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Tenth Meeting

The Hotel and Travel Agency Sector

***Methodological Aspects Concerning the European Pilot Survey. A
Feedback for the Eurostat Methodological Manual on Services***

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1. The Horeca and Travel Agency sector in the E.U. context

The importance of the HORECA and Travel Agency sector in the European context is growing. According to the Eurostat statistics the number of enterprises has been increasing in the majority of the countries until the end of 90's.

In general, it has been a very significant growth in the number of operators in the sector during the mid of 80's and this increase has been characterised by growing rates varying greatly from country to country. Greater development of the sector refers to UK which, in the period 1985-1990, increases of about 6%. Also Portugal is characterised by sharply increase (5,4 %), followed by The Netherlands, Italy and Germany. Sector dynamic is almost stationary in Belgium (almost 1 per cent during the reference period) while negative trends are shown by Luxembourg (-5%) and France (-4,1%).

The year 1990, moreover, could be considered as a real division line in this analysis: it is the reference period since it signs the end of the growing trend of this sector in particular and, more in general, of the European economic system. The first mid of 90's has been characterised by a long and difficult recession period which involved all the sectors of the economy and, more presumably, especially those which supplies goods and services classified as *superiors* or, at least, which can be considered widely superior in these recent years.

In any case, the determining causes of the crisis of HORECA and TA sector at the beginning of 90's, determined by a fall in the demand of *tourist services* in their wider sense, cannot be completely due to the economic recession but also to given, structural factors of the supply side, i.e. to the structural nature of HORECA/TA sector in each Member State with particular attention to the efficiency and economicity of the production process. These facts clearly emerge from table 1: only The Netherlands and Denmark show a significantly positive tendency of the sector, in the same period in which the remaining European countries are mainly involved with negative expectations. This fact could be considered as a signal of the re-allocation of households tourist expenditure and of a changing of their needs.

Table 1. Dynamics of the HORECA and TA sector

countries	number of enterprises			percentage variations	
	1985	1990	1991	1985-90	1990-91
BELGIUM	57474	57857	57648	0,7	-0,3
DENMARK	-	10325	10584	-	2,5
GERMANY	222857	226719	-	1,7	-
SPAIN	-	-	-	-	-
FRANCE	175958	168687	163217	-4,1	-3,2
IRELAND	-	-	-	-	-
ITALY	158874	163621	-	2,9	-
LUXEMBOURG	2516	2391	2309	-4,9	-3,4
THE NETHERLANDS	33950	35572	37191	4,8	4,5
PORTUGAL	5190	5468	-	5,4	-
GREAT BRITAIN	117788	124900	120305	6,0	-3,7
AUSTRIA	39595	-	-	-	-
GREECE	-	-	-	-	-

Source: Eurostat

Table 2 shows the role of the HORECA and TA sector within the broader compart of services in terms of demographic and economic variables. More in detail, the weight of the sector varies greatly among the different countries.

Table 2. Weight of the HORECA and TA sector within the service compart

countries	number of enterprises			turnover			number of employees		
	1980	1985	1990	1980	1985	1990	1980	1985	1990
BELGIUM	21,3	21,2	19,9	2,7	2,7	3,9	10,0	10,9	12,9
DENMARK	—	—	14,5	—	3,3	3,0	10,4	11,7	13,3
GERMANY	23,3	24,2	24,0	—	3,9	3,5	9,3	10,8	11,8
SPAIN	—	—	—	—	—	—	—	58,0	26,4
FRANCE	—	21,6	21,0	—	4,5	5,1	—	15,8	13,6
IRELAND	—	—	0,8	—	—	—	—	—	1,5
ITALY	—	18,2	15,1	—	6,2	4,3	*	14,0	12,9
LUXEMBOURG	31,4	28,9	27,4	6,2	5,6	5,8	11,5	12,4	12,1
THE NETHERLANDS	—	17,1	16,9	—	2,8	3,2	*	12,2	12,9
PORTUGAL	58,8	25,7	21,2	—	5,1	5,1	—	18,6	17,2
GREAT BRITAIN	55,9	21,7	24,0	6,0	6,2	6,8	—	—	—
AUSTRIA	—	—	0,3	—	—	0,6	*	—	0,9
GREECE	—	—	—	—	—	—	1,3	—	1,6

Source: Eurostat

With reference to 1990, the number of HORECA and TA businesses in Luxembourg arises the 27% of the whole service businesses, followed by UK, Germany, Portugal and France. Belgium presents a significantly high share while Italy's one is quite small and decreasing. It's relevant to consider that the countries which show a greater dynamics in the last years (Denmark and The Nerherlands) presents fewer weight of HORECA/TA sector on the total of the service sector: this is, among other things, due to circumstances internal to each country but, in both cases, they can be considered as developing sectors.

This is also confirmed by data on turnover, which are increasing for the latter countries, significantly stationary for Portugal while, for France and Luxembourg, the growth in turnover corresponds to a fall in the number of enterprises and to a growth in total employment levels of the sector. This is the case of Belgium too. Italy seems the country which realises negative results in reference period, in great part also due to internal, non-economic, circumstances.

