

## Tourism Satellite Account 2016-2019

---

### **In 2019, tourism was more dynamic than the national economy, accounting for 8.5% of national GVA**

GVA generated by tourism activities accounted for 8.5% of the national economy GVA, in 2019, increasing at a higher pace than the observed in national economy, comparing to the previous year (10.3% and 4.0%, respectively). In the same period, touristic demand (Tourism Consumption in the Economic Territory) was equivalent to 15.4% of national GDP, increasing 7.6% in comparison to 2018.

Despite the circumstances determined by the COVID-19 pandemic, Statistics Portugal calls for better collaboration by corporations, households and public entities in responding to their requests. The quality of official statistics, particularly its ability to identify the impacts of the COVID-19 pandemic, depends crucially on this collaboration that Statistics Portugal is grateful for in advance.

---

Statistics Portugal releases the results of the Tourism Satellite Account (TSA), presenting an initial estimate for 2019 of the two main aggregates: Gross Value Added Generated by Tourism (GVAGT) and Tourism Consumption in the Economic Territory (TCET).

In addition to the main results, this press release presents information on international comparisons and on the application of the 2017 Input-Output Tables to the TSA results, that in addition to the direct impacts of touristic activity in the national economy, also estimates the indirect impacts which result from the spillover effect of touristic demand to the various industries.

In Statistics Portugal website, in the National Accounts area ([Satellite Accounts section](#)), additional tables with more detailed information are available for the period 2016-2019.

#### **1. Main results**

It is estimated that, in 2019, the GVAGT has reached 8.5% of the national economy GVA (8.0% in 2018), increasing 10.3% in nominal terms, which is above the growth observed in the national economy in the same period (4.0%).

In the same year, the TCET corresponded to 15.4% of the Gross Domestic Product (GDP), increasing 7.6%.

Employment in tourism-related activities, measured in full-time equivalent (FTE), accounted for 9.4% of the national total in 2018. Employment in tourism characteristic activities increased 7.4%, outpacing the growth of employment in the national economy (3.1%) in that same year.

In 2018, the compensation of employees in tourism characteristic activities represented 8.7% of the total compensation of employees in the national economy, increasing 11.8% in nominal terms, which compares with a 6.4% increase in the compensation of employees in the national economy in the same year.

