

DEVELOPMENT OF EXPERIMENTAL TOURISM SATELLITE ACCOUNT

Methodology

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Introduction

- The tourism Satellite Account (TSA) is a standard statistical framework and the main tool of the economic measurement of tourism. It has been developed by the World Tourism Organization (UNWTO) , the organization for Economic Co-operation and Development (OECD) among others.
- The complete Tourism Satellite Accounts provides; macro-economic aggregates that describe the size and the direct economic contribution of tourism, such as tourism direct gross value added (TDGVA) and tourism direct gross domestic product (TDGDP), consistent with similar aggregates for the total economy and for other productive economic activities and functional areas of interest.



Background

Malawi intended to develop tourism as a level of change for its growth and development. To achieve this, it was suggested to have a sound information base to inform the planning for monitoring and evaluation of this economic activity for impact. Malawi neither had a tourism satellite account nor a measure of domestic tourism in order to rationally take a step towards developing tourism to the level it intends. Arguably Malawi offers a lot of unique tourism opportunities which include a lake that is 600 kilometres in length and 50 kilometres in breadth. Lake Malawi, which is rain fed through an extensive river system from the mountains, is a fresh water lake that occupies a third of Malawi's land mass. Besides the lake, Malawi boasts flora and fauna as well as culture that survived generations and other tourism attractions.



Problem Statement

- The absence of the requisite data systems constrains Malawi from effective tourism as a driver of development and employment. However, even at the lowest level it operates, Malawi exhibits potent possibilities for tourism through its “The Warm Heart of Africa” slogan when they refer to the Malawian population. However, Malawi had provided some estimates of what the contribution of tourism to the Gross Domestic Product (GDP) is. How valid the numbers were in the absence of a Tourism Satellite Account, a Domestic Tourism Survey, outbound tourism survey and importantly the landing and exit form left these estimates exceedingly suspect. Malawi, having declared tourism as a priority amongst the five priorities can ill afford the vulnerability paucity of measurement portends.
- Given an increasingly competitive tourism sector at the global level and within Africa, Malawi needs to take policy decisions based on research and knowledge so as to know what kind of products to develop, targeting which type of tourists, having what kind of intended impact in terms of employment, socio-economic development, environmental considerations including decisions of with what kind of resources this should be achieved. For this, Malawi needed an efficient, effective and comprehensive system of tourism-related statistics and data.



Technical Assistance

- **United Nations World Tourism Organization** was chosen to provide technical support for the processes of coming up with sound tourism related statistics and data.
- Through the International Recommendations for Tourism Statistics (IRTS), the World Tourism Organization (UNWTO) has already developed the international framework for developing tourism statistical systems and the Government of Malawi decided to request UNWTO to provide technical assistance to bring Malawi's system to conform to the said international standards.
- More specifically, the tasks undertaken to strengthen Malawi's tourism statistical system rested much on three pillars. These are namely:
 - ❖ domestic tourism household survey,
 - ❖ an administrative record system to generate international arrivals information from whence international tourism is established including outbound tourism by Malawians to other destinations; and
 - ❖ a compilation of Tourism Satellite Account (TSA).



TASK FORCE

Work teams were generated to implement the actions and provide the deliverables. To this end, institutions were identified to facilitate assignment of specific actions to specific constituencies in respect of who would be responsible for, accountable to and on, consulted on and informed of, about and on which issues. The task force comprised of the following;

- ❖ National Statistics Office
- ❖ Department of Tourism
- ❖ Academia
- ❖ Ministry of Economic Planning and Development (MEP&D)
- ❖ Department of Immigration
- ❖ Reserve Bank of Malawi
- ❖ Malawi Tourism Council
- ❖ Malawi Revenue Authority
- ❖ Malawi Investment and Trade Centre
- ❖ Malawi Chambers of Commerce and Industry

All the institutions played a role in coming up with Tourism Satellite Account (TSA)

NSO and Department of Tourism were the leading institutions

A consultant was hired by African Development Bank, whom we worked together in developing the TSA . International guidelines and standards were used for compilation.



Methodology

The tourism Satellite Account: Recommended Methodological Framework 2008 (also known as the TSA: RMF 2008) provides the updated common conceptual framework for constructing a TSA. It adopts the basic system of concepts, classifications, definitions, tables and aggregates of the System of National Accounts 2008, the international standard for systematic summary of national economic activity, from a functional perspective .

The TSA allows for the harmonization and reconciliation of tourism statistics from an economic (National Accounts) perspective. This enables the generation of tourism economic data (such as Tourism Direct GDP), that is comparable with other economic statistics. Exactly how the TSA does this relates to the System of National Accounts logic of contrasting data from the demand side (the acquisition of good and services by visitors while on a tourism trip) with data from the supply –side of the economy (the value of goods and services produced by industries in response to visitor expenditure).



Methodology....continues

- The TSA can be seen as a set of 10 summary tables, each with their underlying data.
 1. Inbound tourism expenditure by products
 2. Domestic tourism expenditure by products
 3. Outbound tourism expenditure by products
 4. Internal Tourism expenditure
 5. Production accounts of tourism industries
 6. Total Domestic Supply and internal tourism consumption (This gives the Gross Value added (GVA) and Gross Domestic Product (GDP) attributable to tourism)
 7. Employment
 8. Tourism gross fixed capital formation
 9. Tourism collective consumption, by product and level government
 10. Non- monetary indicators
- From the tables value addition for tourism was calculated



Results

It was found out that for Malawi in 2019 the direct contribution of tourism to GDP, after exclusion of imports of goods, was obtained at,

2.4%



CONCLUSION

- ◁ Though the monetary contribution to the GDP was calculated but not all 10 tables were populated due to lack of data (i.e. employment statistics in tourism) in the year of reference.
- ◁ So it is recommended to Improve in collection of required data, processing and disseminating.
- ◁ For example, employment statistics is recommended to undertake comprehensive employment surveys such as the labor force to measure appropriately employment in the tourism industries



Thanks

Taste Mzuzu Coffee/Malawi gin to feel warm heart of Africa, Malawi

