

The First Italian Tourism Satellite Account

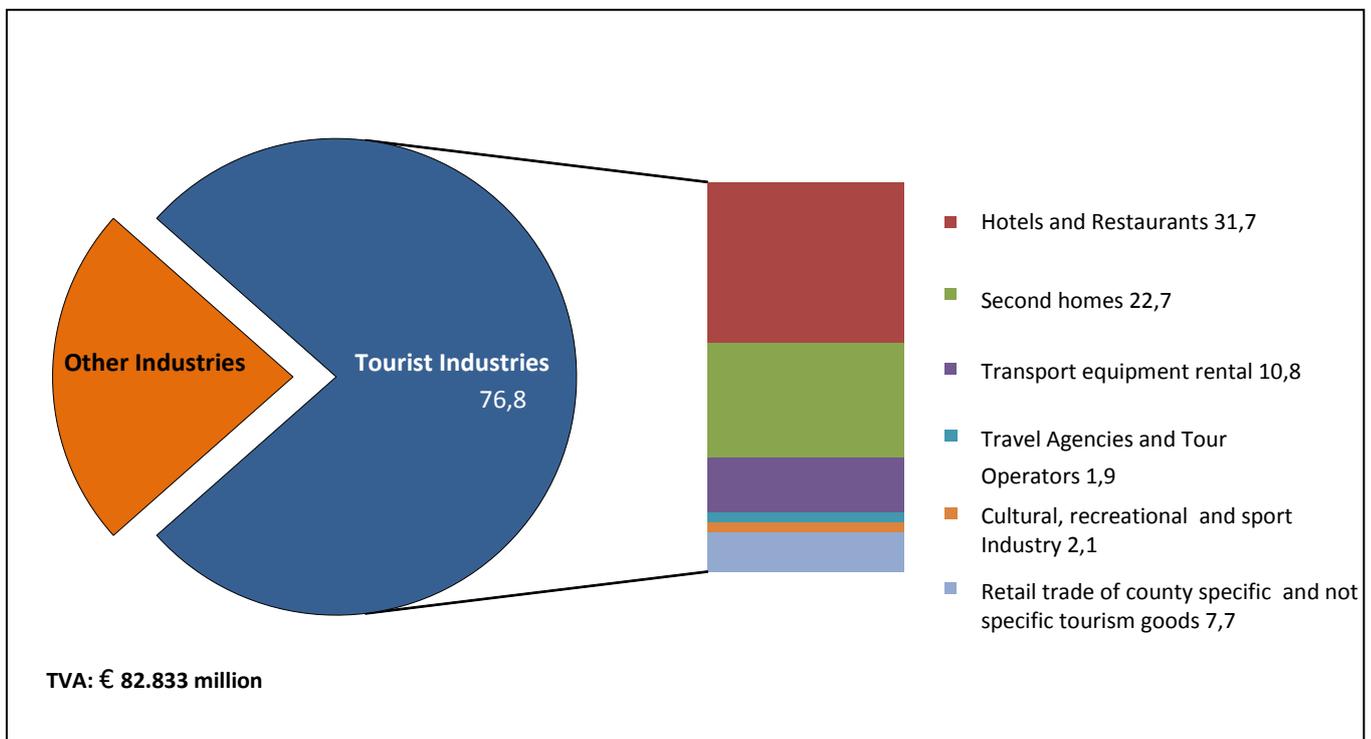
Year 2010

This paper presents the results produced by the means of the first Italian Tourism Satellite Account (TSA), for the year 2010. They are highly recommended to evaluate the role that tourism sector performs in the entire economy, as well as to allow processing and comparison at an international level.

In 2010 the estimate of the value added produced by the tourism related industries is € 82.833 million, corresponding to the 6% of the total Italian value added.

The total internal tourism consumption amounts to € 114.016 million, mostly attributable to the Italian tourists (44,2% of the total), while international tourist flows accounting for 25,7%. The other components of tourism consumption, among which the use of second home for vacation, constitute 30,1% of tourist demand. More detailed information are available on the Italian version (www.istat.it/it/archivio/66113).

Figure 1. Tourism Value Added (TVA) by tourism industry. Year 2010, percentages.



Main results

The international tourist flows, so called *inbound tourism*, represents a significant part of tourism demand in Italy and accounts for 36.8% of internal tourism expenditure (Table 1). In 2010, foreign tourists spent more than € 29 billion in Italy.