In terms of employment, the dynamics has been toward a sharply increase of employment levels in the second part of 80's in almost all countries. The only relevant exceptions, which are consistent with the above analysis, are Denmark, The Nerherland (given the growing trend of the sector in both States) and Germany, which sector is in a maturity phase since, given the stationary number of businesses, turnover tends to decrease given higher operating costs (especially labour costs, due to the increase of employment levels).

2. The Pilot Survey on Hotel and Travel Agency sector.

The statistical programme for the development of service statistics adopted by the Council Decision 92/306/EEC stated to carry out a pilot survey on hotels and travel agencies aimed at gathering statistical data on business in the sector and testing the content of Eurostat Methodological Manual on Services Enterprises.

Most of the E.U. member states took part to the project and in all the countries, except Belgium, the survey was carried out by the NSI under contract to EUROSTAT. The survey was completely new for many countries, especially for the travel agency sector, while in few cases data required were compiled using existing statistical information. The following table summarises the list of the participating countries with the specification of the information already available.

Table 3. Participating countries

COUNTRIES	NEW SURVEY		DATA EXISTING (a)	
	HO	TA	HO	TA
DENMARK	YES	YES	Number of enterprises, data on accommodation	Number of trips sold by length and value
FRANCE	-	-	YES	YES
GREECE	YES(1)	YES(1)	Monthly collection of data on hotels	NO
SWEDEN		YES	Turnover, employment, accommodation data	Turnover, employment
AUSTRIA	YES	YES	Employment level, turnover (2)	Employment level, turnover (2)
UK	YES	YES	Turnover, labour costs, stocks, accommodation	Turnover, labour costs, purchases of goods-serv.
PORTUGAL	YES	YES	Employees, labour costs, turnover	Employees, labour costs, turnover
THE NETHERLANDS	YES	(3)	YES	YES
IRELAND	(4)	(4)	Number of enterprises, employment level	Number of enterprises, employment level
LUXEMBOURG	(5)	YES(6)	Number of enterprises, Employment, turnover	Number of enterprises, Employment, turnover
ITALY	YES	YES	Number of enterprises, rooms, category	Number of enterprises, rooms, category
SPAIN	YES(7)	YES	YES	NO
GERMANY		YES	Number of local units, employment, labour cost	NO(8)

(a) Partially or completely

1. Part of the Greek plan for the development of regional statistics;
2. Five-yearly intervals full survey;
3. Survey included in regular National surveys. TA sector is part of the universe of statistical units which are interviewed for National purposes; TA Pilot Survey has been mainly carried out as an exploitation of an existing survey;
4. Survey carried out as part of the Statutory Annual Service Inquiries which CSO undertakes each year;
5. Survey carried out as part of the standard survey on HORECA sector for 1991;
6. This survey took the form of a Census;
7. Survey conducted as a part of regular production statistics on HORECA sector.
8. The only available data comes from the 1987 Census and from a voluntary four-yearly survey on structural costs.

The table 4, moreover, provides a greater detail on each country production statistics of HO/TA sector since, besides other purposes, existing statistical sources are an important data input for integration systems, for example the System of National Accounts.

