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There has been an exponential global tourism growth over the past six decade and globally, some 350 million new international tourist arrivals are expected by 2030, arrivals would reach 1.8 billion according to the UNWTO. In today’s business world, enterprises must be constantly alert to the new ways of gaining the upper hand over rivals. In this business environment, accounting is established as an essential aid in the tourism business management effort.

Through an extended literature review, there will be an attempt to approach all the relevant theoretical models and the applications based on tourist business. The purpose of this article is to provide the importance of accounting systems for tourism enterprises in an international context.

The results of this extended literature review indicate that, accounting is a knowledge field, which contribute catalytic to tourism business. Furthermore, it is argued that accounting in modernized tourism enterprises will continuously developed and become perfect in the extremely fluid business environment. Finally, further work is suggested in searching the applications of accounting systems in tourism for a longer period.

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Head of Reviewers: Zufarova Nozima – Tashkent State University of Economics, Dean of faculty “International Tourism”.

English adviser: Alimukhamedova Nargiza – DSc, lecture “Westminster International University” in Tashkent

Reviewers: Khudoykulov Khurshid Khurramovich – Tashkent State University of Economics, Head of Finance Department, Doctor of Philosophy (PhD)

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INTRODUCTION

Uzbekistan is a country with potential for an expanded tourism industry. Many of its Central Asian cities were main points of trade on the Silk Road, linking Eastern and Western civilizations. Today the museums of Uzbekistan store over two million artifacts, evidence of the unique historical, cultural and spiritual life of the Central Asian peoples that have lived in the region. Uzbekistan attracts tourists with its historical, archeological, architectural and natural treasures.

According to the Statistical Internet Survey, carried out from May 7 to August 27, 2008, the largest proportion of those surveyed (39%) visit the country because of their interest in the architectural and historical sites of Uzbekistan. The next-largest group (24%) visit Uzbekistan to observe its culture, way of life and customs.

Cultural Tourism is the only major product Uzbekistan is providing to visitors since its independence. Samarkand, Bukhara and Khiva are hot spots of tourism.

Tourist activities in Uzbekistan range from outdoor activities, such as rock-climbing, to exploration of its rich archeological and religious history.

In 2005, 240,000 tourists from 117 countries visited Uzbekistan. The industry earned US\$30 million (90.9% of forecast). Overall, the tourism sector served 621,700 people and rendered services for 40.6 billion soums (73.1% of forecast). The industry earned 598.4 million soums. Each autumn, the Uzbek travel industry holds an International Tourism Fair.

Uzbekistan is located on the Great Silk Road and many neighboring countries (including Kazakhstan, Kyrgyz Republic, Tajikistan and Turkmenistan) promote their countries based on their location along the Great Silk Road.

International tourism receipts are defined (by WTO) as expenditure of international inbound visitors including their payments to national carriers for international transport. They also include any other payments or payments afterwards made for goods and services received in the destination country. The definition is more extensive than that of the travel expenditure in the Balance of Payments in which international passenger transport is not included.

Tourism is one of the service sector industries and service sector plays important role in Indian economy which accounted alone 55.1% in 2009. Tourism is the fastest growing industry of the world today, second only to the Oil industry. Since it is "an industry without Chimneys" its significance in fostering development without destruction can be well appreciated in general and in a developing country like India in particular. It is an invisible export as a country earns foreign exchange without exporting tangible goods. Rajasthan, for that matter, has a great tourism potential, particularly on account of its geographical setting, glorious past, colourful atmospheres, gay and spirited men and women, and above all its natural beauty of hills and mountains, sand dunes, historical monuments and relics and a dreamlike quality of its fascinating character. India is one of the few countries of the world endowed with an array of tourism resources - from bio-cultural diversity to a wealth of histories and antiquities. RTDC are to make suitable arrangements of accommodation, transportation and provide such other prime facilities to the domestic and international tourists.

In 2020-2021 Uzbekistan had the pandemic momentum for automation and digitalization that can further promote emerging market and developing economies' shift into higher-productivity activities in global value chains, especially under government support by improving and investing in transport and digital connectivity.

Most emerging market and developing economies, countries in Central Asia are expected to see a subdued recovery in 2021. Growth in Central Europe is envisioned to firm this year to 3.6 percent, on par with expected euro area growth. The recovery will be supported by a rebound in global trade and activity in the euro area, and by exceptional policy accommodation throughout 2021, including near-zero policy interest rates (Hungary, Poland).

However, this outlook is subject to heightened risks and depends critically on the path of the pandemic. If it takes longer than anticipated to bring the pandemic under control, tourism, in particular, may fail to recover promptly. A prolonged downturn in travel could yield much weaker growth outcomes, particularly in tourism-dependent economies (Central Europe, Turkey, the Western Balkans).

Conversely, policies that increase the absorption of EU structural funds could boost investment and growth in Central Europe.

The heightened level of uncertainty around the global outlook highlights policy makers' role in raising the likelihood of better growth outcomes while warding off worse ones. Limiting the spread of the virus, providing relief for vulnerable populations, and overcoming vaccine-related challenges are key immediate priorities. With weak fiscal positions severely constraining government support measures in many countries, an emphasis on ambitious reforms is needed to rekindle robust, sustainable, and equitable growth.

Within the globalized economic and business environment, the assessment of accounting systems has become a crucial process for researchers. Accounting throughout history industry has undergone a drastic change. As a branch of economics, accounting provides information about a firm and its transactions to facilitate resource allocation decisions by users of that information (Choi and Meek, 2005¹). Via an extended literature review, researchers have attempted to approach theoretically accounting's catalytic contribution² to the tourism business environment. However, a review of the hospitality literature revealed a paucity of academic research to assess the connection between accounting for tourism and its applications within the last five years. In this context the purpose of this paper is to provide the importance of accounting systems for tourism enterprises in an international context. The section presents the literature review. In this section, we analyze the concepts of "accounting", "tourism business" and "accounting systems for tourism".

¹ International Accounting, 5th Edition <https://www.pearson.com/us/higher-education/product/Choi-International-Accounting-5th-Edition/9780131480971.html>

² <https://www.tripadvisor.com/blog/tourism-catalyst-conservation/>

CHAPTER 1.

CONCEPTUAL FRAMEWORK OF “ACCOUNTING”

Accounting interest and approaches have expanded in recent years. Accounting history is worth studying since it puts contemporary accounting into perspective and may easily give us an account of all the information collected in the past which could provide solutions to the problems of the present. It is worth teaching as part of the overall cultural formation of future accountants, in particular to stress that “presently acceptable practices of accounting have not been immutable over the decades and centuries of environmental change”³. Accounting historians have long been conscious that a full understanding of accounting’s past needs to embrace international dimensions (Parker, 1971; Carnegie and Napier, 1996).

The key role of accounting is to provide information for economic decision making (SAC 2, 1990) in support of the current political paradigm of economic growth and development. Solomons (1991)⁴ describes accounting as being like a telephone – a neutral medium that promotes the exchange of information between the enterprise and the user; and while it is not an actor in the exchange, it is important that accounting measures be representationally faithful.

Miller and Napier (1993)⁵ argue that like any social phenomenon, accounting presents a “historically and geographically localized result”, but that does not imply that accounting should be viewed in isolation at a particular point of space or time. Just as international accounting aims to situate local accounting practices of today within a comparative framework across space, so country-based histories of accounting attempt the same process across time. In their prospectus for accounting history into the twenty-first century, Carnegie and Napier (1996)⁶ proposed the notion of “comparative international accounting history” (CIAH).⁷ This research field is not entirely unexplored. However, its expansion can assist in generating “a focus on examining and explaining cross-national differences in accounting development”

³ (Committee on Accounting History, 1970, p. 55).

⁴ https://econpapers.repec.org/article/eeeeasoci/v_3a16_3ay_3a1991_3ai_3a3_3ap_3a287-295.htm

⁵ <https://www.sciencedirect.com/science/article/abs/pii/S1045235498902738>

⁶ https://www.researchgate.net/publication/242350238_Accounting's_Past_Present_and_Future_The_Unifying_Power_of_History

⁷ <https://eprints.soton.ac.uk/35827/>

(Carnegie and Napier, 1996)⁸. Accounting history literature witnessed a vast growth during the recent years. This growth has manifested itself not just in the number of publications but in the topics examined, research approaches adopted, and range of theoretical perspectives applied to the study of accounting through its history (Carnegie and Napier, 1996). Accounting concepts, techniques and institutions have been diffused through both space and time (Carnegie and Napier, 2002). Based on an admittedly limited population of English language papers appearing from 1996 to 1999 in the specialist accounting history journals, Carnegie and Potter (2000) concluded that their analysis indicates “the existence of a relatively insular international accounting history research community dominated by a small number of institutions and authors”. Carnegie and Potter contended that accounting history authors seldom engage in cross-border collaborative research and display a limited tendency to venture beyond core themes and the modern period. A subsequent study of the sex distribution of authors in the same journals revealed, unsurprisingly, that authorship and editorial board membership in accounting history is male-dominated (Carnegie et al, 2003). Furthermore, Edwards (2004) broader review of the accounting history literature identified concerns about areas of fading interest, publication media and the dissemination of research findings. Fleischman and Radcliffe's (2005)⁹ celebration of the advance of accounting history during “the roaring nineties” is challenged by fears of its quiet demise in the United States. It takes accounting to be a translucent medium which presents factual data to the world about an enterprise's financial transactions and economic events. A good accounting is deemed to be one that represents the entity in a way that users recognize as commonsensical (Macintosh and Baker, 2002).

⁸ <https://journals.sagepub.com/doi/10.1177/103237329600100101>

⁹https://www.researchgate.net/publication/288265069_The_roaring_nineties_Accounting_history_comes

1.1. Theoretical background of “tourism industry”

Tourism industry is of great importance for the world economy today (Frechtling, 1999)¹⁰. It is one of the largest single employers and in many countries it is the largest services exporting sector, making an outstanding contribution to the balance of payments (Papatheodorou, 1999). Tourism industry has many of the characteristics of a competitive market:

1. *There are few barriers to enter*
2. *It is a truly global market with few unnatural barriers to trade;*
3. *There is a large number of firms and*
4. *Prices are set on the basis of market expectations.*

A lot of researchers have tried to define the concept of tourism. According to Monique Dacharry (1964), tourism owes to be delimited in its historical prospect. Years later, Kaspar (1976) defines tourism as the total of relations and events that arise from the travel and the eve of individuals, when the place of stay is neither the initial and permanent residence nor the usual place of work. In this context tourism, according to United Nations (1994) and Frechtling (1999) is the activities associated with travel away from a person’s usual environment and most countries of the world are interested in the impact of tourism on their economies.

Nowadays, tourism organizations are becoming truly international and the issues they face equally universal (Ingram, 1995). In “the age of service competition” (Grönroos, 1994) that is depicted by international hospitality and tourism, the customer reigns supreme. Such is the power of customers that the term “service management” is increasingly used to emphasize management imperatives in this age of service competition and market forces. Therefore, to sustain competitiveness hospitality and tourism providers must continue to meet if not exceed customer expectations that are themselves dynamic (Atkinson, 2000)¹¹. A properly planned, developed and controlled tourism industry will positively affect the society and the economy

¹⁰

[https://www.scirp.org/\(S\(lz5mqp453edsnp55rrgict55\)\)/reference/ReferencesPapers.aspx?ReferenceID=2632468](https://www.scirp.org/(S(lz5mqp453edsnp55rrgict55))/reference/ReferencesPapers.aspx?ReferenceID=2632468)

¹¹ <https://link.springer.com/article/10.1023/A:1010128901782>

(Vaughan etc., 2000; Andriotis, 2001). Enrichment of the tourism industry with national characteristics is vital for a healthy development of tourism (Jayawardena, 1993). Tourism has outperformed most other sectors and contributed significantly to the economic and employment growth (Harrington and Lenehan, 1998). Generally speaking, travel and tourism encompassing transport, accommodation, catering, recreation and services for travellers – is the economic engine for developed and developing economies worldwide (Rita, 2000).

1.2 Accounting systems for tourism

Consideration will also be made of the literature that reviews the impact of accounting systems for tourism, directly. It should be noted that there is little objective research on this specific impact. At first, Harris and Brown (1998) presented an overview of development in accounting management with particular emphasis on the contribution of applied work for the tourism industry. One year later, Graham and Harris (1999) presented a paper that illustrated the development and implementation management accounting techniques in the Europe, Middle East and Africa division of an international hotel chain.

In this context Mia and Patiarb (2001) stressed the use of management accounting system in hotels. More recently, Mongiello and Harris (2006) described the design of managerial accounting systems in multinational hotel companies. Moreover, Anderson and Guilding (2006) emphasized the potential of competitor-focused practice to hotel business. Finally, Burgess (2007) emphasized the major importance of outsourcing accounting functions, particularly in the hotel sector.

1.3. Applications of accounting systems in international hotel business

There are many proponents who now define the industry as competing on global terms (Crawford-Welch, 1991; Olsen, 1992; Schlenrich, 1993). Tse and West (1992) provide persuasive reasoning when they indicate that a firm competes on global terms when its competitive position in one country is significantly influenced by its position in other countries. Internationalization has become a key research theme in the study of the hospitality industry and its

constituents (Burgess, Hampton, Price and Roper, 1995; Clifton and Johnson, 1994; Litteljohn and Beattie, 1992; Teare and Olsen, 1992). Like its domestic counterpart, the international hotel industry competes via the placement of its units in significant and appropriate locations.

Recall that accounting entails several broad processes:

- Measurement is the process of identifying and quantifying economic

- ❖ *Measurement is the process of identifying and quantifying economic activities. These measurements provide insights into the profitability of a firm's operations and the strength of its financial position.*

- ❖ *Disclosure is the process by which accounting measurements*

- ❖ *Disclosure is the process by which accounting measurements*

- ❖ *Disclosure is the process by which accounting measurements communicated to their intended users.*

- ❖ *Auditing is the process by which specialized accounting*

- ❖ *Auditing is the process by which specialized accounting*

- ❖ *Auditing the process by which specialized accounting professionals attest to the reliability of the measurement and communication process.*

Disclosure is the process by which accounting measurements

The accounting procedure is considered to be the security belt of the business for avoiding either the involuntary or the intentional release of information as well as the avoidance of loss of income from misuse or from any errors in operation (Karagiorgos and Papadopoulos, 2003).

In this context, accounting plays a vital role in the verification of incomings and expenditure per field of operation in the hotel business. By the term 'fields of operation' of a hotel we mean those sections of the hotel in which the production procedure of the tourist goods and services occur with the purpose of achieving profit.

The main fields of utilization within a modern hotel unit are:

- *The bedrooms*

- *The bar*

- *The buffet*

- *The restaurant*

- *the bedrooms*

- *the bar*
- *the buffet*
- *the restaurant*

A lot of researchers argue that all these fields of operation are the most essential centers of earnings and cost and accounting plays a vital role in them (Lekaratou and Nizami, 1994).

Furthermore, accounting includes those actions related to the funding of the hotel unit, that is, with the capital which is necessary for its smooth running. The risk of losing capitals and also credit risk appear to be the determining factors from its viability.

Within the framework of limiting the risk of correct constitution of financial affairs, the following actions are in effect:

❖ *Controls of the procedures, whereby a check is held to ensure whether the investments are always in accordance with the approved investment policy.*

❖ *Controls of the evaluations, whereby the cost of the investments with the running values is mainly compared as well as a check of the “deposits” and the “loans”.*

❖ *Controls of the availabilities, the bank deposits and loans, during which their frequent update and the confirmation of other ones is necessary.*

- Controls of the procedures, whereby a check is held to ensure

Furthermore, accounting systems contribute to the provision of information for performance measurement. (Mia and Patiar, 2001)

From the above mentioned, it is clear that accounting enables the hotel management to examine whether the right strategy of financial management is followed. Furthermore, an appropriate accounting system is able to satisfy hotel managers' information needs aiming to support management decision-making (Gordon and Miller, 1976; Chenhall and Morris, 1986; Ewusi-Menash, 1981). Simultaneously, accounting is essential in the correct valuation of mergers and acquisitions. Unfortunately, hotel companies do not fully utilize accounting information to assess the value of merger and acquisition, which is increasing to improve international competitiveness. This neglect of accounting information in merger and acquisitions leads to inappropriate evaluation of its value in markets (Jeon et al., 2003).

In conclusion, the last few decades have been characterized by unparalleled change. Researchers have not paid much attention to accounting systems in tourism, despite its importance for the world economy. However, events may persuade many developing countries to reconsider their industrialization policy: in this new world, tourism can provide a very important alternative for economic development and growth. The concept of tourism business was brought to the surface at the dawn of the 20th century. Simultaneously, accounting is established as an essential mean for the exact management of any business economic resources.

A possible limitation of the results is the short time interval covered. Furthermore, with few exceptions such as Kreul (1993) and Burgess (1996) little work has been undertaken in an international context. There is also need connect quality and environment with accounting systems for tourism.

Thus, a suggestion for future research would be to examine the possible applications of accounting systems in tourism for a longer period. Another promising research initiative would be to further explore how an accounting system might be best operationalized to a tourism industry. From the above it is clear that accounting adds up value, offering at the same time a systematic scientific approach on the improvement of the effectiveness of the tourism business. As the saying goes, "the future is bright, but the road ahead is tortuous". Realization of the major significance of accounting in tourism will set accounting as a priceless support in the hotel business management effort.

CHAPTER 2.
HOW HAS THE PANDEMIC CHANGED THE PERCEPTION
OF RISKS ARISING FROM INCREASED DEBT AND THE
USE OF FISCAL POLICY TO SUPPORT GROWTH? CAN
EMERGING MARKETS FINANCE ECONOMIC RECOVERY
WITH DEBT? OR CONVERSELY– CAN THEY AFFORD TO
KEEP
FISCAL DISCIPLINE?

Emerging markets and developing economies have responded to the pandemic with unprecedented stimulus to avert worse growth outcomes. Fiscal support packages in Central Europe have averaged 9 percent of GDP and have ranged from sizable discretionary measures to loan guarantees and other credit measures.

Fiscal support programs and output collapses combined have triggered a surge in debt levels in emerging market and developing economies. Government debt rose by 9 percentage points of GDP in emerging market and developing economies in 2020—the single largest one-year increase since the late 1980s when many of them were in debt crises. Even before the pandemic, however, a rapid buildup in these economies—dubbed the “fourth wave” of debt accumulation—had raised concerns about debt sustainability and the possibility of financial crisis. This surge in debt magnifies risks of financial market turmoil.

The deterioration in fiscal positions has made achieving fiscal sustainability more challenging. Providing a clear exit strategy for unwinding substantial support—alongside strengthening fiscal frameworks and debt transparency and efficiency—would help bolster credibility and keep borrowing costs contained. It would also put governments in a better position to address fiscal risks such as the realization of contingent liabilities, particularly those that arise from state-owned enterprises.

The trade-off between strengthening fiscal positions and continuing to provide support can be made more palatable through improvements on the part of both revenues and expenditures. On the revenue side, ensuring that the tax structure and statutory rates are efficient could help mobilize domestic revenues and soften the drag from fiscal consolidation. On the expenditure side, improving public

investment efficiency, as well as the quality of public procurement, can ensure that expenditures yield high growth dividends and offset the impact of consolidation. Strengthening governance, for instance, could halve the expenditure losses generated by public infrastructure inefficiencies. Additionally, expenditures could be prioritized toward measures that bolster inclusive and sustainable growth and also help ensure fiscal sustainability, such as investment in human capital or priority sectors, including green technology.

2.1. In the medium term, in the exceptional circumstances faced by the CEE economies during the pandemic, what is the higher risk: elevated inflation or elevated unemployment?

As a result of weak demand and subdued energy prices, inflation in emerging market and developing economies has fallen below central bank targets, on average, since May 2020. Nevertheless, the fall in inflation in EMDEs has been less broad-based than in advanced economies, reflecting the effects of sharp currency depreciations as well as rising domestic food prices in some countries. Whereas underlying inflationary pressures in most EMDEs are likely to remain subdued amid persistently soft demand, negative output gaps following the collapse in activity may not be as sizable as currently envisioned due to the pandemic's damage to potential growth. This could eventually fuel a pickup in inflation.

In addition, the global unemployment rate increased by about 2 percentage points in the first half of 2020 alone. The longer unemployment remains high, the more pronounced the associated human capital losses will be. Longer unemployment spells may discourage workers from remaining in the labor force, which could appreciably erode skills given steep job losses. Such deskilling may lower future earnings and dent human capital. As a result of human capital losses and an investment collapse, COVID-19 could further reduce potential growth—sustainable, full-employment growth—in emerging market and developing economies over the next decade, in the absence of reforms to boost underlying drivers of long-term growth.

2.2. What economic activities can be envisaged in the event of a negative scenario for the development of the pandemic in 2021 – if, for example, vaccination takes longer than anticipated or new, more contagious mutations of the virus develop?

In a downside scenario, the vaccine rollout might be delayed by one to two quarters and it may take longer to bring the pandemic under control. In such a scenario, economic activity would remain depressed, as household's fear contact-intensive services, including recreation and tourism, and grapple with stringent social-distancing measures. Firms—facing pandemic-control policies, a bleak outlook for consumer demand, and elevated uncertainty—would curtail investment and hiring plans. Financial conditions would tighten markedly through 2021, as financial market sentiment would deteriorate in tandem with a string of unexpected vaccine delays and insufficient control of the pandemic, and as corporate and bank balance sheets would deteriorate over prolonged weakness in demand and forbearance requirements. While accommodative monetary policy could keep financial crises at bay, fiscal sustainability concerns would limit the size of additional fiscal stimulus, leading to insufficient income support to the unemployed and struggling small- and medium-sized firms. In such a scenario, global growth might be 1.6 percent in 2021—less than half that in the baseline scenario (4 percent).

2.3. Is the economic model with the CEE region as Germany's subcontractor, whose exports, in turn, strongly depend on demand from China, stable in the long term? Should Poland, for example, try to find its place in other value chains, in other parts of the globe?

Notwithstanding early concerns, global value chains have proven unexpectedly resilient with global goods trade rebounding to pre-pandemic levels. The pandemic may provide momentum for automation and digitalization that can further promote emerging market and developing economies' shift into higher-productivity activities in global value chains, especially if supported by investment in transport and digital connectivity. Over time, supply chains may be restructured in ways that increase their diversity and resilience. For Central Europe, this could open new opportunities in global value

chains that have promoted trade, foreign direct investment, and knowledge transfer. Is fiscal policy combined with unconventional monetary policy the new normal? What would have to happen for central banks to raise interest rates significantly as they have significantly cut them? - Governments and central banks have provided unprecedented policy support to avert worse growth outcomes. In Central Europe, for example, fiscal support measures amounted to 9 percent of GDP, reflecting sizable discretionary measures and loan guarantees and other credit measures.

