

Statistical bulletin

# The UK Tourism Satellite Account (UK-TSA): 2016

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

- Expenditure by inbound visitors to the UK rose slightly from £25.6 billion in 2015 to £25.9 billion in 2016, driven by a 1.4% (£0.4 billion) increase in expenditure by foreign overnight tourists.
- Domestic tourism expenditure increased from £118.0 billion in 2015 to £125.8 billion in 2016, supported by an 11.3% (£7.0 billion) rise in spending by same-day visitors.
- Outbound tourism expenditure increased to £43.8 billion in 2016, supported by a 12.2% (£4.7 billion) rise in spending by overnight visitors.
- Tourism direct employment (TDE) decreased 4.1% to an estimated 1.54 million in 2016. Conversely the number of enterprises increased 7.9% to just under 241,000; of this increase, 70.2% was in the food and beverage serving activities industry.
- Tourism direct gross value added (TDGVA) was £68.3 billion in 2016, a marginal increase of 0.3% on the previous year.
- Nowcasted TDGVA figures for 2017 suggest that the tourism industry declined. TDGVA is estimated to be worth £67.7 billion – a 0.9% decrease on 2016.
- Due to methodology improvements made whilst preparing the 2016 UK-TSA, the 2015 UK-TSA reference tables and associated data have been revised and included within this release.

## 2 . Things you need to know about this release

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 data are presented in current prices – also known as nominal, cash or value series – so are expressed in terms of the prices of the time period being estimated, unless otherwise stated.

### TSA concepts

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. This, therefore, differs from “traditional” industries such as manufacturing and agriculture, which are defined by the goods and services produced by themselves.

The tourism industries comprise all establishments for which the principal activity is a tourism characteristic activity. The term “tourism industries” is equivalent to “tourism characteristic activities” and the two terms are used synonymously.

Tourism activities occurring outside of the tourism industries (that is, non-tourism industries) is aggregated and accounted for within the “other consumption products” industry classification. Examples include car parking and costs associated with second home ownership. This is presented alongside the standard tourism industries throughout.

Table 1: Summary of products included within "other consumption products"

**Summary of "other consumption products"**

Clothing and textiles

Currency exchange

Education

Financial legal and insurance services

Food, beverages and tobacco

Health and public admin services

Other goods and services (not included elsewhere)

Personal transport (including car park charges)

Real estate services

Rental and leasing services (not including sport or transport)

Second home ownership

Source: Office for National Statistics

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).

Tourism demand consists of two types of tourism: inbound tourism and domestic tourism. Inbound tourism is where foreign visitors travel to spend time in the UK, for either overnight stays or a same-day visit. Domestic tourism covers the tourism activities of a UK resident visitor within the UK. These activities 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 of UK residents within the UK economy. When domestic tourism is reported at the overnight visitor level, it does not include outbound travel unless specifically stated.

The tourism categories defined in Table 2 have been obtained from the [Tourism Satellite Account Recommended Methodological Framework \(PDF, 758KB\)](#).

Table 2: Forms of tourism and categories of tourism consumption

Domestic tourism: the 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.	Domestic tourism consumption: the tourism consumption of a resident visitor within the economy of reference.
Inbound tourism: the activities of a non-resident visitor within the country of reference on an inbound tourism trip.	Inbound tourism consumption: the tourism consumption of a non-resident visitor within the economy of reference.
Outbound tourism: the activities of a resident visitor outside the country of reference either as part of an outbound tourism trip or as part of a domestic trip.	Outbound tourism consumption: the tourism consumption of a resident visitor outside the economy of reference

Source: Tourism Satellite Account: Recommended Methodological Framework 2008

This report presents the findings for the 2016 UK-TSA and the revised 2015 UK-TSA. Several methodology improvements were made whilst preparing the 2016 UK-TSA as described below, which resulted in the 2015 UK-TSA being revised. The data for these are included in a set of TSA datasets. All findings are in current prices, which means they are not adjusted for inflation. Therefore, caution should be taken when comparing with previous years.

In 2016, several improvements were made to the Great Britain Day Visits Survey (GBDVS), one of the data sources used to compile Table 2 of the UK-TSA which measures domestic tourism. This included:

- questionnaire improvements to make the survey more engaging and easy to complete
- questionnaire revisions required as part of the “merging” of GBDVS with the Great Britain Tourism Survey (GBTS) online piloting
- from January 2016, the weekly sample size contacted for the wider GBDVS and GBTS combined surveying increased from 673 to 1,000

As a result of these changes, a 15% increase was observed in the levels of visits reported by respondents. To ensure 2015 data are consistent with the methodological improvements, and to allow suitable comparisons with 2016 data, the 2015 data have been revised in line with the increased level of reporting of day visits. This change has not yet been implemented in the UK-TSA prior to 2015. We plan to implement these changes in 2019. At present, caution should be taken when comparing 2015 and 2016 UK-TSA with previous years.

More information on the changes to the GBDVS can be found on Slide 8 of [The Great Britain Day Visitor 2017 Annual Report \(PDF, 5.1MB\)](#).

Inbound and outbound tourism data were unaffected by the methodology improvements, but a small error identified in 2015 fares data resulted in inbound tourism data being revised.

The Annual Business Survey (ABS) population was expanded in 2015, which led to an increase in the number of businesses in the overall population of approximately 4%. In 2015, these businesses increased the level of turnover by 0.4% and gross value added (GVA) by 0.8%.

Users should also note that a sample re-optimisation has been included in the ABS estimates for 2016. This is carried out every five years to improve the efficiency of the sample estimation and reduce sampling variability as part of the regular process to improve estimates.

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.

## TSA aggregates

Tourism direct gross value added (TDGVA) indicates the component of output from the set of UK tourism industries that is driven directly by tourism spend. It 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.

Tourism direct employment (TDE) is a measure of jobs within the UK labour market that are supported directly by demand from tourists. Tourism direct full-time equivalent (FTE) is an alternative measure of tourism employment that enables labour assigned to a particular tourism industry to be approximated.

Tourism totals for TDE and FTEs include employment data relating to jobs that support tourism activities in both the tourism industries and other consumption products (non-tourism industries).

A "nowcasting" technique has been applied to the 2016 UK-TSA to provide an estimate of TDGVA for 2017. [A description of this methodology is available \(PDF, 139KB\)](#).

## TSA governance

The UK Trade and Tourism team at the Office for National Statistics (ONS) has produced the 2015 revised UK-TSA and 2016 UK-TSA in this release and was also responsible for previous UK-TSAs, covering the individual years from 2008 to 2014.

The production of the UK-TSA is commissioned by the Department for Digital, Culture, Media and Sport (DCMS).

# 3 . Tourism demand in the UK in 2016

## Inbound tourism expenditure remains steady

Inbound tourism expenditure within the UK was valued at £25.9 billion in 2016, a marginal increase of 1.4% compared with 2015 where the value stood at £25.6 billion (see Table 3). This rise coincided with a 4.1% increase in the number of visits made by overseas residents to the UK between 2015 and 2016, though spend per visit decreased by 1.9% over the same period (for more information, see [Travel trends: 2016](#)). The same-day visitor contribution to inbound tourism expenditure experienced a 1.1% decrease to £0.5 billion. However, this was offset by the 1.4% increase in the overnight visitor expenditure to £25.4 billion, as overnight visitor expenditure accounted for 97.9% of inbound tourism expenditure in 2016.

Despite the overall rise in inbound tourism expenditure, all except two of the tourism products recorded declines between 2015 and 2016. The largest fall in percentage terms was experienced by water passenger transport services, decreasing by 8.6% to £0.3 billion. Accommodation services for visitors experienced the largest value fall, decreasing £0.2 billion to £5.5 billion.

These declines were offset by an increase of 7.9% to £11.6 billion in other consumption products, which was the main reason for the overall rise in inbound tourism expenditure. The tourism product which recorded the largest increase in percentage terms was exhibitions and conferences, which increased 41.0% to £0.1 billion. This is supported by the number of UK conferences increasing 8.2% from 1.34 million in 2015 to 1.45 million in 2016 (for more information, see [UK Conference and Meeting Survey](#)).

