

INSTITUTO NACIONAL DE ESTADÍSTICA Y GEOGRAFÍA

561510, Travel agencies

turnover/output, basic economic statistics

Session: *Travel Agency Activities (ISIC 7911)*

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I. - Definition of service being collected

According to the North American Industry Classification System (NAICS 2007), *Travel agencies*, comprise establishments primarily engaged in providing consulting services, planning and organization of travel itineraries. Travel agencies offer various services of advice and trip planning, sell package tours, airplane, bus and other transportation tickets. These services are usually offered by a charge, and act as intermediaries between service providers and users.

A travel agency is a private company that makes travel, such as airlines, hotels, cruise ships, among others, offering better conditions in different travel services intermediary between clients and providers in the field. Travel agency sells its customer products and services related to the trip to held at a lower price and within the framework of really tempting and attractive conditions than what you could get if they are declining to buy it directly in the mentioned suppliers.

On the other hand, travel agencies play an important role in the economic and cultural aspect for example, promoting the exchange of visitors in the world by increasing the flow of foreign exchange.

II. - Unit of measure to be collected

The *Revenues from the provision of services* is the main concept for measuring economic evolution. In censuses and surveys is captured a variety of variables related to incomes, in short-term statistics (monthly basis), for example, the following items:

- Days worked
- Personnel directly employed by the firm
- Personnel not directly employed by the firm
- Remunerations
- **Expenditures on goods and services consumption**
- **Expenditures not derived from the activity**
- **Revenues for services rendered and goods sold**
- **Revenues not derived from the activity**

While for structural statistics (annual basis), there are higher levels of disaggregation:

- Personnel directly employed by the firm
- Personnel not directly employed by the firm
- Remunerations
- **Expenditures on goods and services consumption**
- **Expenditures not derived from the activity**
- **Revenues for services rendered and goods sold**
- **Revenues not derived from the activity**
- Fixed assets
- Identification of suppliers and customers

And for Economic Census (every five years), among others variables, collect:

- Participation of foreign capital
- Organization forms
- Occupied personnel
- Remuneration
- **Expenditures on goods and services consumption**
- **Expenditures not derived from the activity**
- **Revenues for services rendered and goods sold**
- **Revenues not derived from the activity**
- **The production value**
- Stocks
- Fixed assets
- Units and transport equipment
- Innovation and research

Revenues for the provision of services are defined as:

Revenues

It includes the monetary revenue obtained by this establishment during the month of reference as a result of the lending of the service and complementary activities, as well as by concept outside to its activities.

Operating revenues

It is the amount of the revenue obtained by all the services rendered and complementary activities realized by this establishment in the month of reference. The asked for concepts are:

- Revenues by the rendering of services.
- Net sales of merchandise acquired for its resale. It is the amount of the sales of merchandise realized by this establishment. To this value it must reduce to it the amount of the discounts, reductions and returns on these sales plus the expenses realized by delivery service, if there were them.
- Revenues by other concepts derived from its activities like commissions on sales; sales of rejection materials; the amount of the repair and maintenance services lent to third parties; for the services of rent of personal property and real states; by the storage; and by use of patents, marks and franchises, etcetera.

Non operating revenues

It is the amount of the revenues received by this establishment, during the month of reference, by concept outside to its activities.

Include	Exclude
Donations; third party received dividends Interests derived from financial activities Surcharges and Foreign exchange profits and subsidies.	The amount of the loans or credits received The sale of fixed assets The partner contributions (increases to the capital).

III. – Market conditions and constraints

Travel agencies market is varied and therefore we can find three types of travel agencies: operators (the trips organized by contracting directly with the operators of the services), wholesalers (they offered and distributed tourist products through agencies retailers, usually they are not hired by the final consumer and tend to make reserves to meet the demands of retailers) and retailers (which directly sell their services to the final consumer).

Although the internet has significantly reduced growth, taking into account that many airlines began to sell tickets directly to customers and therefore was no longer needed the payment of commissions to travel agencies to carry out this work, significantly reducing your income, travel agencies clashed this phenomenon creating their own web sites on the internet to publish and provide information about their travel services.

According to the results of last 2009 Economic Census, in Mexico there are **4,298 travel agencies (establishments)**, representing about **73%** of the *Travel agencies and reservation services*. **Employing about 40,215 people** and generating annual revenues of **18,922,188 (thousand pesos)**. In average each establishment employs 7 people.