Table 4. General view of the existing statistics on HO/TA sector in each country

COUNTRY	HO	TA
UK*	- Existing surveys of Hotel sector	- Existing surveys of Travel Agencies
DNM	<ul style="list-style-type: none"> - Statistics on accommodation, (capacity, number of accommodations) - VAT-Statistics, (annual data on the number of local units, turnover, purchases, combined data on type of ownership and location. - ATP/AUD-Statistics, quarterly data on employers, full-time employees and information by industry and type of ownership. - Register-based business employment statistic, annual data on the number of workplaces, number of persons employed number of full-time employees, wage and salary totals. - Register-based account statistics, annual data on 33 variables analysed by industry level and type of ownership. The statistics include almost all non-agricultural industries (except those with a turnover less than DKK 500,000, partnerships and companies quoted on the stock exchange). 	<ul style="list-style-type: none"> - Quarterly data on the number of trips sold by length, means of transportation and the value of the trips - Register-based business employment statistics, annual data on the number of workplaces, number of persons employed, number of full-time employees, wage and salary totals. - Register-based account statistics, annual data on 33 variables analysed by industry level and type of ownership. The statistics include almost all non-agricultural industries (except those with a turnover less than DKK 500,000, partnerships and companies quoted on the stock exchange).
FRA	- Annual survey on service companies.	- Annual survey on service companies.
GRE	- Annual register of principal and secondary accommodation and of rooms for rent to tourists.	- The Travel Agency branch is not covered by any regular survey carried out by NSSG.
SWE	<ul style="list-style-type: none"> - Yearly Accounting Data; - Multi-annual surveys; - Quarterly turnover statistics; - Regional statistics about annual turnover, based on VAT register; - Statistics on regional employment, mainly register based; - Monthly accommodation statistics, based on a sample survey; - SCD Central Register of Enterprises and Establishments, commonly known as Business Register. 	<ul style="list-style-type: none"> - Annual Accounting Data on Enterprises; - Survey on TA sector (from 1992 this survey has been carried out every two years); - Annual regional turnover statistics, based on VAT register; - Annual regional employment statistics, based on administrative registers; - SCB Central Register of Enterprises and Establishments, commonly known as Business Register.
PORT	<ul style="list-style-type: none"> - Survey on accommodation capacity and employment in Hotel/Holiday camp (number of beds, number of rooms and number of employees); - Monthly Exhaustive Survey on guests in Hotel/Holiday camp/camping sites (number of guests by nationality, number of nights of stay, rate of occupation, average stay); - Annual survey of enterprises in the hotel, restaurant and Travel Agencies sector (HORECA and ADV), including data on enterprises (number of employees, wage and salary earners, expenditures and losses, investment, stock, co-operation), on hotel (number of employees, labour costs, wage and salary earners, turnover), on the kinds of services provided (accommodation capacity, number of guests, revenue breakdown, operating costs). 	- Annual survey of enterprises in the hotel, restaurant and Travel Agencies sector (HORECA and ADV), including data on enterprises (number of employees, wage and salary earners, expenditures and losses, investment, stock, co-operation), on travel agencies (number of employees, labour costs, wage and salary earners, turnover), on the kinds of services provided (number of tickets sold, number of journey sold, value of tickets and journey sold).
AUSTRIA	- Full surveys on the activity and structure of hotels are carried out under the system applicable to the non-agricultural sector at approximately five-yearly intervals, covering data on the number of employees, proceeds, expenditure, stocks and investments at establishment level.	- Full surveys on the activity and structure of travel agencies/tour operators are carried out under the system applicable to the non-agricultural sector at approximately five-yearly intervals, covering data on the number of employees, proceeds, expenditure, stocks and investments at establishment level.
The NETH's	- Survey on hotels, restaurants and cafes.	- Survey on Travel Agencies, including data about employment level and on profit and loss accounts.
IRE	<ul style="list-style-type: none"> - 1988 Census of services; - 1991 Statutory Annual Service Inquiry; 	- 1991 Statutory Annual Service Inquiry;
LUX	- 1991 Survey on Hotels, Restaurants and cafes; 1986 HORECA sample survey;	- Surveys of Travel Agencies (no regular survey)
ITA	- 1991 Census of services	- 1991 Census of Services

	- Sample Survey on Hotel establishments	
SPAIN	- Structural survey of Hotel establishment (1987, 1991); - Survey of catering enterprises;	- No existing surveys on TA sector.
GER	- Census of retail trade structure.	- No existing surveys of TA sector.

For ensuring a common methodology, Eurostat has provided all the participants a guidelines on the main criteria to be adopted for data collection (survey units, reference universe, sample design information required, survey questionnaire, etc.). A task force composed by all the participating countries with the coordination of ISTAT (Italy) supported the initiative defining the operative strategies and the priorities in the variables to be collected.

2.1 Classification method

The reference classification standard for HORECA and TA sector is Nace/Rev.1. According to the Methodological Manual, the sectors surveyed are those included in classes 55 and 63 of the above standard. The sectors are described in the following tables with the correspondence to the CPC:

Table 4. The HORECA and TA in the Nace /Rev.1 classification: summary

SECTOR	NACE/Rev.1	CPC
Hotels and similar establishments	55.1; - 55.11 - 55.12	64.1 64.11, 64.12, 64.19 64.11, 64.12, 64.19
Other accommodation establishments	55.2; - 55.21 - 55.22 - 55.23	64.1 64.194 64.195 64.19
Restaurants, canteens and catering, cafés, etc.	- 55	64.2, 64.3
Activities of travel agencies, tour operators, etc.	63.3	74.7

Table 4.a The Horeca and TA in the Nace /rev.1 classification: analysis

NACE/Rev.1			CPC					
Sector	Group	Class	M	S	Sector	Group	Class	Sub-class
Hotels and similar establishments	55.1				Hotel and similar accommodation	64.1		
Hotels and Motels with restaurant		55.11	•		Hotels and Motels accommodation services		64.11 64.12	
Hotels and Motels without restaurant		55.12	•		Hotels and Motels accommodation services		64.11 64.12	
				•	Other accommodation services		64.19	