Table 3: Inbound tourism expenditure  
UK, 2015 to 2016

£ millions and percentage

	2015	2016	Change between 2015 and 2016	
			Value	%
Accommodation services for visitors	5,688	5,464	-223	-3.9
Food and beverage serving activities	3,863	3,713	-151	-3.9
Railway passenger transport services	408	404	-4	-1.1
Road passenger transport services	537	521	-15	-2.8
Water passenger transport services	306	280	-26	-8.6
Air passenger transport services	3,294	3,187	-107	-3.2
Transport equipment rental services	163	168	5	3.0
Travel agencies and other reservation services	115	110	-5	-4.2
Cultural activities	222	215	-8	-3.5
Sport and recreation activities	174	172	-3	-1.5
Exhibitions and conferences etc.	92	129	38	41.0
Other consumption products	10,726	11,573	848	7.9
Total	25,588	25,937	348	1.4

Source: UK-TSA 2015 and 2016, Office for National Statistics

#### Notes

1. Current prices [Back to table](#)
2. Data may not sum due to rounding [Back to table](#)

Figure 1 shows that other consumption products was the largest contributor to inbound tourism expenditure in 2016, worth £11.6 billion. Beyond this, three tourism products experienced the majority of expenditure during the year, which were the same products as in 2015. These comprised of:

- accommodation services for visitors, worth £5.5 billion
- food and beverage serving activities, worth £3.7 billion
- air passenger transport services, worth £3.2 billion

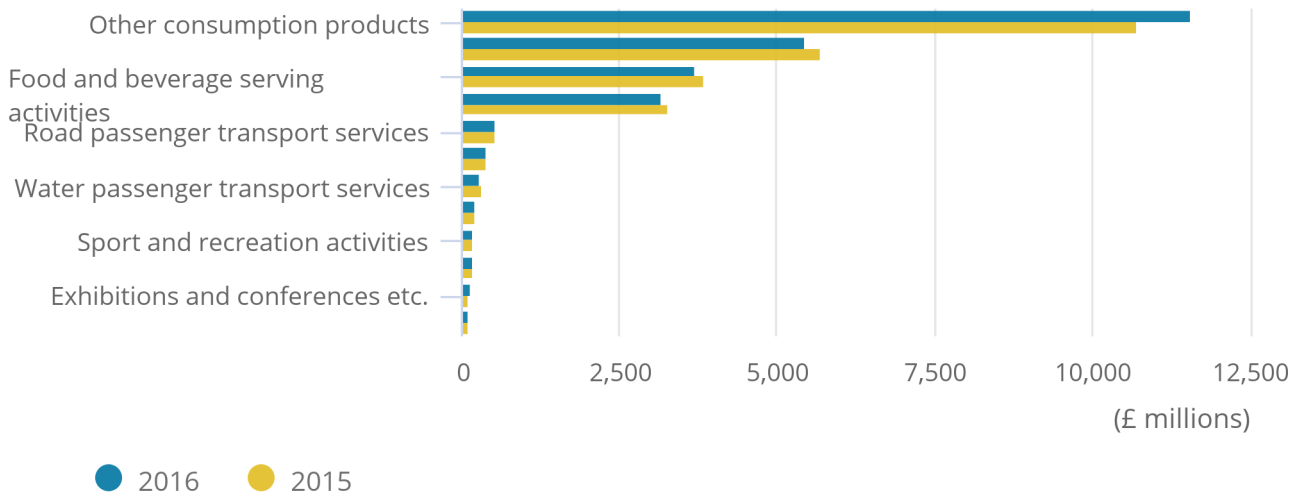
The combined share of the top four contributors represented 92.3% of total inbound tourism expenditure in 2016.

**Figure 1: Inbound tourism expenditure by product**

UK, 2015 and 2016

**Figure 1: Inbound tourism expenditure by product**

UK, 2015 and 2016



Source: UK-TSA 2015 and 2016 - Office for National Statistics

Notes:

1. Current prices.

## Spending on same-day visits supports rise in UK domestic tourism expenditure

Domestic tourism expenditure within the UK was £125.8 billion in 2016, an increase of 6.6% or £7.8 billion in value terms from 2015 (see Table 4). This comprised £93.2 billion spent on domestic trips (an increase of 6.2% compared with 2015) and £32.5 billion spent on outbound trips (an increase of 7.8%). The latter is discussed in more detail in Section 4.

Domestic tourism expenditure on other consumption products experienced the largest value increase, rising £4.0 billion (up 10.3%) to £42.4 billion between 2015 and 2016. As well as other consumption products, the majority of tourism products benefited from the rise in domestic tourism expenditure during 2016. Within these products, cultural activities recorded the largest value increase over the period, rising £2.8 billion to £7.2 billion, and transport equipment rental services recorded the largest percentage increase of 135.4% to £1.2 billion.

Performance within the passenger transport services products was more mixed during 2016. The increases experienced in water transport (72.0%) and air transport (8.1%) were almost entirely offset by the decreases experienced in railway transport (4.7%) and road transport (48.6%).

Table 4: Domestic tourism expenditure by product  
UK, 2015 to 2016

£ millions and percentage

	2015	2016	Change between 2015 and 2016	
			Value	%
Accommodation services for visitors	9,638	9,888	250	2.6
Food and beverage serving activities	30,576	30,644	68	0.2
Railway passenger transport services	4,463	4,255	-208	-4.7
Road passenger transport services	2,549	1,310	-1,239	-48.6
Water passenger transport services	662	1,138	477	72.0
Air passenger transport services	17,950	19,408	1,459	8.1
Transport equipment rental services	515	1,212	697	135.4
Travel agencies and other reservation services	3,014	4,105	1,092	36.2
Cultural activities	4,396	7,197	2,801	63.7
Sport and recreation activities	5,573	3,848	-1,725	-31.0
Exhibitions and conferences etc.	182	358	176	96.8
Other consumption products	38,454	42,412	3,958	10.3
Total	117,971	125,777	7,806	6.6

Source: UK-TSA 2015 and 2016, Office for National Statistics

Figure 2 shows the contribution to domestic tourism expenditure made by each product in 2016. Apart from other consumption products, food and beverage serving activities and air passenger transport services were the main components of domestic tourism expenditure in 2016, as they were in 2015. For the latter, the vast proportion of domestic tourism expenditure in this product relates to expenditures by UK residents on outbound travel, which includes air fares paid to UK carriers.

The combined share of the top three contributors represented 73.5% of total domestic tourism expenditure in 2016. The top four contributors are the same products contributing the majority towards inbound tourism expenditure.

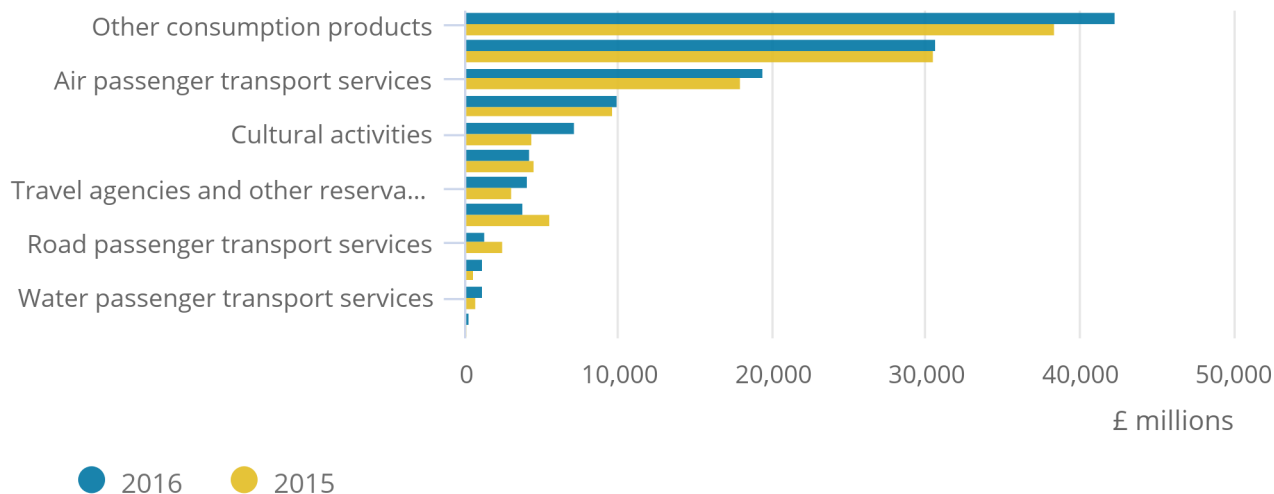


## Figure 2: Domestic tourism expenditure by product

UK, 2015 and 2016

### Figure 2: Domestic tourism expenditure by product

UK, 2015 and 2016



Source: UK-TSA 2015 and 2016 - Office for National Statistics

#### Notes:

1. Current prices.

Domestic tourism expenditure on domestic trips totalled £93.2 billion in 2016, which comprised expenditure relating to same-day visitors and overnight visitors. This excludes expenditure on outbound domestic trips, which is analysed in Section 4.

Expenditure on domestic trips with an overnight stay was valued at £24.1 billion in 2016, a decrease of 6.1% on the previous year (see Table 5). This decrease in expenditure on overnight domestic trips by UK residents is supported by [Visit Britain's Great Britain Tourism Survey \(PDF, 2.5MB\)](#), which showed the number of domestic overnight trips taken by Great Britain residents decreasing from 124.4 million in 2015 to 119.5 million in 2016.

Four tourism products recorded an increase in expenditure on domestic trips with an overnight stay, the largest of which, in terms of both value and percentage, was water passenger transport services. This product increased 192.9% to a relatively small amount of £0.3 billion. Conversely, road passenger transport services experienced the largest percentage decrease, 89.1% to £30.9 million. The overall decline was driven mainly by other consumption products (which decreased by £0.8 billion) and food and beverage serving activities (which decreased by £0.4 billion).