Conclusion

Central banks across advanced economies and emerging market and developing economies have also responded to the economic and financial market shocks induced by the COVID-19 pandemic with broad-based cuts in short-term policy rates, which in many economies are now at, or close to, their effective lower bounds. To stabilize financial markets, 18 EMDE central banks expanded their remit by starting asset purchase programs, often for the first time. These novel tools appear to have helped stabilize financial markets. While appropriate in the midst of a deep recession, the prolonged use of these tools could dampen investor confidence and risk de-anchoring inflation expectations in countries with weak institutions if central bank credibility is undermined by extended funding of large fiscal deficits.

CHAPTER 3.

WHAT IS TOURISM?

Tourism involves the short term movement of people to destinations outside the places where they normally live and work. It also involves the activities of people, referred to as tourists or visitors, during their visit to these destinations and the facilities and services patronized during their stay.

These tourists or visitors spend money earned in their places of residence at their home country. This money, termed foreign exchange in the visited destination, is used for balance of payment in other countries. Foreign exchange enables countries to purchase the goods and services needed to stimulate their economies, thus generating wealth and employment in the destination. While tourism it is important economically, it is also beneficial socially, politically, culturally and educationally.

3.1. Who is a Tourist?

Anyone traveling for such purposes as recreation, holiday, health, sports, family reasons, business, on a mission or as a delegate at a conference, staying at least 24 hours and overnight, but not more than one (1) year. It excludes emigrants, diplomats, consular representatives and armed forces personnel. In no instance should the person be earning income in the place visited. (Source: UN/WTO)

There are three classifications of tourists: international, regional and domestic. An International Tourist is one who visits another country outside his own country. A Regional Tourist is one traveling in a defined geographical region that is within the Caribbean. A Domestic Tourist is one traveling within his own country of residence e.g. Bimini, Abaco, etc.

There are four categories of tourist in The Bahamas: Transit, Day, Cruise, and Overnight or Stopover.

Transit Visitors: Persons passing through on their way to another country but having to enter The Bahamas for Immigration purposes.

Day Visitors: Visitors spending less than 24 hours in The Bahamas do not use overnight accommodation.

Cruise Visitors: Those visitors arriving by cruise ship and using the cruise ship for their accommodation. In 2000 these persons spent

on average \$60.00 per person in the destination and are pursued for the potential of their conversion to stopover visitors.

Stopover Visitors are staying for at least 24 hours and using some form of overnight accommodation, whether hotel, boat or staying with friends and relatives. In 2000, these persons spent an average of \$1000.00 per person. Economically, these are the most important visitors to The Bahamas.

3.2. The Importance of Tourism

Just under 50% of all persons in The Bahamas are directly employed in tourism. If you add those who are indirectly employed in tourism, the percentage increases to 70%. In 1993, tourists spent approximately \$1.3 billion dollars in the country which contributed to the jobs of over 45,000 persons. With a total labour force of 164,675, the economy depends heavily on the tourism sector to provide employment.

The Bahamas has a very youthful population; 50% are under 20 years old. This means that each year almost 6,000 new entrants are added to the labour force as a result of school-leavers. In 1986, it took the combined expenditures of 30 stopovers to create one full-time job (about \$22,000). However, it took 404 cruise visitors to have the same impact.

3.3. The Advantages of Tourism

Tourism provides foreign exchange (US dollars) which allows the government to pay bills such as:

- 1) Importation of goods and food
- 2) Foreign debt.

Foreign exchange also enables:

- 1) The Bahamas dollar to stay on par with the US dollar.
- 2) Bahamians to go shopping abroad to buy goods and send their children to school abroad, as long as the US dollar is available and floating easily in the Bahamian economy.
- 3) Government to pay the thousands of persons employed as public servants their monthly salaries.
- 4) Government to have money to do road works, school construction and all other infrastructural activity.

Tourism provides jobs for thousands of Bahamians both directly and indirectly. If tourists do not come to The Bahamas, those persons

directly involved in tourism, for example, straw vendors, taxi drivers, retail storeowners, etc., would be unable to pay their bills.

If they are unable to make money they could be unable to pay their landlords, their mortgages (the banks), etc. Additionally, persons indirectly involved in tourism, such as landlords, could have trouble obtaining their rents.

Tourism, therefore, plays an extremely important role in ensuring that Bahamians are employed. If tourists do not come to The Bahamas for a period of time, persons employed directly in tourism could begin to lose their jobs and this would be felt in every sector of the economy. For example, some hotel employees were laid off after the September 11th terrorist attacks and some hotels temporarily closed.

CHAPTER 4.

THE NATURE OF TOURISM

Tourism is classified as a tertiary industry, one that gives service for a fee. Physical products are produced, stored, later sold and still later consumed. An example is a tin of cream that is tangible, non-perishable, the same from tin to tin and can be separated by its producer (shipped). Not so with services. There are four characteristics of tourism that are in contrast to those of physical products. Tourism has a nature of Intangibility, Perishability, Inseparability, and Heterogeneity. To have a successful tourism product these factors must be managed.

Tourism is Intangible because persons are being sold an experience, something that they cannot see, taste, feel, hear or smell before they purchase. Even the purchase of travel does not transfer ownership of anything. The visitor has a tangible ticket but only the promise of a great experience. Tourism suppliers, such as The Bahamas, require a great deal of money (\$62.2 million budget in 2001) and creativity to promote The Islands of the Bahamas as a quality brand product capable of delivering an extraordinary experience; a region within itself with multiple personalities, different from the rest of the Caribbean region.

Tourism is Perishable in that the services cannot be stored for later sale or use. (If Bahamas air flight 202 has a capacity of 60 seats and flies to Ft. Lauderdale with a passenger load of 45, the revenue for those 15 seats is lost forever. If a room is not sold tonight, its revenue cannot be earned another day. Each night, it is expected that all the rooms are sold. It is like yesterday, and you will see a new day tomorrow, but you will never see yesterday again.) This is why the management of the supply of the product based on its demand is important for the success of tourism.

Tourism is Inseparable in that the producer (The Bahamas) and the consumer (visitor) must come together in order for consumption of the tourism products to occur. Production and consumption happen simultaneously. The provider of the tourism service/product and the client both affect the experience outcome.

Tourism is Heterogeneous because there are so many different persons to provide an expected level of quality service to make the

overall experience what it should be. This variability of tourism services is so because it depends highly on who provides them, when, where and how they are provided.

This is why The Ministry of Tourism is embarking on a National Awareness Campaign to sensitize Bahamians and Training initiatives to ensure that industry standards are in place. One employee can be cheerful and professional and another can be unpleasant and slow. A tin of cream is called homogeneous because from tin to tin you get the same quality results. Not so with human beings. They have a different mindset, personalities and behaviors. Hence a lot is done in training for quality control.

Before the visitor gets to the hotel he or she passes through airline staff, airport staff, transportation personnel who affect the outcome of the overall experience be it pleasant or unpleasant. The encounters though isolated, still make up their overall impression of The Islands of the Bahamas. Hence their propensity to recommend the islands is diminished when any of the services provided for them is not what they expect.

4.1. A Career in Tourism

For example, as one of the fastest growing economic sectors, not only in the Bahamas, but in the region, there continues to be a need for talented, skilled professionals in a widely diverse number of areas.

In the region, one out of every four individuals is employed in the tourism industry which currently has the potential to expand by some 70 per cent over the next decade, a scenario that is mirrored in the Bahamian community. Regional data shows that by the year 2007, tourism will have added a total of 2.2 million jobs.

Recent statistics for the region, that likely reflect the economic position of the Bahamas, show that over 40 per cent of all capital investment can be attributed to the travel and trade industry and that the Gross Domestic Product of no other region in the world benefits more from tourism than the GDP in the Caribbean.

With such tremendous growth and economic benefit to be gained from an industry entrenched in the Bahamian way of life, and when considering a career in today's environment, the range and enormous possibilities available tourism, which offers exposure and travel

opportunities, cross training experiences and career advancement opportunities, means that students are able to follow their passions, whether in the sciences, literary field or business sector, and be confident that they will be able to use their skills to service the demands of an ever evolving industry, while fulfilling their own passions and meeting their own economic needs. The Tourism Report The experiences and memories resulting from taking part in the tourism activity begins from the time the tourist chooses his vacation destination and ends when he returns to his normal place of residence.?

There are four factors for a successful tourism product. These are:

Accessibility – being able to reach and enter the tourist destination by communication and transportation.

Amenities – These comprise of accommodation, catering, entertainment, transport and communications.

Attractions – These can be either sites (scenic, climatic, historical or gaming) or event attractions such as exhibitions, festivals, and sporting events – both of which arouse the interest, pleasure or admiration of tourists.

Accommodations – One of the three primary tourist services offered by a destination. Others are catering and entertainment.

There are eight sectors of Tourism:

- 1. Accommodation*
- 2. Food & Beverage*
- 3. Adventure Tourism and Recreation*
- 4. Transportation*
- 5. Attractions*
- 6. Travel Trade*
- 7. Events & Conferences*
- 8. Tourism Services*

1. Accommodation is the most vital component of the tourism product and the tourist destination. There are approximately 65 hotels in Nassau, with 8,688 rooms. In The Bahamas there are 270 hotels with 14,797 rooms.

2. Food & Beverage: This is the fastest growing sector in tourism.

3. Adventure Tourism and Recreation: These include golf and tennis, outdoor adventure and recreation; marine facilities and bonefishing lodges.

4. Transportation: This is a major component of tourism and is divided into three categories: air, ground and water. Airlines are used by many tourists and are national, regional or international. Bahamasair is a national airline; Liat is regional and American Airlines is international. Ground transportation includes taxis, car rentals and tour buses. Water transportation is primarily by cruise lines and ferries. The Bahamas is the leading cruise destination.

5. Attractions are either natural (Preacher caves, blue holes; cultural (Junkanoo), heritage (historical Buildings-Pompey Museum, forts, old churches, 66 Steps) leisure (casinos) or man-made (Atlantis Theme park).

6. Travel Trade: An important sector using wholesalers, tour operators and travel agents who package the travel experiences. The packages consist of different elements of the travel such as air and ground transportation, accommodation, meals, entertainment as well as other activities.

7. Events and Conferences: This sector is a major reason for travel and is classified in the three groups, special events, meeting and convention and trade shows.

8. Tourism Services: The Ministry of Tourism works with strategic partners to organize the tourism industry. It deals with marketing services, research and information management, resource development. Services are provided by proprietors, government agencies, quasi-government agencies and non-governmental agencies (NGOs).

4.2. How the Tourism Economy Works?

The main income in the Bahamian economy is the money spent by tourists during their visit to the Bahamas. Each tourist that arrives in the Bahamas spends money that contributes to different sectors of the economy.

A tourist is defined as “any person who travels to a country other than that in which he or she resides but outside their usual environment for a period not exceeding 12 months and whose main purpose of visit is other than the exercise of an activity remunerated from within the country visited.”

When a tourist spends money on transportation, food, room and tourist activities such as water sports, shopping, and island tours etc., all of their expenditures are deposited in the bank account called the Bahamas Treasury.

A certain percentage of tourists spending also contribute to government taxes as well. For example, when a tourist pays for his or her hotel room it includes what is called hotel tax As well as when a tourist is returning back home and pays a departure tax at the airport. These taxes are also deposited into the Bahamas Treasury.

Both Government taxes and tourism industry accounts' income are spent on imports such as food, hospital equipment and repairing roads, etc. A part of this income goes to the Bahamian people's account (Treasury) and to other businesses such as restaurants, shops and bars. From this account government pays its bills and the salaries of its public sector employees.

The basic tourist dollar flows in a cycle, for example, from a tourist to a cab driver who then takes the dollar to purchase lunch at a restaurant, which, in turn, contributes to the salaries of the restaurant employees. The same tourist will also pay for a hotel room which, as taxes, is deposited into the Treasury. In this way tourist dollar flows in a cycle throughout the economy.

4.3. GROSS DOMESTIC PRODUCT

The Bahamas is largely an import service economy; its economy is almost entirely dependent on tourism and financial services to generate foreign exchange earnings. Tourism alone provides an estimated 60% of the gross domestic product (GDP) and employs about half the Bahamian work force.

- 1. 60% of GDP is Tourism*
- 2. 20% of GDP is Financial Services (Banking etc.)*
- 3. 10 % of GDP is Agriculture, Fishing etc.*
- 4. 10 % of GDP is Manufacturing and others.*

GDP is defined as the total value of all goods and services produced within that territory during a specified period.

$$\mathbf{GDP = Consumption + Governments + Investements + Exports - Imports}$$

$$\mathbf{GDP = C+ G+ I + NX}$$

C is private consumption (or Consumer expenditures) in the economy. This is sometimes clarified as: consumer expenditures on final goods and services.

I am defined as business investments in infrastructure, or any other spending intended to generate a subsequent return through business activities.

G is the sum of all government expenditures.

NX are “net exports” in the economy (gross exports – gross imports). GDP captures the amount a country produces, including goods and services produced for overseas consumption, therefore exports are added. Imports are subtracted since imported goods will be included in the terms G , I , or C , and must be deducted to avoid counting foreign supply as domestic.

If any of the Variables C , G , I or NX increase then GDP will increase. There is a direct equation between GDP and these variables.

Example:

If you have a house and use it as your own personal home, then it would be defined as consumption. If you sell the house to government then it is used as an office for public corporation this will be defined as government expenditure. If someone decides to build a hotel in the Bahamas (such as Atlantis) then this will be called an investment. If we sell salt, straw bags or alcohol that is manufactured in the Bahamas to Europe this will be defined as net exports. If we order furniture for hotels, houses and offices this will be defined as imports.

This is a list of Islands stating their Gross Domestic Product (nominal) per capita, (the value of all final goods and services produced within a nation in a given year, divided by the average population for the same year).

CSME – Caribbean Single Market Economy

What is required in establishing CSME:

The right to set up business in any Caricom country. (Caricom country consists of any country in the Caribbean single market economy)

- *Free Movement of Services*
- *Free movement of selected skilled labor*
- *Free movement of capital*
- *Removal of exchange controls*

- *Integration Capital markets*

Employment will have an impact by the condition, “Free movement of selected skilled labor.” This means that the pool of applicants applying for each and every job will increase. The increasing number of applicants will increase the competition in the applicant pool making it much harder to get a job. This means that in the future if CSME will happen it will be much harder to get a job than it is now in the present. The goal for a student is to learn how to be competitive in an international pool, not just The Bahamas.

CHAPTER 5.

INTRODUCTION AND STANDARDS

Tourism Satellite Account (TSA) is a statistical system where the economic impacts of tourism are described in a versatile and comprehensive manner. It was developed in extensive international co-operation, as a result of which the UN, WTO (World Tourism Organization), OECD and EU approved in 2000 a recommendation on tourism satellite account. Tourism satellite account is also referred to as tourism account.

Data content

Tourism account depicts the position of tourism in Finland's national economy. National accounts form the core of the description of the national economy and tourism account represents a "satellite" supplementing and adding clarity to them. Of the tables listed in the international recommendation on tourism account, tables 1 (consumption of inbound tourism), 2 (consumption of domestic tourism), 4 (consumption of internal tourism by product and type of tourism), 5 (output and income formation of tourism industry), 6 (internal tourism supply and demand by product), 7 (employment in tourism) and 10 (physical indicators of tourism) are produced in Finland.

Classifications used

The used classifications are based on those used in the supply and use tables of national accounts for financial transactions, economic activities and products. Due to the special information needs of the tourism account, the activity and product categories of these classifications are regrouped and broken down in diverse ways so that the core national accounts data could meet the requirements of the satellite account.

Data collection methods and data sources

Tourism account is a derived statistics compiled by exploiting several other statistics of Statistics Finland and other producers of statistics. The supply and use tables of national accounts provide a framework for the supply and use of tourism and other products. Data obtained from the Border Interview Survey, the Finnish Travel Survey and other sources are utilized to establish the share of tourism in the use these products.

This release presents information on tourism activity in Australia through a Tourism Satellite Account (TSA). A TSA is a standard statistical framework and the main tool for the economic measurement of tourism. The Tourism Satellite Account: Recommended Methodological Framework 2008 (TSA: RMF 2008) provides the 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 (2008 SNA), the international standard for a systematic summary of national economic activity, from a functional perspective.

Implicitly, tourism is included in the core national accounts. The products purchased by visitors, and produced by suppliers, are all part of the economic activity measured in the national accounts. However, while all the products that are produced and consumed in meeting tourism demand are embedded in the core accounts, they are not readily apparent because 'tourism' is not identified as an industry or product in international statistical standards. In the Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006 edition, underlying the Australian national accounts, industries are defined on the basis of the goods and services which they mainly produce. On the other hand, the tourism industry is defined according to the status of the consumer. That is, it is the characteristics of the consumer that determine whether the production is included within the scope of tourism.

A TSA provides a means by which the economic aspects of tourism can be drawn out and analysed separately using the structure of the main accounts. In fact, one of the major features of a TSA is that it is set within the context of the whole economy, so that tourism's contribution to major national accounting aggregates can be determined, and can be compared with other industries.

The estimates of tourism consumption, direct tourism output, value added and GDP presented in this release are recorded at current prices, that is the prices prevailing in the period to which the observation relates. Estimates for tourism consumption, tourism value added and GDP are also presented in chain volume terms and in index form. Changes in current price estimates over time are a result of

changes in prices as well as changes in the underlying level of economic activity (or volume).

Chain volume estimates show changes in pure volume (or quantity) terms with price effects removed. They enable the comparison of inflation adjusted growth between the tourism industry and other industries. For information on the introduction of chain volume estimates for tourism see the information paper Tourism Satellite Account: Introduction of Experimental Chain Volume Estimates, 2012-13 . The estimates are derived using methodology consistent with ABS National Accounts. This enables comparison with chain volume estimates published in Australian System of National Accounts .

5.1. International standards

The concepts and methods used in the Australian TSA are based on international standards developed by an Inter-Secretariat Working Group on Tourism Statistics comprised of the Organization for Economic Co-operation and Development (OECD), the statistical arm of the Commission of the European Communities (Eurostat), the United Nations Statistics Division (UNSD), and the United Nations World Tourism Organization (UNWTO). These standards are presented in the TSA: RMF 2008. National statistical offices such as the ABS were consulted during the development and updating of the international standards. The standards are based on the 2008 SNA, which is the prevailing international standard for national accounts statistics.

The OECD also released a publication in 2000, "Measuring the Role of Tourism in OECD Economies". This publication is consistent with the international standards. However, it also includes the modelling of tourism generated employment as an extension to the TSA. The OECD manual also shows practical examples of how to compile tourism gross value added.

Direct and indirect economic impacts

Key tourism supply measures such as direct tourism output, direct tourism gross value added, direct tourism GDP and direct tourism employment in this release relate to the direct impact of tourism only.

A direct impact occurs where there is a direct relationship (physical and economic) between the visitor and producer of a good or service.

In the case of goods purchased by visitors, only the retail margin contributes to key tourism supply measures. This is because it is deemed that only the retailer has a direct relationship with the visitor and is therefore part of the tourism industry. The implication of this treatment is that the value added generated in the chain of supply of goods to visitors up to, but not including, the retail level will be treated as an 'indirect effect' of tourism consumption, while only the value added generated from retail trade activities provided to visitors will be considered as a direct effect.

Indirect effects of tourism consumption are out of scope for the Australian TSA. They are a broader notion of tourism consumption that includes downstream effects of tourism demand. For example, when a visitor buys a meal, indirect effects are generated for the food manufacturer, the transporter, the electricity company, etc., that provide the necessary inputs required to make the meal. To fully measure the indirect effects, account should also be taken of changes in incomes which may feed through to further changes in tourism demand. A full analysis of indirect effects is best done using economic modelling. Tourism Research Australia (TRA) have undertaken this work and their latest results are reported in the "Tourism's Contribution to the Australian Economy 1997-1998 to 2012-13".

5.2. Concepts of tourism

Tourism - The term 'tourism' in the international standards is not restricted to leisure activity. It also includes travel for business or other reasons, such as education, provided the destination is outside the person's usual environment.

An important conceptual distinction concerns the difference between travel and tourism, and consequently between a traveler and a visitor. Travel is a broad concept which encompasses the activity of travelers and includes commuting to a place of work, migration and travel for business or leisure. A traveler is defined as:

‘. Someone who moves between different geographic locations, for any purpose and any duration.’ (International Recommendations for Tourism Statistics 2008, para 2.4).

Visitors - The central statistical entity in tourism statistics is the 'visitor'. The scope of tourism in the international standards comprises the activity of visitors.

A visitor is defined in the international standards as:

'...a traveler taking a trip to a main destination outside his/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.' (International Recommendations for Tourism Statistics 2008, para 2.9).

If a person stays in the one place for longer than one year, their center of economic and social interest is deemed to be in that place, so they no longer qualify as a visitor.

The following types of persons are not considered to be visitors:

- ❖ *persons for whom travel is an intrinsic part of their job, e.g., bus driver, air crew*
- ❖ *persons who travel for the purpose of being admitted to or detained in a residential facility such as a hospital, prison or long stay care*
- ❖ *persons who are travelling as part of a move to a new permanent residence*
- ❖ *Persons who are undertaking military duties*
- ❖ *Persons who are travelling between two parts of their usual environment.*

Types of visitors -Visitors can be classified into national and international visitors. National or 'domestic' visitors consist of Australian residents who travel outside their usual environment within Australia. They include both overnight visitors (staying one or more nights at a location) and same day visitors. International visitors are those persons who travel to a country other than that in which they have their usual residence.

The one-year rule for length of stay for an international visitor is consistent with the principle applied in determining residency in the balance of payments, which generally requires the length of stay in an economic territory to be less than one year to qualify as a non-resident. There are some categories of individuals though that are exceptions to this one-year rule in the balance of payments, in particular international students, who continue to be resident in the territory in which they were

resident prior to studying abroad even if their course of study exceeds a year. The approach adopted in the Australian TSA is to include as visitors all international students undertaking short term courses with an actual length of stay of less than one year. If a student stays longer than one year (ignoring short-term interruptions to their stay, for example at vacation break), their usual environment is deemed to be the school or university, and they do not fit the definition of a visitor. However, if they travel outside their usual environment, they are considered a visitor.

For the purposes of measuring direct tourism gross value added and direct tourism GDP in the TSA, the consumption of Australian residents travelling overseas (outbound visitors) is excluded, except to the extent they consume domestically produced products before or after their overseas trip. This is because their consumption overseas does not relate to the value of goods and services produced within the Australian economy.

5.3. Usual environment

The usual environment is made up of one or more areas in which a person undertakes their regular activities such as their place of residence, place of work, place of study and other places frequently visited. The usual environment criterion has two dimensions; frequency and distance. Places that are visited on a routine basis (at least once a week) are considered part of a person's usual environment, even if the place visited is located a considerable distance from their place of residence. Further, locations up to 40 kilometers from home for overnight trips and up to 50 kilometers from home (round trip) for day trips are included in a visitor's usual environment in the Australian TSA.