				Children's holiday camp Holiday homes Letting services Youth hostels and refugee Camping sites Sleeping car services Other acc. serv.			64.191 64.192 64.193 64.194 64.195 64.196 64.199
<u>Supplementary accommodation establishments</u>	55.2			Other accommodation services		64.19	
Youth Hostels and (mountain) refugees		55.21	•	Youth hostels and mountain shelters services			64.194
Camping sites including caravan sites		55.22	•	Secondary activities camping sites including caravan sites Secondary activities	64.1 64.1	64.19*	64.195
Holiday centres and holiday homes, social accommodations, other provision of lodgings n.e.s.		55.23	•	Main activities Secondary activities			64.191 64.192 64.193 64.196 64.199
<u>Restaurants</u>	55			Food serving services	64.2		
Restaurants		55.30	•	Meals serving services with full restaurant services and/or in self service establishment			64.210 64.220
Canteens and catering		55.51 55.52	•	Catering services Other food serving serv. Beverage serving services for consumption on the premises Catering services, other food serving services Meals serving services with full restaurant services and/or in self service establishment Beverage serving services for consumption on the premises	64.3 64.3		64.230 64.290 64.230 64.290 64.210 64.220
Bars, bar-cafes providing entertainment		55.40	•	Beverage serving services for consumption on the premises Food serving services Beverage serving services without entertainment	64.3 64.2		64.310
Activities of Ta/To, tourist assistance activities, n.e.c.	66.3			Activities of Ta/To and tourist guides Ta/To services	74.7		74.710
Activities of Ta/To, tourist assistance activities, n.e.c.		63.30	•	Tourist guide services			74.210

*: excluding that heading which refers to the main activity.

In carrying out HO/TA pilot survey, the NACE/Rev.1 standard has been adopted depending upon the nature of the archives used for the units' selection. More in detail, Member States have adopted three different procedures in order to face classification standard heterogeneity.

Denmark, Luxembourg and France directly followed Nace/Rev.1, without any problem in several headings classification since they dispose of registers fully consistent with Nace. Also Sweden has brought about many improvements in classification accuracy such that different sectors within TA industry can be separately identifiable and coherent with Nace standard. It did not participate in the pilot survey concerning Hotels. For HORECA sector Swedish NSI refers to

SNI 1969 (Standard Classification of all Economic Activities) and, in particular, to group 632, reparteeed in the two sub-groups 63.201 for hotels and boarding houses and 63.302 for campings and other short stay accommodation.

Austria reference register for TA sector selected units is already consistent with Nace/Rev.1 while, for Hotel sector, it had to adapt its internal classification.

Ireland and Spain, to carry out the pilot surveys, had to adapt their internal registers for HO/TA sector to the reference standard (and, in the Spanish case, to National classification CNAE.93 too). For Ireland, in particular, returns are coded to NACE/Rev.1 to enable production of NACE based results in the future. NACE 55.4 (bars, bar-cafes providing entertainment) was excluded from the CSO survey since Public Houses are included in the retail sector for the purposes of the Annual Service Inquires, therefore, they are covered separately each year in Distribution Surveys.

Portugal's reference universe is FCEE, based on NACE/73 and such that it is impossible to get a representative sample at NACE/Rev.1 four digits level. Hence, data are processed to 3-digits, taking the replies for principal activity, although results cannot be estimated for the universe. Moreover, because the methodology for the survey of enterprises in the HORECA and ADV sector was applied and because the FCEE is not classified in line with Nace/Rev.1, the sample was obtained for all hotels and all travel agencies and no distinction was made between hotels with or without restaurant and between travel agencies and tour operators.

In Great Britain, businesses are currently classified according to their Vat code (VTC), based on the 1968 Standard Industrial Classification (SIC(68)). More in detail, Hotels are classified to VTC 8841 along with Motels and other residential establishments, which fall outside the scope of hotel sector as classified by Eurostat for the Pilot Survey. Hence, VTC 8841 includes the following Nace sectors: 55.11, 55.12, 55.23/3. Travel agencies are classified to VTC 7092 and are sampled from a group which also includes VTC 7091 (shipping agents and forwarding agents). They are consistent with Nace/Rev.1 63.30 heading only.

The Netherlands refers to SBI 6741 standard and the survey is, then, based on the old NACE system. The distinction between hotels with restaurant and without restaurant was, therefore, taken from NACE and used in the questionnaire. The differences between the new and old SBI are, in fact, negligible for the present purposes. Finally, for TA sub-sector, the reference standard is NACE/70-group 771, consistent with SBI74 group 761 (7611 for TO and 7612 for TA).

Greece and Italy did not apply the NACE in both sectors because of the not statistical nature of the adopted archives.

	HORECA SECTOR				TA SECTOR			
	SURVEYED STATISTICAL UNIT	CLASSIFICATION METHOD	(of which)		SURVEYED STATISTICAL UNIT	CLASSIFICATION METHOD	TRAVEL AGENCY	TOUR OPERATOR
			HOTEL WITH RESTAURANT	HOTEL WITHOUT RESTAURANT				
AUS	Enterprise / L.U.	Nace/Rev.1	55.11	55.12	Enterprise	Nace/Rev.1	63.302	63.301
BEL	-	-	-	-	-	-	-	-
DNM	Enterprise / L.U.	Nace/Rev.1	55.11	55.12	Enterprise	Nace/Rev.1	63.302	63.301
FRA	Enterprise	Nace/Rev.1	55.11	55.12	Enterprise	Nace/Rev.1	63.302	63.301
GER	-	-	-	-	-	-	-	-
GRE	Local Unit	-	-	-	Local Unit	-	-	-
UK	Enterprise / L.U.	VTC	8841	8841	Enterprise	VTC	7092	-
IRE	Enterprise	Nace/Rev.1	55.11	55.12	Enterprise	Nace/Rev.1	63.302	63.301
ITA	Local Unit	-	-	-	Local Unit	Nace/Rev.1	63.302	63.301
LUX	Enterprise / L.U.	Nace/Rev.	55.11	55.12	Enterprise / L.U.	Nace/Rev.1	63.302	63.301
NETH	Enterprise / L.U.	SBI - 1974**	6741	6741	Enterprise	Nace70 Sbi74	7612	7611
POR	Enterprise / L.U.	Cae=Nace/Rev.1	632-55.1	-	Enterprise	Cae=Nace/Rev.1	7191-63.3	-
SPA	Enterprise / L.U.	Nace/Rev.1	55.11	55.12	Enterprise	Nace/Rev.1	63.30	-
SWE	Enterprise / L.U.	SNI - 1969	632	-	Enterprise	Nace/Rev.1	63.302	63.301