Table 5: Domestic tourism expenditure by overnight visitors on domestic trips by product  
UK, 2015 to 2016

£ millions and percentage

	2015	2016	Change between 2015 and 2016	
			Value	%
Accommodation services for visitors	8,915	9,050	135	1.5
Food and beverage serving activities	5,452	5,036	-416	-7.6
Railway passenger transport services	829	733	-96	-11.5
Road passenger transport services	283	31	-252	-89.1
Water passenger transport services	89	262	173	192.9
Air passenger transport services	609	637	28	4.6
Transport equipment rental services	185	138	-48	-25.8
Travel agencies and other reservation services	994	777	-217	-21.8
Cultural activities	955	905	-50	-5.2
Sport and recreation activities	550	484	-66	-12.1
Exhibitions and conferences etc.	58	67	9	16.1
Other consumption products	6,744	5,989	-756	-11.2
Total	25,664	24,109	-1,556	-6.1

Source: UK-TSA 2015 and 2016

#### Notes

1. Current prices. [Back to table](#)
2. Data may not sum due to rounding. [Back to table](#)

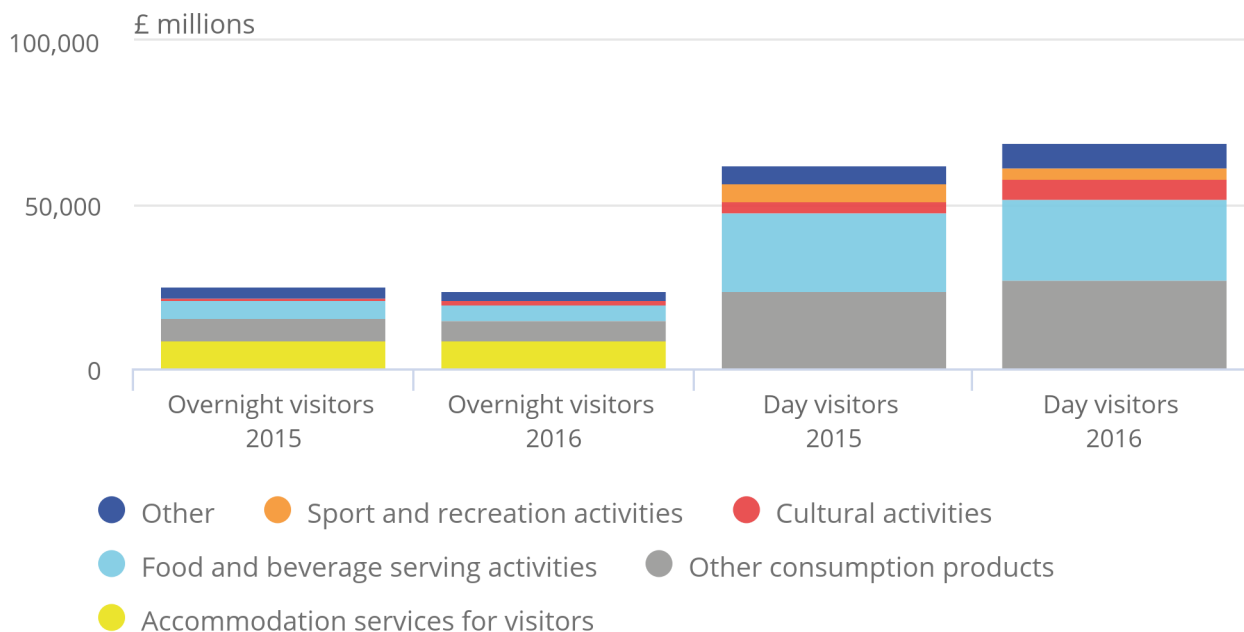
Figure 3 shows the top five products incurring the most expenditure from day and overnight visitors on domestic trips within the UK for 2015 and 2016, with the remaining products grouped in "other". Spend on accommodation services (£9.0 billion), other consumption products (£6.0 billion) and food and beverage serving activities (£5.0 billion) dominated this category of tourism expenditure, accounting for 83.3% of all domestic overnight consumption in 2016.

**Figure 3: Main products contributing to domestic tourism expenditure by day and overnight visitors on domestic trips**

UK, 2015 and 2016

Figure 3: Main products contributing to domestic tourism expenditure by day and overnight visitors on domestic trips

UK, 2015 and 2016



Source: UK-TSA 2015 and 2016 - Office for National Statistics

Notes:

1. Current prices.
2. Products with expenditure equalling 0 are included in "other", so do not actually equal 0.

Despite a decrease in expenditure by overnight visitors, there was an overall increase in domestic tourism expenditure on domestic trips, driven by the larger increase in expenditure by day visitors. As a proportion of total expenditure, day visitors spent more than overnight visitors on all products in the top five in 2016, except accommodation services for visitors. The largest difference in proportional spend was seen in food and beverage serving activities, with day visitors spending 35.8% of total domestic expenditure on this product in 2016, compared with only 20.9% of total domestic overnight visitor spend (a difference of 14.9%).

Same-day visits by UK residents represented the largest component of domestic tourism expenditure. In 2016, total spending by day visitors amounted to £69.1 billion, an 11.3% increase compared with the previous year (see Table 6). This increase in expenditure on day visit domestic trips by UK residents is in line with [Visit Britain's Great Britain Day Visits Survey \(PDF, 5.3MB\)](#), which shows a 4.6% rise in the number of domestic day trips taken by Great Britain residents, increasing to 1.8 billion in 2016.

Within the tourism products, food and beverage serving activities was the main beneficiary of spending by UK day visitors, equating to £24.7 billion in 2016. The product's share has remained relatively constant since 2008, when UK Tourism Satellite Account (UK-TSA) estimates were first published, at approximately 40% of total day-visit spend. Between 2015 and 2016, travel agencies and other reservation services recorded the largest percentage increase, rising by 526.8% to £1.4 billion.

Table 6: Domestic tourism expenditure by day visitors on domestic trips by product UK, 2015 to 2016

£ millions and percentage

	2015	2016	Change between 2015 and 2016	
			Value	%
Accommodation services for visitors	-	-	-	-
Food and beverage serving activities	24,353	24,736	383	1.6
Railway passenger transport services	2,866	2,733	-133	-4.6
Road passenger transport services	1,215	109	-1,106	-91.0
Water passenger transport services	193	424	230	119.0
Air passenger transport services	463	1,361	898	193.9
Transport equipment rental services	330	1,075	745	226.0
Travel agencies and other reservation services	231	1,446	1,215	526.8
Cultural activities	3,441	6,292	2,851	82.9
Sport and recreation activities	5,023	3,364	-1,659	-33.0
Exhibitions and conferences etc.	124	291	167	134.2
Other consumption products	23,877	27,306	3,429	14.4
Total	62,116	69,136	7,020	11.3

Source: UK-TSA 2015 and 2016, Office for National Statistics

#### Notes

1. Current prices. [Back to table](#)
2. Data may not sum due to rounding. [Back to table](#)

The main contributors to day-visit spend in 2016 were other consumption products, food and beverage serving activities and cultural activities (see Figure 3). These products accounted for 84.4% of all domestic day-visit spending in 2016. These are the same products contributing the most to expenditure of overnight visitors within the UK, except for accommodation services as day visitors do not usually require this service.

Figure 4 compares the contribution to domestic tourism consumption by product for day and overnight visitors on domestic trips in 2016. Day visitors contributed £69.1 billion (74.1%) to the total expenditure, whereas overnight visitors contributed £24.1 billion (25.9%).

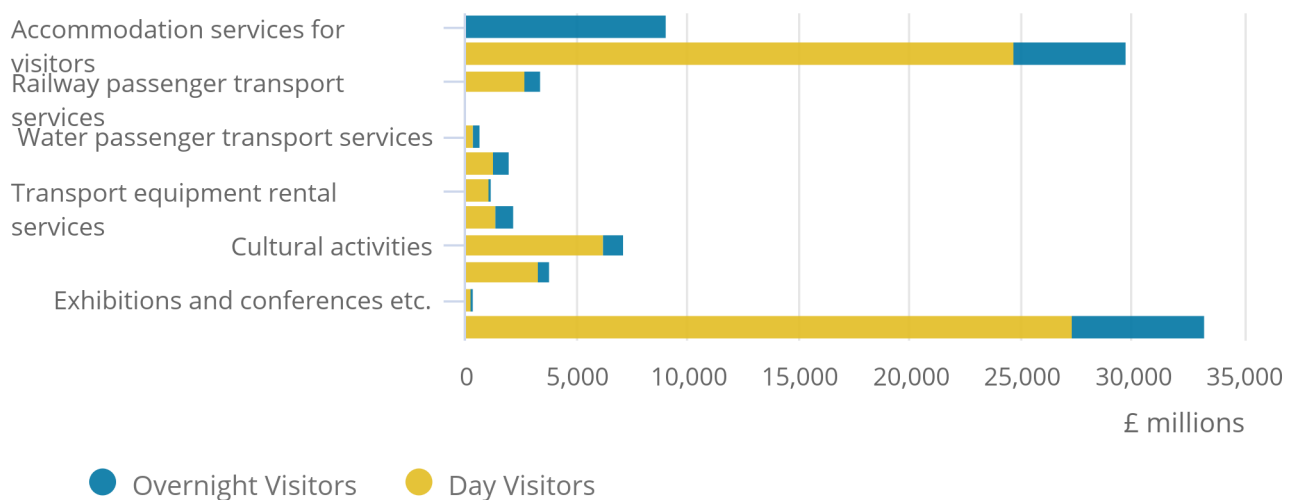
Day visitors spent £19.7 billion more than overnight visitors on food and beverage serving activities, which is supported by the number of domestic day trips taken by Great Britain residents exceeding the number of domestic overnight trips by 1.7 billion in 2016 (for more information, see [Visit Britain's Great Britain Tourism Survey \(PDF, 2.5MB\)](#) and [Visit Britain's Great Britain Day Visits Survey \(PDF, 5.3MB\)](#)). The other largest value differences were recorded by other consumption products and cultural activities, where day visitors spent £21.3 billion and £5.4 billion more than overnight visitors respectively.