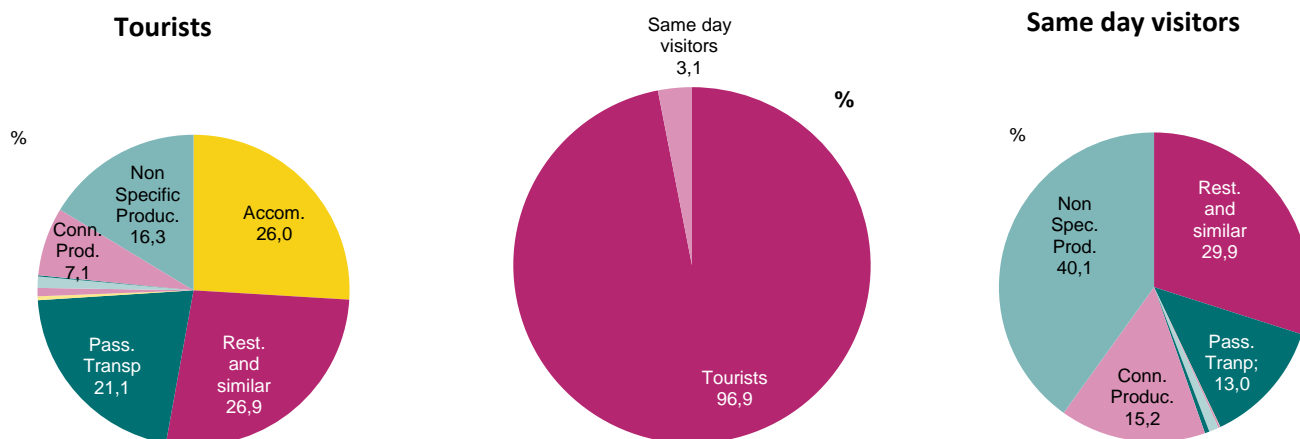
**Picture 1 – Main results of the TSA**

	2016	2017	2018	2019*
<b>Tourism Consumption in the Economic Territory (TCET)</b>				
Value (10 <sup>6</sup> euro)	23,501	27,696	30,454	32,776
Nominal rate of variation (%)	//	17.9	10.0	7.6
Weight of Tourism Consumption in the Economic Territory in National GDP (%)	12.6	14.1	14.8	15.4
<b>Inbound Tourism Expenditure</b>				
Value (10 <sup>6</sup> euro)	14,800	18,140	19,904	x
Nominal rate of variation (%)	//	22.6	9.7	//
<b>Domestic Tourism Expenditure + Other Components</b>				
Value (10 <sup>6</sup> euro)	8,701	9,556	10,550	x
Nominal rate of variation (%)	//	9.8	10.4	//
<b>GVA Generated by Tourism (GVA GT)</b>				
Value (10 <sup>6</sup> euro)	11,123	13,045	14,171	15,635
Nominal rate of variation (%)	//	17.3	8.6	10.3
Contribution of GVA Generated by Tourism to National GVA (%)	6.9	7.7	8.0	8.5
<b>Employment in Tourism Characteristic Activities</b>				
Value (FTE)	380,293	413,567	444,117	x
Nominal rate of variation (%)	//	8.7	7.4	//
Weight of Employment in Tourism Characteristic Activities in National Employment (%)	8.6	9.0	9.4	//
<b>Compensation of Employees in Tourism Characteristic Activities</b>				
Value (10 <sup>6</sup> euros)	6,457	7,149	7,993	x
Nominal rate of variation (%)	//	10.7	11.8	//
Weight of Compensation of Employees in Tourism Characteristic Activities in National Compensation of Employees	8.0	8.3	8.7	//

In 2018, the inbound tourism expenditure (tourism exports, corresponding to expenses of non-residents in the national economic territory) remained as the most relevant component of the TCET (65.4%), increasing 9.7% compared to 2017.

Almost 97% of total inbound tourism expenditure was made by tourists, while same day visitors accounted for nearly 3% of the overall amount.

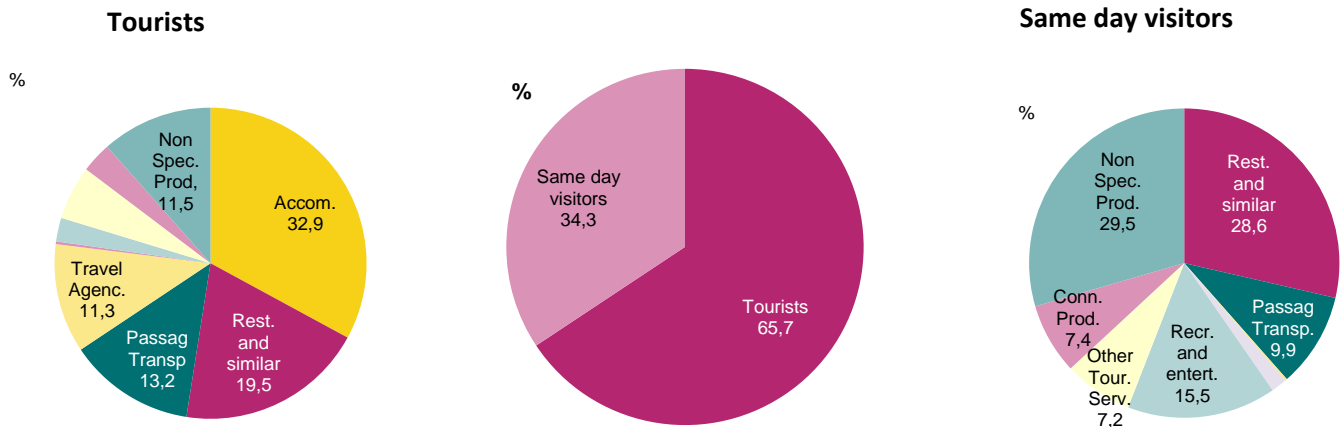
**Picture 2 – Inbound tourism expenditure by type of visitor (2018)**



Domestic tourism expenditure and other components grew 10.4%.

In domestic tourism, tourists' expenditure remained dominant and same day visitors' expenditure weight slightly decreased in 2017, reaching 34.3%.