Although a considerable amount of tourism spending may take place within the usual environment (i.e. purchase of air tickets, tour packages, pre-paid accommodation), the consumption of most tourism services occurs outside of the usual environment. Visitors have a positive economic impact on their destination by generating additional consumption at the destination over and above that generated by the resident consumers.

CHAPTER 6.

TOURISM EXPENDITURE

Tourism expenditure covers actual expenditure by the visitor, or on behalf of the visitor, and is defined in the international standards as:

'...the amount paid for the acquisition of consumption goods and services, as well as valuables, for own use or to give away, for and during tourism trips. It includes expenditures by visitors themselves, as well as expenses that are paid for or reimbursed by others.'¹² (International Recommendations for Tourism Statistics 2008, para 4.2).

Consistent with the definition of visitors, tourism expenditure includes expenditure by visitors whose primary purpose is business, whether this is totally or partially paid by businesses or government. Expenditure before or after the trip is likewise included provided the expenditures are related to the trip, such as the digital printing of photos after they return home or the purchase of tourism single-purpose consumer durables in anticipation of trips (e.g. luggage or camping equipment). Consumer durables which are purchased on a trip (e.g. motor vehicles) are also included, even though they are not mainly for use on trips. Since there is no reliable data source in Australia for acquisitions of valuables, this item is not included in the national accounts and is also excluded from tourism expenditure in the Australian TSA.

Expenditures by Australians travelling abroad on goods or services provided on Australian domestic territory, either before or after the trip, are included in tourism expenditure. In addition, outbound and inbound services provided by Australian international carriers are also included. All other expenditures by Australians while abroad are excluded from tourism expenditure, consumption and value added. These expenditures are classified as imports of goods and services.

¹² (International Recommendations for Tourism Statistics 2008, para 4.2).

6.1. Tourism consumption

Tourism consumption, as defined in the Australian TSA and the revised international standards, is broader in scope and also includes imputations for the consumption by visitors of certain services for which they do not make a payment. Imputed consumption included in the Australian TSA include:

- ❖ *Services provided by one household to the visiting members of another household free of charge, including the value of goods such as food and purchased services provided by host family/friends*

- ❖ *Housing services provided by vacation homes on own account (imputed services of holiday homes deemed to be consumed by their visitor owners)*

- ❖ *Imputed values of non-market services provided directly to visitors such as public museums even though these may be provided free or at a price which is not economically significant.*

In the Australian TSA, tourism consumption includes consumption by both domestic and international visitors. Domestic consumption is further split into that of households and that of business and government. This dissection is based on who incurred the expenditure rather than who actually paid. For example, a visitor may spend \$1,000 on a business trip, of which \$800 is reimbursed by the business. While the primary purpose of the trip is business, \$800 is recorded as business consumption, with the remaining \$200 reported as household consumption.

Some further information on particular inclusions and exclusions from tourism consumption are discussed in the 1997–98 issue of this release.

6.2. Direct tourism gross value added and direct tourism GDP

Direct tourism gross value added and direct tourism GDP are the major economic aggregates derived in the TSA. The concepts are not the same and it is important to outline the differences between them.

Direct tourism gross value added shows only the 'value' which a producer adds to the raw material goods and services it purchases in the process of producing its own output. Direct tourism gross value added is measured as the value of the output of tourism products by industries in a direct relationship with visitors less the value of the

inputs used in producing these tourism products. Output is measured at 'basic prices', that is before any taxes on tourism products are added (or any subsidies on tourism products are deducted). Taxes on tourism products include the GST, wholesale sales taxes and excise duties on goods supplied to visitors. Direct tourism gross value added is directly comparable with estimates of the gross value added of 'conventional' industries such as mining and manufacturing that are presented in the national accounts.

The 2008 SNA states that basic price measures are to be used for comparisons between industries and across countries because it is free of the effects of taxes and subsidies on products which can vary between industries (and countries) and over time. The tax and subsidy component of a product's sale price does not represent value added by the industry producing that product.

Direct tourism GDP, on the other hand, measures the value added of the tourism industry at purchasers' (market) prices. It therefore includes taxes paid less subsidies associated with the productive activity attributable to tourism. Direct tourism GDP will generally have a higher value than direct tourism value added. Direct tourism GDP is a satellite account construct to enable a direct comparison with the most widely recognized national accounting aggregate, GDP. While direct tourism GDP is useful in this context, the direct tourism gross value added measure should be used when making comparisons with other industries or between countries.

6.3. Gross fixed capital formation

Purchases of capital assets are excluded from tourism demand for the purposes of calculating direct tourism gross value added, as there is no direct relationship between the visitor and the acquisition of capital by the tourism industries.

The services that capital investment provides are captured to the extent that the price change for products implicitly includes a component to cover the cost of capital. Whilst expenditure on gross fixed capital by tourism industries is of significant analytical interest, collection of industry data presents a number of difficulties. One example is assets obtained under finance leasing arrangements need to be recorded in the industry of the lessee rather than the legal owner.

Due to these conceptual difficulties, estimates of tourism gross fixed capital formation are not produced as part of the Australian TSA.

Classifications

Product and industry classifications

Not all products and industries in the standard national accounts product and industry classifications are related to tourism. Therefore, the TSA distinguishes between products and industries that are related to tourism, and those which are not. Tourism related products and industries are further classified into tourism characteristic and tourism connected. There are three categories of industry and product in the TSA, as outlined below.

CHAPTER 7.

TOURISM RELATED PRODUCTS

Tourism characteristic products are defined as those products which would cease to exist in meaningful quantity, or for which sales would be significantly reduced, in the absence of tourism. Under the international TSA standards, core lists of tourism characteristic products, based on the significance of their link to tourism in the worldwide context, are recommended for implementation to facilitate international comparison. The core list of tourism characteristic products is consistent with the international classification of products, namely the Central Product Classification, Version 2.1 (CPC V2.1).

It is also recommended in the international TSA standards that country-specific tourism characteristic products are identified. In the Australian TSA, for a product to be a country-specific tourism characteristic product, at least 25 per cent of the total output of the product must be consumed by visitors.

Tourism connected products are those that are consumed by visitors but are not considered as tourism characteristic products. All products in the Supply and Use table not consumed by visitors are classified as 'all other goods and services' in the TSA.

See Appendix - tourism product correspondence for a correspondence between tourism related products in the Australian TSA, and products included in the CPC V2.1.

7.1. Tourism related industries

Tourism characteristic industries are defined as those industries that would either cease to exist in their present form, or would be significantly affected if tourism were to cease. Under the international TSA standards, core lists of tourism characteristic industries, based on the significance of their link to tourism in the worldwide context, are recommended for implementation to facilitate international comparison. The core list of tourism characteristic industries is consistent with the newly revised international classification of industries, namely the International Standard Industrial Classification, Revision 4 (ISIC Rev. 4), which aligns closely with ANZSIC 2006.

In the Australian TSA, for an industry to be a country-specific tourism characteristic industry, at least 25 per cent of its output must be consumed by visitors. Whether or not an industry is classified as

characteristic has no effect on total value added resulting from tourism, as the TSA measures the gross value added resulting from the production of products directly consumed by visitors, not the total gross value added generated by tourism related industries.

Tourism connected industries are those, other than tourism characteristic industries, for which a tourism related product is directly identifiable (primary) to it, and where the products are consumed by visitors in volumes which are significant for the visitor and/or the producer. All other industries are classified as 'all other industries', though some of their products may be consumed by visitors and are included in the calculation of direct tourism gross value added and direct tourism GDP.

The following points are worth noting about the industry classifications for the TSA:

- whether or not an industry is classified as characteristic has no effect on total value added resulting from tourism
- for an industry to be tourism related it must serve the visitors themselves, that is, there must be a direct relationship between the provider of the product and the consumer. Producers of goods from the manufacturing industry that are not in direct contact with visitors will therefore not be included as tourism related industry.

See Appendix - tourism industry correspondence for a correspondence between tourism related industries and industries included in the ANZSIC.

7.2. Tourism satellite account framework

The "Supply and Use" tables for the Australian economy provide the framework in which data for visitor expenditure (demand) and industry output (supply) are integrated and made consistent in the TSA benchmark. Moreover, they provide the means of calculating direct tourism gross value added and direct tourism GDP. The input-output table variant provides a tool for further analysis and economic modelling of tourism.

The 'supply' table is a matrix showing (in the rows) the basic price values of products produced by each major industry. It also shows the supply of products from imports, and the net taxes on products and trade and transport margins required to derive supply at purchasers'

prices. The 'use' table shows the use of each product, both as intermediate consumption by industries and in domestic final demand and exports. The use table also shows the primary inputs (compensation of employees and gross operating surplus) required by each industry.

The Supply and Use tables are brought to balance so that the supply of each product equals its use. The Supply and Use tables on which the TSA is based contain 67 industries and 301 products. To derive the TSA, it was necessary to augment the standard Supply and Use tables. As the objective of the TSA is to focus on tourism related products and the industries that produce them, some disaggregation of the products and industries shown in the standard tables was required. For operational convenience in constructing the TSA, the non-tourism products and industries were compressed, but the details still remain in the underlying Supply and Use tables.

An important characteristic of tourism products is that they are not uniquely defined by their nature, but by who purchases them. Therefore, the consumption of each product has to be divided into that part consumed by visitors and that part consumed by non-visitors. This information is used to partition industries into their tourism and non-tourism components, enabling the derivation of direct tourism value added and direct tourism GDP.

An important part of the compilation process is to check the consistency of data for visitor expenditures on products with the total supply of products. Apparent inconsistencies have to be resolved by further data investigations and adjustment.

More details on the Supply and Use approach to constructing a TSA can be found in the OECD's "Measuring the Role of Tourism in OECD Economies". Readers who require more detailed information on Supply and Use tables more generally should consult 2008 SNA.

7.3. Methodologies

Calculating benchmark tourism gross value added and tourism GDP

The gross value added for an industry is derived as the gross output for that industry less the intermediate consumption required to produce that output. However, as the tourism industry is defined according to

who purchases an industry's output rather than according to the nature of the output itself, tourism consumption is required in order to measure the tourism output of industries. For the current TSA time series, benchmark years are 2006–07, 2009-10, 2012-13 and 2016-17.

To calculate direct tourism gross value added, a number of steps are required. These can be summarised as:

- identify which products in the economy are purchased by visitors
- derive an estimate of internal tourism consumption for each tourism product
- remove product taxes and subsidies, margins and imports from internal tourism consumption of each product at purchasers' prices to derive internal tourism consumption at basic prices—this represents the domestic output consumed by visitors
- determine what proportion of the domestic output of each product is consumed by visitors by dividing tourism consumption at basic prices into the total supply of each product at basic prices—this is the tourism product ratio
- for each tourism product, identify the industries that have a direct relationship with visitors. In the case of the supply of goods, this will only include the industries that provide retail trade services. In the case of the supply of other margins (wholesale and transport margins), all industries are deemed to not have a direct relationship with visitors
- apply the tourism product ratio to the output of each product for those industries that have a direct relationship with visitors to derive the direct tourism output of each industry
- estimate the intermediate consumption required to produce each industry's output of tourism products using relationships in the Supply and Use tables. The default assumption is that there is a constant ratio of output to intermediate consumption for both tourism and non-tourism products produced by an industry
- Calculate direct tourism gross value added at basic prices for each industry as direct tourism output less the intermediate consumption required to produce the direct tourism output, and sum for all industries in the economy. Direct tourism gross value added at basic prices is directly comparable to the value added for all other industries.

CHAPTER 8.

UPDATE METHODOLOGY

It is not feasible to collect the detailed supply side data required to produce a timely full scale TSA every year. However, the key aggregates can be updated annually using relationships in the benchmark TSA and demand side data that are available on a yearly basis.

The following steps are used in the update years:

- ❖ *derive an estimate of internal tourism consumption for each tourism product*
- ❖ *remove product taxes and subsidies, margins and imports from internal tourism consumption of each product at purchasers' prices to derive internal tourism consumption at basic prices—this represents the domestic output consumed by visitors*
- ❖ *remove supply of goods by producers that do not have a direct relationship with visitors (equal to the cost to retailers of domestic goods sold directly to visitors) using ratios from the benchmark TSA to derive direct tourism output*
- ❖ *allocate the direct tourism output of each tourism product to producing industry using ratios from the benchmark TSA*
- ❖ *sum the products produced by each tourism industry to derive the output for each tourism industry*
- ❖ *split industry output between value added and intermediate consumption using each industry's input-output ratios taken from the benchmark TSA.*
- ❖ *sum direct tourism gross value added for all industries to calculate the tourism industry's gross value added. Direct tourism GDP is derived by adding tourism net taxes on products.*

Where there is structural change in tourism related industries or the economy more generally in the update years, it is likely that there will be revisions when the next benchmark is compiled. For example where there is significant change in input costs over time (such as fuel), then the ratio of output to intermediate consumption established at the benchmark may no longer be valid.

8.1. Tourism chain volume estimates methodology by key aggregate

Direct Tourism Gross Value Added - Tourism gross value added chain volume estimates are derived from tourism output minus tourism intermediate use in prices of the previous period. A volume index is then compiled and this index is chained taking account of the price relativities from year to year. The index is then converted to chain volume values by using the current price index ratio from the reference year.

Direct Tourism output - whilst tourism output is not being published, it needs to be derived in volume terms to calculate tourism gross value added. Tourism output product level deflators are a mix of consumer price indexes (CPI) and producer price indexes (PPI). These have been used to derive the prices in the previous year for each tourism sub-industry and total tourism output to derive tourism industry output volume index (es). This is then chained (linked) together to derive the chain volume index which is applied to the current price index ratio in order to arrive at chain volume estimates. The indexes are re-referenced to equal 100 in the reference year. In a small number of instances where the chain volume estimates of tourism output and intermediate use (for a particular industry) are leading to unexpected gross value added volume movements, adjustments are made as required. These adjustments may be either to the tourism output or intermediate use chain volume estimates to ensure the gross value added estimates are more consistent with real world observations.

Direct Tourism intermediate use - chain volume estimates of tourism intermediate use (by tourism sub-industry) are estimated by deflating the corresponding tourism current price estimates. These estimates are deflated using industry level implicit price deflators (IPDs) derived from the ANA's unpublished Supply and Use tables (for each tourism related industry). Implicit price deflators are used rather than a broader measure such as All groups CPI, as they are more reflective of the costs associated with producing the relevant industry's output. Adjustments are made as required to selected tourism industries' chain volume output or intermediate use estimates to ensure

the gross value added estimates are more consistent with real world observations.

Direct Tourism Gross Domestic Product (GDP) - to arrive at tourism GDP, tourism GVA in prices of the previous period is added to tourism net taxes on products in prices of the previous period. A volume index is then compiled and the index converted to chain volume values by using the current price ratio from the reference year.

Direct Tourism Consumption by Product - tourism consumption is deflated at the tourism product level, for example, accommodation services and taxi fares. The products are deflated using a mix of CPIs (or producer price indexes where relevant CPIs are not available) and the implicit price deflator for dwelling rent. Volume indexes are derived, chained and converted to chain volume values.

Tourism Implicit Price Deflator - the tourism implicit price deflator, or tourism price index, is calculated as the ratio of the current price value of tourism GVA (or Tourism GDP) to its corresponding chain volume value, multiplied by 100. The advantage of using an implicit price deflator for measuring price change for the tourism industry over a general measure of price change such as the CPI, is that the implicit price deflator accounts for compositional shifts in the basket of products consumed (or produced) from year to year, unlike the fixed weighted CPI. Users should be aware that implicit price deflators are revised annually with re-referencing and therefore are not recommended for purposes such as indexing in legal contracts.

Data sources - The main data sources used to compile the benchmark and the update TSA are described in this section. The 1997–98 issue of this release provides additional information on the data sources used to compile a benchmark TSA.

Tourism consumption data - The data sources for actual expenditures are the same for both the benchmark and update years.

Most of the visitor expenditure data used in the compilation of the TSA is sourced from TRA in the National Visitor Survey (NVS) for expenditure by Australian visitors and the International Visitor Survey (IVS) for expenditure by international visitors. These data are supplemented with data from the balance of payments and national

accounts, e.g. expenditure on gambling and betting services and airfares.

The international visitor consumption total is consistent with the sum of the balance of payments' passenger transportation and travel services items adjusted for conceptual differences between the TSA and balance of payments. The conceptual differences relate to the restricted coverage in the TSA of student visitors studying in Australia; imputations for non-market services provided to overseas visitors; margins on foreign exchange transactions; and the value of products provided to overseas visitors within private households. IVS data provide the detailed product information.

Adjustments to the TRA data are required to break down the following broad expenditure categories for both domestic and international visitors: organized tours, package tours, conference fees, and trips with more than 21 stopovers. Given a lack of suitable direct information, these allocations are made on the basis of models or supplementary information from either ABS or TRA surveys.

The major imputed component in tourism consumption relates to the imputed value in 'actual and imputed rent on dwellings', where the imputed value of rent refers to the consumption of housing services provided by holiday houses to the owner. The estimate is calculated by multiplying average annual rents by the total number of holiday houses in Australia from the Census of Population and Housing.

An imputation for products provided to visitors in private households is derived using indicators from the ABS Household Expenditure Survey and IVS/NVS data which are moved forward using household final consumption expenditure from the National Accounts. These methods are used for both the benchmark and update estimates.

The imputation for non-market services provided by government utilizes data on visitor numbers from Attendance at Selected Cultural Venues and Events, Australia (cat. no. 4114.0) publications. Initial estimates of foreign exchange margins were derived using international visitors' expenditure data and data for currency buy/sell rates, with estimates for later years extrapolated using movements in the number of short term arrivals.

Imputed estimates of tourist information center consumption and output are sourced from unpublished Supply and Use data. It is assumed that the economy-wide consumption of tourist information center services (provided by the public sector to consumers on a non-market basis) is mostly attributable to tourists; non-tourism exclusions include activities such as visits by students for school projects.

Internal tourism consumption at basic prices is calculated by removing the net taxes, margins and imports from internal tourism consumption at purchasers' prices. This is done using relationships in the Supply and Use tables. Generally, a 10% GST applies to all expenditure by domestic households and international visitors, excluding expenditure on education, health, international airfares, and groceries that are GST exempt. In the update years other product taxes, subsidies, imports and margins are calculated using a variety of sources including government budget reports, balance of payments data and retail trade data.

8.2. Relationship with balance of payments tourism related services

Memorandum items for credits (exports) and debits (imports) of tourism related services are included in Balance of Payments and International Investment Position, Australia (cat. no. 5302.0). These are derived by combining total travel services (business, education related and other personal travel), passenger fares, and the air transport component of other transportation services which relates to agency fees and commission receipts.

In this release information on Tourism Consumption by Australian Residents on Outbound Trips is presented. This table records the value of goods and services sourced from non-residents purchased by Australian residents in association with these trips. The difference in the estimates in this release and the service debits memorandum item published in the balance of payments relate to: any transactions between residents and non-residents which do not relate to the value of tourism goods and services purchased within Australian economic territory; and expenditure by student travellers on long term visas (as they do not meet the definition of a visitor).

Balance of payments tourism related services credits are closely related to exports of tourism goods and services in the estimates of the value of domestically produced goods and services presented in the

Tourism Consumption by Non-residents on Inbound Trips table in this release. The most significant differences occur because the Australian TSA excludes the expenditure of overseas students with a length of stay of greater than one year and non-resident to resident transactions which occur in other countries, i.e. delivery of services by Australian residents in other countries, both of which are included in the balance of payments. The other differences relate to the TSA imputations for non-market services provided to overseas visitors, margins on foreign exchange transactions and the value of products provided to overseas visitors within private households, these imputations are generally not recorded in the balance of payments.

8.3. Industry data

While the Supply and Use tables provide 'control totals' for industry output of products and the inputs required to produce those products, in the benchmark TSA years of 2006–07, 2009-10, 2012-13 and 2016-17 the data have to be disaggregated and rearranged to focus on tourism related products identified from tourism demand data. This has mostly been done using information from the ABS annual business surveys.

The ABS annual business surveys collect data for business income and expense items for all broad industry groups in the economy. These surveys were expanded in the 2006–07, 2009-10, 2012-13 and 2015-16 (extrapolated for TSA 2016-17 benchmark year) reference years to provide extra data for tourism characteristic industries. The ABS Economic Activity Survey (EAS), supplemented with taxation data, is the major source of data for the following industries: transport, automotive fuel, motor vehicle hire, travel agents, accommodation, cafes and restaurants, pubs and taverns, clubs, gambling industries and casinos.

As the TSA supply table is not updated for the extrapolated years, benchmark coefficients are carried through to the update estimates. The current benchmark reference years (with associated benchmark coefficients) used in the TSA are 2016-17, 2012-13, 2009-10, 2006-07, the latter applying to all periods in the series back to 2004-05. The 2016-17 coefficients are carried through to this update release, and will continue to be used until the derivation of a new benchmark.

CHAPTER 9. EMPLOYMENT

Persons employed in tourism related industries will generally provide services to both visitors and non-visitors. Tourism employment is derived for each industry by applying the tourism value added industry ratios from each of the benchmark years to employment estimates for each industry in subsequent years. As part of the 2016-17 benchmarks, new industry value added ratios were compiled and the ratios for 2006-07, 2009-10, and 2012-13 were reviewed and adjusted. Due to the significance of revisions to the supply side data, the industry value added ratios from 2006-07 have been applied to all periods in the series back to 2004-05. This method of using the tourism value added industry ratios involves an assumption that the employment generated by tourism in each industry is in direct proportion to value added generated by tourism in the benchmark year.

Details by industry of employment, status in employment and gender, are collected in the Labour Force, Australia, Detailed, Quarterly (LFS) (cat. no. 6291.0.55.003) in the February, May, August and November months. Estimates of the number of total, full-time and part-time, and male and female tourism employed persons by industry have been calculated as the average of these four months. Total employment is derived by adding employment in the defense forces to the civilian labour force. Users should note that there may be some downward bias in employment estimates for the tourism industries due to the timing of the collection, i.e., the LFS survey months exclude the major Christmas holiday period.

Tourism employment and hours worked estimates are based on original, unadjusted Labour Force data. Detailed industry level data from the Labour Force Survey are required to produce corresponding tourism industry estimates. These data are available as an original series only and are therefore subject to more variability than trend and seasonally adjusted series. Improved seasonal analysis factors have been used in all periods to reduce the variability in the tourism industry estimates.

Part-time, full-time, male and female employment ratios are derived for each tourism characteristic and connected industry using

LFS ratios and applying these ratios to the total number of tourism employed persons by industry. The underlying assumption is that the LFS distribution of part-time, full-time, male and female employment from within a given industry is consistent with the distribution of part-time, full-time, male and female employment within the tourism share of that particular industry.