2.2 Statistical unit

The HORECA/TA chapter of the Methodological Manual, still considering the enterprise as the reference statistical unit, defines the local unit as the complementary statistical unit, a second level statistical unit which is necessary to describe and analyse the production process of enterprise and local unit, the relationships between activities and production, the seasonal character of HORECA/TA activities¹. More in detail, the units surveyed should be the enterprises and the local units when the analysis refers to Hotels and enterprises when it considers TA sector only.

It is the appropriate context, moreover, to easily and positively evaluate the relevant choice of the survey basis off/for each country Pilot Survey.

Denmark, Austria and Luxembourg (TA only) are perfectly in line with Eurostat requirements: they adopt a two level statistical unit structure in conducting HORECA survey, which is consistent, moreover, with NACE/Rev.1 classes 5511 and 5512². The enterprise, on the contrary, is the surveyed unit, defined according to NACE class 633, for the TA sector sample.

HORECA Pilot Survey for Portugal is carried out respect to enterprise and local units, even if there are some significant classification constraints that should be considered in paragraph 2.5, as the reference universe (PCEE) is not consistent with NACE/Rev.1 standard (CAE 632 for Hotels and similar and CAE 71911 for Travel Agencies).

HORECA survey for The Netherlands was conducted by defining two questionnaires, one for the enterprise and one for the establishment, both classified according to SBI74 group 6741 and taking from NACE the distinction between hotels and motels with and without restaurant. For TA sector sample survey, the unit surveyed is the enterprise defined, on the basis of its main activity, according to SBI74 group 7611 (tour operators) and 7612 (other travel agencies). Since local units are not investigated neither in the Central Business Register nor in the standard production statistics, data on this matter are obtained through an additional question to all enterprises which, belonging to the sample survey, have indicated they possess more than one establishment.

Spain, France and UK consider the enterprise as the only "responding unit" which is requested to account for both enterprise itself and, at least, for the number of local units, the number of employees and the turnover according to the kind-of-activity.

Enterprise is the reference statistical units for Sweden (TA) and Ireland (HORECA) Pilot Surveys too.

Greece survey is also two level unit based but some modifications have been necessary in order to fit with the situation in Greece. More in detail, Hotels' data are collected at enterprise level though the statistical unit used in the survey was the *local unit* (Hotel), according to the Chamber of Hotel Industry' 1992 Register, which was used to design the sample. Each enterprise completed a type A questionnaire containing data on the local units owned by it and as many type B questionnaire as there were hotels belonging to the enterprise. Moreover, local units are the fundamental source of data on Travel Agencies.

¹ Cf. M.M. p. 13.

² According to Council Regulation (ECC) n. 696/93 on the Statistical Units, the enterprise is defined as an independent unit producing goods and services for third parties. The definition of the enterprise occurs by means of (i) homogeneity and (ii) the possibility to describe the enterprise in a statistical way. The latter criterium has been elaborated by the requirements that the enterprise must have the right to decide independently about product process as well as the possess of an annual financial report. Moreover, the enterprise is an organizational separated part of an enterprise which is located at one address only and which produces only or mainly one kind of goods and/or services.

Italy adopts the local unit as the reference statistical unit. This choice, though caused significant problems during the data collection phase, is due to:

- the need to have a sample design which is able to provide estimates at regional level;
- the opportunity of using an updated list of hotels containing basic data for stratification of the reference universe according to size factors which better characterise the nature/structure of the phenomenon.

2.3 Reference universe

The choice of the reference statistical unit and the corresponding classification method is strictly conditional to the existence and to the structure of existing statistical sources for production activities. The general Framework of the Methodological Manual provides a systematic grouping of the statistical sources distinguishing:

- i) official source of statistical information;
- ii) non-official source of statistical information;
- iii) registers and lists of production units.

