, presents several trade-offs. In recent years, research on the sustainability of tourism dedicated extensive attention to negative social and environmental externalities of tourism, showing its detrimental aspects related to, for example, environmental pressures and resident's satisfaction. However, to assess and improve tourism sustainability overall, its economic dimension needs to be better understood and quantified.

4. The tourism activity is not a single sector in the economic accounts and the assessment of its economic impacts is therefore not straightforward to calculate. Different definitions of what can be classified as tourism have been proposed recently. The European Commission is proposing a "tourism ecosystem" definition based on a weighted sum of economic sectors to quantify the broad economic contribution of tourism. In parallel, Tourism Satellite Accounts (TSA) use an approach based on tourism product categories to account direct economic impacts of tourism. TSA is increasingly being compiled by national statistical institutes under Eurostat's coordination in the EU.

5. Official national data remains the gold standard for decision-making. However, traditional data sources including censuses, surveys and other data collected regularly through structured statistical process do not always meet the needs policy makers. The timeliness of tourism data overall thus remains a challenge, and the rapid succession of recent crises has highlighted the importance of having timely, granular and comparable data to effectively inform policy and business decisions in a rapidly changing world. For example, visitor surveys, which are a crucial input for the TSA and for Balance of Payment (BOP) statistics, are time-consuming, costly and becoming less reliable due to declining response rates. This is putting pressure on statistical agencies and organisations to exploit new sources of data.

6. This paper will build on ongoing work undertaken by the OECD to improve the economic measurement of tourism, including a recent survey on using new data sources and tools to measure tourism, tailored support to countries to implement Tourism Satellite Accounts and work on improving the evidence base for sustainable tourism development.

New data sources and tools to measure tourism

7. The OECD is undertaking work to explore the potential to use new data sources and tools to measure the economic impacts of tourism. This work examines opportunities and approaches for using new data sources and tools to complement existing statistical approaches, improve the timeliness and granularity of tourism data and fill data gaps. It also considers the statistical and decision-making processes

required to identify and classify tourism within new datasets. It does this by collating and sharing knowledge and experiences from countries with initiatives using new data sources and tools to improve the tourism evidence base.

8. For the purposes of this work, new data sources include, but are not limited to: administrative sources, online travel platform data, credit card transaction data, geospatial data (e.g. mobile positioning or satellite data), and green and environmental data. New tools include, but are not limited to, data hubs and other novel methods to share tourism data.

9. This work helps understand the potential of the new data sources and tools for tourism measurement and decision making. This will be achieved by leveraging existing learnings from countries that have worked with new data sources, and through the development of selected country case studies.

10. This work is contributing to existing literature by bringing together the case studies to share good practices, data challenges and lessons learned from the data experimentation, considering the process from data acquisition through to publication.

11. To conduct this work, the OECD distributed a short survey to Member and Partner Countries in July 2023 to capture country experiences. In particular, the survey was designed to gather information on initiatives to use new data sources to improve tourism data; collect experiences, insights and lessons learnt from new data experimentation; evaluate strategies and plans to implement new data measures; and identify interesting initiatives and volunteer countries willing to prepare case studies. The survey responses cover 31 different countries, capturing the perspectives of both the national tourism administrations and statistical agencies.

12. In addition to the survey, the OECD is also collecting country case studies based on use cases and experiences to serve as learning models for other countries.

Improving the implementation of the Tourism Satellite Accounts and improving the evidence base for sustainable tourism development

13. The OECD is providing support to countries in their efforts to implement reforms, which could encourage investment, increase competitiveness and assist in achieving sustainable economic and social convergence, resilience and recovery, including through the EU Technical Support Instrument (TSI). This should also strengthen the institutional and administrative capacity of the countries, including at regional and local levels, to facilitate socially inclusive, green and digital transitions.

14. Through the TSI, the OECD is supporting the update and implementation of the Tourism Satellite Account, and the development of indicator systems for measuring and monitoring the sustainability of tourism, to support destination management. A stronger tourism information system on the contribution and impacts of tourism is essential to support evidence-based policy making, address the challenges and seize new, sustainable opportunities in the tourism sector, and make information more readily available for businesses and the private sector.

15. Additionally, the OECD is undertaking work to provide decision makers with the information needed to formulate better policy responses that contribute to strengthening the sustainable development and management of tourism, by reviewing key initiatives, experiences and good practices to develop and implement timely, practical and meaningful indicators to measure the sustainability of tourism. This work considers the policy priorities and data availability and takes stock of the process to develop and implement core indicators, including the policy relevance, quality, availability, timeliness, comparability and rationale behind the choice of each indicator and data sources.

16. This work combines practical bottom-up and aspirational top-down approaches to provide guidance on developing indicators to measure and benchmark the effectiveness of policy interventions to manage tourism development sustainably, as well as recommendations for statistical improvements. It

promotes a culture of evaluation to strengthen the performance and impact of tourism policies and programmes, promoting the transition to more sustainable models of tourism development.