Hours worked by labor are a key input to the measurement of labor productivity in industry analysis. Indexes of hours worked are preferred to employment numbers as a measurement of labor input as hours worked captures changes in overtime, standard weekly hours, leave, and part-time work. The index of tourism hours worked presents a tourism view of labor input conceptually equivalent to the ANZSIC Division level labor input index presented in the national accounts, and, as such, it allows comparison of labor input growth in tourism with traditional industries. However, the method for producing the tourism index differs from that applied in the national accounts, where the index is constructed from industry estimates of aggregate annual hours worked in the reference year. As aggregate annual hours worked is unavailable at the detailed industry level necessary for application to tourism, the tourism index is instead based on annual averaging of quarterly detailed estimates of actual hours worked. This approach has been found to produce estimates of sufficient quality for the analysis of movement in a data series such as that described by an index and also results comparable with the National Accounts hours worked indexes.

Labor productivity estimates in the National Accounts are indexes of real GDP per hour worked. For the whole economy, they are derived by dividing the chain volume measure of real (or chain volume) GDP by hours worked. For the "tourism industry", they have been derived by dividing the chain volume measure of tourism GVA by an index of tourism hours worked and are shown in index form. This is consistent with ANZSIC Division level labor productivity estimates in the National Accounts (although the numerator for the ANZSIC industries is an index of aggregate, rather than actual, hours worked for reasons outlined above). Labor productivity indexes reflect not only the contribution of labor to changes in product per labor unit, but are also influenced by the contribution of capital and other factors affecting production.

Some of the tourism industries in the TSA have been compressed in the tables relating to employment because the LFS is not designed to produce estimates of sufficient accuracy for some of the fine level industries in the TSA.

Other visitor characteristics

Domestic visitors - Domestic visitor numbers are sourced from the NVS.

International arrivals and departures

Data on international arrivals and departures (by country of origin or destination) were taken from the ABS release Overseas Arrivals and Departures, Australia (cat. no. 3401.0).

9.1. Quality of estimates

While as much care as possible has been taken to ensure the quality of the estimates in the TSA, users should exercise some caution in the use and interpretation of the results. In order to produce estimates at a finer level of product and industry detail than that normally provided in the national accounts, some of the data have had to be stretched up to the limits of their design capabilities. Moreover, major tourism aggregates such as direct tourism gross value added and tourism employment are not directly observable in practice. They have to be modeled in a Supply and Use framework. The assumptions underlying the estimates can have an effect on their quality.

The estimates have been prepared from a wide range of statistical sources. Some are closely related to the desired national accounting basis, but others are not. There are differences in coverage, concepts and timing. Many of the tourism industries and products identified in this release are at a more detailed level, or do not directly concord with the industry and product details in the national Supply and Use tables. While every effort has been made to improve the survey coverage of the finer level tourism industries, the accuracy of these estimates are subject to a higher degree of error than that generally pertaining to the broader level estimates published in the national accounts.

Tourism expenditure data are generally obtained from large scale visitor surveys and are a key component of the TSA. These surveys are scientifically designed to produce estimates of good quality but, like all sample surveys, are subject to sampling variability. The relevant

NVS and IVS publications describe in detail the associated confidence intervals for a given estimate. In order to adapt the visitor survey data to the concepts and classifications required for the TSA, some dissection and rearrangement of the data has been required. While the rearrangement of the basic data can impact on the quality of tourism consumption estimates for individual products, the aggregate level of tourism consumption should not be affected, although the estimate of direct tourism gross value added could be.

The most significant assumption in the compilation of a TSA relates to the use of the tourism product ratios and the tourism industry ratios in the calculation of tourism related monetary and employment aggregates. The default assumption is that the input requirements of tourism and non-tourism output are identical for an industry. While this is likely to be a more valid assumption for fine level industries where industry output is relatively homogenous (such as the taxi transport industry), there will be some instances where the assumption may be less valid. This is more likely to be the case where the tourism specialisation ratio of the industry is low, and a diverse range of products are produced. However, errors resulting from the use of assumptions will tend to offset in the calculation of the broad aggregates such as direct tourism value added and direct tourism GDP.

In the TSA update years, the allocation of direct tourism gross output to producing industry and the derivation of direct tourism gross value added are based on relationships that are established in the benchmark years. For the years between benchmarks, the coefficients are smoothed between benchmark years.

As the benchmark relationships are likely to become less relevant over time, extrapolated estimates only remain tenable where there is realignment to periodic benchmarks. The underlying assumption of the benchmark approach is that structural change occurs only slowly. The extrapolation techniques used in the TSA updates may not fully capture structural changes in the tourism industry and the Australian economy. To overcome this deficiency, the benchmark coefficients can be improved where there is strong evidence of structural change in tourism related industries. This is however subject to the availability of detailed data and in the case of the Supply and Use

tables, the latest Supply and Use data is only available one year after the current reference period.

Estimates of the number of persons employed in tourism related industries have been derived from the LFS. As this is a household survey, it has some deficiencies when used to derive detailed industry estimates. In order to mitigate some of these potential quality problems, estimates of employment have been published at a more aggregated industry level than that provided in the first dimension of the TSA.

For productivity measurement, while indexes of actual hours worked are considered to be of good quality, they are published as indexes as levels may be subject to reporting bias. That is, there may be a tendency for respondents in the LFS to either overestimate or underestimate their hours worked. Industry levels of hours worked may also be subject to a reporting bias due both to the number of hours reported, as well as self-selecting the industry they work in. Further, hours worked in tourism are derived using benchmark tourism value added ratios, which again are subject to some of the quality issues mentioned above. Indices of actual hours worked are used as it is reasonable to assume that any bias does not change over time and so does not affect the growth rate.

Most figures are subject to revision as more complete and accurate information becomes available.

9.2. What Difference Will a Vaccine Make in the Future of Travel?

We're in the early days of a COVID-19 vaccine release. As a result, many in the travel industry are hopeful 2021 will see a rebound. Yet, it's too soon to tell just how and when that may happen.

It depends in part on how quickly travelers can get vaccinated. Once nationwide vaccinations are distributed, it will establish travel corridors between countries of similar risk. There's talk of a digital passport such as updated health certificates. Some countries already require proof of yellow fever vaccination, and travelers may need international evidence of the COVID-19 vaccine.

Top Travel Trends in 2021

Travel is evolving. Some emerging travel trends in 2021 reflect the new reality of the current age. For example, remote work makes it possible for people to travel and stay longer in an area. They may opt for local accommodations over a busy hotel and blend work with travel.

Other travel trends, like wellness travel, aren't necessarily new but will continue to be at the forefront of travel. It's no surprise that people want to feel better when they return home.

2021 travel is shaping up differently by age group. According to the SAP Concur study, 38% of millennials want to take an international bucket list trip in 2021. Older travelers 55+ are more interested in staying closer to home.

Broad travel themes include:

Reassurance - Highlighting cleaning protocols, social distancing, and staying up-to-date with entry restrictions border regulations will continue to be necessary. Digital Health Passports and Contactless technologies will help.

Flexibility - Delta, American, and many other airline carriers have all eliminated change fees to help travelers feel more comfortable booking tickets. In case a proposed destination becomes a hot spot, people will likely want to wait or choose a new location.

Familiarity - Whether it's returning to a place where people have traveled before or comes as a recommendation from family and friends, travel destinations can highlight this in their marketing. One way is by keeping travelers apprised of the area's health and safety measures.

Sustainability - The skies and oceans are cleaner, and wildlife has returned to areas where it'd dwindled. There's no doubt that the lockdown has benefited the environment. A PhocusWire article states, *"The pandemic has effectively hit the pause button on emissions, which are projected to be 8% less in 2020 than they were in 2019"*

9.3. Appendix - tourism industry correspondence

Tourism related industries - The following table shows the correspondence between tourism related industries in the Australian Tourism Satellite Account and industries in the Australian and New Zealand Standard Industrial Classification (ANZSIC).

CHAPTER 10.

10.1. Globalization and localization in tourism

The tourism industry is one of the most global industries, relying heavily on localization services to be successful. From travel agencies to car rentals, airlines and hotels, the tourism industry encompasses a wide range of subsectors and serves populations around the world in numerous ways. Advances in technology have completely impacted the tourism industry, with an increasing number of people electing to arrange and manage all travel online or through mobile applications, ultimately transforming all operations within the industry.

The internationalization of tourism, fueled by advantageous socio-economic and political conditions as well as by the new opportunities given by Information and Communication Technologies, has pointed out the importance of both translating accurately destinations' websites and taking scrupulous care of the online presence and promotion of heritage tourism destinations. New inbound markets not only need appropriate tourism and hospitality products and services, but also a tailor-made communication, which takes into consideration their cultural background, language, and preferences. This kind of cultural translation, which varies from adaptation of units of measure and calendars, to images and videos, up to elaborating distinct online texts, is called "localization". Even though there is a widely recognized importance of localization practices for the sales and marketing sector, the topic is under-researched in the tourism domain. In the research presented in the paper, localization activities concerning the presentation and promotion of UNESCO World Heritage Sites (WHSs) in three websites of European National Tourism Organizations (NTOs) were analyzed. Drawing from usability inspection methods, user scenarios were elaborated to perform a systematic content analysis of the online contents referred to UNESCO WHS across the Italian and US-American editions of the three websites. The content analysis was based on the cultural framework for the evaluation of cultural values on tourism destination websites proposed by Tigre Moura et al. (2014). Results showed that content managers paid great attention to localizing the content connected to UNESCO WHS, confirming most of the hypotheses based on Hofstede's cultural model. Given the colossal recreational potential in

Uzbekistan, there are all the prerequisites for creating a modern tourist and recreational infrastructure as an intersectoral industry that really gives our country social, political and economic benefits. At the same time, it is quite obvious that on the scale of the entire economy, the activities of direct participants in the tourism market cannot act as the main source of the formation of state budget revenues. It should be considered as an effective method of attracting a solvent consumer and business entities, both directly in the tourism industry and in other areas that contribute to the consumption of services of tourism enterprises (banking, financial, insurance). In other words, tourism should be used as an indirect tool to stimulate the economic activity of citizens and enterprises, while taking into account that its effect is very often not obvious. It manifests itself mainly in related industries; it is not possible to fully assess it. Therefore, state regulation of the tourism economy makes sense with a harmonized approach to all components of the national tourism product.

In the field of state regulation of the tourism industry in recent years, a number of notable events have taken place from 2016 to 2021, where the concept of tourism development in Uzbekistan for the period up to 2030 was adopted. In accordance with the Decree of the President of the Republic of Uzbekistan dated April 6, 2021 No. UP-6199 "On measures to further improve the system of public administration in the spheres of tourism, sports and cultural heritage", the tourism administration meant recognition of the importance of the tourism industry in the national economy, since today tourism is the main executive body that carries out the functions of conducting state policy and legal regulation in the field of tourism. However, its funding in comparison with similar bodies in other countries is extremely insignificant.

10.2. STATE FINANCIAL SUPPORT OF TOURISM

Administration of tourism in the constituent entities of Uzbekistan is carried out by regional tourism structures with the support of regional governments. In small areas, this work is carried out by individual officials. In terms of influence and scope of activity, regional committees differ significantly from each other. The largest budgets belong to the tourist administrations of Tashkent, Samarkand, Khiva and Bukhara. On average, regional budgets are allocated to support tourism and promote a regional tourism product. These extremely insignificant amounts are spent on marketing research, advertising and information activities, organizing tourism exhibitions, fairs, seminars. A similar decentralization is adopted in countries that receive the largest income from tourism (USA, Spain, Germany, etc.). Therefore, the Uzbek regions developed in terms of tourism should have greater independence in the regulation of tourist activities. The main trends and directions of tourism development in the world the conditions in which tourism exists and develops are influenced by numerous factors, which are determined by the periodically emerging need for society to adapt to new situations caused by changes in geopolitical and other conditions. With different strength and duration of impact, they determine the dynamics of tourism development and the formation of a specific structure of tourism in the world, as well as in regions and individual countries.

The ongoing global processes and changes in the living conditions of society as a whole, directly or indirectly affecting the tourism system (which cannot be influenced by tourism activities), are external or exogenous factors. These include natural and climatic, cultural and historical, socio-economic, demographic, political and legal, scientific and technical, environmental, geographical and ethnic factors.

In addition to external factors affecting the development of tourism, there are phenomena and trends that manifest themselves directly in the field of tourism - endogenous factors. These include the material and technical factors associated with the development of accommodation facilities, transport, catering establishments, their equipment and equipment, the introduction of communication systems; factors related to the supply and demand of tourism services; and technological and institutional factors.

The main external factor influencing tourism is globalization, which is accompanied by the concentration of market share in the hands of large companies. An important feature of the current stage of tourism development and changes in its organizational forms is the penetration of transport, trade, industrial, banking, insurance and other companies into the tourism business.

10.3. LOCALIZATION IN TOURISM.

Globalization creates fundamentally new conditions for the coexistence and interaction of countries and regions around the world, involving them in the massive exchange of flows of information, knowledge, technology, finance, goods, services, and human resources. Along with the tendencies of globalization, blurring the boundaries of the national, transforming cultural identity, leveling the originality of ethno cultures, leading to the unification of norms and standards in tourism, there are counter tendencies of local globalization in the world - a synthesis of global interests and local identity in order to integrate into global processes. The famous sociologist Roland Robertson gave this phenomenon the name "glocalization".

In the process of glocalization, characteristic regional and local features and peculiarities are combined in the development of a tourist product adapted for acceptance in the global market, the marketing principle "Think globally and act locally" is developing. In other words, the "glocalization" trend is reflected in the introduction of a unique local flavor into the tourist product, the spirit of the culture of the local community, the original atmosphere of the place, in contrast to the phenomena of globalization in tourism - the same type of recreation and travel models, standardization and unification of tourist services.

At the heart of globalization, in addition to economic issues, are the problems of ecology and security, and the actors of this process, along with state structures and private business, are public and social institutions, cultural institutions that cooperate and interact in the field of cooperation of societies, cultures, individuals for active and effective development of the local community.

Sustainable tourism. Since mankind has become concerned about sustainable development, sustainable development has been a priority in tourism activities.

Following the adoption by the UN Conference on Environment and Development (1992) of a policy document on the concept of sustainable development - "Agenda 21", the World Tourism Organization, the World Travel and Tourism Council and the Earth Council (The Earth Council developed in 1995 Agenda 21 for the Travel and Tourism Industry. According to this document, "sustainable tourism development meets the current needs of tourists and host regions, protecting and enhancing opportunities for the future. All resources must be managed in such a way that, while meeting economic, social and aesthetic needs, cultural integrity, important ecological processes, biodiversity and life support systems are preserved. Sustainable tourism products are products that exist in harmony with the local environment, society, culture in a way that benefits rather than harms tourism development."

In 2002, a joint program of the World Tourism Organization and the United Nations Conference on Trade and Development (UNCTAD) 1 - "Sustainable Tourism - Eliminating Poverty - ST-EP" was approved. In the Conceptual Definition of Sustainable Tourism Development (2004), the World Tourism Organization stated that "the norms and practices of sustainable tourism management can be applied to all types of tourism and to all types of destinations, including mass tourism and various niche tourism segments. The principles of sustainability relate to the environmental, economic, and socio-cultural aspects of tourism development, and an appropriate balance must be struck between these three to ensure the long-term sustainability of tourism. Sustainable tourism should also maintain a high level of tourist satisfaction by leveraging the multidimensional experiences of tourists, raising their awareness of sustainability and promoting sustainable tourism practices among them." The factors that stimulate the development of the tourism sector in accordance with the concept of sustainable development are a consequence of the dependence of tourism on natural, cultural and socio-economic resources. Thanks to the efforts of the World Tourism Organization (UNWTO) and the World Travel and Tourism Council (WTTC), for the first time in

history, the leaders of the Big Twenty (G20) included a block on the need for development and support of world tourism. The G20 leaders recognized the importance of the travel and tourism industry as a vehicle for job creation, economic growth and development. They committed themselves to “developing travel facilitation initiatives that contribute to job creation, decent work, poverty reduction and global economic growth.” Thus, sustainable development of tourism is the ability of tourism to maintain its quantitative and qualitative indicators for a long period of time, i.e. meet the expectations of residents and tourists, both in a short and long period, without harming the environment of the territory that is interested in this phenomenon. Sustainability implies a positive overall balance of the ecological, socio-cultural, and economic impacts of tourism, as well as the positive impact of visitors on each other.

Therefore, for the sustainable development of tourism, it is necessary that all actors involved in this process, and at all levels, responsibly and with mutual respect fulfill their role.

Hence the emergence of a new type of activity - socially responsible (responsible or conscious) tourism. If we turn to the dictionary of S.I. Ozhegov¹³, the concept of "socially responsible" can be defined as essential for society or vested with rights and obligations in the implementation of any activity for society. Responsible tourism includes elements of social, ecological and other types of tourism, it focuses on the individual, brought up on the values of consciousness and responsibility. His philosophy is to exchange cultural traditions so that the peoples of the world consolidate on the basis of national identity and familiarity with the life of local residents, their morals and customs. In promoting positive and fair interactions between the tourism industry, local communities' justice and with full respect for the environment and culture of the local community. Responsible tourism recognizes the dominant role of the host local community and its right to participate in the sustainable development of tourism in its own territory. Responsible tourism recognizes the dominant role of the host local community and its right to participate in the sustainable

¹³ Sergey Ivanovich Ozhegov (was a Russian lexicographer who in 1926 graduated from the Leningrad University, 1900 – 1964. linguist, lexicographer, doctor of philological sciences, professor.

development of tourism in its own territory. The principles of responsible tourism were formulated in a declaration¹⁴

Assuming that social responsibility of all organizations is critical to the sustainable development of the global community, the International Organization for Standardization (ISO) in 2010 adopted the standard ISO 26000 "Guidance on social responsibility" (Guidance on social responsibility). According to Article 2.18 of the standard, "social responsibility is the organization's responsibility for the impact of its decisions and activities on society and the environment through transparent and ethical behavior that promotes sustainable development, including public health and welfare, takes into account stakeholders' expectations, complies with applicable laws and is consistent with international standards of behavior, and is integrated into the activities of the entire organization and applied in its relationships.

Note 1. Activities include products, services, and processes.

Note 2. The relationship relates to the activities of the organization within its sphere of influence.

Excessive or uncontrolled tourist activity can threaten the preservation of the values that are in main demand by tourists - those of the environment and culture (climate, nature, traditions, historical and cultural heritage). Therefore, in responsible tourism the development, implementation and control of programs designed to influence the acceptability of social ideas and considerations, the introduction of a set of means, methods and rules of interaction between the resources on which tourism is based and the visitors who use them, is the task of social marketing. Social marketing is a mechanism for reconciling the needs and interests of consumers, the needs and interests of the company, and the needs and interests of society.

In April 2010, in Madrid, the participants of the European Union (EU) Tourism Ministers Meeting adopted a declaration under the motto "towards a socially responsible model of tourism activity". In the declaration, for the first time in the history of the EU, recommendations are given for the implementation of European

¹⁴ Cape Town

tourism policy, and the member states declared their willingness to promote responsible and ethical tourism and, especially, the social, environmental, cultural and economic sustainability of tourism.

Social responsibility is an ethical principle that is based on acquired moral norms and values and that must be involved in the decision-making process. Responsibility is based on compliance with norms and rules implicitly defined or not defined by law (in the fields of ethics, ecology, charity, humanity, compassion, etc.) that affect the quality of life of individual social groups and society as a whole.

An important role in creating conditions for the development of responsible tourism is the accessibility of travel for all categories and strata of the population. Man with his needs should be at the center of the tourist system, which, taking into account his individual characteristics, determined by physical condition, health and age, forms an accessible tourist offer to receive quality services.

Accessible tourism is one of the fastest growing segments of the tourist market. Accessibility is ensured by the participation of the entire tourism industry at the national and local levels, starting with the transport system, accommodation facilities, catering, cultural facilities, and ending with the creation of conditions for people with disabilities. Accessible tourism implies the availability of such a set of services and amenities that will allow people with special needs, which primarily include people with physical disabilities and dietary restrictions, to enjoy the opportunities of tourist practices without obstacles and difficulties. It is difficult to call it mass tourism, but the demand for accessible tourism is growing worldwide, and is nascent in Russia. Currently, 7% of all tourist trips in the world are made by people with special needs, most often in the company of family members or friends.

However, one should not think that the task of accessible tourism is only to attract only people with disabilities to participate in tourist travel. Potential consumers of this segment of the tourist market include not only this category of the population, but also pensioners, young people, schoolchildren and families with young children, who also require special treatment due to a number of social and economic reasons.

The principle of accessibility must apply to:

- accommodation facilities (hotels), transportation and transport infrastructure (airports, train stations, roadside services), attractions and attractions that should be accessible to people regardless of age, physical condition and disabilities (availability of ramps, wide doorways, elevators and elevators, clear and clearly visible signs and pictograms;

- Destination areas, which must be accessible by any mode of transport, and the facilities located in these areas must have temporal and financial accessibility;

- the right to travel regardless of physical or social conditions and abilities of the person (social tourism, third age tourism, fourth age tourism).

New tendencies in development of tourism are caused by processes taking place in the demographic environment. In the demographic structure of the population of developed countries, the population is aging, the growth of life expectancy is accompanied by a decrease in the birth rate, the number of working women is increasing, and the number of single people is growing. Mobile tourism (m-tourism) is a technology in the form of applications for cell phones (iPhone, iPad, Windows phone, Android), allowing their users to book flights, hotels, cars, while in any place. The increase in life expectancy has led to the emergence in developed countries of a new consumer of tourist services, the so-called "third age" tourists. Thanks to public and private pension systems and periodic price indexation for inflation, a large proportion of pensioners can afford to travel. This has led to a significant increase in the share of the elderly, who account for at least a third of the total number of tourists in the world. Changes in the demographic structure and social status of the population of all countries, without exception, mean that more and more different social groups will take part in tourist trips. A characteristic feature of modern times is the high speed of change, both globally and within individual companies. The acceleration of the development of world trade in services, including tourist services, leads to the complication of the structure of the world market of tourist services. The tourism markets are constantly undergoing changes caused both by progressive development of society and by crisis phenomena. Along with globalization, the forms of communication between market

participants are changing, new technologies are being introduced, people's needs are growing. For a long time, the markets were dominated by traditional tourist firms, which carried out their activities in a specific, specific territory. Since the late 1980s, e-commerce has been actively introduced into the tourism sphere, when numerous hotels, other means of accommodation, tour operators, transport companies, car rental firms located in different countries and continents are linked by a computer network.

Currently there is a global information space in which there is a constant development and improvement of communication systems that affect the development of tourism activities. The change in the distribution system that connects the supplier of the tourism product (or service producer) with the consumer, and the supply system that connects the supplier of the tourism product with his own suppliers has led to the emergence of e-business, which includes e-commerce (commerce) and e-marketing. Electronic commerce (e-commerce) is a new form of market relations based on the use of the latest telecommunication technologies that enable sales using electronic distribution channels. Electronic marketing (e-marketing) uses the Internet and other forms of electronic communication to reach target markets in the most cost-effective way and enable collaboration with partner organizations that share common interests. The most important aspect of e-business and marketing is Customer Relationship Management (CRM). Customer Relationship Management (CRM) is part of a customer-centric way of working, not product-centric. The concepts of e-tourism (e-tourism) and mobile tourism (m-tourism) have appeared in e-business.