**Figure 4: Domestic tourism expenditure by day and overnight visitors on domestic trips by product**

UK, 2016

Figure 4: Domestic tourism expenditure by day and overnight visitors on domestic trips by product

UK, 2016



Source: UK-TSA 2015 and 2016 - Office for National Statistics

Notes:

1. Current prices.

## Domestic tourism expenditure remained the main contributor to tourism demand

Tourism demand comprises inbound and domestic tourism expenditure, which amounted to £151.7 billion in 2016, a 5.7% increase on 2015. Domestic expenditure accounts for 82.9% of tourism demand, which was a 0.9% increase compared to its contribution in 2015. This is supported by the number of domestic trips taken by British residents (1.9 billion) exceeding the number of inbound trips by non-UK residents (0.04 billion) (for more information, see [Visit Britain's Great Britain Tourism Survey \(PDF, 2.5MB\)](#), [Visit Britain's Great Britain Day Visits Survey \(PDF, 5.3MB\)](#) and [Travel trends: 2016](#)).

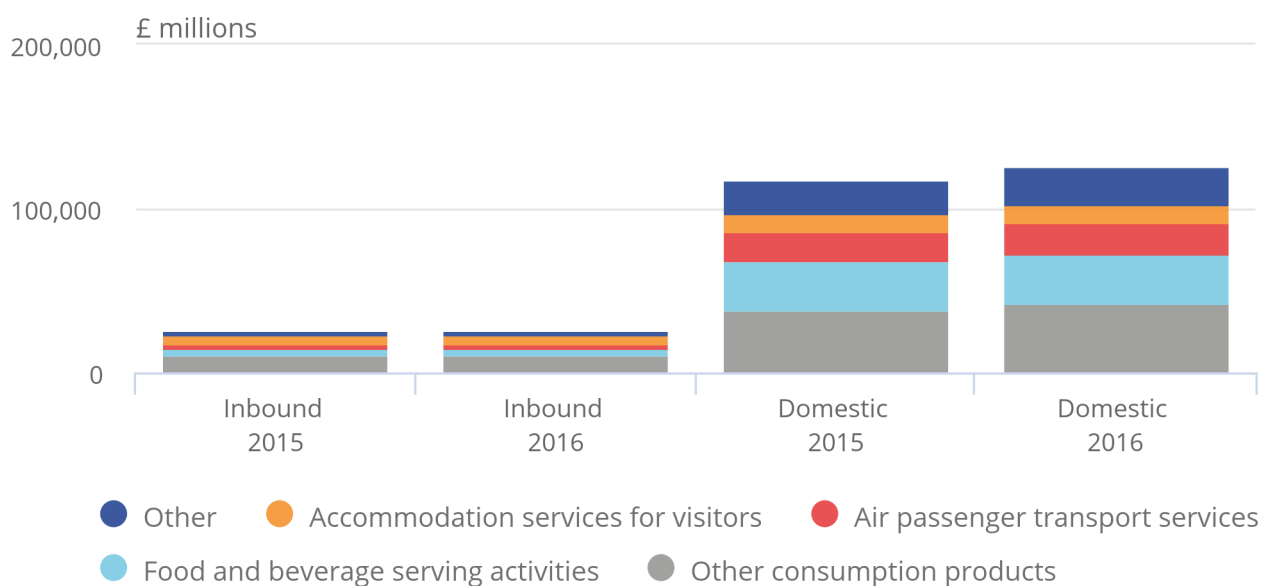
In 2016, other consumption products made up the largest proportion of both inbound and domestic tourism expenditure (see Figure 5). Food and beverage serving activities was the second largest product purchased by domestic visitors, compared with accommodation services for non-resident visitors. The other product which contributed a large proportion to both inbound and domestic expenditure categories was air passenger transport services.

**Figure 5: Tourism demand by product**

UK, 2015 and 2016

Figure 5: Tourism demand by product

UK, 2015 and 2016



Source: UK-TSA 2015 and 2016 - Office for National Statistics

Notes:

1. Current prices.

## 4 . Expenditure on trips abroad by UK residents in 2016

### Spending on overnight visits supports rise in UK resident expenditure on trips abroad

For UK residents travelling abroad, their expenditure comprises two types of tourism:

- domestic outbound tourism – the expenditure made on UK territory before leaving the country, for example spending at UK airports before departure
- non-domestic outbound tourism – the expenditure whilst outside the UK

Within the Tourism Satellite Accounts (TSA) reference tables, domestic outbound tourism is referred to as outbound trips domestic tourism (within TSA Table 2) and non-domestic outbound tourism is referred to as outbound tourism (within TSA Table 3).

The expenditure relating to day visits has decreased by 3.2% for non-domestic outbound tourism and by 3.1% for domestic outbound tourism, whereas the expenditure relating to overnight visits has increased by 12.2% for non-domestic outbound tourism and by 7.8% for domestic outbound tourism. These increases, considering that expenditure on overnight visits contribute over 99% to each total, have driven the total expenditure for domestic outbound tourism and non-domestic outbound tourism to increase. Domestic outbound tourism amounted to £32.3 billion in 2016, an increase of 7.8% compared with 2015. Non-domestic outbound tourism amounted to £43.8 billion in 2016, an increase of 12.2% compared with 2015. These increases are supported by a 7.8% annual increase in the number of visits overseas by UK residents in 2016, rising to 70.8 million (for more information, see [Travel trends: 2016](#)).

These directions of change are the opposite to those recorded for day and overnight visits within domestic tourism expenditure on domestic trips. That is, compared with the previous year, in 2016 UK residents are spending more on domestic day trips and overnight trips abroad, but less on domestic overnight trips and day trips abroad.

As expenditure on overnight visits contributes over 99% to total outbound expenditure, the subsequent analysis will focus on the annual product changes in terms of overnight expenditure only.

Considering overnight visitors only, domestic outbound tourism expenditure totalled £32.3 billion in 2016, a 7.8% increase compared with 2015 (see Table 7). Each of the products recording values for this expenditure experienced an increase. Water passenger transport services rose to £0.4 billion, recording the largest percentage increase of 18.8%. The largest value increase was £1.3 billion recorded by other consumption products, rising to £9.1 billion.

Table 7: Domestic outbound tourism expenditure by product for overnight visitors  
UK, 2015 to 2016

£ millions and percentage

	2015	2016	Change between 2015 and 2016	
			Value	%
Accommodation services for visitors	723	839	115	15.9
Food and beverage serving activities	767	868	102	13.3
Railway passenger transport services	724	747	23	3.2
Road passenger transport services	1,046	1,165	119	11.4
Water passenger transport services	370	439	69	18.8
Air passenger transport services	16,753	17,295	542	3.2
Transport equipment rental services	-	-	-	-
Travel agencies and other reservation services	1,789	1,883	94	5.2
Cultural activities	-	-	-	-
Sport and recreation activities	-	-	-	-
Exhibitions and conferences etc.	-	-	-	-
Other consumption products	7,797	9,082	1,285	16.5
Total	29,969	32,318	2,349	7.8

Source: UK-TSA 2015 and 2016, Office for National Statistics

#### Notes

1. Current prices [Back to table](#)
2. Data may not sum due to rounding [Back to table](#)

Figure 6 shows the products incurring the most expenditure from overnight visitor domestic and non-domestic outbound tourism for 2015 and 2016, with the remaining products grouped in "other". The largest contribution to domestic outbound tourism, at 53.5% or £17.3 billion, was made by air passenger transport services, as it was in 2015.

The distribution of overnight visitor non-domestic outbound tourism expenditure across the tourism products is also shown in Figure 6. Spend on other consumption products (£20.1 billion), accommodation services (£8.6 billion) and food and beverage serving activities (£5.7 billion) dominated this expenditure. They accounted for 78.9% of all overnight visitor non-domestic outbound tourism expenditure in 2016. These are the same products contributing the most to domestic overnight expenditure in 2016.