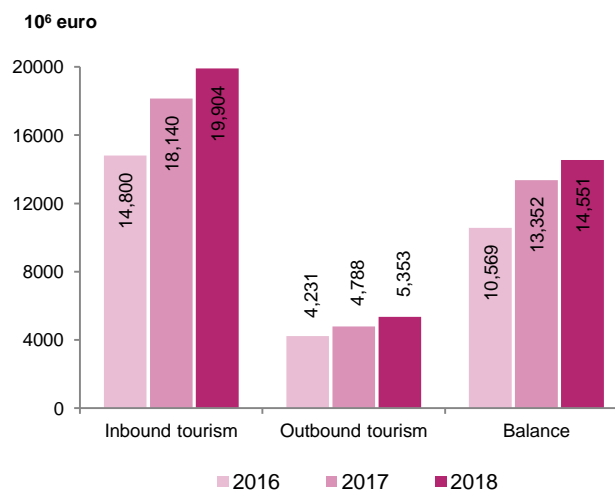
**Picture 3 – Domestic tourism expenditure by type of visitor (2018)**



Outbound tourism expenditure (tourism imports) increased 11.8% in 2018, corresponding to 6.1% of national imports of goods and services.

The balance of touristic flows was positive, increasing by 9.0% in 2018, driven, more significantly, by the dynamics of inbound tourism, which represented 22.3% of total exports of goods and services in that year.

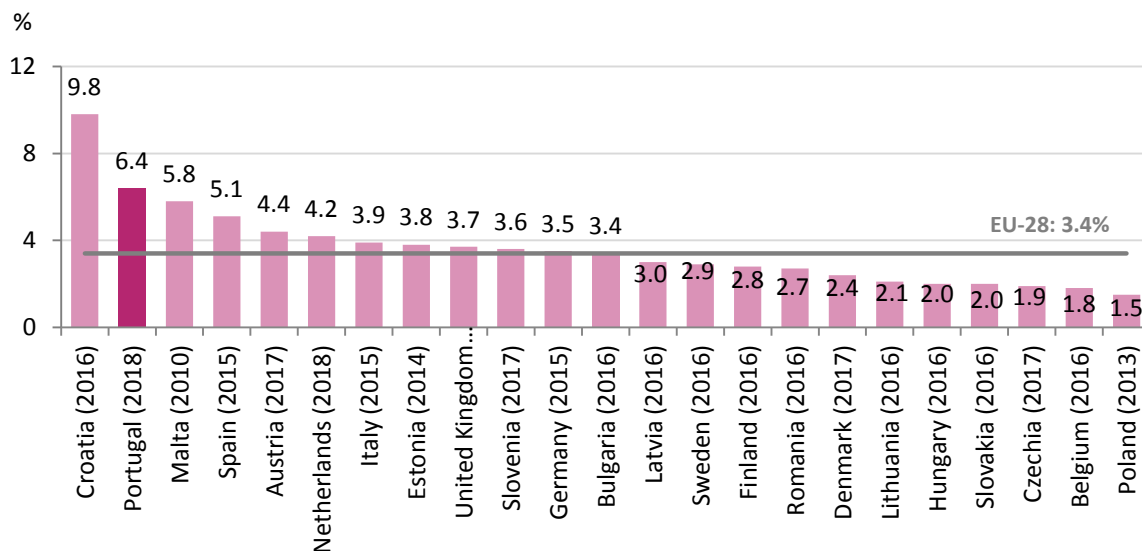
**Picture 4 – Touristic flows balance (2016-2018)**



## 2. International comparisons

Considering the information available for some European countries in Eurostat's publication Tourism Satellite Accounts in Europe (2019 edition), it was observed that Portugal registered a ratio of tourism demand (TCET) in total domestic supply<sup>1</sup> of 6.4% in 2018, being only surpassed by Croatia (9.8%).

**Picture 5 – Ratio (%) of tourism demand (TCET) un total domestic supply in European countries**



Source: [Tourism Satellite Accounts in Europe \(2019 edition\)](#), Eurostat and TSA

## 3. Input-Output Tables for 2017 applied to the TSA results

By applying the Input-Output Tables for 2017, published by Statistics Portugal, to the main results of the TSA, it is possible to obtain not only the direct impact, but also the indirect impact of tourism activity on the national economy. The input-output system, respecting the general equilibrium between aggregate supply and demand, represents the interaction between the different domestic economic activities. Thus, it allows estimating, under some assumptions<sup>2</sup>, the spillover effect of tourism consumption to all economic activities.