E-tourism (e-tourism) refers to the digitization of all processes and supply chains in the tourism, hotel, tourism and restaurant business, which enables organizations to maximize the efficiency and effectiveness of their business. E-tourism creates opportunities to develop operations with particularly trusted partners in an external information environment, as well as to reorganize internal information processes (intranet) and use the Internet to interact with all stakeholders. The development of information technology and telecommunications has led to such growth in e-commerce that now, according to experts, the electronic sale of travel services in the world

has left the sale of books, music and computers far behind. Numerous Internet stores, electronic payment systems, Internet auctions, online travel companies and other businesses now take part in e-business. The main models of commercial transactions using electronic means are: business to business (b2b), business to customer (b2c), and customer to customer (c2c), which provide the majority of transactions. There are business-to-state (b2g) and other types of e-commerce transactions.

The practice has already introduced electronic tickets (e-tickets), which, based on personal data stored in the electronic database of the airline, allow the passenger to get a boarding pass to the plane, showing identification (passport).

New e-commerce methods combining technical and human factors are emerging. Using the Name-your-price on-line system, the potential consumer communicates his/her travel requirements (destination, travel dates, itinerary details, transportation, accommodation and the price he/she wants to pay) and receives confirmation or rejection from the travel service provider (e.g. Priceline.com.). The Click-and-mortar principle combines the convenience of electronic booking with the human involvement of the travel agent in advising and selecting services.

In the tourism market, online companies have begun to be created that are engaged in e-commerce. One of the world's largest holdings for e-commerce in travel services is a private company Travelport, owned by The Blackstone Group. The company owns global distribution companies Galileo International and Worldspan. In 2009, Travelport and PSP International, a leading provider of innovative payment solutions, formed a joint company, eNett International, which delivers, tailored to the needs of the travel industry, payment services. Travelport also owns hotel booking wholesaler Gulliver Travel Associates, about 48% of Orbiz Worldwide (OWW), the largest virtual company, and a number of other virtual companies involved in the e-tourism business.

The market for software for use in the field of tourism activities is developing. The software products on the market allow to automate the internal operations of tourist companies, hotels, restaurants and other tourist businesses. Application of information systems in tourist enterprises leads to significant changes in management as well as

increases quality of service. Such systems give an opportunity to use application software - a model of interaction with the consumer, putting the consumer and his service in the center of business philosophy. The customer relationship management system is built on the basis of collecting, using available channels, accumulating and analyzing detailed information about consumers, studying their requests and needs.

The world lives in the era of change and witnesses the processes of global integration caused by the transition to knowledge-intensive technologies; the trends of creating a global infrastructure that transforms the modern economy. Active use in the tourism business of the possibilities of new communication capabilities, the development of e-commerce services in real time, all this contributed to the manifestation of the trend of transformation of scientific knowledge into innovation - obtaining a result suitable for application. Therefore, one of the main activities of tourism companies, which largely determines its competitive advantage, becomes investment in development and research. Everything else - marketing, logistics, production, supply and even finances - companies will begin to transfer to specialized firms (outsourcing) and receive on the market in the form of services.

A notable trend in world tourism is diversification (Novolat. *diversificatio* - change, diversity; from Latin *diversus* - different and *facere* - to do). Diversification is understood as versatile development and expansion of the diversity of activities by abandoning narrow specialization in the production of any goods, spreading activities to new areas (expansion of the range of products, types of services, etc.), reorientation of sales markets, penetration of companies in industries that are not functionally dependent on their main direction of activity.

The strategy of centered diversification, which is based on the search and use of additional opportunities for the production of new products in the existing business, is developing. The production of existing products remains at the center of the business, while new products emerge based on the capabilities of the developed market, the technologies used, or other strengths of the company's activities.

The trend toward diversification of tourism activities is caused by the desire to reduce the risks arising from increasing competition, as

well as the growing demand for travel according to the personal preferences of tourists seeking a unique travel experience.

A surge of interest in their own and other people's identities, the desire to communicate with speakers of other languages and cultures has led in recent years to the emergence of new types (or varieties) of educational tourism. Industrial tourism has appeared and is actively developing as a kind of educational tourism, which contributes to familiarity with the historical, technological, social, architectural value of industrial culture, which continues to evolve at the present time, to establish a link between the past and its present state, to bring people pride in the achievements of the country.

The volume of urban tourism is growing rapidly: city residents are the most active travelers and consumers of tourist services, and the main tourist flows go to major cities. The World Tourism Organization considers travelers' trips to cities and places with high population density to be urban tourism. Such short (up to three days) trips, usually organized at the end of the week (extended weekend), were made possible by technological advances in transportation and are actively growing. A new type of tourist product - city breaks - has emerged.

As part of the centralized diversification of large cities, a typology of urban destinations has emerged:

1. Global/global cities (London, New York), so-called "post-megapolises", i.e. megacities in which one can find features of megacities in many other countries of the world;
2. National capitals (Ankara, Bucharest);
3. Cultural capitals (Budapest, Prague, Vienna);
4. Cultural heritage cities (Venice, Oxford, Krakow);
5. Artistic cities (Florence, Madrid);
6. Creative cities (Helsinki, Barcelona), which must have the "3 T's": Tolerance, Talent, Technology;
7. Industrial cities (Glasgow, Bilbao);
8. Sports cities (Melbourne, Cardiff);
9. Festival cities (Rio de Janeiro, New Orleans);
10. Futuristic cities (Dubai, Tokyo).

The consulting organization Tourism Intelligence International, based on numerous examples of tourism development in a number of cities around the world, came to the conclusion that the key strategies

that will determine the development of the city must be developed using the principles of tolerance, including: talent and technology, openness, promotion of innovation, events, responsible city tourism, access and assets, new emerging markets, culture and e-marketing.

At the first UNWTO World Congress on City Tourism¹⁵, key issues of the implementation of the "Cities" project, in which 21 cities of the world (including Kazan) take part, were defined and the Smart City ("smart" city) concept was discussed. Today's Smart City concept involves managing city life with the help of information technology. Mainly it concerns six spheres of life: mobility, management, economy, environment, organization of life, and people.

Megacities as tourist destinations are more productive, developing as centers of mass consumption, entertainment and leisure. They have large and diverse resources for the development of all kinds of tourism: urban landscapes and landscapes, urban design, national culture, architecture, sculpture, art, music, theaters, events, special atmosphere and spirit, etc. In the future, attention and interest in cultural and cognitive tourism will only grow, as will the diversification of its types and forms.

Globally and rapidly developing, with many years of tradition, is health tourism, bringing tens of millions of dollars in revenue annually. It is tourist travel, trips and trekking in any area with favorable natural and climatic conditions for health and stay there with the purpose of rest. This type of tourism is associated with meeting the needs of almost healthy people for whom the main factor of the trip is not only the use of special procedures that have a positive impact on health, but also hiking, walking, rafting, visiting nature reserves, entertainment and many other active activities that are the processes of recovery.

There is an ongoing struggle to preserve natural beauty for future generations, which has also had an impact on tourism activities. More and more, natural resources and places unaffected by technological progress will be in demand. As the number of unique wilderness areas decreases, it seems likely that artificial oases of nature and nature parks reproducing exotic flora and fauna will be created.

¹⁵ (Istanbul, November 2012)

Underwater tourism can be dynamically developed in the future. Already now submarines are used for excursions to learn about the marine nature. In the future, as new technologies and materials for creating durable transparent hulls are introduced, this type of tourism will be actively implemented. Another opportunity to learn about marine life is provided by underwater hotels, which create conditions for comfortable stay and rest. Diversification processes have also affected the areas of hospitality and transport. The main trend in the system of accommodation facilities is the separation of functions of owners and managers, expanding the line of services, aimed at the individualization of proposals. Both large hotel complexes and hotels of original type (boutique hotels, budget hotels, underwater hotels) are actively being built in order to create a special attraction and improve standards and new approaches to guest service.

Two categories of actors have formed in the hotel business: hotel owners (investors), whose business is to gain maximum profit from owning and manipulating real estate, and administrators (managers), who are only engaged in management or franchise development and whose task is to manage the resources of accommodation facilities and attract consumers. Large corporations, financial companies, investment funds and private joint-stock companies are increasingly appearing on the market, buying up hotels and even hotel chains. Large hotel chains are freed from ownership by concluding a deal under a leaseback scheme - sale and leaseback for a period of 12 years and with the possibility of subsequent lease renewal up to six times become the management companies of these hotels.

A form of accommodation for visitors under a short-term property ownership contract, timeshare¹, which emerged in the 1970s and 1980s, has begun to be replaced in recent years by innovative forms of private ownership of accommodation facilities.

An investment model (condominium-hotel or condo-hotel) is developing, clearly differentiating between ownership and management. Condo-hotel (Latin - con - together and dominium - possession) is a hotel unit in which individual investors acquire a very specific room (room or apartment). Hotel manager concludes a management contract with the owners of the rooms (ranging from 5 to 20 years), according to which the owner of the apartments receives

income from the exploitation of his property for the time when he is not using it.

Hotel residences are the result of the evolution of structures for use as luxury hotels and residential condominiums (the Ritz-Carlton and Four Seasons hotel chains). Owners of their own detached residences with a separate entrance and elevator outside the common hotel area are able to use all hotel services: room service, valet, cleaning service, restaurants, swimming pools and fitness center. Hotel residences differ from condo-hotels only in the fact that its owners cannot include their residences in the hotel's income-earning rental program.

New concepts that have changed the order of ownership of housing in the market of expensive recreation are "fractional ownership" (fractional ownership) and private residence clubs (private residence club). Partial ownership is the purchase of a share in a home managed by a major hotel operator or in resort accommodation facilities. Members of private residence clubs can stay in hotel apartments, cabins, forks, mansions, or individual single-family homes. The partial ownership purchaser is entitled to two to thirteen weeks per year (not necessarily consecutive weeks), to use this property, the property and all the amenities of a first-class resort.

Consumer attitudes towards accommodation facilities are changing: they are becoming more demanding about the conditions of their stay and the quality of services provided. This leads to diversification: large hotel chains use numerous and diverse brands, and boutique hotels and other original hotels began to appear as a counterbalance to the monotony of hotel chains. Hotel chains, using modern design solutions, began to create boutique hotel chains. The most famous of them are Joie de Vivre (Joy of Life) and "W", created by Starwood Hotels Corporation, and boutique hotels, part of Kimpton Group. In addition to boutique hotels, there are many other concepts of providing temporary accommodation in the world. Many hotels try to shock guests with the most unexpected innovations so that they can feel like oriental sages or heroes of Japanese cartoons, to show the tourist that the services are intended and provided only for him. On the other hand, the world is developing a trend for the construction of

budget hotels (low cost), whose main task is to provide the guest only comfortable and clean room to sleep.

Hospitality enterprises are becoming more and more diverse in their activities, which is leading to a major reorganization of management - the emphasis is shifting to the organization of effective financial management, through the management of all the resources of the enterprise offering a variety of services. More and more hotels are becoming integrated with transport, communications, tour operators and travel agents, tour bureaus and leisure and entertainment facilities.

The system of passenger transportation is evolving. At all times mankind has sought to increase the speed of movement, improving already known means of transport and creating their new types. The structure of the transportation system is mobile - it is formed and functions depending on the state of its components. Not only the structure, but also the behavior of the system changes under their influence and as a result of reaction to external influences. The main external factors that stimulate changes include the following. First, the globalization taking place in the world initiates integration processes based on increased speed, comfort, reliability and cheapness. Secondly, new discoveries, technical and technological progress, contribute to the creation of more perfect and capacious vehicles, to the improvement of their management. Thirdly, the establishment of international and national legal norms defining the principles of relations, rights and obligations of carriers. At present, special attention is beginning to be paid to the introduction of new materials in the designs of transportation facilities, improving their management mechanisms, improving the quality of passenger service, and combining efforts to solve problems that arise.

The Boeing 787 Dreamliner began commercial flights, the construction of which consists of 50% composite materials and is the harbinger of a new era in aviation, when aircrafts will be created using different schemes and materials than the airliners of the 20th century. Trains with speeds of over 200 km/h have appeared on the railroads, and high-speed lines are being actively built, allowing passengers to be transported at speeds of up to 350 km/hour.

Shipbuilders are going in the direction of creating large capacity ships and concentrating on board all the usual services for passengers, creating conditions for conferences, meetings and entertainment events. The capacity of the new ships is more than 3,600 passengers. In the coming years there will be seagoing vessels capable of carrying up to 8 thousand people. Particularly noticeable influence on the development of passenger transportation is the creation of alliances of all kinds; development of low-fare transportation; implementation and development of e-commerce. Budget or low-cost carriers (LCC), which have declared that an airplane is not a luxury but a means of transportation, are developing further in the world. The trend of budget fares has also appeared in car rental companies.

Tourism activities are constantly changing - without such actions, tourism cannot exist and develop. At present, there is an aspiration for sustainable development in tourism activity, for mastering new forms of management and communication technologies caused by the increasing role of consumers. The main change is the innovative approach to tourism activities, taking into account the changing paradigm of society development: knowledge becomes the main driver of development.

In 2012, the OECD¹⁶, the UNEP¹⁷ and the UNWTO¹⁸ held an event in Rio de Janeiro on green innovation in tourism. Experts on tourism from international organizations, public and private tourist structures from all over the world participated in the discussion of this problem. The essence of green innovation is to find the most cost-effective solutions to reduce the negative impact of growing tourism flows on the environment, contributing to sustainable development by reducing costs, increasing income, creating jobs and increasing resource efficiency. As we enter the second decade of the 21st century, tourism companies around the world are facing two critical challenges: the need to prove their relevance and value to consumers and suppliers of tourism services and the challenge of attracting and training the next generation of professionals. In modern conditions, the confirmation of its usefulness to the consumer, tourism companies can prove through

¹⁶ Organization for Economic Cooperation and Development

¹⁷ United Nations Environment Program

¹⁸ World Tourism Organization

the uniqueness, specificity and quality of the created tourist product, adapted and focused on the specific needs of the tourist.

In addition, there are a number of factors that contribute to the tourist to use the services of travel companies.

These factors include time savings and the services of a professional consultant or expert. In a fast-paced world, consumers are constantly pressed for time, it is often not enough to prepare the conditions for their plans, so the travel services of a travel company can be of great value to the client. Information overload (often unverifiable), advice and opinions found on the Internet and social media, minor differences and the complex nature of booking travel services create problems for consumers when making decisions, so there is a growing need for specialist services to help make sense of the quality and value of these multiple offerings. Globalization forces tourism enterprises to master new technologies. New technologies are an important tool for increasing efficiency and improving tourism activities: improving customer service, speeding up all operational procedures, creating new marketing techniques and distribution channels.

New forms of excursions have appeared. The generation of devices endowed with a "sense of place" makes it possible to use the entire array of localized information accumulated on the Internet. "Tour guides" are equipped with a GPS¹⁹ module or GLONAS²⁰, which allows tourists to familiarize themselves with the sights. Using the capabilities of "radio guide" allows you to conduct better excursions in museums and other objects of mass gathering of visitors. Scientific and technological progress forces the accommodation facilities to constantly improve guest services, introduce various innovations: modern communication and equipment for wellness procedures and automated services, the development of e-commerce. The latest technological advances are used to ensure that every guest can feel the hotel room as a piece of their own home. In addition to interactive television, wireless Internet access, remote control of lighting fixtures, opening and closing of curtains, sofas with USB ports and desks with built-in cell phone chargers and wireless phone base

¹⁹ Global Positioning System

²⁰ satellite navigation systems

stations are appearing. In some hotels, special electronic devices memorize all of the guest's preferences, from the temperature in the room to his music preferences. When he next appears, the porter simply presses the right button. Automated self-service systems (vending machines) are being introduced with the help of which it is possible to check into a hotel, receive payment upon check-out, change a booked room and print out a boarding pass for a plane. The introduction of the virtual concierge allows guests to receive information, usually provided by a traditional concierge, at any time of the day or night, to contact the general manager or service staff via e-mail, with immediate feedback.

The largest international hotel chains - Choice Hotels International, Hilton Worldwide, Hyatt Hotels Corporation, InterContinental Hotels Group, Marriott International, Wyndham Hotel Group and Best Western - have created a unified site for hotel search and room reservations. Dynamic packaging of travel packages (package tours) has emerged and is developing, which is the key to the future development of the tourism industry. Dynamic Packaging makes it possible to compose, in real time, different combinations of trip components at the request of the consumer or the agent selling the service. Travelers composing their trip can shape and evaluate it in real time, combining their preferences for flights, car rentals, hotels, and leisure time arrangements, while paying for the entire package of services ordered at one time. Automated service is becoming the norm, and today a person with access to the Internet can "design" a tour on their own in real time according to their individual wishes: make up an itinerary, choose services, make reservations and pay for them.

The study of the tourist potential of territories and the development of their development programs requires the analysis of a large amount of information characterizing different sides of the space. Geographic information systems or geographic information systems (GIS) have been used for processing this kind of information. These are software complexes allowing to input, store, update, analyze and output all kinds of geographically referenced information. The system, allows users to combine traditional work with databases, with full visualization and spatial analysis, using digital maps. New principles of presenting geographical information can fundamentally change

people's perception of the world around them: they can show in three-dimensional image any geographical object in the smallest detail, tied to a single geographical coordinate system for the entire globe. The tourist, preparing for a trip, will be able to have a complete picture of the territory and the peculiarities of stay in it, which will affect the nature of the organization of tourist activities. With the help of such a model, representatives of the tourism industry will be able to inform consumers most fully about the possibilities and conditions of their future trip.

It is possible to make a virtual journey with the help of all kinds of tourist portals as well as with the use of interactive maps and globes. Tourist guides are created on the Internet by active users, commercial and public organizations, and administrative structures.

Comprehensive site visualization is an innovative approach to promoting a region in the tourism market. In 2011, 3rd Planet Pte Ltd of Singapore unveiled the world's first new system that allows users to travel in three dimensions to all major tourist destinations in the world from the comfort of their own homes. The company announced its intention to organize an international online exhibition "Wonders of the World" in the near future to show consumers the possibilities of tourism, which will present countries, the tourism industry, business structures related to tourism activities.

A trend toward self-regulation has emerged in the tourism industry. Its essence lies in the fact that on the basis of the law the management functions of the state are transferred to entities that are not public authorities. This means the adoption by subjects, without coercion, certain obligations to comply with collectively developed principles that do not contradict the norms established by the state, regulating processes and emerging conflicts in the implementation of business and professional activities without the direct involvement of the state. In modern conditions, self-regulation becomes one of the most important elements in the formation of a bona fide competitive environment. Subjects of tourist activity voluntarily unite into self-regulatory organizations in various fields of activity, adopt a set of rules (code) of professional ethics and behavior in the market, which determines business and social responsibility not only to consumers, but also in relations with partners and state organizations. Usually

members of self-regulatory organizations apply a broader interpretation of all aspects of the relations of market participants among themselves and with consumers and use stricter norms of operation than provided for by law. In case of violation of accepted rules or occurrence of conflict situations, such organizations independently, without recourse to state arbitration courts, consider incidents and make decisions on their elimination. Personalization of the tourist product. The main trends in the development of the world tourism industry in the coming years will be the personalization of services and the possibility to purchase a tourist product designed for each specific client. The duration of tourist trips will be reduced, but the frequency of rest and recuperation breaks will increase.

The change in the attitude of visitors (tourists) to the assessment of services provided to them, to the preparation and implementation of the trip, the choice of destination (destination) promotes the emergence of innovative approaches to the implementation of tourist activities, which take into account sociological and psychological approaches, other forms of social interaction, consumer behavior. There must be a complete rejection of the traditional principle - "to catch up and surpass the others in quantity" and a transition to the creation of a new consumer value - the mass personalization of tourist products.

This is due to the fact that modern man, experiencing fatigue as a result of the routine, loads and stresses of everyday life, seeks solitude and solitude in the period of rest, so shows a tendency to abandon the standardized group tour packages in favor of individual tours, made in accordance with his personal preferences. This trend can also be explained by the fact that tourists are becoming more educated, knowledgeable, with a broader and more diverse tourist experience, and therefore seeking a new and unique travel experience. According to some theories, the 21st century consumer's desires will be closely tied to his morals, moral and spiritual values. The emotional aspect of consumption will play a more significant role than the material factor. The commercialization of impressions will become the determining factor in the market. Successful companies will be those that satisfy emotional needs, and the competition will be won not by the best producers, but by the best storytellers.

Tourists are becoming more sensitive to the environment: material, natural and aesthetic, the analysis of information stimulates the imagination. On the one hand, stories about stable values and peace of mind are in demand, and on the other hand, the desire for change, variety, adventure. As a result of changes in the attitude of visitors to the environment, the so-called "slow tourism" (Slow Tourism) - a peculiar kind of tourism outside the usual schemes, contributing to the protection of nature and unity with it, which allows to penetrate the characteristics of the original local culture and simply learn to wonder at life has appeared. A characteristic feature of Slow Tourism is the restoration of the visitor's energy for a short period by refusing to rush while visiting the natural environment, having the opportunity for active recreation and dynamic entertainment.

Other new types of travel and excursions, which reflect the demand for active participation of tourists in games and entertainment events, the desire to take risks and feel a sense of danger, are also contributing to the development of international tourism: extreme tourism, disaster tourism, dark tourism and other types of tourism. In Europe, the so-called random-trip, when a traveler chooses a "blind tour", indicating the tour operator only dates and the budget of the trip, is in fashion. The tourist will find out where the agency will send him only a day before departure. Travel-secret trips are very popular in the USA. The idea is as follows: the person who wants to take part in such a trip is invited to take an online survey of his interests, preferences and travel experience. According to its results is determined by the so-called badge of traveler, on the basis of which, within the budget of the trip specified by the tourist, the company's specialists make a "secret route". Until the funds are deducted from the user's account, he will not know where his trip will take him.

These examples underline the tendency to move from a rational to an emotional approach - tourism becomes a search for impressions and adventures. Particular attention begins to be paid to establishing an emotional connection with the history of the tourist's destination, and sometimes to creating a myth that gives the impression of the uniqueness of the area. The diversity and innovativeness of the main trends and directions of development of international tourism is constantly changing under the influence of factors of improvement of

social relations, which should be taken into account in the organization of tourism.

In conclusions the new conditions of development of the modern world, including economic integration and globalization of all sides and spheres of life of the world community, have brought to life new features and phenomena of international tourism. The processes of globalization and globalisation, sustainable tourism development, socially responsible attitude to the implementation of tourism business and the behavior of tourists in the visited areas (destinations) continue to develop. Accessible tourism, which provides the opportunity to travel and use the services of the tourism industry to a wide segment of the population without physical, age, social and other restrictions, is gaining a significant role. There is a development of diversification of tourism business through a wide variety of activities. Under the influence of scientific and technological progress in tourism activities, advanced technologies are being introduced in all sectors of the tourism and hospitality industry. E-commerce technology is being improved, technologies of virtual promotion of tourist product using geoinformation systems (GIS) are being introduced.