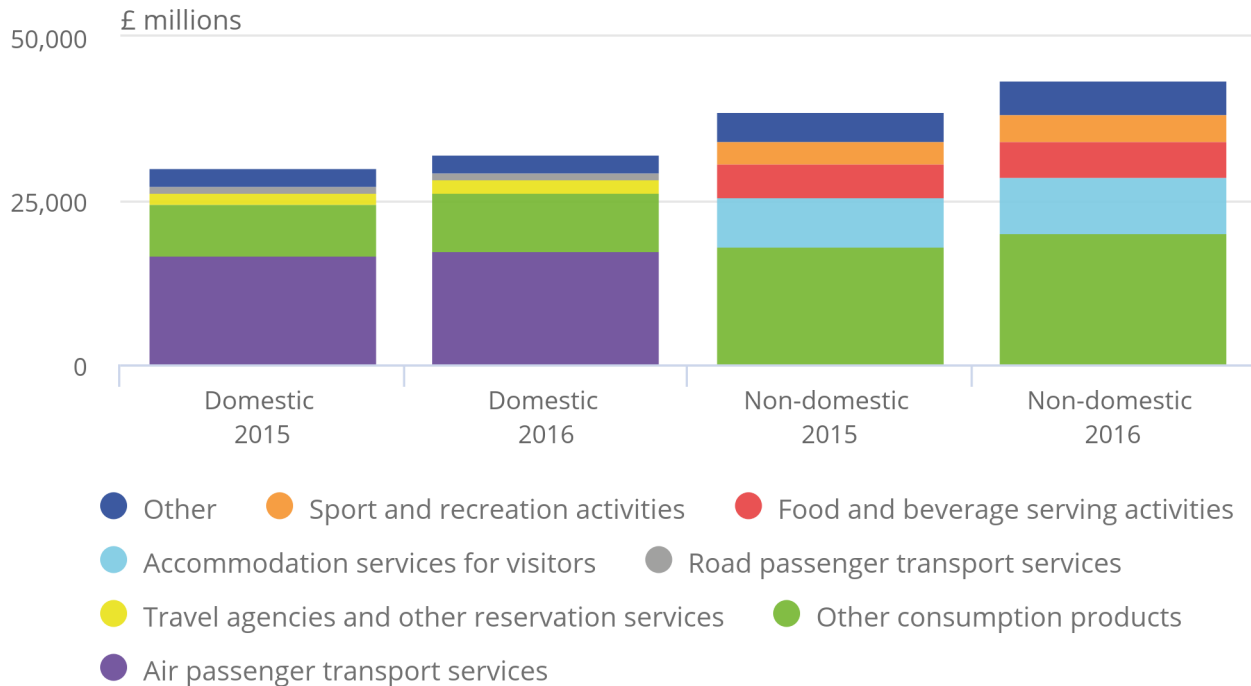


**Figure 6: Main products contributing to domestic and non-domestic outbound tourism expenditure by overnight visitors**

UK, 2015 and 2016

Figure 6: Main products contributing to domestic and non-domestic outbound tourism expenditure by overnight visitors

UK, 2015 and 2016



Source: UK-TSA 2015 and 2016 - Office for National Statistics

Notes:

1. Current prices.
2. Products with expenditure equalling 0 are included in "other", so do not actually equal 0.

Non-domestic outbound tourism expenditure relating to overnight visitors totalled £43.6 billion in 2016, a 12.2% increase compared with 2015 (see Table 8). Every product experienced an increase in expenditure over the period. Exhibitions and conferences rose to £0.2 billion, recording the largest percentage increase of 45.8%. Apart from other consumption products, the largest value increase was £1.0 billion recorded by accommodation services for visitors, rising to £8.6 billion.

Table 8: Non-domestic outbound tourism expenditure by product for overnight visitors UK, 2015 to 2016

£ millions and percentage

	2015	2016	Change between 2015 and 2016	
			Value	%
Accommodation services for visitors	7,602	8,596	995	13.1
Food and beverage serving activities	5,048	5,708	660	13.1
Railway passenger transport services	398	452	54	13.6
Road passenger transport services	1,086	1,220	133	12.3
Water passenger transport services	229	258	29	12.6
Air passenger transport services	1,122	1,272	150	13.4
Transport equipment rental services	99	110	11	10.7
Travel agencies and other reservation services	132	150	18	13.7
Cultural activities	1,504	1,697	193	12.9
Sport and recreation activities	3,457	3,817	360	10.4
Exhibitions and conferences etc.	154	225	71	45.8
Other consumption products	18,023	20,098	2,075	11.5
Total	38,853	43,603	4,749	12.2

Source: UK-TSA 2015 and 2016, Office for National Statistics

#### Notes

1. Current prices. [Back to table](#)
2. Data may not sum due to rounding. [Back to table](#)

Figure 7 compares overnight visitors' domestic with non-domestic expenditure by product in 2016. Four products only incurred expenditure from non-domestic outbound tourism, that is UK residents only spent money on these products whilst abroad. These included transport equipment rental services, sport and recreation activities, cultural activities, and exhibitions and conferences. Expenditure on the majority of passenger transport services products (railway, water and air) was greater for domestic outbound tourism than non-domestic outbound tourism, the largest difference being air where UK residents spent £16.0 billion more before departing on their travels than abroad. It should be noted that domestic outbound tourism expenditure includes fare data relating to UK residents travelling abroad.

Conversely, road was the only transport service where UK residents spent 65.2% (£0.3 billion) more abroad than before leaving the UK. The only other product where UK residents spent more before departing on their travels than whilst abroad was travel agencies and other reservation services. For this product, UK residents spent £1.7 billion more in the UK than abroad.

Accommodation services for visitors and food and beverage serving activities recorded significantly larger expenditure for non-domestic outbound tourism than domestic outbound tourism; the value differences were £7.8 billion and £4.8 billion respectively. The domestic outbound tourism expenditure in these products (£1.7 billion) were accountable to the costs associated with travelling to ports the day before departure, as well as the day of departure for food and beverage serving activities.

Non-domestic outbound tourism expenditure was £11.3 billion greater than domestic outbound tourism expenditure in 2016; it increased 12.2% whereas domestic outbound tourism expenditure increased 7.8% (that is, a 56.0% larger percentage increase for non-domestic outbound tourism).

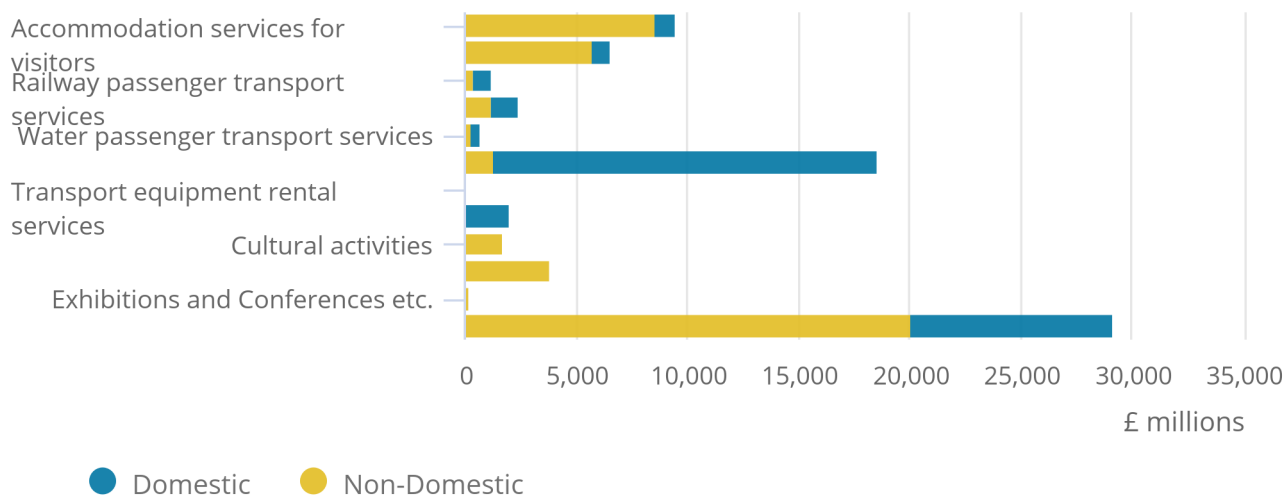
Out of the products recording expenditure for both domestic outbound tourism and non-domestic outbound tourism, half experienced percentage increases in line with the overall change. The most prominent of these was railway passenger transport services, which increased 3.2% for domestic outbound tourism and 13.6% for non-domestic outbound tourism (that is, a 330.6% larger percentage increase for non-domestic outbound tourism compared with domestic outbound tourism). These increases were somewhat offset by increases not in line with the overall change, including water passenger transport services. This product increased 18.8% for domestic outbound tourism and 12.6% for non-domestic outbound tourism (that is, a 32.8% smaller percentage increase for non-domestic outbound tourism compared with domestic outbound tourism).

**Figure 7: Domestic and non-domestic outbound tourism expenditure by overnight visitors by product**

UK, 2016

Figure 7: Domestic and non-domestic outbound tourism expenditure by overnight visitors by product

UK, 2016



Source: UK-TSA 2015 and 2016 - Office for National Statistics

Notes:

1. Current prices.

## 5 . Tourism employment in the UK in 2016

The previous two sections have referred to tourism products, which relates to the activity being provided, irrespective of which businesses or establishments are providing that activity. The following three sections refer to tourism industries, which comprise all establishments for which the principal activity is a tourism characteristic activity, though a variety of activities may be provided by the same establishment.

### Tourism employment shows decline in 2016

Tourism direct employment (TDE) refers to employment in the UK that is directly supported by tourism consumption. In addition to the tourism industries, TDE includes employment data relating to tourism jobs located in the aggregated non-tourism industries' grouping, other consumption products.