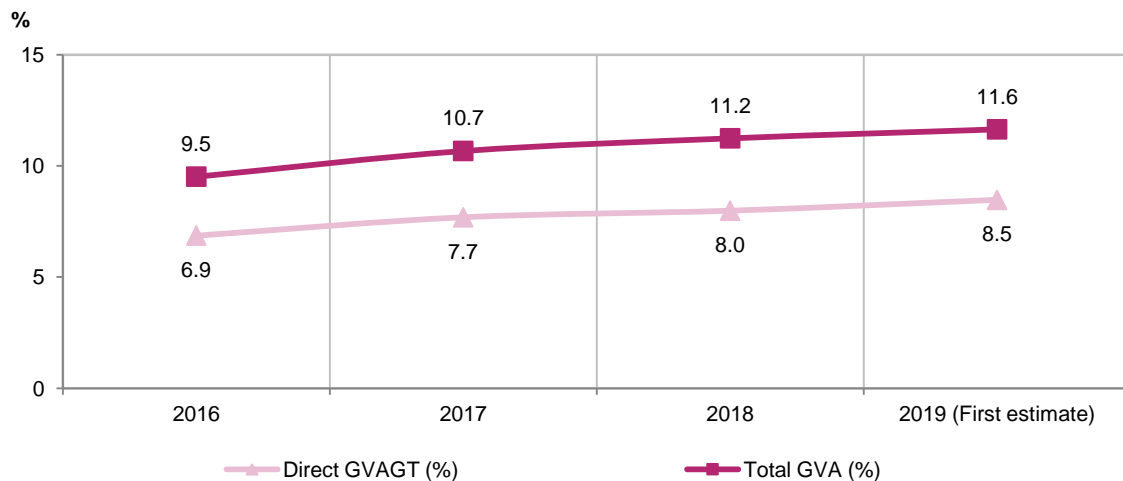
It is estimated that, in 2018, tourism consumption was responsible for a total contribution of 11.5% to GDP (23.5 billion euros) and 11.2% for GVA (20.0 billion euros). These percentages may have increased by around 0.4 percentage points (pp) in 2019.

<sup>1</sup> Domestic supply is the macroeconomic aggregate that summarizes the resources made available to domestic demand, aggregating Production, Imports and also Taxes less subsidies on products nationally produced and imported and Distribution and transport margins.

<sup>2</sup> Among these assumptions are highlighted: constant technical coefficients, no economies of scale, inexistence of changes in relative prices and no substitution effects, unlimited productive capacity; homogeneous goods and absence of financial restrictions.

According to the Input-Output Tables, for 2018, it is estimated that tourism consumption has contributed with €6.9 billion of imports (22.8% of tourism consumption is met by imports).

**Picture 6 – Evolution of the direct GVAGT and total GVA weight (%) generated by tourism in the national economy**



Focusing the analysis of tourism consumption products with the greatest impact on wealth creation, it is estimated that food and beverage serving services (with 25.9 percentage points – p.p.) and accommodation services (25.4 p.p.) were responsible for around 50% of the total GDP generated by tourism. At a much lower level are air transport services (6.7 p.p.), real estate services (4.6 p.p.), and rental services (4.0 p.p.).

## Methodological Notes

The Tourism Satellite Account (TSA) has as methodological framework the Eurostat's "*European Implementation in Tourism Satellite Accounts handbook*" and the "*Tourism Satellite Account: Recommended Methodological Framework 2008*" of the United Nations, OECD, Eurostat and World Tourism Organization (WTO).

On the other hand, and since the TSA is a project consistent with the System of National Accounts, its concepts, classifications and methodological references, such as the United Nations System of National Accounts (SNA2008) and the European System of Accounts (SEC2010), are essential.

The United Nations International Recommendations for Tourism Statistics 2008 is the main conceptual reference of International Tourism, ensuring the consistency of the TSA with the Tourism Statistical Information Subsystem, for concepts and definitions, as well as with other subsystems such as the Balance of Payments. Reference is also made to the publications "*Measuring the role of tourism in OECD economies. The OECD manual on tourism satellite accounts and employment of the OECD*" and "*Designing the Tourism Satellite Account (TSA). Methodological Framework*" from the World Tourism Organization (WTO).

The present estimates are broken down according to the TSA classifications for activities and products.

### The tourism activities and products classifications

As far as the classifications are concerned, the Portuguese TSA maintained the reference of the Eurostat's European Implementation in Tourism Satellite Accounts, ensuring its coherence with the *Tourism Satellite Account: Recommended Methodological Framework 2008* from the United Nations, OECD, Eurostat and WTO.

The products and activities within the TSA are distinguished between Tourism "Specific (a)" and "Non-Specific (s)". The **Specific Products** are classified as Characteristic and Connected. The **Characteristic** products are the typical products of tourism and are the focus of tourism activity. **Connected** Products are products that, although they are not typical of tourism in an international context, can be in a narrower scope such as the national one. Typical products include accommodation, catering and beverages; the Transport of passengers; Travel agencies, tour operators and tour guides; Cultural services, Recreation and other entertainment services and Other tourism services.