Main characteristics of the economic units, 2008¹

Share of number of establishments and total occupied personnel by economic activity sector, 2008

NAICS 2007 code	Number of Establishments		Total occupied personnel	
	Abs.	%	Abs.	%
5615 Travel agencies and reservation services	5,895	100%	40,215	100%
561510 Travel agencies	4,298	73%	24,817	62%
561520 Excursion and tour arrangement for travel agencies	1,079	18%	9,227	23%
561590 Other reservation services	518	9%	6,171	15%

¹ Source: INEGI, 2009 Economic Census, National Results; <http://www3.inegi.org.mx/sistemas/saic/>

Share of total income for provision of goods and services by economic activity sector, 2008

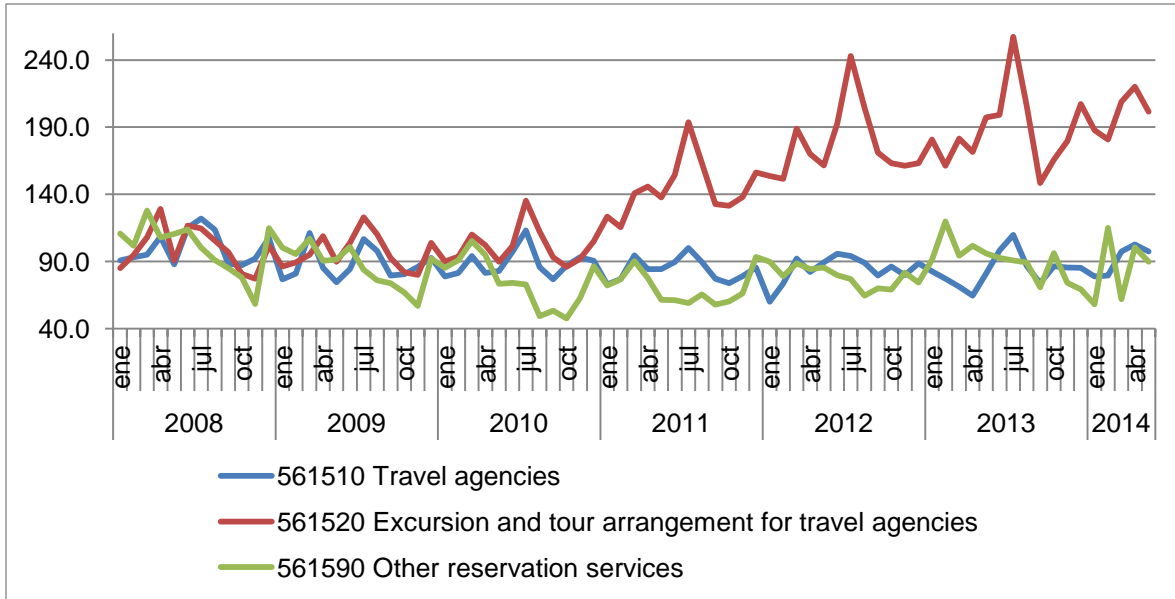
NAICS 2007 code	Total income for provision of goods and services (thousand pesos)	
	Abs.	%
5615 Travel agencies and reservation services	\$ 18,922,188	100%
561510 Travel agencies	\$ 9,889,233	52%
561520 Excursion and tour arrangement for travel agencies	\$ 4,894,614	26%
561590 Other reservation services	\$ 4,138,341	22%

Share of total expenditure for consumption of goods and services by economic activity sector, 2008