The trend of the transition of tourism activities to the experience industry is intensifying. The practice of tourism activities is interconnected with such factors as sustainable development, accessibility, demographic changes, lifestyle, nature of work and vacation.

In the tourism market space, significant changes are taking place at the initiative of tourists themselves, who are constantly searching for unconventional travel experiences. Tourism is becoming segmented and tailor-made based on tourist demand. There has been an increase in the share of individual trips, leisure travel with family and friends; short-term trips are on the rise. In the near future, demand for active types of tourism (hiking, water, extreme) especially among young tourists; specialized and event trips; river and sea cruises; short-term visits to major metropolitan cities is expected to grow. Beach and resort recreation in ecologically clean and conveniently located destinations will traditionally develop successfully. Segments of the "third age" "fourth age" market, recreational and educational trips will develop.

The following factors will influence the development of tourism in the near future:

- Improvement of existing and creation of new tourist services and markets, taking into account natural, cultural and historical resources in tourist destinations, improving the quality of service for visitors;
- changes in the demand and behavior of tourists and the attitude of the local population to visitors;
- Wide involvement of the local community and municipal authorities in the planning and development of tourism activities, ensuring its safety;
- Development of links between tourism organizers and municipal structures in order to achieve an understanding of the needs of each of them and find ways to meet them;
- Increasing the welfare of the local population, removing obstacles to the development of tourism (tax, visa, customs, etc.), with particular attention to the compliance of prices with the quality of tourist services provided, acceptable to the tourist and beneficial to the tourism industry and the local community;
- The need to protect the environment when investing capital (construction, architecture, anthropogenic pressures) and when using natural resources;
- the use of new forms of marketing and promotion of services, the search for specialized groups of tourists and organization of targeted information for them on the services offered;
- improving the professional level of employees in the tourism industry training qualified personnel for the tourism industry in educational institutions.

In their activities to develop, promote, regulate tourism, and train tourism personnel, international organizations operating in the field of tourism and travel actively respond to the changes and challenges of the era of globalization. New forms and models of interaction and cooperation, development measures and activities to promote tourism reflect current trends and prospects for the future of tourism.

CHAPTER 11.

Hospitality localization in tourism

Travel and tourism equates to big bucks – we are talking about trillions of US dollars to the global economy. With these kinds of stakes, it is no wonder that more and more businesses catering to the travel and tourism industry are investing heavily in localization.

Hotels and motels, private accommodations, all-inclusive resorts, airlines, airports and more all cater to travelers. There truly is an endless list of hospitality services reliant on a global audience – but do these industries truly understand what it means to effectively communicate on a global scale without compromising a local feel? Do they have a firm understanding of how necessary it is to localize their message? Some do. Some definitely don't. So, let's shed some light on this topic.

1.1. International travel

Whether we travel for business or pleasure, we all expect comfort and convenience. From asking for directions and ordering a cab, to requesting that an extra towel be sent to our hotel room, having the comfort and convenience of communicating in our native language is worth its weight in gold.

But how is this even possible? With over 6,000 spoken languages in the world, how can any business possibly ensure that each traveler will have the opportunity to communicate in his or her native language?

Well, when we put it that way, it does seem rather daunting, doesn't it? But it doesn't have to be. There are plenty of studies out there that track the most popular tourist destinations as well as the countries whose citizens travel the most frequently. There is even a sea of data showing the largest business travel markets. If you keep your finger on the pulse of travel statistics, you should be able to strategize an effective localization plan to meet the needs of these frequent flyers.

According to WorldAtlas, the following is a list of the countries whose citizens travel the most frequently:

Country	International Travel	Domestic travel	Total
Finland	1.700	5.8	7.50
The US	.20	6.50	6.70
Sweden	1.50	4.40	6.00
Denmark	1.40	3.90	5.30
Norway	2.00	3.20	5.20
Hong Kong	4.30	0.03	4.30
New Zealand	0.50	3.80	4.30
Canada	1.00	3.20	4.10
Australia	0.40	3.40	3.80
France	0.40	3.10	3.50

The above chart focuses primarily on traveling for pleasure. But what about business travel?

Business travel accounts for more than a tenth of the global travel and tourism economy, and it seems as though this market is increasing.

By the year 2021, the Global Business Travel Association²¹ (GBTA) predicts a 5.2 percent growth in total business travel spend, and China is leading the pack

Even though there are a gazillion ways to use technology to communicate with international clients without leaving the comfort of your office, nothing says “I’m accessible *and* personable” better than a face-to-face. By the year 2021, the Global Business Travel Association (GBTA) predicts a 5.2 percent growth in total business travel spend, and China is leading the pack:

Country	Business Travel Spend (billions) 2016	Business Travel Spend (billions) 2021	CAGR (percent)
China	\$318.00	\$474.50	8.30%
United States	\$283.60	\$342.90	3.90%

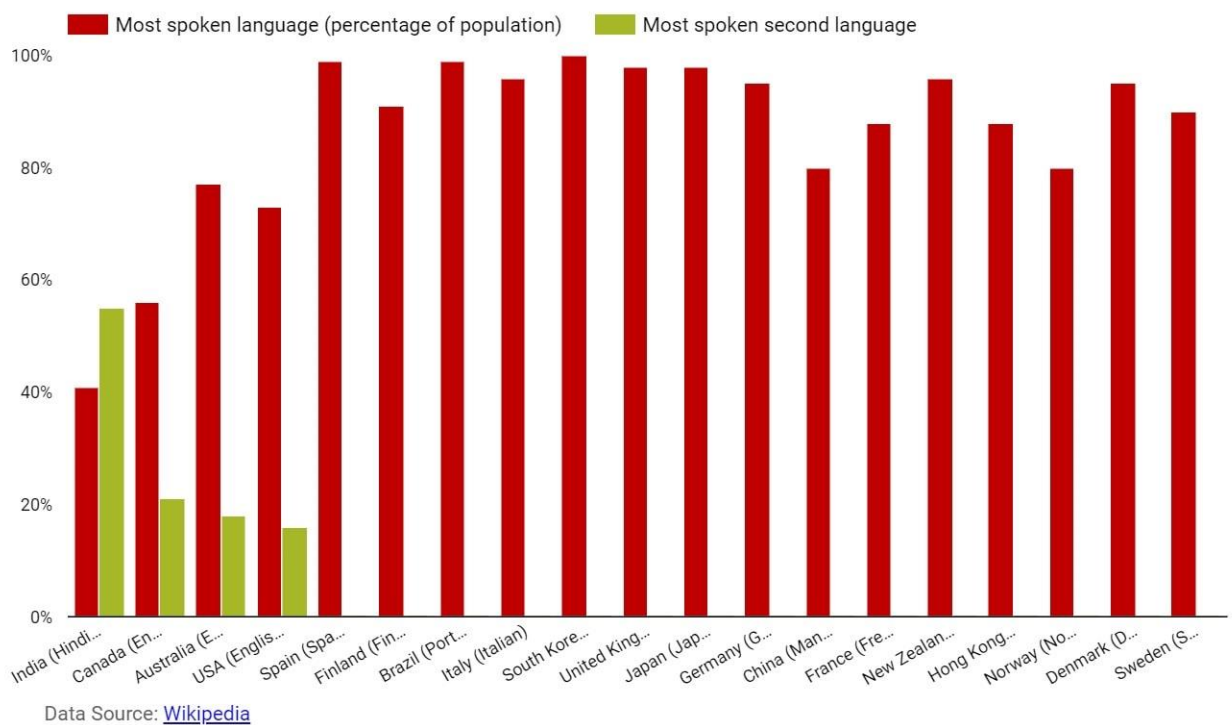
²¹ <https://www.gbta.org/>

Germany	\$68.20	\$104.90	9.00%
Japan	\$64.80	\$104.90	9.00%
United Kingdom	\$50.40	\$78.90	9.40%
France	\$38.60	\$56.20	7.80%
South Korea	\$33.40	\$40.40	3.90%
India	\$33.00	\$59.50	12.50%
Italy	\$32.70	\$44.80	6.50%
Brazil	\$27.20	\$31.00	2.60%
Canada	\$23.50	\$31.40	6.00%
Australia	\$22.00	\$27.10	4.20%
Spain	\$20.80	\$31.00	8.30%
Netherlands	\$18.40	\$24.20	5.60%
Russia	\$16.10	\$23.50	7.80%

Travel is indisputably a significant driver of economic growth. As one of the most diversified and fastest-growing economic sectors worldwide, the travel and tourism industry would be foolish not to focus on localization and globalization.

From a language services perspective, one of the first questions that comes to mind after scanning these charts is, *what languages do these frequent travelers speak?* We know you asked this question. And we're glad you did, because we have the answer. We took a look at the official and/or most commonly spoken languages in these countries, then placed them right here, for your comfort and convenience. After all, it isn't just the travel and tourism industry that aims to please:

First and second most common language spoken by travelers (by home country)



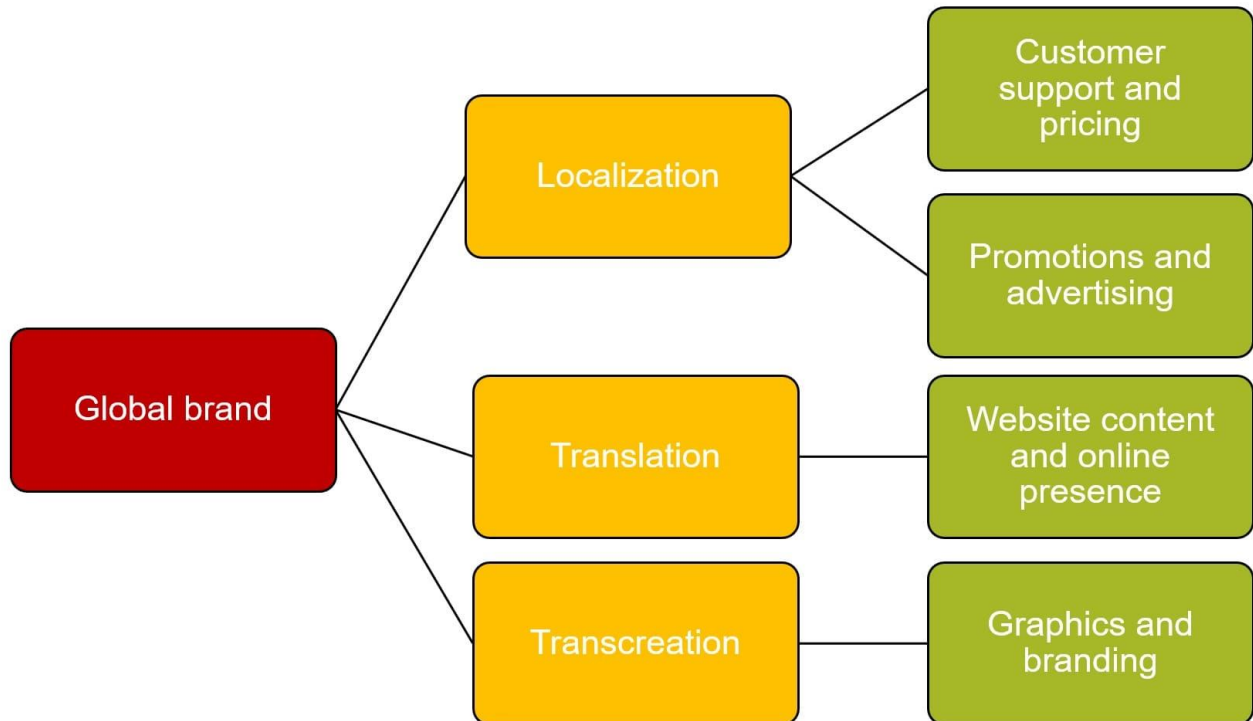
NOTE: Although there are many more languages spoken in each of these countries, we are listing the languages that are spoken by the majority of residents, either as native or fluent speakers. If this percentage fell under 80 percent, we noted the ‘next’ most-spoken language. In the case of Australia, the non-English speakers account for a combination of minority languages. In the case of India, the ‘other’ 55 percent of people represent speakers of either the Indo-Aryan or Dravidian languages.

And there you have it. Out of the more than 6,000 spoken languages in the world, approximately 15 of these languages are spoken by people who travel the most frequently. This number is a much easier number to work with in terms of localizing your business and readying yourself to welcome and accommodate your guests.

11.2. Localization *musts* for the travel and tourism industry

We need to learn from the pros – so we decided to focus on Marriott International and on Airbnb. Just what *are* they doing to reach a global audience, and how can you do it too?

Airbnb. After launching in 2008²², Airbnb exploded onto the international market in under 10 years. They achieved this success with one clear vision –becoming a global travel network.



Of course, it is a lot more complicated than this. To further connect with international travelers, Airbnb:

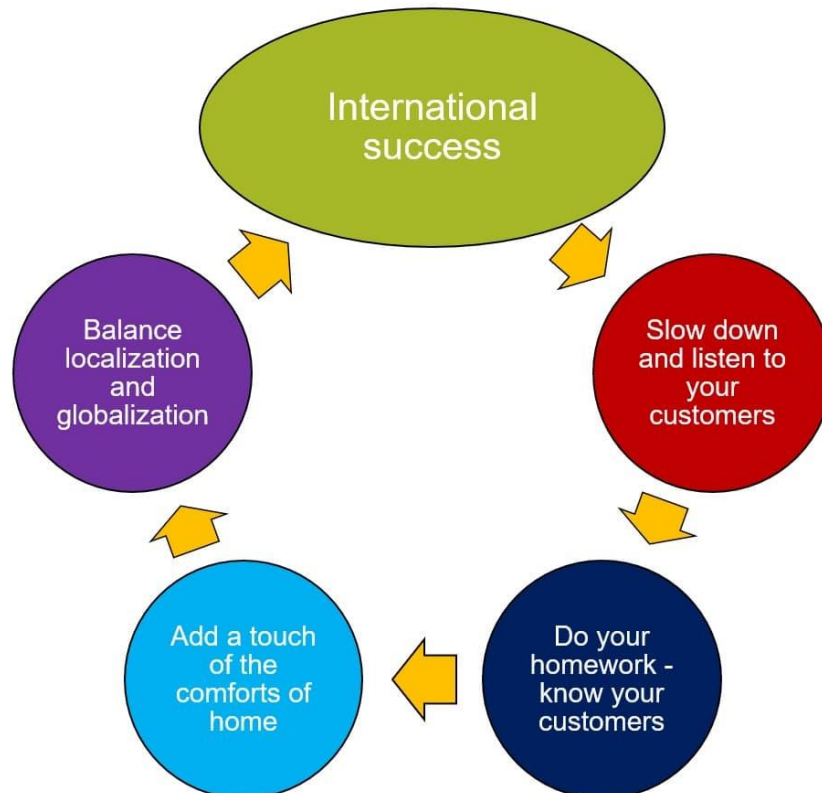
- Reached out to local communities overseas who know their neighborhoods best. Smart move.
- Leveraged their user reviews by offering Airbnb credit for both those who referred and for those who get referred. Super smart move.
- Used the most popular forms of technology per region. Super-duper smart move.
- Effectively and efficiently translated content into 26 languages using TMS. Brilliant.

Airbnb is undeniably a key example to study for those wishing to expand their brand on the international stage, but other companies, like Marriott International, also have a few words of wisdom when it comes to taking your brand overseas.

²² [онлайн](#)-площадка для размещения и поиска краткосрочной аренды частного жилья по всему миру.

Marriott International

With well over 6,000 properties worldwide, Marriott International now has a presence in 127 countries and territories. This didn't happen by accident. It took a lot of work. And, although this mammoth hotel chain has admitted to making mistakes along the way, those mistakes became eye-openers. In fact, those mistakes led to a greater, and more committed understanding of what localization means.



But just as it hasn't been that simple for Airbnb, it hasn't been that simple either, for Marriott International. The company works hard to study the different countries in which they wish to expand – primarily Japan, China, and the Middle East. They pay close attention to cultural nuances, technology trends, traveler preferences, and international travel trends. They then use this information to find ingenious ways to bring comfort and convenience to their guests. Perhaps the best example this is the new hospitality program offered through Marriott Rewards.

Specifically designed to please Chinese travelers, the Li Yu (礼遇) program offers a number of perks when staying at the Marriott. Through the WeChat mobile app, Chinese guests visiting Paris,

London, Dubai, Tokyo, Osaka, Seoul, Bangkok, and more, can communicate with Marriott staff on a wide variety of topics, and completely in their native language. Guests can even use this app ahead of travel to learn more about the area they are visiting. Once they have arrived, guests can use the app to request some comforts from home, including traditional Chinese tea, food, and beverages. Many of these hotels also offer Mandarin-speaking staff, destination guides in the Mandarin language, Chinese newspaper delivery, and more.

And *that* epitomizes knowing your guests and bringing them the comforts of home – China is a mobile-first country, and Marriott paid attention, then went one step further to bring in the comforts of home. Through technology as well as through the old-fashioned personable touch, Marriott International is clearly working toward a new level of localized service on a global scale.

In the global travel and hospitality community there are always rising and falling trends. Some travel destinations are hot, some are not. Keeping an eye on where travelers are coming from and going to is essential for longevity and financial success in the online travel and hospitality industry. For travel organizations to maximize revenue growth, it is important to keep up with these trends and continue to adapt content to meeting growing local markets.

Welocalize takes a look at some of the big trends in global travel and how that can have an effect on language demand and your localization strategy.

CHINA — The Asian travel and hospitality market is blowing up! According to the [EyeforTravel](#) Half-Year Round-Up and Forecast 2015, there were 62 million Chinese who traveled abroad in the first half of the year — a rise of 13%.

Making sure your content is localized in certain Asian languages is going to be essential to keep up with the demand. With this rise in Chinese travelers, savvy businesses will know that to tap into this lucrative market, they will need customer-centric translation and localization solutions in Chinese languages. However, China being the most populous country in the world, there is no ‘one’ Chinese language. Simply translating content into one of the languages spoken

in China will not be enough to reach a significant amount of the population.

Shanghai is the most populous city in China and the third biggest in the world with almost 23 million inhabitants. It is the global financial center of China and a global transport hub. Although the official language of China is Mandarin, the vernacular language of Shanghai is the Wu language, which is virtually unintelligible with Mandarin. It is certainly worth localizing your content in these two Chinese languages, as it could maximize your reach in the Chinese market.

MOBILE in INDIA — Mobile apps are often reported to be a big travel trend in 2015. When keeping up with geographical targets, it is important consider in what format target customers like to view content. The Indian travel market seems to be ‘hotting up’ in relation to mobile. The same EyeforTravel report claimed that there has been a 77% year-on-year growth in the number of app sessions in Asia. Localization and translation media Slator, recently report that the IAMAI predicted that by 2016, there will be 236 million mobile users in India. The demand is high for mobile and content localization. Similar to China, India also has a multitude of spoken languages. Working with an experienced language services provider (LSP) can help you decide which languages to use to obtain maximum reach in your target country. An LSP can also make sure that mobile apps can support the characters with languages such as Hindu or Punjabi.

USA — The US also has encouraging mobile figures with mobile commerce sales (including travel) showing a boost to \$31 million this year according to the eMarketer Brief: Digital Insights for the Travel and Hospitality Industry. With the US leisure travel market totaling \$644.9 million, as reported by the US Travel Association, it is definitely worth keeping up with the trends from this market. According to data published in 2014 by the US National Travel and Tourism office, the country which Americans travel to the most in the world is Mexico, with about 26 million visits from Americans in 2013.

The US also has a growing Hispanic population. Of the \$644.9 million spent on leisure travel, US Hispanics represent more than \$56 million. Hispanics represent 17% of the US total population. In 2013,

Spanish was the most spoken non-English language in the US, used by 35.8 million Hispanics in the US. Although English is the official language of the States, translating and localizing your content into Spanish is definitely worthwhile to capture a further language reach. This is also impacting the need for the travel and hospitality markets to think about how to engage with their consumer from abroad in the local and their preferred native language.

Localizing for growing and emerging markets is key for any company in the online travel and hospitality sector. Working with a language services provider that has reputable and proven experience working with global travel and tourism brands is essential. Welocalize ensures that your business is ready to meet the demands for any future travel and hospitality trends.

Welocalize enables brands to reach and grow global audiences through translation, localization, adaptation, and automation²³.

11.3. Top insights for Tourism Markets:

There has been an exponential global tourism growth over the past six decade and globally, some 350 million new international tourist arrivals are expected by 2030, arrivals would reach 1.8 billion according to the UNWTO.

However, it is now assumed that tourism activity will decline by 50% in the second half of 2020 bringing this year forecast of total export earnings from international tourism to \$0.9 trillion down from \$1.75 trillion in 2019.

Looking backward, according to the MasterCard Global Destination Index, in the time of an increase of world real GDP of 140.3% the total amount of international overnights arrivals from 2009 to 2018 ascended by 176%, while overall tourism expenditures increased by even 197%.

In 2019 world tourism activity grew by 3% - 4% while in Europe growth is estimated at 6%. However, an EC study on the supply of accessible tourism estimated that only 9% of tourist services in the EU provided accessible offers, leaving a large gap between supply and demand.

²³ www.welocalize.com

Figures released by the World Tourism Organization show that total export earnings from international tourism reached \$1.7 trillion in 2018, an increase of 4% from 2017.

Overview per country:

- Japan: The amount of international tourism expenditures of Japan in 2018 (\$20.1 billion) has led to Japan taking the 16th place in the "Ranking of International Tourism Expenditures by Country/Region" in 2017.

- Europe: Tourism is the main economic sector in the Mediterranean region, representing 30% of global tourism flow and it is the world's principal regional tourist destination.

- Canada: Imports of travel services were down 32.6% to \$2.7 billion in March as the COVID-19 pandemic and related travel restrictions drastically reduced the number of Canadian tourists travelling abroad.

Top view data points for Tourism Markets:

- Global International Tourist Arrivals by country (200 countries), 1995 to 2019

- Global International Tourist Arrivals Forecast by country (200 countries), 1995 to 2019

- European Tourist Arrivals at Hotels (62 countries), 2005 to 2019

- European Tourist Arrivals Forecast at Hotels (62 countries), 2005 to 2019

- European Overnight Visitor Stay by Type of Booking, Duration and Trip Purpose, 2010 to 2019

- Global International Departures Number by Country (35 countries), 2014 to 2019

- Global International Departures Number Forecast by Country (35 countries), 2014 to 2019

According to the statistics released by the World Tourism Organization of the UN (UNWTO), the number of international tourist arrivals reached 1.186 billion globally in 2015 and they forecast to mark 1.8 billion by 2030, with a growth of 3.3% a year (UNWTO, 2016). Information and Communication Technologies (ICTs) play a major role in supporting and enhancing this phenomenon. Nowadays, tourism players are able to make their services and products more accessible for the publics they want to address. The availability of such

information allows prospective tourists to find – first of all – inspiration while browsing the Web. A recent study conducted by Google (2016) in USA shows that one out of three accesses the Internet without a concrete place in mind. Referring to this dynamic, research underlines that Search Engine Optimization (SEO) is a crucial component for Destination Marketing Organizations (DMOs) that want to attract people from key markets (Pan, 2015).