Inside this theoretical framework, the position of each Member State is not very homogenous as the reference statistical information system varies significantly across countries. This fact has an impact on the criteria chosen for conducting the pilot survey. Important differences in the structure of HORECA/TA sample surveys depend greatly on the possibility to have access to general or specific administrative files and, secondary, on the existence of general registers which, often, could be of highly quality, especially if inscription is compulsory and additional information are considered, (i.e. main activity of the unit relating to a standardised classification system, legal status, number of salaried persons employed, etc.).

Almost all the Member States refer to the third sub-set of statistical information and the different way of approaching to the phenomenon allows to divide the European countries in similar groups:

1. Countries which refers to official sources of statistical information

The first aggregate includes all statistical information contained in (1) **Administrative Files** and rearranged by the NSOs themselves, i.e. tax sources available from company tax declarations, regular reports for controlling authorities, etc; (2) **General Censuses** and specific surveys on production units, which structure is functional to the surveying approach adopted; (3) **Integrated Statistical Accounts** and, more in detail, National Accounts which represent an important and consistent source for each major category of economic activity, as they refer to all available sources of statistics and depend upon their quality, though on a rather aggregate level.

This is the case of Luxembourg (for TA sector only) and Ireland. Luxembourg survey took the form of a Census and it is carried out using the National Administrative Registers (TVA) as the basic source. For Ireland, the source used for extracting the sample is the 1987 Census of businesses for both Hotels and Travel Agencies.

2. Countries which selected units from other not statistical sources

The second group distinguishes two main sources, those derived from private research organisations and those derived from professional organisations (such as Trade Unions, Chambers of Commerce) which, often, possess a very powerful system of information statistics.

Italy and Greece belong to this aggregate.

Regarding to Greece the reference universe for hotel sector has been constituted by the Registers of the Chambers of Hotels (1992) and the Registers kept by the Tourism Statistics Division, both of which are more updated than the Company Census Register of 1988. As far as TA sector is concerned, the 1992 Olympic Airways Register has been chosen for the same reason.

Analogously, the Register used for sampling Hotels in Italy is the annual directory "Hotels in Italy", supplemented by the information from other sources, whereas for TA sector the official list published by the Ministry of Tourism and Entertainment has been used as the basic source.

3. Countries which refer to Business Registers as a basis for selecting the population included in the survey:

To the latter group belong (1) **General Registers** on production services units, which normally include all characteristics of the statistical units and allow statistical analysis (i.e., the construction of a sample survey), (2) **Partial Registers**, based on size, activity, legal status, etc., (3) **List of Units**, which can be of administrative nature (i.e. defined by controlling bodies authorities) or they can be adopted by professional organisations.

This group is formed by Denmark, France, Portugal, Great Britain, The Netherlands, Spain and Austria.

For Denmark, the coverage of the Register is very high as all enterprises with a turnover above DKK 10000 are included in the Register. The population of enterprises in the Business register is updated once a month.

French NSO uses the business registers SIRENE as its basic source; in any case, no particular comments on this matter have been made in the final report, especially pertaining to the growing up of the questionnaire, the data gathering phase and data quality.

The reference universe for the Harmonised Survey of Enterprises was used, which means that the enterprises belong to the universe of the Central Register of Enterprises and Local Units (FCEE) employing five or more people (hotels) and present the following characteristics:

- (i) they pursue the following economic activities
 - hotels (CAE 632 = NACE 55.1)
 - Travel agencies (CAE 719.1 = NACE 633)
- (ii) they were founded before 1992;
- (iii) they head offices are located in Portugal;
- (iv) they are active on the date on which the universe was compiled;
- (v) they can take only given legal forms.

The CSO (Great Britain) Business Register has been used as the sampling frame for the Pilot Survey. It is the official Government Business Register and the principal source of information for all inquiries carried out by the CSO. The register is updated continuously and covers all sectors of the economy excluding those which are VAT exempt (such as insurance, finance and public sector health education).

In The Netherlands, for HORECA/TA sector, data from the Central Business Register have

been taken as a basis. The Business Register is provided with information by the Dutch Chambers of Commerce, where all enterprises with business aims are registered by legal form of the enterprise. All data about the number of units are based on the Register's content at the end of 1992.

As regard to Spain, the reference register has been INE 1992 "Directorio Central de Empresas".

For Sweden, the sampling basis for HO/TA sector is the SCB Central Register of Enterprises and Establishments (CFAR), which contains about 500.000 active enterprises with about 600.000 local units. CFAR is updated twice a month by information from all tax authorities and twice a year a questionnaire is mailed to all enterprise with more than one local unit in order to update the register.

As regard to Austria, the office's current updated Register of Enterprise and Establishment has been used as the basis. Before the sample was taken, the units of the basic population in OSTAT's Register had to be classified according to NACE Rev. 1.

2.4 Sample design

As for stratification criteria, a common part seems to be represented by the definition of employees size classes, according to Methodological Manual statement on this matter too. The following table summarises practices and methods adopted by each Member State.

The main stratification method adopted by the majority of the countries has been the number of employees. France, Sweden, Spain, Ireland, Austria, Portugal selected their observation units according to employees size classes. Another criterion has been chosen by Italy and Greece, which preferred to use variables more related to the physical and geographical characteristics of the productive units (number of beds, territorial distribution, number of stars).