**Non-Specific Products** correspond to all other products and services produced in the economy that even though they are not directly related to tourism, they can be consumed by visitors.

In the case of activities, the **Characteristic Activities** are productive activities whose main production was identified as being tourism characteristic that serve the visitors, admitting a direct relationship of the supplier with the consumer. This group includes: Accommodation (hotels and similar, secondary residences used for tourism purposes on their own or free of charge), Restaurants, Passenger transport, Passenger transport equipment rental, Travel agencies, tour operators and tourist guides, Cultural services and Sports and other recreation services.

### The components of Tourism Consumption in the Economic Territory and the GVA generated by tourism

Tourism consumption in the Economic Territory (TCET) includes:

- The inbound tourism expenditure corresponds to final consumption expenditure made by non-resident visitors in Portugal;
- The domestic tourism expenditure corresponds to the final consumption expenditure of resident visitors traveling within Portugal, in places other than their usual environment, as well as to the domestic tourism expenditure made by resident visitors travelling to a different country (domestic component of outbound Tourism);
- The other components of tourism consumption include the housing services of second homes on own account, the financial intermediation services and those components of tourism consumption that cannot be broken down by type of tourism and visitor. The other components also include products whose expenditure is made by the General government and whose consumption has individual nature.

The Gross Value Added generated by tourism (GVAGT) corresponds to the share of GVA that is generated by the provision of goods and services to visitors in Portugal, whether resident in the country or not. This value can be considered as the contribution of the tourist activity to the GVA of the economy.

## Data revision

Compared to the TSA first estimate for 2018, disclosed in the press release of the 18<sup>th</sup> of December, 2019, there were revisions to the data with impact on TCET and GVAGT and subsequently on total GVA and total GDP.

The TSA reviews were essentially the result of the main sources of information revision, which meanwhile released definitive versions of the respective estimates, namely the Balance of Payments and the National Accounts. With regard to National Accounts, it is worth highlighting the updating of the values of Simplified Business Information (SBI) and the sources of tax information.

**Picture 7 – TSA data revision (2018)**

Indicator	2018			
	First estimate	Definitive value	Diference (p.p)	Diference (10 <sup>6</sup> euros)
<b>GVAGT</b> (10 <sup>6</sup> euros)	14,091	14,171	//	80
<b>GVAGT</b> (Weight % in national GVA)	8.0	8.0	0.0	//
<b>TCET</b> (10 <sup>6</sup> euros)	29,821	30,454	//	633
<b>TCET</b> (Weight % in national GDP)	14.6	14.8	0.2	//
<b>Total GVA</b> (10 <sup>6</sup> euros)	19,483	19,954	//	471
<b>Total GVA</b> (Weight % in national GVA)	11.1	11.2	0.1	//
<b>Total GDP</b> (10 <sup>6</sup> euros)	22,972	23,510	//	538
<b>Total GDP</b> (Weight % in national GDP)	11.3	11.5	0.2	//

## Next data release

In view of the particularly adverse conditions that the tourist activity has been suffering in the wake of the pandemic crisis of COVID-19, Statistics Portugal will seek to produce an estimate for this activity in 2020, to be released, probably, in the first semester of 2021.

## Data sources

The main data sources on which the estimation of the monetary and non-monetary variables of the TSA were based were the following:

**Picture 8 – Main data sources used in the TSA**

Statistics Portugal	Other sources
National accounts (Base 2016)	Balance of payments (new series)
Transport and communications statistics (2016 and 2017)	Detailed financial information from the General government
Tourism statistics (2016, 2017 and 2018)	General government account
General register of statistical units (FGUE)	Simplified business information (SBI)
Survey on tourist demand of residents (2016, 2017 and 2018)	National tourism register
Survey on international tourism (2016)	Survey on National Scientific and Technological Potential
	Website of the Ministry of Justice
	Websites of tourism entities
	Reports and accounts of tourism entities

## Conventional signs

\* - First estimate  
// - Non applicable  
x – Non available

## Acronyms and Abbreviations

ESA 2010	European System of National and Regional Accounts in the European Union 2010
Eurostat	Statistical Office of the European Union
FGUE	General register of statistical units
FTE	Full Time Equivalent (employment)
GDP	Gross Domestic Product
GVA	Gross Value Added
GVAGT	Gross Value Added Generated by Tourism
OECD	Organisation for Economic Co-operation and Development
p.p.	Percentage points
SBI	Simplified business information
TCET	Tourism Consumption in the Economic Territory
TSA	Tourism Satellite Account
WTO	World Tourism Organization