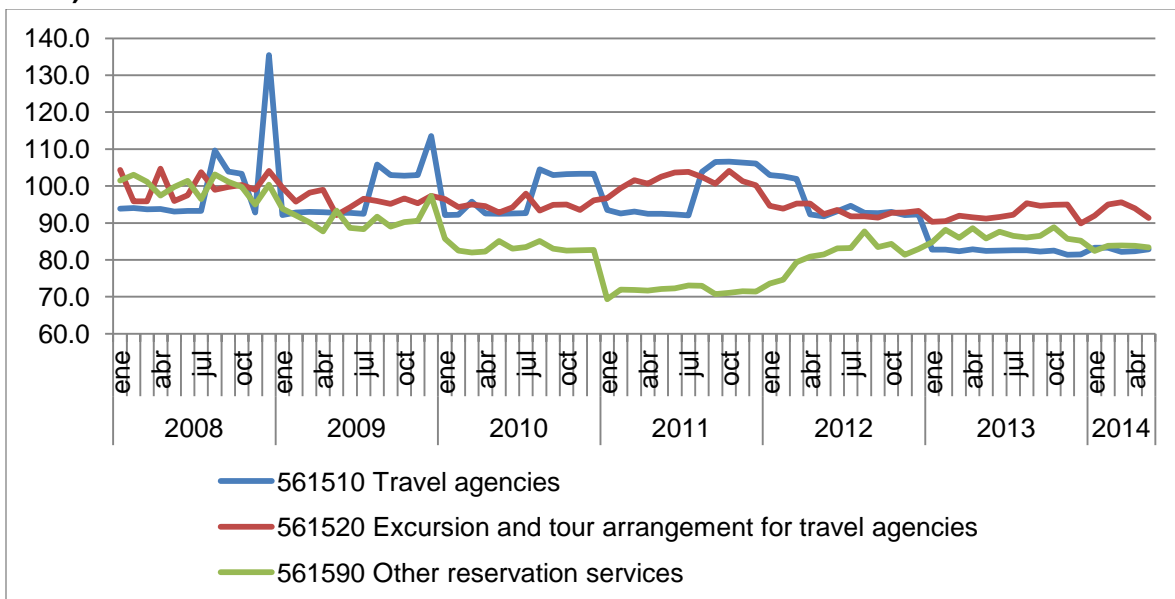
NAICS 2007 code	Total expenditure for consumption of goods and services (thousand pesos)	
	Abs.	%
5615 Travel agencies and reservation services	\$ 11,542,072	100%
561510 Travel agencies	\$ 5,793,211	50%
561520 Excursion and tour arrangement for travel agencies	\$ 3,151,942	27%
561590 Other reservation services	\$ 2,596,919	22%

In addition to the structural statistics of Economic Censuses and Annual Surveys, the economic evolution of *Travel agencies* in the short term, is measured by the Monthly Service Survey, then its main results.

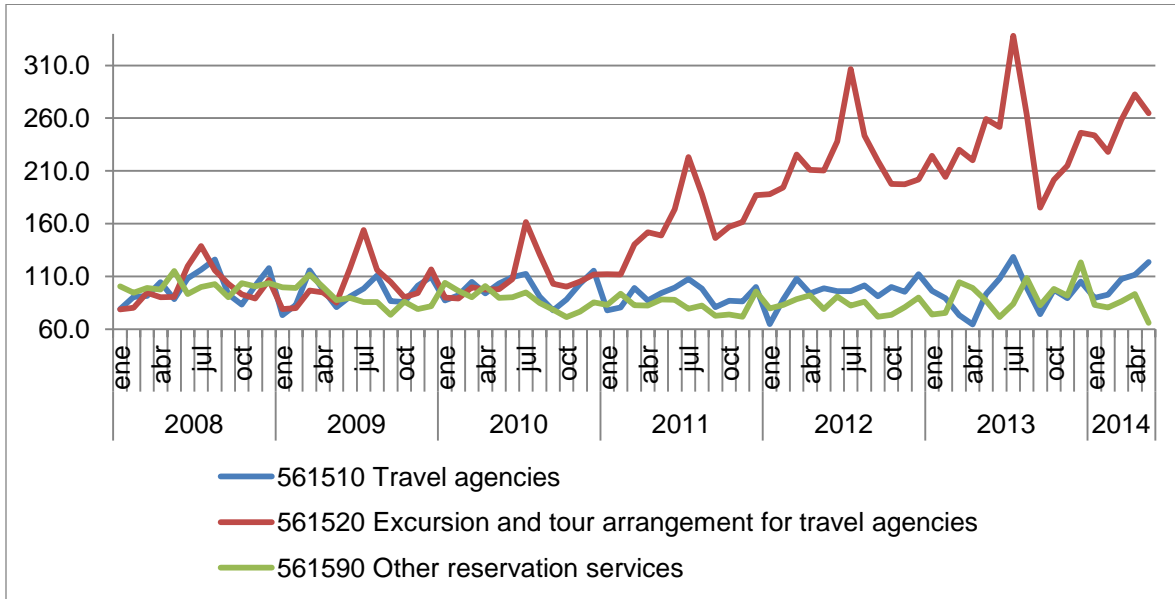
**Total revenues (for the provision of services)
Index-weighted
(2008=100)**



