

# A Case Study on Xiamen-TSA (1998) in China

Zhao Lixia

*Dept. of Planning & Statistics,*

*Xiamen University, China, 361005*

Since the 1990's, tourism activities have been spreading rapidly and widely in China. As a new economic and social phenomenon, the tourism's impact on the economy has been drawn more attention from businesses and the central and local governments. Therefore, there is an urgent need for a new method to measure the importance of tourism on the economy. It is only TSA that could bare the task with a much better credibility and a systematical perspective.

The Tourism Satellite Account (TSA) is the newest method for measuring the impact of tourism on the economy in the world. There has been globally a big trend of development of TSAs after it is approved as a international standard by United Nations Statistical Commission (UNSC) in March of 2000. This research is a first pilot exercise of TSA method in China. The result of the research has drawn much attention from the tourism administrations and statistics offices at national level and the local level.

This pilot research is the first touch on the TSA method in China. According to the definition of TSA, "the fundamental structure of the TSA is based on the general balance existing within an economy between demand of goods and services generated by tourism and their supply." Here the economy refers to the national economy, and the existing experiences of developing TSA are all at national levels rather than at a city or a province (state) level. Hence, this study has to deal with some new issues that no countries had done before.

There are three pieces of pre-work have to be done for development of *Xiamen-TSA(1998)*:

(1) Picking up the data on the goods and services or productive activities with tourism characteristics or relating to tourism, which from within the National Accounts of the city;

(2) Classifying the productive activities of supplying the tourism goods and services;

(3) Identifying the components of tourism expenditures.

At present, TSAs developed are mainly at the national level. How should the TSA ideas be used in the development of a city's TSA? As a national economy is a relative closed system fit for the national accounting principles, a city is far more open than a national economy does. In a city, the total tourism income isn't all from the products produced within the local economic activities. There is no reason to regard the total tourism income as the value added directly produced by the local productive activities. Here we take the total visitors' expenditures as the gross outputs of tourism industries in order to cope with the real situation under the TSA principles.

There are some necessary adjustments on data resources:

(1) Select the data resources;

(2) Adjust the classification of products and services as well as productive activities;

(3) Rearrange the data from surveys of visitor expenditure<sup>④</sup>

*Xiamen-TSA(1998)* is made of several tables based on the basic principles of TSA and above-mentioned preparation. We have examined only two types of tourism: one is international tourism referring to the visitors outside the mainland of China; the other is domestic tourism referring to the Chinese residents from outside Xiamen City.

Table 1 is about the International Tourism Consumption by Products in Xiamen in 1998. Here the visitors refer  
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to those from outside of the mainland of China. Table 2 is about the Domestic Tourism Consumption by Products in Xiamen in 1998. Here the visitors refer to the Chinese residents from outside Xiamen. Combining Table 1 with Table 2 refers to Table 3.

In Table 4, All the productive activities are fall into two parts: one is productive activities related to the tourism industries with a detailed list, the other is not related to the tourism industries by a total value without any special list. Table 5 is about the segments of tourism industries from the related industries. The production account of tourism industries shown in Table 6 is the core part of the TSA. There will be no TSA without this table although it isn't a real one in a precise sense. According to the *Xiamen-TSA(1998)*, the Tourism value added in 1998 is RMB2.065 billion, taken 4.94% of total GDP in Xiamen in 1998.

In brief, this research bears the following features and functions:

- (1) It is the first attempt to develop a City's TSA;
- (2) It is an analysis of tourism from an economic point of view and with a high credibility;
- (3) It has drawn great attention form governmental departments and academic institutions to the TSA method;
- (4) It has proved the feasibility of popularizing the TSA method in China;
- (5) It has exerted certain impact upon both the reform of China's SNA and the implementation of China's systems of tourism statistics and surveys; and
- (6) It has furnished China with good experience in developing a national TSA.

There are many things remaining imperfect. It should have be done for much deeper analysis if had sufficient time. However it is no doubt that advanced experiences and better results on TSA would occur in China in the coming years.

#### References:

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- ⑤ Chinese Statistics Office: The Yearbook of Statistics on Xiamen City in 1999, Press of Chinese Statistics, 1999