According to a report elaborated by Euromonitor International (2014), 87% of prospective travelers make use of the Internet for travel planning, 45% look for trip ideas, and 31% look for inspiration by watching videos (see Figure 1). Hence, it becomes easier to realize why tourism players are involved into this set of practices. An interesting study by Achkasov (2015) examines these dynamics from a cross-cultural viewpoint. More specifically, the researcher shows that SEO can be considerably enhanced by assisting it with a proper cultural adaptation of website keywords. Answering queries in a local language would allow tourism-related businesses to prevail over the stiff competition that characterizes the online environment (Achkasov, 2015). Among the innovations, it is important to underline that online visitors can share and retrieve information from their peers on the web about products and services. This dynamic allows them to decrease risks and uncertainties arising from the intangibility of tourism services. Indeed, reading comments provided by other tourists allows them to assess the quality of the offered service as well as visualize it in their minds (Park & Nicolau, 2015).

According to Euromonitor International (2014), online travel sales will experience a steady growth by 2017. Among the categories included in the study, there are accommodation, transportation, and tourist attractions. Such projections certainly stimulate destination stakeholders to better understand (i) how to adapt their products and services online; and (ii) how to shape their communication strategy according to the reference markets. Addressing these aspects, a study conducted by Michopoulou and Moisa (2016) analyzes the role of cross-cultural backgrounds in differentiating the way travelers plan their holidays on the web. More specifically, the researchers refer to elements like lead-time for the preparation of the trip, flexibility, and attention to service details. Managerial implications for such outcome

point at the need to implement tailored communication strategies according to the audience of reference, a need that includes the importance of accurate translation to make the content accessible (Michopoulou & Moisa, 2016).

The travel and tourism industry is radically different from what it was a few years ago, transforming at break-neck speed due to the possibilities now accessible in this Internet age. Travel agencies, hotels, airlines, and other industry players are forced to catch up with the changes and implement new marketing strategies to establish customer relationships and improve online sales.

However, regardless of which marketing channel you use – online or print – the key to success is effectively getting your message understood.

CHAPTER 12.

Localization in the Global Finance Sector

Any commercial and non-profit institution has a wealth of financial-related content. The host of stakeholders is broad, including central, investment and commercial banks, insurance companies, mergers and acquisition brokerage and investment capital firms, accountancy firms and investor relation agencies, as well as non-financial organizations. Within these organizations and at the corporate headquarters of any publicly traded and private company, there are millions of financial documents that must be understood by parties and often in more than one language. Financial information often needs to meet local laws and compliance regulations and therefore the accurate localization of financial content is an important part of any global organization's business strategy. Financial translation work must pay particular attention to security, as critical financial information has privacy concerns and any exposure of protected details can be detrimental, as well as put the company at risk. In addition to security, accuracy is key and specialist linguistic and financial subject matter expertise is required to conduct financial translation work to the highest levels of quality. It is important that any organization undertaking financial translation work meets the relevant industry ISO standards. Here are some of the areas in the global finance sector that benefit from professional financial translation services:



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Here are some of the areas in the global finance sector that benefit from professional financial translation services:

Global Banks: - Many international banks have standard marketing communications, especially if they have retail outlets. Customers all over the world have to be able to understand products and services in the native language, from product and marketing brochures to banking statements. A bank's brand has to be retained in all target markets and experienced financial translators must localize any information relating to local product features, adhering to local financial regulations.

Some banks do not have retail outlets; however, they still have a wealth of documentation, for example disclosure and foreign investment documentation that must be understood by individuals and organizations outside of the domestic market.

Investment Banks (iBanks): - A lot of localization needs within the investment banking sector resides within the research activities carried out, typically for equities research and fixed income asset management. Other types of localization may be required, such as

company reports, both annual and quarterly, account statements or disclosures for significant audiences such as private equity investors. Earnings reports generated during the earnings period can contain thousands of words and can require translation into a number of language pairs. These documents must meet compliance and regulation standards, as well as stringent deadlines.

Accountancy Firms: - Global organizations make money in many countries and each subsidiary will have its own set of accounting documents, often prepared by external accountancy (also referred to as accounting) firms and consultant groups, required to meet local accounting, compliance, regulatory and legal standards.

Insurance Companies - Considerable volumes of content generated by global insurance firms is financial. As well as customer information, including marketing and support materials, there are many complex financial documents that may need to be shared with international subsidiaries, as well as local governments and regulatory agencies.

Investment Firms and Mergers & Acquisition Companies

Any company that takes part in **due diligence** as part of the mergers and acquisition process, understands translating and sharing with all relevant parties is an important step. These documents, often shared in a data vault, need to be understood by all parties that take part in debt negotiations, mergers, acquisitions or capital raise — especially of one or more of the entities speak another language. Due to the number of people that will review content, from legal professionals, financiers, corporate executives and deal-makers, the content must be available in source languages as well as the languages of those reviewing the content. Quite often on-site interpretation services are needed for M&A meetings and negotiations.

Non-financial organizations - Public and private companies have to produce a number of financial documents on a regular basis to distribute to investors, shareholders and government agencies. Content ranges from company reports, annual and interim statements, contracts, tax and auditing documents.

As with many industries, the financial industry is a global industry and this generates a demand for content to be localized and culturally

adapted for international purposes. One of the most important factors in financial translation is accuracy. One zero out of place in a translated annual report could seriously misrepresent the performance and damage the credibility of an organization. Using a professionally language service provider who has a proven track record and relevant standard accreditation within the finance industry is so important.

Welocalize has specialists that focus on the delivery of financial content. In 2014, Welocalize acquired Agostini Associati, based in Milan, Italy, because of their experience in working with financially-related content. They are one of Welocalize's centers of excellence that deliver solutions to the financial and insurance industry²⁴.

12.1. What the localization of travel websites can tell us about the future of tourism?

We all know that North America, Western Europe and East Asia have long been popular markets for the tourism industry. But we also know that people living in these places aren't the only ones who want to explore the world. Companies are recognizing the value in marketing to emerging markets and lesser-known regions. Where else in the world is tourism expected to grow?

We thought of an interesting way to answer this question. Our team conducted a study of ten leading tourism websites to determine which of these companies make the most effort to localize their website in different languages, and what that can tell us about where the tourism industry is headed.

We took a look at a variety of tourism websites to try to get a good feel for the market. We could not consider every tourism website out there, so these are the results for the sample we selected. The results of the study are as follows:

- Leading the pack in our sample is travel fare aggregator and lodging reservation website Booking.com with 43 languages, including Thai, Polish and Malay.
- In second place is Agoda, Asia's leading online hotel reservation service, which operates in 36 languages and has a site localized in Brazilian Portuguese.

²⁴ <https://www.welocalize.com/finance/>

- com comes in third with 34 languages.
- Trivago comes in fourth with 32 languages.
- Tripadvisor and Skyscanner both fly in at fifth place, with 28 languages each. Skyscanner also has three localized websites in British English, Latin American Spanish and Brazilian Portuguese.
- Seventh place belongs to Kayak with 22 languages.
- Expedia and Accor Hotels are in eighth place with 18 languages.



- Couchsurfing, a website that connects travelers and hosts for homestays and events, comes in at tenth place with nine languages.

Not surprisingly, the study revealed that the most popular languages appearing on each of the ten sites were English, German, French, Spanish, Italian, Portuguese and Mandarin. However, what's interesting is looking at which other languages appeared on the websites.

The next most popular languages are Russian, Dutch, Japanese, Polish, Indonesian, Korean, Swedish and Thai, with nine translated sites. On eight websites you'll find Turkish, Traditional Chinese, Danish, Norwegian and Finnish. Seven sites are localized in Vietnamese and Greek. Six are localized in Czech, Hungarian, Arabic and Hebrew. Five sites are translated into Ukrainian and Malay. Romanian, Croatian and Slovak appear on four websites. Three sites

were translated into Catalan, Bulgarian, Latvian, Estonian, Lithuanian, Slovenian and Serbian. Only two are translated into Filipino and Icelandic.

12.2. What does this mean for the tourism industry?

The test data shows that the popular sites are noticeably present in the developed markets of Western Europe, North America and East Asia. However, digital tourism giants are identifying growth engines and are beginning to show their presence in the emerging markets of Eastern Europe and the former Soviet bloc countries, along with East Asia and the Middle East. According to our estimation, this phenomenon will only increase.

Thanks to a growing middle class in developing countries enjoying rapid economic growth — due in large part to technological advancements — more people are able to spend their time and money on travel. This was either an unlikely or impossible reality for people living in these regions 20 to 30 years ago. Furthermore, customers are reaping the cost benefits of technological innovations in the aviation and tourism markets as companies continue to lower their prices. There's a good reason why all of these companies (and they're not the only ones) are localizing their websites. Localization can help an entity greatly expand their market reach, whether they operate in the tourism space or not. Furthermore, it can be done at relatively low costs.

Many businesses translate large quantities of content with hybrid translation, which combines neural machine translation (NMT) with the expertise of human editors and testers. In some cases, hybrid translation can lower traditional translation costs by 50% — theoretically, without compromising quality.

12.3. Questions and Answers

What is meant by localization?

Localization is the adaptation of a product or service to meet the needs of a particular language, culture or desired population's "look-and-feel."

What are the main elements of localization?

These **elements** include text, layout, graphics and multimedia, keyboard shortcuts, fonts, character sets and locale data, as well as the product's build process and packaging.

What are localization services?

Localization is the process of modifying a product to adapt to the needs and preferences of users in a different region. For example, **localization services** may be used to modify a product for a new market that uses a different unit of measurement. ...

What are the 5 main sectors of tourism?

The 5 industries of tourism are; **accommodations, food and beverage Services, recreation and entertainment, transportation, and travel services.**

What is the purpose of localization?

The **aim of localization** is to give a product or service the look and feel of having been created specifically for a target market, no matter their language, cultural preferences, or location.

How do you do localization?

How is localization done?

1. Review Application Framework. ...
2. Plan for Text in Other Languages. ...
3. Code Strings with Global Expansion in Mind. ...
4. Externalize Your Locale Specific Data. ...
5. Resource Files. ...
6. Resource Bundle. ...
7. Focus On Your Strings. ...
8. Extract Resource Files.

What is a localization strategy?

A **localization strategy** is a unique market approach a company takes to address purchasing habits, customer behaviors and overall cultural differences in each country it works in. ... Cultural norms – It is essential to meet cultural expectations, like how to address your customers correctly.

What companies use localization strategy?

Popular examples of well-crafted localization strategies are **Coca-Cola**, Microsoft and Nike. At **Ulatus**, we track brands that do exceptional work with their content localization and shatter language barriers to increase their presence in global markets.

What does localization mean in business?

Localization is the process of adapting content, products, and services to specific local markets. **Localization** does not simply **mean** translating texts. While translation **is** the practice of changing a text from one language to another while preserving the **meaning**, **localization** encompasses much more.

What is the primary benefit of a localization strategy? Put simply, a well-placed **localization strategy** will enhance the customer experience and allow you to communicate your message to global audiences while maintaining your brand identity.

What is the difference between localization and globalization?

Localization is the adaptation of a resource or product to fit the demands of one specific culture or locale, while **globalization** is the adaptation of a particular resource to fit the demands of multiple cultures and locales.

Why do we need localization?

The ability to expand a company's potential customer base is essential in today's globalized world. Adapting existing products to new markets through translation and **localization** management is key for global growth. ... **Localization** allows more consumers to learn about your products and increases your customer base.

There are five key advantages of marketing localization:

- Marketing **localization** decreases barrier to entry. ...
- **Localization** customizes customer experience. ...
- **Localization** breeds cultural respect and appropriation. ...
- **Localization** results to better brand identification. ...
- **Localization** hastens local business development.

Which comes first localization or globalization?

If you are going for a specific locale, **localization** is the key. If you are planning to **go** global, start globalizing. **Localize** only when you get the local audience that is worth translating for.²⁹

What is the importance of localization in the business sector?

To put simply, **localisation** adjusts and adopts products, services and content to suit a specific market. It also eliminates all types of local insensitivities, making it easier for **businesses** and audiences. Every **business** knows the **importance** of accurately localising material when expanding **business** abroad.

Following are the important geographical factors influencing the location of industries.

- Raw Materials: ADVERTISEMENTS: ...
- Power: Regular supply of power is a pre-requisite for the **localisation** of **industries**. ...
- Labour: ...
- Transport: ...
- Market: ...
- Water: ...
- Site: ...
- Climate:

Globalization is leading the creation of uniform standards and protocols. However, the unique selling point (USP) of travel companies or destination marketing organizations (DMOs) lies in providing a rare and unique experience. The travel industry, therefore, works towards offering products that allow the average tourist or traveler to experience something they have never experienced before. Novelty is a much-needed element in today's travel aspirations. However, at the same time, localization is also important. Tourism boards and travel companies must know how to connect with the foreign traveler. They must make use of translation services to create multilingual websites, vital travel information, and essential signages that can guide tourists in the proper manner. Tourists must feel welcomed and at ease while they are away from home.

Taxation -

Tourism is one of the most taxed sectors. A simple glance at the taxes paid on airline tickets and hotel rooms gives an idea of how taxation can greatly affect tourism. Therefore, it's necessary for the travel industry to offer competitively priced offerings in order to balance out the equation.

Governments must also come to the realization that tourists already contribute to the local economy via purchases, travel retail, and other tourism expenditures.

Travel Marketing

Travel marketing can sometimes be deemed by travelers or tourists as being inadequate, false, or exaggerated. In order to change this perception, marketing entities must work towards developing innovative marketing solutions to lure the new crop of travelers who are becoming more discerning and informed. In addition, technological disruptions and the influence of social media also mean that it's a time of both opportunities and risks. Travel marketers must look to harness tech and creativity to find their way into tourists' travel plans. On the other hand, they must also pay attention to localized content.

Infrastructure

Tourism infrastructure in many locations is outdated and underdeveloped. Governments, tourism boards, and destination marketing organizations must work towards improving the current infrastructure with foresight. Future challenges must also be addressed in this area. Solutions could include faster immigration at airports, faster checkout processes in hotels, better public transportation, and interpreting solutions at airports, stations or ports.

Security

Industry players must work towards establishing better security infrastructure for tourists and travelers. This can be achieved by working with local law enforcement, city councils, and local governments. Governments must work towards sourcing for more manpower and economic resources to boost security and vigilance without stifling the travel experience within the country.

Now, the big question is, can these challenges be overcome? Well, some of these challenges can become growth opportunities for travel companies, tourism boards, and destination marketing organizations.

As for the others with external factors involved, it would be unthinkable for individual travel businesses to make significant changes. The travel industry as a whole must unite and be willing to negotiate and discuss its terms – sometimes with governments and unions. At the same time, it must also be willing to adapt to changing scenarios and trends.

APPENDIX - TOURISM INDUSTRY CORRESPONDENCE

Characteristic and connected tourism industries	ANZSIC code	ANZSIC industry
Accommodation	44	Accommodation
Ownership of dwellings	6711	Residential property operators
Cafes, restaurants and takeaway food services	451	Cafes, restaurants and takeaway food services
Clubs, pubs, taverns and bars	452	Pubs, taverns and bars
	453	Clubs (hospitality)
Rail transport	47	Rail transport
Taxi transport	4623	Taxi and other road transport
Other road transport	461	Road freight transport
	4621	Interurban and rural bus transport
	4622	Urban bus transport (including tramway)
Air, water and other transport	48	Water transport
	49	Air and space transport
	50	Other transport
Transport equipment rental	6611	Passenger car rental and hiring
Travel agency and information centre services	722	Travel agency and tour arrangement services
	7299	Other Administrative Services n.e.c.
Cultural services	89	Heritage activities

	90	Creative and performing arts activities
Casinos and other gambling services	92	Gambling activities
Sports and recreation services	91	Sports and recreation activities
Automotive fuel retailing	40	Fuel retailing
Other retail trade	39	Motor vehicle and motor vehicle parts retailing
	41	Food retailing
	42	Other store-based retailing
	43	Non-store retailing and retail commission based buying and/or selling
Education and training	80	Preschool and school education
	81	Tertiary education
	82	Adult, community and other education
All other industries		All other industries

Tourism related industries for employment estimates - Employment estimates are provided at a more aggregate level of detail than the estimates shown in the monetary tables. The following table shows how the tourism employment industries correspond with the tourism related industries in the monetary tables.

TOURISM EMPLOYMENT INDUSTRIES

Tourism employment industries	Tourism related industries
Accommodation	Accommodation
Cafes, restaurants and takeaway food services	Cafes, restaurants and takeaway food services

Clubs, pubs, taverns and bars	Clubs, pubs, taverns and bars
Rail transport	Rail transport
Road transport and transport equipment rental	Taxi transport; other road transport; motor vehicle hiring
Air, water and other transport	Air, water and other transport
Travel agency and information centre services	Travel agency and information centre services
Cultural services	Cultural services
Casinos and other gambling services	Casinos and other gambling services
Sports and recreation services	Other sports and recreation services
Retail trade	Other retail trade; automotive fuel retailing
Education and training	Education and training
All other industries	All other industries

Tourism related products - The following table shows the correspondence between tourism related products in the Australian Tourism Satellite Account and products in the Central Product Classification, Version 2.1 (CPC V2.1).

APPENDIX - TOURISM PRODUCT CORRESPONDENCE

Characteristic and connected tourism products	CPC Code	CPC description
Accommodation services	631	Accommodation services for visitors
	632	Other accommodation services for visitors and others
Actual and imputed rent on vacation homes	72111	Rental or leasing services involving own or leased residential property
Takeaway and restaurant meals	633	Food serving services
	634	Beverage serving services
Taxi fares	64115	Taxi services
Local area passenger transportation	641	Local transport and sightseeing transportation services of passengers (except 64115 taxi services)
Long distance passenger transportation	642	Long-distance transport services of passengers
Motor vehicle hire and lease	73111	Leasing or rental services concerning cars and light vans without operator
Travel agency and information centre services	855	Travel arrangement, tour operator and related services (except 8553 other reservation services)
Recreational, cultural and gambling services	9622	Performing arts event production and presentation services
	963	Services of performing and other artists
	964	Museum and preservation services

	9652	Sports and recreational sports facility operation services
	9659	Other sports and recreational sports services
	966	Services of athletes and related support services
	9691	Amusement park and similar attraction services
	9699	Other recreation and amusement services n.e.c.
	9692	Gambling and betting services
Shopping, gifts and souvenirs	28	Knitted or crocheted fabrics; wearing apparel
	29	Leather and leather products; footwear
	322	Books, in print
	323	Newspapers and periodicals, daily, in print
	324	Newspapers and periodicals, other than daily, in print
	325	Printed maps; music, printed or in manuscript; postcards, greeting cards, pictures and plans
	327	Registers, account books, notebooks, letter pads, diaries and similar articles, blotting-pads, binders, file covers, forms and other articles of stationery, of paper or paperboard
	353	Soap, cleaning preparations, perfumes and toilet preparations
	381	Furniture
	382	Jewellery and related articles
	383	Musical instruments
	384	Sports goods
	385	Games and toys
	448	Domestic appliances and parts thereof

	47	Radio, television and communication equipment and apparatus
	483	Optical instruments and photographic equipment, and parts and accessories thereof
	484	Watches and clocks, and parts thereof
	3694	Tableware, kitchenware, other household articles and toilet articles, of plastics
	3722	Ceramic household and ornamental articles
	32192	Envelopes, letter cards, plain postcards and correspondence cards of paper or paperboard; boxes, pouches, wallets and writing compendiums, of paper or paperboard, containing paper stationery
	32193	Toilet paper, handkerchiefs, towels, serviettes, napkins for babies, tampons, and similar household, sanitary or hospital articles, and articles of apparel, of paper pulp, paper, cellulose wadding or webs of cellulose fibres
	37193	Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes (except bottles, jars and the like, of glass, and ornaments of lamp-worked glass)
	38921	Umbrellas, sun-umbrellas, walking-sticks, seat-sticks, whips, riding-crops and the like
	38997	Imitation jewellery
	42996	Statuettes and other ornaments of base metal; photograph, picture or similar frames of base metal; mirrors of base metal

Food alcohol and other beverage products	21	Meat, fish, fruit, vegetables, oils and fats
	22	Dairy products and egg products
	23	Grain mill products, starches and starch products; other food products
	24	Beverages
Motor vehicles, caravans, boats, etc	494	Pleasure and sporting boats
	49113	Motor cars and other motor vehicles principally designed for the transport of persons (except public-transport type vehicles, vehicles specially designed for travelling on snow, and golf cars and similar vehicles)
	4922	Trailers and semi-trailers; containers
Repair, maintenance and fuel for motor vehicles	3331	Motor gasoline and aviation gasoline
	3336	Gas oil
	3337	Fuel oils n.e.c.
	36111	New pneumatic tyres, of rubber, of a kind used on motor cars
	36112	New pneumatic tyres, of rubber, of a kind used on motorcycles or bicycles
	36113	Other new pneumatic tyres, of rubber
	3612	Retreaded pneumatic tyres, of rubber
	4641	Primary cells and primary batteries
	87141	Maintenance and repair services of motor vehicles
Education services	92	Education services
Other tourism goods and services	250	Tobacco products
	352	Pharmaceutical products
	68	Postal and courier services

	6743	Parking lot services
	7132	Accident and health insurance services
	7133	Other non-life insurance services (excluding reinsurance services)
	7142	Accident and health reinsurance services
	7143	Other non-life reinsurance services
	7321	Leasing or rental services concerning televisions, radios, video cassette recorders and related equipment and accessories
	7322	Leasing or rental services concerning videotapes and disks
	8553	Other reservation services
	838	Photography services and photographic processing services
	841	Telephony and other telecommunications services
	842	Internet telecommunications services
	843	On-line content
	931	Human health services
	971	Washing, cleaning and dyeing services
	972	Beauty and physical well-being services

CONCLUSION

It would be an understatement to say that 2020 is a year of change and reflection. With the COVID shutdowns, travelers found their options limited, and it has changed their outlook. People are more cautious about traveling, but they want to travel. After months in lockdown, they're ready to go but with parameters.

A Travel Leaders Group and the World Travel & Tourism Council (WTTC) surveyed 3000 travelers found nearly 70% plan to vacation in 2021. Euro news also says people want to travel. Research shows that 70% of people have started planning travel in 2021.

Yet, travelers look to the travel industry for guidance more than ever. Where can they go, will they need to quarantine when they get there, and is it safe? As a result, the travel industry has embraced new technology and looked for ways to reassure travelers that they'll be safe should they choose to travel.

Due to the pandemic, travel organizations have found themselves highlighting cleaning protocols, eliminating change fees, and keeping travelers informed of changing regulations.

