

Guidance notes for the Value of Tourism 2003 data

The following key points have been put together to assist with the interpretation of the 2003 data along with the methodology and FAQ's section of the report. This will also hopefully help you in responding to any queries that you might receive.

The guidance notes have been put together to assist all involved with the project so offers a straightforward summary of the main points for consideration.

Issues outlined are: -

- Changes in day visits
- Explaining downturns in figures
- Gross Value Added – GVA
- Comparison to other tourism figures

Changes in day visits

The volume and value of day visits estimated for each county and district is based on the 2002 Day Visits Survey, the latest available information. The 2002 Day Visitor Survey (DVS) recorded a significant drop in leisure day visits compared with the 1998 DVS, with a fall of 0.7 billion visits or 12% overall across the UK. The fall was greatest with town trips (-14%), followed by countryside trips (-12%). By contrast, coastal trips rose by 11%. The number of tourism day visits declined by slightly more than leisure trips as a whole with an overall decrease of 15%. Expenditure per trip rose slightly, from £13.10 in 1998 to £13.70 in 2002. Tourism day trip expenditure also rose from £27.00 in 1998 to £27.70 in 2003.

There are also minor differences in the UKDVS methodology used between 1998 and 2002 which together with potential sampling error may account for some of the decline, however, the data has been checked by independent statisticians who have concluded that there are no major flaws in the survey work. **The change is therefore primarily a result of a decline in the number of trips taken by adults between the two dates. Furthermore, the comparisons of 2002 figures with estimates made between 1999 and 2001 are further distorted since the latter estimates assumed an increase in trips similar to the increase between 1996 and 1998, whereas in practice there appears to have been a decrease.**

This in turn has a knock on effect on the amount of jobs attributed to tourism by the Cambridge model in the 2003 report as the day visit spend figures are considerably lower than in the previous report (2001). In real terms this does not signify a reduction in the number of jobs but suggests that the figures in the 2001 report were an over estimate of day visits for the reasons given above.

Finally, the basis for calculation within the model for estimates of day visits to individual counties and districts in 2003 has been radically changed in that the model now takes into account distance from origins as well as the relative attractiveness of the destination. **For the above reasons, the day visit data from previous models is not consistent or comparable with the 2002 based estimates.**

Explaining down turns in figures

Points of note concerning the data sources used with the Cambridge model.

Whilst it is recognised that the UKTS, IPS and UKDVS all have their faults it is also widely acknowledged that these are the most robust and reliable data sets for tourism information currently available. Indeed, recent checks of both UKTS and UKDVS have both concluded that there are no major flaws with the surveys. However, please remember the following points when interpreting the data: -

1. **All surveys are subject to error.** This is because surveys are based on a sample and the sample may not (to a greater or lesser extent) reflect the behaviours or opinions of everyone that the researcher's interested in. So, survey data can under or over-estimate actual figures. This means that for any given year, data may have been over or underestimated. It also means that the decreases or in fact increases seen between 2001 and 2003 in trips, nights and spend may be overestimated. In reality the changes could be much smaller.
2. **Differences are not always statistically significant** . Statisticians are able to calculate whether differences between different groups of people or differences over time are statistically significant. If the differences between two groups or two years are statistically significant, this means that you wouldn't expect to see those differences by chance i.e those two years or groups are genuinely different and an underlying factor or factors will account for the difference. So, the key things to remember here are that:

Any drops may be exaggerated

Any drops in trips, nights and spend may have happened by chance and don't indicate an underlying issue.

Trends over time should be observed over a longer period i.e. over a good few years. Care should be taken not to over-interpret the significance of changes between 01 and 03. Also, as we're dealing with smaller areas in some instances, relatively small changes in volume can look large in terms of proportion and may, in a broader context, be less significant than at first glance.

3. Influence of day visits

Whilst the day visit figures are not comparable the Cambridge Model relies on the day visit survey being input to achieve some of its final outputs. The reduction in the number of day visits, and perhaps more importantly day visit expenditure, has had a knock on effect on the total tourism spend figures, numbers employed etc. Strictly speaking, these figures should also not be compared but in reality the comparisons will be made in these areas. These are probably best explained as not being losses, but that we now have a truer picture of the industry as we now know that 2001 figures were in fact overestimated because of inaccurate day visit data.

GVA Figures

What is Gross Value Added?

Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom.

What is it used for?

GVA is used by the government as their key measure of productivity (the efficiency of a producer, sector or industry). It can be thought of as an indication of the 'added value' of a producer etc. to the economy.

It is also used in the estimation of Gross Domestic Product (GDP). GDP is a key indicator of the state of the whole economy. In the UK, three theoretical approaches are used to estimate GDP: 'production', 'income' and 'expenditure'. When using the production or income approaches, the contribution to the economy of each industry or sector is measured using GVA.

How does GVA relate to GDP?

The link between GVA and GDP can be defined as

GVA (at current basic prices; available by industry only)

plus taxes on products (available at whole economy level only)

less subsidies on products (available at whole economy level only)

equals GDP (at current market prices; available at whole economy level only).

or, in summary:

GVA + taxes on products - subsidies on products = GDP

Source: Adapted from information provided by the Office for National Statistics
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Comparison with other data

Different data sets on tourism offer different estimates of its volume and value. This is because different data is estimated for different purposes using different methodologies. Whereas no single data source is necessarily better than another, it is important to understand the differences between them.

State of the Key Sectors

Most recently the South West Regional Development Agency commissioned a review of The State of the Key Sectors in the South West to provide up to date, core data for each of the RDA's key sectors. Data on Tourism and Leisure in the South West included an estimate of GVA, employment and number of business sites. **Where equivalent data is available within the Value of Tourism Report, estimates are considerably greater than in the State of the Key Sectors Report.**

An element of the discrepancy is accounted for by the different methodologies employed. The State of the Key Sector Report utilised Standard Industrial Classifications (SIC) or Standard Occupation Classifications (SOC); the current report does not. This is because whilst SICs and SOCs are the Governments agreed classification for measuring the contribution of different sectors of the UK economy, this approach does not capture the full set of activities associated with tourism. (For a fuller explanation of the limitations associated with SIC and SOC codes, see section 1.3 MEASURING TOURISM, in the full report). **In addition, the definition of Tourism and Leisure used in the State of the Key Sectors is necessarily narrower than that used in the current report.** In order to compare Tourism and Leisure with another of the RDA's key sectors 'Food and Drink', aspects that could be considered as part of Tourism were counted as Food and Drink. This avoided any 'double-counting'.

Tourism Satellite Accounts

Internationally, Tourism Satellite Accounts (TSAs) are the endorsed methodology for measuring tourism. Using both demand -side data (measuring consumption by visitors) and supply-side information (data on the make-up and outputs of tourism -related businesses), TSAs are a comprehensive set of data on the impact of tourism and associated employment. However, while work is underway that will help develop TSAs for the English Regions, regional TSAs are currently unavailable for comparison. At a sub-regional level, due to the lack of sufficient data, TSAs are not currently feasible.