Table 9 presents the change in TDE between 2015 and 2016 and shows there was a 4.1% decrease in tourism over the year, equating to approximately 66,400 jobs. This was mainly driven by three industries: sport and recreation activities (decreased by 41,100 jobs to 102,900), road passenger transport services (decreased by 26,800 jobs to 41,400) and other consumption products (decreased by 23,300 jobs to 462,700).

Despite this overall decrease, the majority of tourism industries experienced an increase in TDE. However, these increases were not large enough to offset the decrease in the industries discussed above. Cultural activities recorded the largest rise in terms of value, increasing 26,300 to 74,100 in 2016. The industries which recorded the largest percentage rises were transport equipment rental services (115.4%), and exhibitions and conferences (72.6%). Both these industries however represent relatively small contributors to TDE – 2,300 in total – so their effect is minimal.

Table 9: Tourism direct employment  
UK, 2015 to 2016

**Thousands and percentage**

	2015	2016	Change between 2015 and 2016	
			Value	%
Accommodation services for visitors	289	275	-14	-4.7
Food and beverage serving activities	389	395	6	1.4
Railway passenger transport services	37	29	-8	-21.3
Road passenger transport services	68	41	-27	-39.3
Water passenger transport services	2	3	1	50.7
Air passenger transport services	39	41	2	4.3
Transport equipment rental services	1	2	1	115.4
Travel agencies and other reservation services	102	113	10	10.3
Cultural activities	48	74	26	55.1
Sport and recreation activities	144	103	-41	-28.5
Exhibitions and conferences etc.	0.3	0.5	0.2	72.6
Other consumption products	486	463	-23	-4.8
Total	1,606	1,539	-66	-4.1

Source: UK-TSA 2015 and 2016, Office for National Statistics

Notes

1. Tourism totals for Tourism Direct Employment includes employment data relating to "other consumption products". [Back to table](#)
2. Data may not sum due to rounding. [Back to table](#)

The biggest contributors to TDE in the UK in 2016 were other consumption products (462,700 jobs), food and beverage serving activities (394,700 jobs), and accommodation services for visitors (275,100 jobs), as shown in Figure 8.

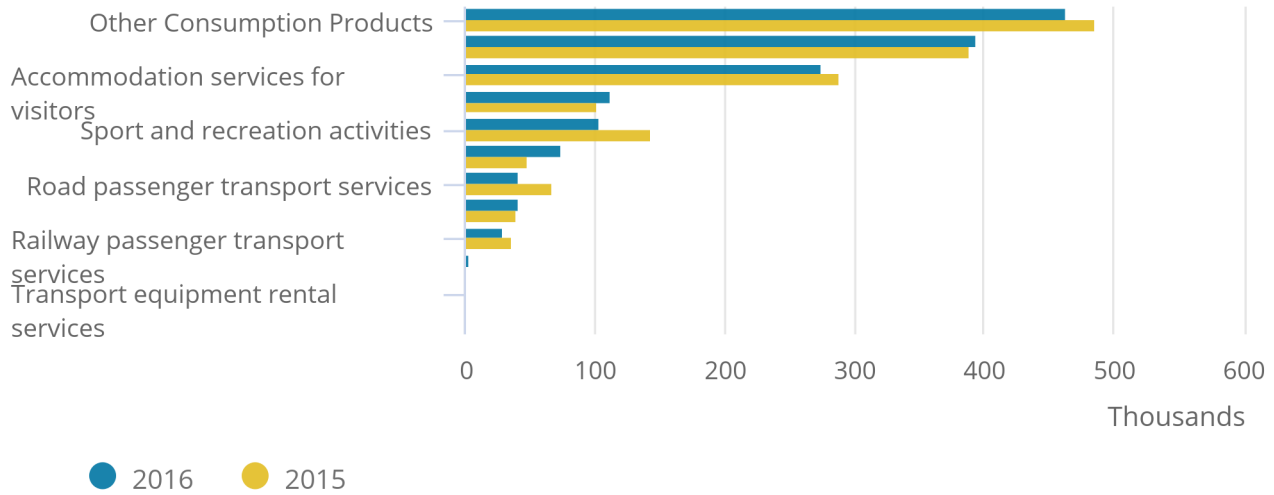
While these industries have remained the largest contributors to TDE since 2008, when UK Tourism Satellite Accounts (UK-TSA) estimates were first published, there has been some movement over time in the respective industries' relative shares. Other consumption products' share of TDE has risen steadily over the period, from 20.7% in 2008 to 30.1% in 2016. Food and beverage serving activities' share of TDE has also increased, from 28.1% in 2008 to 25.6% in 2016. In contrast accommodation services for visitors' share of TDE has declined from 20.2% to 17.9% over the same period.

## Figure 8: Tourism direct employment

UK, 2015 and 2016

### Figure 8: Tourism direct employment

UK, 2015 and 2016



Source: UK-TSA 2015 and 2016 - Office for National Statistics

#### Notes:

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

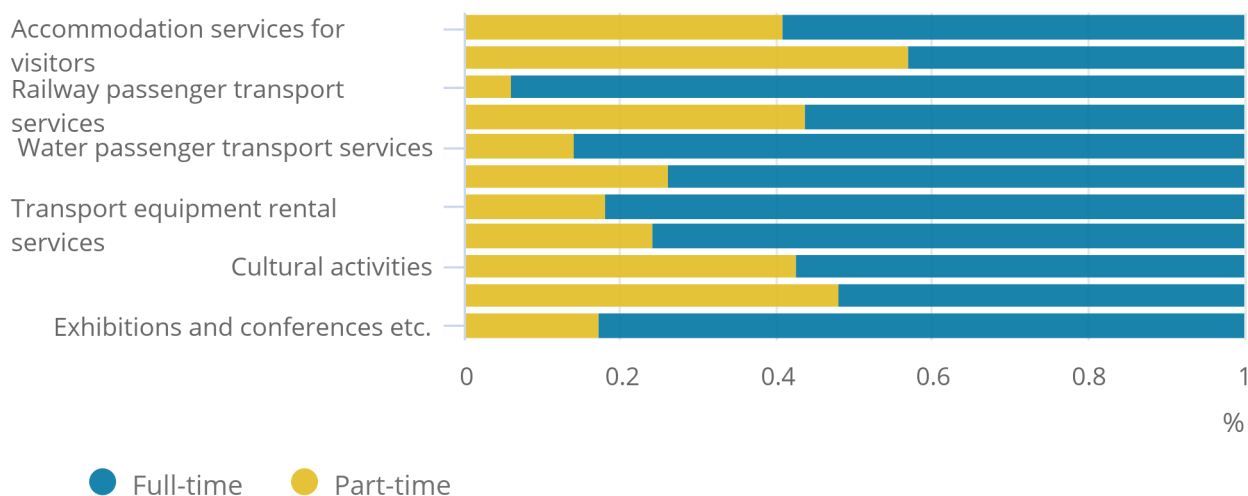
Of those employed (that is, not self-employed), the only industry where the number of part time jobs was greater than the number of full time jobs was food and beverage serving activities (see Figure 9). Within this industry, there were 797,800 part time employees compared with 598,600 full time employees. The industry with the lowest proportion of part time jobs was railway passenger transport services, where only 6.0% of jobs in this industry were part time in 2016.

**Figure 9: Ratio of full-time to part-time employees in the tourism industries**

2016

Figure 9: Ratio of full-time to part-time employees in the tourism industries

2016



Source: UK-TSA 2015 and 2016 - Office for National Statistics

Calculating tourism direct full-time equivalent (FTE) employment enables the amount of labour assigned to a particular tourism industry to be approximated.

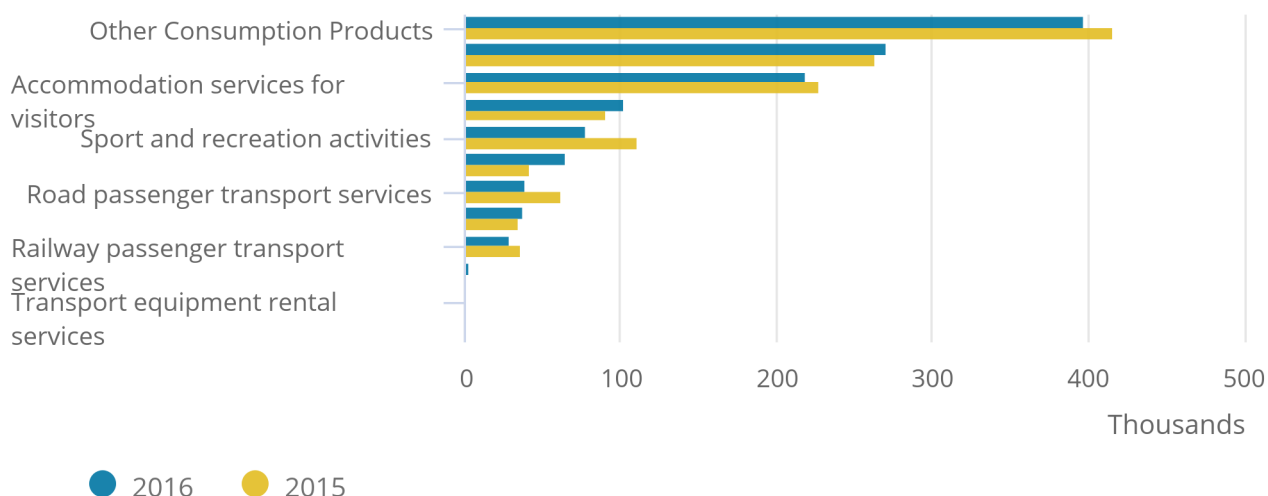
In 2016, there were an estimated 1.2 million FTEs in the UK, a 3.6% decrease compared with 2015, equating to approximately 46,200 FTEs. As Figure 10 shows, other consumption products contained the highest number of tourism direct FTEs in the UK (397,300) in 2016. Within the tourism industries, food and beverage serving activities (270,200) and accommodation services for visitors (218,700) accounted for the highest proportions of tourism FTE during 2016. These are the same industries which were the main contributors to TDE in 2016.