The domestic tourism, estimated at about € 50 billion of expenditure in 2010, plays a leading role in Italy and represents 63.2% of internal tourism expenditure (Table 1). Accommodation service for Italians is one of the major items of expenditure, and it consists in a wide use of second homes in own account.

In 2010, approximately € 18 billion has been spent for Italians' trips abroad, so called *outbound tourism*. The 92,1% of this amount derives from trips with overnight stays, during which expenditures are primarily

oriented (83,2%) towards tourist specific products. The Italian excursionists (same-day visitors) who travel across the border are motivated by primarily commercial reasons.

The Italians' total expenditure, both in Italy and abroad, accounts for € 69 billion (8,5% of the total national consumption of households¹).

The internal tourism expenditure amounts to about € 80 billion (Table 1). Additional items of expenditure not directly held by visitors must be included in TSA estimates, namely: expenses for business travels; accommodation services provided by the use of second homes for vacation; collective tourist consumption supported by government. The result is the internal tourism consumption, which amounts to € 114 billion. In it the component of tourism domestic expenditure accounts for 69,9%, while the remaining 30,1% is due to the other components.

Table 1 - Internal tourism consumption by product. Year 2010, million euro.

PRODUCTS	Internal tourism expenditure			Other components of tourism consumption (4.2)	Internal tourism consumption (4.3) = (4.1) + (4.2)	Share %
	Inbound tourism expenditure (1.3)	Domestic tourism expenditure (2.3)	Internal tourism expenditure (4.1) = (1.3) + (2.3)			
Tourism characteristic products	22.306	39.480	61.786	33.808	95.594	83,8
1- Accommodation services for visitors	12.064	15.893	27.957	22.288	50.245	44,1
1.a- Accommodation services other than 1.b	10.759	12.539	23.298	7.858	31.156	27,3
1.b- Accommodation services associated with all types of vacation home ownership	1.305	3.354	4.659	14.430	19.089	16,7
2- Food and beverage serving services	6.604	10.426	17.031	0	17.031	14,9
3- Railway passenger transport services	216	1.639	1.854	677	2.531	2,2
4- Road passenger transport services	696	2.087	2.783	494	3.277	2,9
5- Water passenger transport services	42	1.823	1.866	1	1.867	1,6
6- Air passenger transport services	1.138	2.507	3.645	3.593	7.238	6,3
7- Transport equipment rental services	204	340	544	339	883	0,8
8- Travel agencies and other reservation services	188	2.837	3.025	3.817	6.842	6,0
9- Cultural services	258	431	689	643	1.331	1,2
10- Sports and recreational services	896	1.496	2.393	1.957	4.349	3,8
Country-specific and not specific tourism characteristic goods	7.033	10.886	17.919	504	18.423	16,2
TOTAL	29.338	50.366	79.705	34.312	114.016	100

On the supply side TSA estimates the production and value added at basic prices and by industry. In 2010, the Italian domestic production of goods and services amounted to € 3.031 billion, including 8,9% produced by the characteristics of the tourism industry.

The sum of the value added of the 11 characteristic industries identified for Italy provides tourism industry's value added (VATI), produced by the tourist economic activities but not yet only attributable to the tourism sector. In 2010 it amounted to about € 152 billion, representing 10,9% of the total economy.

The relationship between tourist supply and demand, in monetary terms, determines the impact of tourism on the national economy. In Italy for the year 2010 the 3,2% of the total supply is used to meet the tourist demand. The breakdown by type of product (Picture 2) shows tourism ratios particularly high for most characteristic tourism products, such as accommodation services, air and railway transport; travel agencies and tour operators services; food and beverage.