For example, airlines like United, Iberia, and JetBlue experiment with different cleaning protocols that include touchless technology at baggage check-in and electrostatic pistols that shoot a disinfecting powder in the cabin to clean everything, including headrests and armrests.

Airlines have also eliminated change fees to encourage travelers and implemented new tech solutions to keep them aware of border regulations, like for instance, this interactive map.



Reassurance is a continuous theme in 2021 tourism.

Reassurance of where you can travel, that cancellation policies are lenient, and that you'll be safe wherever you opt to go.

Specifically, those

travel trends 2021 show up in the preferences of business travelers, the pandemic has only accelerated them:

1. Leisure

The blend of business travel and leisure continues being a travel trend. While leisure travelers are pausing to ask probing questions of themselves about future travel like:

- ❖ *Where do I want to go?*
- ❖ *What do I want to experience?*
- ❖ *What do I want to discover?*

More people want to travel slower and get to know local communities where they do travel. Part of this impetus is with remote work and schooling. It's much easier to book a more extended trip and blend work/school life by exploring a new area. Plus, it's appealing to head to a sunnier, warmer climate with less COVID infections.

According to a [Phocuswire article](#), Trip It data shows people are booking for longer trips and often choosing a short-term rental where they can feel comfortable. Short-term rentals like, for instance, Airbnb, Vrba, and other providers offer the opportunity to keep closer tabs on your surroundings and those in them than a busy hotel. Plus, they give you the chance to live more like a local.

2. Self-Booking

Business travelers want to have a human back up in case of complex travel issues. However, for the initial booking, they're likely to do it themselves. According to [Business Travel Trends](#), 63% of travelers prefer to book their own travel. Likely, this reflects a general shift as millennials now represent roughly 50% of the workforce.

This also fits into the desire for more flexible corporate travel policies. For years, a percentage of business travelers have ignored policies and chosen to do their own thing. This is a chance to review those policies and bring them up-to-date.

3. Contactless Technologies

Another travel trend in 2021: [Contactless technologies](#), which are here to stay. Now that everyone has hand washing and germs on their minds, keyless entries and digital menus have found a place in the travel eco-system. The pandemic has only accelerated the adoption of these across the travel industry.

4. AI and Virtual Assistants

Artificial intelligence (AI) uses data to predict things based on past behavior. It's the reason why companies like Amazon, Spotify, and Netflix can offer you personalized entertainment choices.

It can also suggest appropriate entertainment choices in destinations and provide other personalized recommendations. Additionally, virtual assistants like Siri can provide itinerary updates.

5. On-Demand Testing

From home test kits to on-site testing at hotels and airports, rapid COVID testing (results in 15 minutes) may be vital to reducing both virus and quarantine worries.



6. Up-to-Date Data on Restrictions


One of the most complex travel trends today knows border regulations and travel restrictions. As the pandemic has countries opening and closing borders and different quarantine rules, it's necessary to have a tool that keeps them informed. For instance, **this COVID-19 Entry Restrictions solution** used by Delta, United and others, offers up-to-the-minute, accurate information on restrictions in any destination.

What to expect in 2021

As we look into the crystal ball for 2021 travel predictions, we know that people are likely to be cautious. Of course, how soon the vaccine rolls out will play a role. According to an Allianz Travel survey, 49% of Americans will feel comfortable traveling again once a proven vaccine is ready.

However, if the experience is any indication, the travel industry will return. Those who stay engaged with customers now and reassure their safety will reap the rewards when those customers choose to travel again. The future of travel will include reassurance in many ways. Just as 9/11 changed travel, the pandemic will leave travelers more aware of health measures.

What more information on technology to assist your travelers? Here are **six startups** helping to restart the tourism industry.



The image shows a smartphone displaying the 'Covid19 Entry Restrictions Map' app. The screen features a world map with various regions highlighted in blue and white. Above the map, there are four circular icons representing health and safety measures: 'Wash your hands', 'Monitor your symptoms', 'Use face mask', and 'Keep a safe distance'. The app title 'Covid19 Entry Restrictions Map' is at the top, with a subtitle 'Check entry restrictions at your destination'. To the right of the phone, there is a promotional graphic for 'smartvel AI empowered contact' with the text 'Covid-19 Entry Restrictions Solution' and a list of features.

smartvel
AI empowered contact

Covid-19 Entry Restrictions Solution

- Implementation in hours.
- In any channel or touchpoint (email, web, chat).
- Include your own information.
- Information checked every hour.

[Request Demo](#)

Volume indexes - Measures growth in the volume of production and expenditures on products between any two periods of interest. Where there is more than one type of product, it is necessary to apply some kind of weighting. This is possible by valuing products at their prices in one or other period and dividing the total value of their combined production in the second period by that in the first. The same prices must be used for both periods to ensure the index reflects only changes in quantities produced. Chain linked volume indexes take

account of changes to price relativities that occur from one year to the next. It is the price relativities that determine the weight given to each component of a volume index.

Wages and salaries - Consist of amounts payable in cash including the value of any social contributions, income taxes, fringe benefits tax, etc., payable by the employee even if they are actually withheld by the employer for administrative convenience or other reasons and paid directly to social insurance schemes, tax authorities, etc., on behalf of the employee. Wages and salaries may be paid as remuneration in kind instead of, or in addition to, remuneration in cash. Separation, termination and redundancy payments are also included in wages and salaries. Wages and salaries are also measured as far as possible on an accrual rather than a strict cash basis.

ABBREVIATIONS

'000	<i>thousand</i>
\$m	<i>million dollars</i>
ABS	<i>Australian Bureau of Statistics</i>
ANZSI C	<i>Australian and New Zealand Standard Industrial Classification</i>
ASNA	<i>Australian System of National Accounts</i>
CPC V2.1	<i>Central Product Classification V2.1</i>
CPI	<i>Consumer Price Index</i>
EAS	<i>Economy Activity Survey</i>
Eurostat	<i>Statistical Office of the European Communities</i>
GDP	<i>gross domestic product</i>
GST	<i>goods and services tax</i>
IRTS	<i>International Recommendations for Tourism Statistics</i>
ISIC Rev.4	<i>International Standard Industrial Classification of All Economic Activities, Revision 4 (United Nations)</i>
IVS	<i>International Visitor Survey</i>
LFS	<i>Labour Force Survey</i>
NVS	<i>National Visitor Survey</i>
OECD	<i>Organisation for Economic Co-operation and Development</i>
SNA08	<i>System of National Accounts 2008 version</i>
TRA	<i>Tourism Research Australia</i>
TSA	<i>Tourism Satellite Account</i>
UNSD	<i>United Nations Statistics Division</i>
UNWT O	<i>United Nations World Tourism Organisation</i>

GLOSSARY

Basic price - The amount receivable by the producer from the purchaser for a unit of a good or service produced as output, minus any tax payable plus any subsidy receivable, on that unit as a consequence of its production or sale; it excludes any transport charges invoiced separately by the producer. See also Purchasers' price.

Business and government tourism consumption. Also referred to as internal tourism consumption by domestic business and government visitors. Consists of the tourism consumption by resident businesses or governments on tourism related products within Australia. See also Tourism consumption and Internal tourism consumption.

Chain price indexes - Annually reweighted chain Laspeyres price indexes referenced to the same year as the chain volume measures. They can be thought of as a series of indexes measuring price change from a base year to the following year using current price values in the base year as weights, linked together to form a continuous time series. In other words, chain price indexes are constructed in a similar fashion to the chain volume indexes.

Chain volume measures - Annually reweighted chain Laspeyres volume indexes referenced to the current price values in a chosen reference year (See also Reference year). Chain Laspeyres volume measures are compiled by linking together (compounding) movements in volumes, calculated using the average prices of the previous financial year, and applying the compounded movements to the current price estimates of the reference year.

Compensation of employees - The total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the employee during the accounting period. It is further classified into two sub-components: wages and salaries; and employers' social contributions. Compensation of employees is not payable in respect of unpaid work undertaken voluntarily, including the work done by members of a household within an unincorporated enterprise owned by the same household. Compensation of employees excludes any taxes payable by the employer on the wage and salary bill (e.g. payroll tax). See also Employers' social contributions and Wages and salaries.

Current prices - Estimates are valued at the prices of the period to which the observation relates. For example, estimates for 2014-15 are valued using 2014-15 prices. This contrasts to chain volume measures where the prices used in valuation refer to the prices of the previous year.

Direct tourism gross domestic product (GDP) - Is direct tourism gross value added plus net taxes on products that are attributable to the tourism industry (tourism net taxes on products). Direct tourism GDP will generally have a higher value than direct tourism value added. Direct tourism GDP is a satellite account construct to enable a direct comparison with the most widely recognised national accounting aggregate, GDP. While it is useful in this context, the direct tourism gross value added measure should be used when making comparisons with other industries or between countries. See also direct tourism gross value added and Tourism net taxes on products.

Direct tourism gross value added - The value of direct tourism output at basic prices, less the value of the inputs used in producing these tourism products. This measure is directly comparable with the value added of 'conventional' industries such as mining and manufacturing and should also be used for comparisons across countries. See also Direct tourism output and Direct tourism GDP.

Direct tourism output - The value of goods and services, at basic prices, which are consumed by visitors and produced in Australia by industries in a direct relationship with visitors. See also Basic prices and Direct tourism gross value added.

Domestic tourism consumption - Consists of the tourism consumption by resident visitors on tourism related products within Australia. It is the sum of household tourism consumption and business and government tourism consumption. See also Tourism consumption; Internal tourism consumption; Business and government tourism consumption; Household tourism consumption.

Employed person

Is a person aged 15 years and over who, during the reference week:

- *worked for one hour or more for pay, profit, commission or payment in kind in a job or business, or on a farm (comprising employees, employers and own account workers); or*

- *worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers); or*

- *were employees who had a job but were not at work and were: away from work for less than four weeks up to the end of the reference week; or away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four-week period to the end of the reference week; or away from work as a standard work or shift arrangement; or on strike or locked out; or on workers' compensation and expected to return to their job;*

- *or were employers or own account workers, who had a job, business or farm, but were not at work.*

Employers' social contributions - Payments by employers which are intended to secure for their employees the entitlement to social benefits should certain events occur, or certain circumstances exist, that may adversely affect their employees'

income or welfare - namely work related accidents and retirement. See also Compensation of employees and Wages and salaries.

Exports of goods and services - The value of goods exported and amounts receivable from non-residents for the provision of services by residents.

Final consumption expenditure - general government Government final consumption expenditure is current expenditure by general government bodies on services to the community such as defense, education, and public order and safety less any explicit charges for these services. If these are provided free of charge or at charges which cover only a small proportion of costs, the government is considered to be the consumer of its own output. This output has no directly observable market value, and so it is valued in the national accounts at its cost of production. It also includes the value of the portion of market output purchased by the General Government sector on behalf of beneficiaries.

Final consumption expenditure – households Net expenditure on goods and services by persons and expenditure of a current nature by private non-profit institutions serving households. This item excludes expenditures by unincorporated businesses and expenditures on assets by non-profit institutions (included in gross fixed capital formation). Also excluded is expenditure on maintenance of dwellings (treated as intermediate expenses of private enterprises), but personal expenditure on motor vehicles and other durable goods and the imputed rent of owner occupied dwellings are included. The value of 'backyard' production (including food produced and consumed on farms) is included in household final consumption expenditure and the payment of wages and salaries in kind (e.g. food and lodging supplied free to employees) is counted in both household income and household final consumption expenditure.

Full-time workers - Employed persons who usually worked 35 hours or more a week (in all jobs) and those who, although usually working fewer than 35 hours a week, worked 35 hours or more during the reference week. See also Part-time workers.

Gross domestic product (GDP) - Is the total market value of goods and services produced in Australia within a given period after deducting the cost of goods and services used up in the process of production but before deducting allowances for the consumption of fixed capital. Thus gross domestic product, as here defined, is 'at market prices'. It is equivalent to gross national expenditure plus exports of goods and services less imports of goods and services. Farm product is that part of gross domestic product which arises from production in agriculture and services to agriculture. It is equivalent to the value added of ANZSIC 06 subdivision 01 'Agriculture' plus taxes less subsidies on products primary to this subdivision. Non-farm product arises from production in all other industries.

Gross fixed capital formation - Expenditure on fixed assets broken down into dwellings, non-dwelling construction, machinery and equipment, cultivated biological assets, intellectual property products and ownership transfer costs. The machinery and equipment category includes plant, machinery, equipment, vehicles, etc. Expenditure on repair and maintenance of fixed assets is excluded, being chargeable to the production account. Additions to fixed assets are regarded as capital formation. Also included is compensation of employees and other costs paid by private enterprise in connection with own-account capital formation. Expenditure on dwellings, non-dwelling construction, and machinery and equipment is measured as expenditure on new and second-hand assets, less sales of existing assets. Cultivated biological assets includes livestock and orchard growth. Along with Computer software, Mineral and petroleum exploration and Artistic originals, Research and development is now included in the intellectual property products asset type. Ownership transfer costs comprise of stamp duty, real estate agents' fees and sales commissions, convincing fees and miscellaneous government charges.

Gross mixed income of unincorporated enterprises - The surplus or deficit accruing from production by unincorporated enterprises. It includes elements of both compensation of employees (returns on labor inputs) and operating surplus (returns on capital inputs).

Gross operating surplus - The operating surplus accruing to all enterprises, except unincorporated enterprises, from their operations in Australia. It is the excess of gross output over the sum of intermediate consumption, compensation of employees, and taxes less subsidies on production and imports. It is calculated before deduction of consumption of fixed capital, dividends, interest, royalties and land rent, and direct taxes payable, but after deducting the inventory valuation adjustment. Gross operating surplus is also calculated for general government and it equals general government's consumption of fixed capital.

Gross value added - The value of output at basic prices minus the value of intermediate consumption at purchasers' prices. The term is used to describe gross product by industry and by sector. Basic prices valuation of output removes the distortion caused by variations in the incidence of commodity taxes and subsidies across the output of individual industries. See also Intermediate consumption and Output.

Hours worked - The hours worked by all labor engaged in the production of tourism goods and services, including hours worked by wages and salary earners, employers, self-employed persons, and persons working one hour or more without pay in a family business.

Household tourism consumption - Consists of the tourism consumption by resident households on tourism related products within Australia. See also Tourism consumption and internal tourism consumption.

Implicit price deflator - The ratio of the current price value of a series to its corresponding chain dollar value, multiplied by 100. Therefore, the tourism gross value added implicit price deflator is the ratio of the current price value of tourism value added to its corresponding chain volume value. This represents the net weighted prices of tourism output less weighted prices of intermediate use. Note that IPDs are subject to revision due to revisions in the relevant current price and/or chain volume estimates.

Imports of goods and services - The value of goods imported and amounts payable to non-residents for the provision of services to residents.

Imputed tourism consumption - Consists of imputations made for the consumption by visitors of certain goods and services for which they do not make a payment. Imputation is confined to a small number of cases where a reasonably satisfactory basis for the valuation of the implied transaction is available, and where their inclusion is consistent with the production boundary in the core national accounts.

Input-output table - An input-output table is a means of presenting a detailed analysis of the process of production and the use of goods and services (products) and the income generated in the production process; they can be either in the form of (a) supply and use tables or (b) symmetric input-output tables.

Intermediate consumption - Consists of the value of the goods and services used as inputs by a process of production, excluding compensation of employees and the consumption of fixed capital. See also Gross value added.

Internal tourism consumption - Consists of all tourism consumption of visitors, both resident and non-resident, within Australia. It is the sum of domestic tourism consumption and international tourism consumption. See also Tourism consumption; Domestic tourism consumption; International tourism consumption.

International tourism consumption - Also referred to as internal tourism consumption by international visitors. Consists of the tourism consumption within Australia by non-residents on tourism related products. See also Tourism consumption and Internal tourism consumption.

Labor productivity estimates - Consist of indexes of real GDP per hour worked. For the whole economy, they have been derived by dividing the chain volume measure of GDP by hours worked. Tourism labor productivity indexes have been derived by dividing the chain volume measure of tourism GVA by the index for hours worked in the tourism industry. Labor productivity indexes reflect not only the contribution of labor to changes in product per labor unit, but are also influenced by the contribution of capital and other factors affecting production.

Margin - This is the difference between the resale price of a good and the cost to the retailer or wholesaler of the good sold. A transport margin consists of the transport charges invoiced separately by the producer in the delivery of a good.

Net taxes on products - Also referred to as taxes less subsidies on products. A tax or subsidy on a product is payable per unit of a good or service. The tax or subsidy may be a specific amount of money per unit of quantity of a good or service (quantity being measured either in terms of discrete units or continuous physical variables such as volume, weight, strength, distance, time, etc.), or it may be calculated ad valorem as a specified percentage of the price per unit or value of the goods or services transacted. A tax or subsidy on a product usually becomes payable when the product is produced, sold or imported, but it may also become payable in other circumstances, such as when a good is exported, leased, transferred, delivered, or used for own consumption or own capital formation. See also other taxes on production and Taxes less subsidies on production and imports.

Non-additively - Additively refers to an aggregate being the sum of its components. This only exists in volume index estimates when a fixed set of prices is used. As weights of a chain volume index change from year to year, chain volume indexes have no base period in the sense of a fixed weight index base period and therefore non-additively exist in the chain volume measures. In the context of the tourism chain volume estimates, 'totals' have been chained separately based on deflating the aggregate current price values, rather than summing the component chain volume estimates. Therefore, it is not recommended to calculate the proportion tourism contributes to GDP or gross value added in chain volume terms.

Other taxes on production - Consist of all taxes that enterprises incur as a result of engaging in production, except taxes on products. Other taxes on production include: taxes related to the payroll or workforce numbers excluding compulsory social security contributions paid by employers and any taxes paid by the employees themselves out of their wages or salaries; recurrent taxes on land, buildings or other structures; some business and professional licences where no service is provided by the Government in return; taxes on the use of fixed assets or other activities; stamp duties; taxes on pollution; and taxes on international transactions. See also Taxes less subsidies on production and imports.

Outbound tourism consumption - Also referred to as tourism imports. Consists of the tourism consumption by resident visitors outside of Australia while on an international trip. See also Tourism consumption.

Output - This consists of those goods and services that are produced within an establishment that become available for use outside that establishment, plus any goods and services produced for own final use. See also Gross value added.

Part-time workers - Employed persons who usually worked fewer than 35 hours a week (in all jobs) and either did so during the reference week or were not at work during the reference week. See also Full-time workers.

Price deflation - A measure of the price component of the current price value is obtained (usually in the form of a price index) and is divided into the current price value in order to re-value it in the prices of the previous year.

Purchasers' price - The amount paid by the purchaser, excluding any deductible tax, in order to take delivery of a unit of a good or service at the time and place required by the purchaser. The purchaser's price of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place. See also Basic price.

Reference year - Chain volume estimates need to be expressed in terms of the values of a particular reference year. The reference year for an index series is equal to 100, that is, the chain volume estimates are set equal to the current price values. The reference year chosen for the tourism chain volume estimates is the previous financial year (t-1). This reference year ensures use of the most recent data available for sub-division level industry value added from unpublished Australian National Account's (ANA) Supply and Use tables as well as consistency with the key macroeconomic aggregates (e.g. GDP) published in the ANA's annual estimates.

Taxes less subsidies on production and imports - Defined as 'taxes on products' plus 'other taxes on production' less 'subsidies on products' less 'other subsidies on production'. The taxes do not include any taxes on the profits or other income received by an enterprise. They are payable irrespective of the profitability of the production process. They may be payable on the land, fixed assets or labor employed in the production process, or on certain activities or transactions. See also other taxes on production and Net taxes on products.

Tourism - Comprises the activities of visitors. See also Visitor.

Tourism characteristic industries - Are those industries that would either cease to exist in their present form, producing their present product(s), or would be significantly affected if tourism were to cease. Under the international TSA standards, core lists of tourism characteristic industries, based on the significance of their link to tourism in the worldwide context, are recommended for implementation to facilitate international comparison. In the Australian TSA, for an industry to be a country-specific tourism characteristic industry, at least 25 per cent of its output must be consumed by visitors.

Tourism characteristic products - These are defined in the international TSA standards as those products which would cease to exist in meaningful quantity, or for which sales would be significantly reduced, in the absence of tourism. Under the international TSA standards, core lists of tourism characteristic products, based on the significance of their link to tourism in the worldwide context, are recommended for implementation to facilitate international comparison. It is also recommended in the international TSA standards that country-specific tourism characteristic products are identified. In the Australian TSA, for a product to be a country-specific tourism characteristic product, at least 25 per cent of the total output of the product must be consumed by visitors.

Tourism connected industries - Are those, other than tourism characteristic industries, for which a tourism related product is directly identifiable (primary) to, and where the products are consumed by visitors in volumes which are significant for the visitor and/or the producer. All other industries are classified as non-tourism industries, though some of their products may be consumed by visitors and are included in the calculation of direct tourism gross value added and direct tourism GDP.

Tourism connected products - Are those that are consumed by visitors but are not considered as tourism characteristic products. All other products in the supply and use table not consumed by visitors are classified as 'all other goods and services' in the TSA.

Tourism consumption - Consists of tourism expenditure plus imputed consumption by resident and non-resident visitors on tourism related products, including those sold at prices that are not economically significant. See also Tourism expenditure.

Tourism expenditure - Consists of the amount paid by a visitor or on behalf of a visitor for and during his/her trip and stay at the destination. See also Tourism consumption.

Tourism industry ratio - This is the proportion of the total value added of an industry which is related to tourism.

Tourism net taxes on tourism products - Consists of taxes paid less subsidies received on tourism related products which is attributable to productive activity of tourism related industries that are in a direct relationship with visitors. In the case of goods purchased by visitors, only the net taxes attributable to the value of retail trade services on those goods will be included.

Tourism product ratio - This is the proportion of the total supply of a product which is consumed by visitors.

Tourism trip - This is defined in the international TSA standards as those trips which are taken by visitors.

Usual environment - This is made up of one or more areas in which a person undertakes their regular activities such as their residence, place of work, place of study and other places frequently visited. The usual environment criteria have two dimensions. Frequency means places that are visited on a routine basis (at least once a week) are considered part of a person's usual environment, even if the place visited is located a considerable distance from place of residence. Distance means locations close (up to 40 kilometers from home for overnight trips and up to 50 kilometers from home (round trip) for day trips) to the place of residence of a person are also included in their usual environment.

Visitor - A visitor is defined as any person 'taking a trip to a main destination outside his/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'.

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N.SH.KHUMANAZAROVA

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Muharrir:	N. Abdullayeva
Tex. muharrir:	A. Moydinov
Musavvir:	A. Shushunov
Musahhih:	L. Ibragimov
Kompyuterda sahifalovchi:	M. Zoyirova

**E-mail: nashr2019@inbox.ru Tel: +99899920-90-35
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**«INNOVATSION RIVOJLANISH NASHRIYOT-MATBAA
UYI» bosmaxonasida chop etildi.
100174, Toshkent sh, Olmazor tumani,
Universitet ko‘chasi, 7-uy.**