Table 5. Countries by reference universe and stratification method

COUNTRIES	REFERENCE UNIVERSE	STRATIFICATION METHOD
FRANCE	French Business Register SIRENE	Employees Size Class
GREECE	Register of Chamber of Hotel Olympic Airways Register	Number of Beds, Stars, Geographical Area
DENMARK	Business Register	Sector of Activity Turnover/Employees Class
SWEDEN	Central Register of Enterprises and Establishments	Employees Size Class
AUSTRIA	Central Register of Enterprises and Establishments	Sector of Activity Employees Size Class
PORTUGAL	Central Register of Enterprises and Local Units	NUTS II; CAE; Legal Form Employees Size Class
UNITED KINGDOM	CSO Business Register	Turnover/Employees Size Class Sector of Activity
THE NETHERLANDS	Central Business Register	Enterprise Size (Man Paid Hours) (TA); Employees (HO)
IRELAND	Census of Business for HORECA/TA Sector	Employees Size Class
LUXEMBOURG	National Administrative	Sector of Activity

	Register (TVA)	Turnover
ITALY	Hotels in Italy Register Official Ministry List	Geographical Area Reception Capacity
SPAIN	Central Business Register	Sector of Activity Employees Size Class
GERMANY	Private Sources	Geographical Area

In Denmark, the sample concerns only those enterprises with a revenue of more than 0,5 million of Danish Kroner (that is 1024 enterprise out of 1675). Stratification is based on the sector of activity, revenue size classes, employment size classes.

Concerning the Hotels, all enterprises with a turnover greater than 2,5m million DKK were selected and amounted to 396 enterprises. All enterprises with turnover between 0,5 and 1,5 MLN DKK and with more than 10 employees were selected. The rest of the enterprises were selected as a random sample among the enterprises with 1-9 employees and a turnover between 0,5 and 2,5 MLN DKK and selected proportionally to the number of enterprises in the various NACE classes. Finally, concerning TA sector, the means of selection were employment size classes alone as passenger transport is not liable to VAT.

In Netherlands, companies are split up into nine size classes, calculated according to the total number of man-hours paid yearly in the form of salaries and wages. All the enterprises in the 5-9 size range are interviewed while a random sample, stratified according to enterprise size, is extracted from the population.

In Italy, Hotels have been stratified according to four types of tourist area and seven classes of reception capacity. All hotels possessing more than a given number of beds have been interviewed, while a sample has been selected from among the remaining hotels, stratified according to reception capacity. In Travel Agencies, a list of Communes has been drawn up according to the number of existing travel agencies.

Both Greek samples are stratified: hotels have been classified according to the number of beds, number of stars, low and high season, geographical area (according to NUTS II) while travel agencies respect to the number of persons employed and to geographical areas.

Therefore, exhaustive details on the surveyed population size in each Pilot Survey could be found in the following sample design analysis. Though it does not explicitly consider stratification practices, it provides a useful detail on the number of surveyed statistical units and the relative response rate. This part is also used to develop a very powerful analysis on data quality.

The number of hotel surveyed is equivalent to 5026 local units in Italy (the sample is oversized in the aim to prevent a large number of non-responses) and to 4417 enterprises in France. Lower values than these refer to Spain (1700), Ireland (830), Denmark (520) and Portugal (545). The sample of travel agencies assumes a different dimension with high consistency of France (1709 units), Italy (1429) and Sweden (836). Lower samples have been used by The Netherlands (261 units), Ireland (220), Denmark (180) and Portugal (179).

Taking account of the only available final reports, the mean quota of the theoretical sample in the hotel sector is 15% of the universe, with differences from country to country. There is a range from 32% of units surveyed in Denmark of 14% in Spain. For the travel agency sector, the average number of observed units is 38% of universe, with sampled shares of businesses ranging from 100% of the universe in Luxembourg to 19% in Denmark.

Answering questionnaires is a statutory requirement in all states except in United Kingdom, Denmark, Austria and Germany. The response rate varies significantly between sectors and countries. As regard to Hotel sector, the number of filled questionnaires varies from 79% in Spain to

48% of Denmark. In practice, the number of valid answers is reduced by the number of questionnaires with incorrect answers so that the effective sample is about 50% less than the original sample in almost all countries