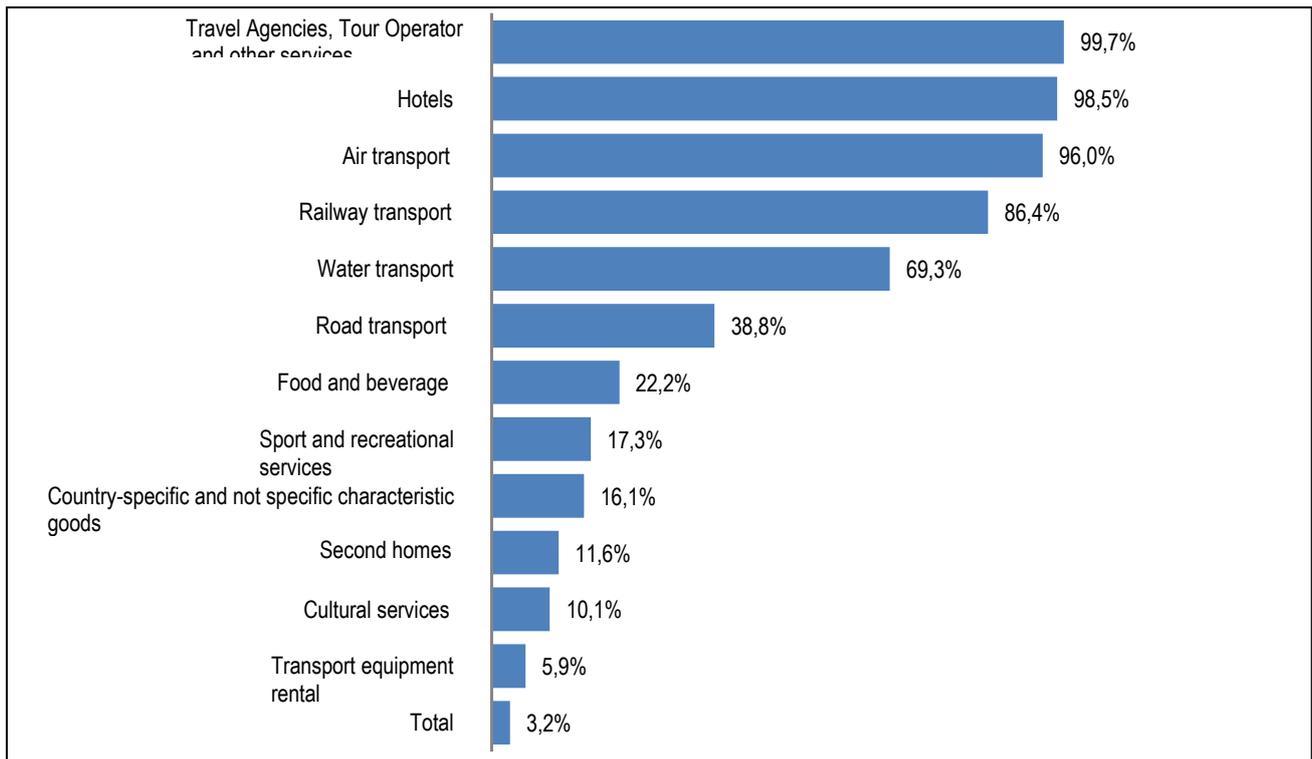
The synthesis between tourist supply and demand provides the most important TSA's indicator, namely the value added of tourism (VAT), directly activated by tourist consumption. Comparing it to the same aggregate

¹ Net calculated of housing services provided by the home ownership.

at national level the weight of tourism on the whole economy is obtained. In 2010, VAT amounts to € 82.833 million, equivalent to 6,0% of national value added.

The economic activities that mostly contributed to this result are tourism characteristic ones (Figure 1), in particular the macro-tourist sector which comprises the accommodation and food and beverage industries, which generates the 54,3% of the value added of tourism (of which 22,7% attributed to the use for vacation of second homes). Furthermore, focusing only on Hotel&Restaurant macro-sector it seems best meeting the needs of tourists, taking in turn the more productive impulse from tourist flow (representing 31,7% of the VAT). The remainder is split between transport activities as a whole (10.8%); retail trade of country-specific and not specific tourism goods (7.7%) and other industries (23.2%).

Figure 2. Tourism ratio by product*. Year 2010, percentages.



* Tourism ratio by product is the share of production provided for tourism demand satisfaction.

International comparison

The importance of tourism demand on productive activities for Italy is quite well comparable with international scenario, particularly with Spain. For this country, the available statistics for 2010 show that tourism has a total impact (i.e. including also indirect effects) on the GDP of 10.2%, but this figure is resized to 6.5% if we consider only the direct effect, then comparable with the Italian result. In addition, Spain draws a strong contribution from foreign tourist flows, which accounts for 44% of the total, instead of the Italian 25.7%. With reference to other major European countries, the importance of tourism sector, in terms of the incidence of VAT, amounts to 4,0% in France, 3,8% in the United Kingdom, 3,2% in Germany and 5,4% for Austria. The highest tourist share in terms of value added is observed in Cyprus, with 8,7 %².

² The impacts of tourism sector in the above mentioned Countries are taken from *Tourism Satellite Accounts in the European Union - Vol 2*, Eurostat. The years covered by the percentages presented by Countries may be different.