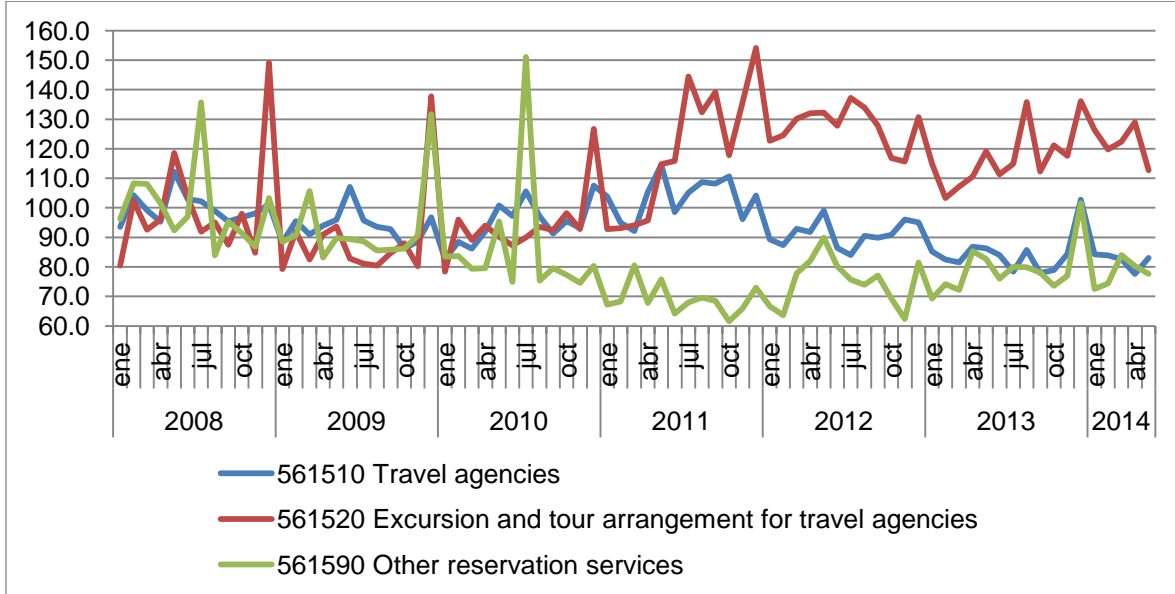
**Total occupied personnel
Index-weighted
(2008=100)**



**Total expenditure (for consumption of goods and services)
Index-weighted
(2008=100)**



**Total compensations
Index-weighted
(2008=100)**



IV. – Standard classification structure and product details/levels

The **North American Industry Classification System (2007, NAICS - Mexico)**, aims to provide a unique, consistent and updated framework for the collection, analysis and report of economic statistics, which reflects the structure of the Mexican economy. NAICS Mexico is the basis for the generation, presentation and dissemination of all economic statistics.

NAICS structure²

Sector 56, *Business support services, waste management and remediation services*

5615, *Travel agencies and reservation services*

56151, Travel agencies

561510, Travel agencies

56152, Excursion and tour arrangement for travel agencies

561520, Excursion and tour arrangement for travel agencies

56159, Other reservation services

561590, Other reservation services

Product details/levels

In services surveys (monthly and annual) are not even collected data at the level of product, however, the lists generated from the North American Product Classification System (NAPCS) to include a module that allows to collect data of products, mainly income and volume are being evaluated. On the other hand, 2014 Economic Census 2014 will provide detailed information on products, and these data will allow design of recruitment instruments best suited for product collection.

V. – Evaluation of standard vs. definitions and market conditions

The definitions of variables into the questionnaires of the Economic Census and Economic Surveys correspond with the concepts and definitions of the National Accounts System (NAS), as well as with the accounting concepts that the enterprises are reporting.

² North American Industry Classification System, Mexico, 2007.

VI. – National Accounts concepts and measurement issues related to GDP measurement

For National Accounts estimates (Gross Domestic Product) Censuses and Surveys provides, among others, the following variables of basic statistics:

- **Personnel directly employed by the firm**
- **Personnel not directly employed by the firm**
- **Remunerations**
- **Expenditures on goods and services consumption**
- Expenditures not derived from the activity
- **Revenues for services rendered and goods sold**
- Revenues not derived from the activity
- Stocks
- **Fixed assets**
- Units and transport equipment
- Innovation and research

VII. – Turnover/output data methods and criteria for choosing various output methods

Generation of economic statistics (input for the calculation of National Accounts) and the generation of different indicators to measure economic evolution, is performed through an Integrated Surveys System in Economic Units, based on current legislation (LSNIEG, Article 22, paragraph II).

This system of surveys in economic units carried out monthly and annually, based on sample surveys; the monthly surveys covers basic variables, as employed personnel, wages, incomes and expenses, while the annual surveys covers structural variables: fixed assets, among others.

The output of *travel agencies* is measured as turnover. Data are collected for short-term and structural statistics; turnover is measured in thousands of Mexican pesos and the statistical observation unit is the establishment. At present turnover by product is not available.

VIII. - Evaluation of comparability of turnover/output data with price index practices

Currently, products of *travel agencies* do not form an integral part of the calculation of producer price indices.