

## Box 1.1

### New tourism expenditure data and its effect on the GDP statistics

As a continuing effort to improve the quality of tourism statistics, the Hong Kong Tourism Board (HKTB) has undertaken a review of the statistical framework and revamped the data collection system. As a result of this review, HKTB's Departing Visitors Survey has been enhanced with a considerable increase in sample size. Data coverage is now more comprehensive than before, particularly in regard to the expenditure profile of same-day in-town visitors whose arrival has been growing very rapidly in recent years.

In line with the recommendations for tourism statistics stipulated by the World Tourism Organisation, HKTB will replace the previous set of data on "tourism receipts" by a more comprehensive set of data entitled "tourism expenditure associated to inbound tourism". The new set of tourism expenditure data comprises the following two main components :

- (1) *Destination consumption expenditure of incoming visitors and travellers*, which includes the expenditure in Hong Kong by overnight visitors, same-day in-town visitors, servicemen, aircrew members, transit/transfer passengers, and cruise passengers.
- (2) *Passenger international transportation expenditure*, which are the receipts of Hong Kong-based carriers for international transportation of non-resident visitors by air, sea or land.

Compared with the previous set of data, the coverage of tourism expenditure in the new set of data is expanded to include expenditure of cruise passengers and expenditure by passengers in international transportation. Furthermore, the estimation of destination consumption expenditure of incoming visitors and travellers is refined with separate constituent estimates for overnight visitors and same-day in-town visitors.

With the present enhanced framework, total tourism expenditure is estimated at \$77.4 billion in 2002, comprising \$58.5 billion in destination consumption expenditure of incoming visitors and travellers and \$18.9 billion in passenger international transportation expenditure. The total tourism expenditure rose by 25.3% in value terms over 2001.

The refinement made to the data on destination consumption expenditure of incoming visitors and travellers does not lead to any change in the overall Gross Domestic Product (GDP), as it affects the estimates on two of its expenditure components, viz. exports of services (XS) and private consumption expenditure (PCE), to the same absolute magnitude yet in the opposite direction, with XS down and PCE up.

As to the growth rate in real terms, that of PCE is revised from 1.6% and -1.3% in 2001 and 2002 to 2.0% and -1.2% respectively, while that of XS is revised from 6.9% and 11.7% to 6.2% and 12.2% respectively.

The incorporation of passenger international transportation expenditure does not affect the estimation of XS, as it is already included under the transportation item within XS, and hence also does not lead to any change in the overall GDP.