**Figure 10: Tourism direct full-time equivalent employment**

UK, 2015 and 2016

Figure 10: Tourism direct full-time equivalent employment

UK, 2015 and 2016



Source: UK-TSA 2015 and 2016 - Office for National Statistics

**Notes:**

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

Whilst tourism direct employment (TDE) decreased 4.1% between 2015 and 2016, the number of enterprises<sup>1</sup> increased by 7.9% to 241,000 (see Table 10). However, it should be noted that whilst tourism direct employment refers to employment in the UK that is directly supported by tourism consumption, the number of enterprises includes those which do not directly service tourists.

Of the increase in number of enterprises, 70.2% of these were in the food and beverage serving activities industry, equating to an additional 12,400 enterprises. Conversely TDE in this industry only increased 1.4%, by 5,500. The number of enterprises decreased in three industries: railway, water and air passenger transport services. However, the total decrease for these industries was marginal, with the number of enterprises reducing by less than 50 enterprises. In only one of these industries did TDE decrease between 2015 and 2016, that being railway passenger transport services.



Table 10: Number of enterprises  
UK 2015 to 2016

**Thousands and percentage**

	2015		2016		Change between 2015 and 2016	
	Value	%	Value	%	Value	%
Accommodation services for visitors	16	17	1		6.1	
Food and beverage serving activities	120	132	12		10.3	
Railway passenger transport services	0.1	0.1	0.0		-3.2	
Road passenger transport services	10	11	1		8.7	
Water passenger transport services	1	1	0.0		-1.9	
Air passenger transport services	1	1	0.0		-3.6	
Transport equipment rental services	4	4	0.3		6.9	
Travel agencies and other reservation services	8	8	0.5		5.9	
Cultural activities	30	31	1		2.3	
Sport and recreation activities	31	33	2		6.3	
Exhibitions and conferences etc.	4	4	0.1		2.6	
<b>Total</b>	<b>223</b>	<b>241</b>	<b>18</b>		<b>7.9</b>	

Source: UK-TSA 2015 and 2016, Office for National Statistics

**Notes**

1. Data may not sum due to rounding. [Back to table](#)

**Notes about Tourism employment in the UK in 2016**

1. A group of legal units under common ownership is called an enterprise group. An enterprise is the smallest combination of legal units (generally based on Value Added Tax (VAT) and/or Pay As You Earn (PAYE) records), which has a certain degree of autonomy within an enterprise group.

**6 . Tourism direct gross value added in the UK in 2016**

**Tourism direct gross value added marginally maintains its upward trend**

Tourism direct gross value added (TDGVA) was worth £68.3 billion to the UK economy in 2016. TDGVA is an important aggregate of the UK-TSA as it indicates the component of output from the set of UK tourism industries that is driven directly by tourism spend.

The majority of tourism industries experienced a decline in their contribution to TDGVA between 2015 and 2016. Sport and recreation activities recorded the largest fall in terms of value, decreasing £1.2 billion to £2.6 billion in 2016. Road passenger transport services recorded the largest percentage fall, decreasing 47.5% from £1.0 billion in 2015 to £0.5 billion in 2016. These falls coincided with a decrease in the value of consumption of tourism related services provided by these industries over the period.

Several tourism industries conversely experienced growth in their contribution to TDGVA, but not enough to offset the total decline. Travel agencies and other reservation services recorded the largest rise in terms of value, increasing £1.9 billion to £10.9 billion in 2016. Both the proportion of the industry's output fuelled by tourism spend and industry's total GVA increased.

Table 11: Tourism direct gross value added by industry  
UK, 2015 to 2016

£ millions and percentage

	2015	2016	Change between 2015 and 2016	
			Value	%
Accommodation services for visitors	9,162	9,108	-54	-0.6
Food and beverage serving activities	9,930	10,029	98	1.0
Railway passenger transport services	2,299	2,091	-208	-9.1
Road passenger transport services	991	520	-471	-47.5
Water passenger transport services	369	341	-28	-7.5
Air passenger transport services	5,644	5,013	-631	-11.2
Transport equipment rental services	230	398	169	73.4
Travel agencies and other reservation services	9,023	10,931	1,908	21.1
Cultural activities	1,596	2,772	1,177	73.8
Sport and recreation activities	3,752	2,585	-1,167	-31.1
Exhibitions and conferences etc.	14	32	18	125.2
Other consumption products	25,014	24,440	-574	-2.3
Total (at basic prices)	68,025	68,262	237	0.3

Source: UK-TSA 2015 and 2016, Office for National Statistics

#### Notes

1. Current prices. [Back to table](#)
2. Data may not sum due to rounding. [Back to table](#)

Figure 11 shows the value contributed to TDGVA by each of the individual tourism industries and aggregated non-tourism industries (referred to as other consumption products) in 2015 and 2016.

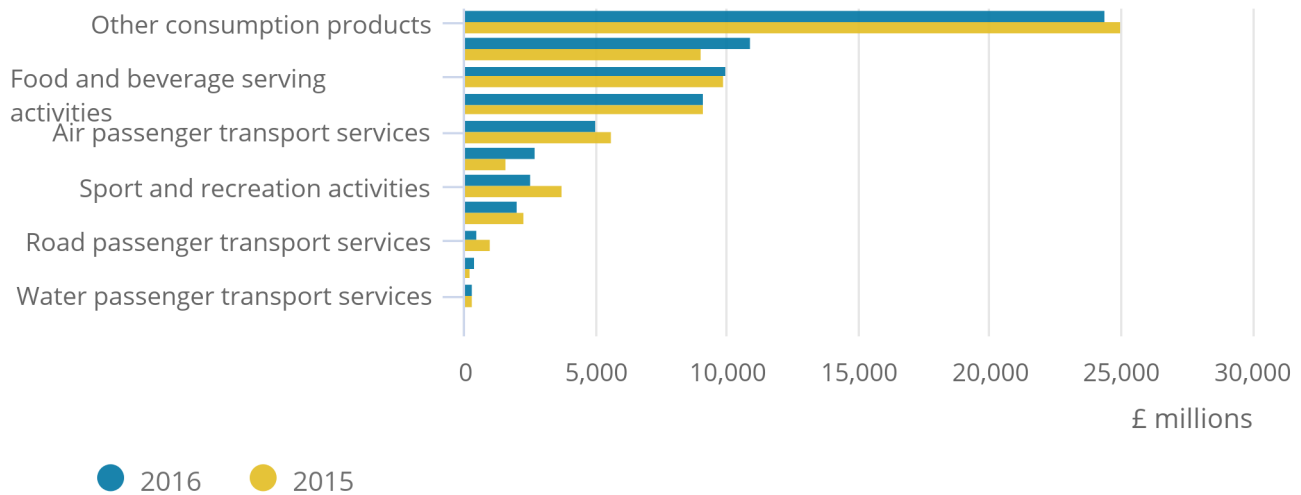
The main contributor to TDGVA over the year was other consumption products (£24.4 billion), as in the previous year, which refers to the proportion of output from non-tourism industries that is accounted for by tourism spend. This includes activities such as non-food shopping or expenditure on personal transport and other activities not included within the tourism industries.

**Figure 11: Tourism direct gross value added by industry in the**

UK, 2015 and 2016

Figure 11: Tourism direct gross value added by industry in the

UK, 2015 and 2016



Source: UK-TSA 2015 and 2016 - Office for National Statistics

Notes:

1. Current prices.

## 7 . Nowcast estimates

### Provisional estimate of tourism direct gross value added in 2017 shows marginal decline compared with 2016

Through employing a nowcast technique an estimate of Tourism direct gross value added (TDGVA) can be produced for 2017 at £67.8 billion, a 0.9% decrease compared with 2016. This is largely due to other consumption products which is predicted to decline by £1.6 billion, as the majority of tourism industries were predicted to increase. Further [methodological information \(PDF, 139KB\)](#) is available.

In the UK Tourism Satellite Account (UK-TSA) for 2015, we provided an estimate for 2016 based on the same nowcast methodology. We projected that TDGVA would be £69.6 billion in 2016; this is £1.3 billion lower than the new estimated TDGVA for 2016. This is largely due to changes in the estimate for costs associated with second-home ownership within the UK-TSA and revisions to the gross value added (GVA) series used to calculate the nowcast estimates.

Table 12 shows the annual percentage change in TDGVA over the 2015 to 2017 period. TDGVA increased 0.3% between 2015 and 2016 and is estimated to decline by 0.9% over the following year. Due to the slight inaccuracy in the nowcast methodology (for the reasons mentioned previously), it is plausible that this decline may not materialise.

Table 12: Tourism direct gross value added  
UK, 2015 to 2017

**£ millions and percentage**

**TDGVA Change (%) based on previous year**

2015	68,025	-
2016	68,262	0.3
2017 <sup>1</sup>	67,657	-0.9

Source: UK-TSA 2016, Office for National Statistics

Notes

1. Nowcast estimate [Back to table](#)
2. Data may not sum due to rounding. [Back to table](#)
3. Current prices. [Back to table](#)

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 increase in TDGVA in 2016 is illustrated in Figure 12. The gradual increase in total tourism supply (based on the same quarter of the previous year) in 2016 combined with the relatively lower tourism demand during Quarter 2 (Apr to June) 2016 and Quarter 3 (July to Sept) 2016, resulted in a marginal 0.3% increase in TDGVA on the previous year.

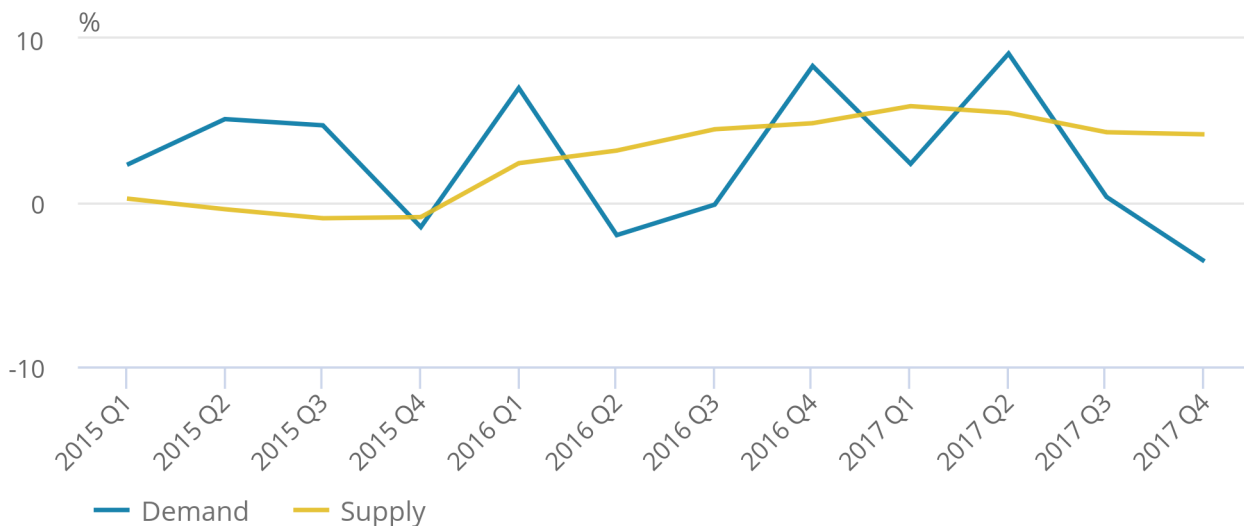
Figure 12 also shows an estimate for 2017 when a nowcasting technique is applied. Despite the growth rate of tourism supply across the year steadily declining, for three quarters of the year the growth rate of tourism demand is much lower. This coupled with the highest tourism demand of the time series during Quarter 2 (Apr to June) 2017 results in a moderate 0.9% nowcasted decrease in TDGVA compared to 2016.

**Figure 12: The percentage growth in tourism supply/demand based on the same quarter of the previous year**

2015 to 2017

Figure 12: The percentage growth in tourism supply/demand based on the same quarter of the previous year

2015 to 2017



Source: UK-TSA 2015 and 2016 - Office for National Statistics

Notes:

1. Q1 equals Quarter 1 (Jan to Mar), Q2 equals Quarter 2 (Apr to June), Q3 equals Quarter 3 (Jul to Sept), Q4 equals Quarter 4 (Oct to Dec).

## 8 . Quality and methodology

### Tourism Satellite Account explained

The Tourism Satellite Account (TSA) is an extension to a System of National Accounts (SNA). It enables users to gain an understanding of the size and role of tourism-related economic activity, which is usually "hidden" within standard national accounts. Using an 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.

The challenge, therefore, is to measure economic activity generated by tourism in such a way that it enables comparisons 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 that 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). The standard definition is as follows:

“A visitor is a traveller taking a trip to a main destination outside his or 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.” (For more information, see [paragraph 2.9 of IRTS 2008 \(PDF, 2.2MB\)](#).)

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 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 \(PDF, 759KB\)](#) from UNWTO, OECD, and Eurostat (referred to as 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. Within the Tourism Intelligence Unit (TIU) at Office for National Statistics (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 products, mainly those belonging to tourism expenditure, and 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:

- tourism expenditure on the product should represent a significant share of total tourism expenditure (share-of-expenditure or demand condition)
- tourism expenditure on the product should represent a significant share of the supply of the product in the economy

The second 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 13: Categories of tourism products and activities

<b>Products</b>	<b>Activities</b>
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. Exhibitions and conferences etc.	11. Exhibitions and conferences etc.
12. Country-specific tourism characteristic goods	12. Retail trade of country-specific tourism characteristic goods
13. Country-specific tourism characteristic services	13. Country-specific tourism characteristic activities

Source: Office for National Statistics

To summarise, the purpose of the TSA 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. Namely, Table 4, which synthesises data from Tables 1 and 2, which relate to inbound and domestic tourism expenditure, and Table 5, which relates to the products produced by tourism activities.. Table 7 of the TSA presents information on tourism employment within the labour market. The tables are available in the [dataset for this release](#).

Taken collectively, the TSA tables make it possible to identify the branches of tourism that 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 effect 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 TSA have been highlighted in this section, 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 (PDF, 258KB) for a complete description of the TSA process.

## Methodology and sources

The 2016 UK Tourism Satellite Account (UK-TSA) is the successor to the 2015 UK-TSA. The 2015 version of the UK-TSA has been revised to incorporate methodology improvements and changes to the GBDVS data, as discussed in more detail in the “Things you need to know about this release” section. These changes have not yet been implemented in the UK-TSA prior to 2015; we hope to implement them in 2019. At present, caution should be taken when comparing 2015 and 2016 UK-TSA with previous years.

This section of the release gives information about sources and methods used in each UK-TSA table.

### Demand side sources

#### International Passenger Survey

The [International Passenger Survey](#) (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

[Input-output supply and use tables](#) are part of the UK National Accounts system. They are annual tables, compiled around 18 months after the year in question and they include three 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 two 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

The Great Britain Tourism Survey (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 2016 Great Britain Day Visits Survey was used to finalise the product breakdown in Table 2.

## Great Britain Day Visits Survey

The [Great Britain Day Visits Survey \(GBDVS\)](#) 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.

In 2016, several improvements were made to the Great Britain Day Visits Survey (GBDVS), one of the data sources used to compile Table 2 of the UK-TSA which measures domestic tourism. This included:

- questionnaire improvements to make the survey more engaging and easy to complete
- questionnaire revisions required as part of the 'merging' of GBDVS with the Great Britain Tourism Survey (GBTS) online piloting
- from January 2016, the weekly sample size contacted for the wider GBDVS and GBTS combined surveying increased from 673 to 1,000

As a result of these changes, a 15% increase was observed in the levels of visits reported by respondents. To ensure 2015 data are consistent with the methodological improvements, and to allow suitable comparisons with 2016 data, the 2015 data have been revised in line with the increased level of reporting of day visits. This change has not yet been implemented in the UK-TSA prior to 2015, with plans to implement these changes in 2019. At present, caution should be taken when comparing 2015 and 2016 UK-TSA with previous years.

More information on the changes to the GBDVS can be found on Slide 8 of [The Great Britain Day Visitor 2017 Annual Report](#).

## **Northern Ireland Continuous Household Survey**

The GBDVS 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 were combined with the GBDVS data before converting to 2016 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**

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 2016 equivalents.

## **Consumer trends**

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-2016 expenditure by product from tourism surveys to 2016 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**

The [Annual Business Survey \(ABS\)](#) is used to extract the proportion of supply and use table (SUT) products or activities (for example, cultural activities) that are tourism and non-tourism. We use Standard Industrial Classification 2007 (SIC 2007) five-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.

The ABS population was expanded in 2015, which led to an increase in the number of businesses in the overall population of approximately 4%. In 2015, these businesses increased the level of turnover by 0.4% and gross value added (GVA) by 0.8%.

Users should also note that a sample re-optimisation has been included in the ABS estimates for 2016. This is carried out every five years to improve the efficiency of the sample estimation and reduce sampling variability as part of the regular process to improve estimates.

### **Annual Population Survey**

The [Annual Population Survey \(APS\)](#) is used to determine the proportions of self-employed individuals in the tourism characteristic industries for Table 7. APS data are 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

The [Annual Survey of Hours and Earnings \(ASHE\)](#) is used to determine the average hours worked in tourism characteristic industries to better determine the full-time equivalents estimates in Table 7.

### **Input-output and supply and use tables: the Make Matrix**

[Input-Output and Supply Use Tables](#): 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.