Hotels and Travel Agencies - Sample Design

COUNTRIES	UNIVERSE	NUMBER OF SURVEYED ENTERPRISE	RATE OF SAMPLING	NUMBER OF RESPONSES	NUMBER OF ACCEPTED RESPONSES	RESPONSE RATE	% SHARE OF TOTAL NUMBER OF ACCEPTED RESPONSES	SECTOR
UK	13133	420	3.2	112	92	27	22	HOTEL
	5327	280	5.2	91	68	33	24	TA
DNM	1680	520	30.95	247	170	48	33	HOTEL
	975	180	18.46	84	31	47	17	TA
FRA	29332	4417	15.06	-	-	-	-	HOTEL
	2569	1709	66.52	-	-	-	-	TA
GRE	6822	1260	18.47	1209	1209	96	17.7	HOTEL
	6288	223	3.55	223	223	100	3.55	TA
SWE	7409	-	-	-	-	-	-	HOTEL
	890	415	46.6	290	160	55	17.9	TA
PORT	3192	545	17.07	424	290	78	9.1	HOTEL
	473	179	37.84	131	102	73	21.56	TA
AU	18912	5482	29	5482	1425	100	7.3	HOTEL
	722	319	44.2	319	178	100	24.7	TA
THE NET		425						HOTEL
	1538	261	17	229		87.7		TA
IRE		829						HOTEL
		217						TA
LUX	350	350	100	270	270	100	77.1	HOTEL
	94	94	100	52	70	55	74.47	TA
ITA	34175	5026	14.71	2882	2819	57	8.25	HOTEL
	4803	1460	30.4	724	543	50	11.31	TA
SPA	12300	1360	11.06	1031	1031	100	8.38	HOTEL
	3885					87.4		

2.5 The questionnaire

The HORECA/TA chapter of the Methodological Manual considers the most important statistical unit in the sector but, also, underlines the interest in the local unit, particularly high in the hotel sector. According to this approach, two different questionnaires were proposed by Eurostat for data collection in the hotel sector and a questionnaire in the travel agency sector:

a questionnaire for enterprises of hotels with and without a restaurant, with the purpose of providing information on:

general characteristics of the enterprise

This part of the questionnaire is concerned with the register status of the enterprise and other information, for example, the identification and the age of the enterprise, legal form, number of local units belonging to the enterprise and its position in the national and international market;

main activity of the enterprise

This section intended to clarify the main activity of the enterprise as well the secondary activities (camping and other short stay, restaurant services, bar services, canteens and catering, etc.):

operative income and costs

These two sections were proposed to compile a simplified operating account for the enterprise and the required data are organised according to balance sheet items. The information requested has been defined by the Methodological Manual which gives a detailed classification of the variables to be collected:

incomes

including turnover (no VAT included) with analysis according to type of service provided and various subsidised activities.

Turnover

Fixed production

Operating subsidies

Other operating incomes

Costs

including a detailed analysis of expenses involved, in purchasing goods and services for carrying the business and a breakdown of labour costs.

Labour costs

Gross wages and salaries

Social Security Contributions

Goods and services expenses

Purchase of goods and services

Duties and taxes (other than VAT) relating to production

Allocations to the depreciations

Other operating costs

Stocks of goods

most likely to be found among hotels with secondary activities such as restaurant or catering

Breakdown of turnover and purchases of goods and services

The breakdown of turnover, based on CPA classification, was intended to provide a measurement of the main activity of the enterprise which is the lodging service and, in the case of additional activities, to provide information on the economic weight of any other services provided by the enterprise. Purchases were subdivided by goods and services intended for resale and the purchase of food and beverages.

Investments

This section aimed at collecting data on investments made over the year. Such information consists of the value of durable acquired by enterprises and to be used over time and in the value of services incorporated in acquired investment goods. Investments include the value of bare land, buildings constructions, expenditure for the acquisition of goods and services for special maintenance task to improve the productive efficiency and financial investments.

Employment

The survey proposed detailed analysis of the work and contract status of staff, working hours, duration of work contracts. For the number of employees Eurostat asked for information to gathered for the four specific dates (on 31st March, 30th June, 30th September and 31st December). The reason of this was to reduce the seasonal peaks of those hotels affected by seasonal activity and to allow the calculation of a more precise annual average number of employees.

A questionnaire on local unit

The questionnaire referred to the local unit belonging to the enterprise with the aim of gathering specific information on the structural characteristic of the activity of a single establishment. Data requested were divided into the following sections:

general characteristics of the local unit and the ownership of premises

In the first part of the questionnaire the main information required was the identification and activity (main and secondary) and the ownership of premises.

co-operation with other enterprises

This section was intended to investigate the forms of horizontal integration between hotels that promote co-operation for buying goods and services or for co-ordinating public relations and marketing.

capacity

installations and facilities

Certain aspects of the type of services offered to guests and the organisational structure of the business management is examined. On these aspects, the survey sought to gather data on all facilities available to the guest as: meeting rooms, sporting or leisure facilities, etc. Also information was requested on technical and Edp infrastructures.

prices

This section requested information on high-season, low-season and medium prices of the accommodation in the hotel.

A questionnaire for travel agencies, tour operators and other

The questionnaire was presented as one in spite of the activities of travel agencies and tour operators are different. It was planned for gathering the same main information required in the hotel sector survey. Specific information concerning travel agency sector was asked in the following section:

breakdown of turnover

Payment of package tours organised on own account

Sales of tickets, lodging of package tours on s fee or contract basis

total

received from:

tour operators

railways

shipping enterprises

- air transport enterprises
- passenger transport by bus enterprises
- HORECA enterprises
- other enterprises
- Tourist information services
- Tourist guide services
- Trading activities
- Other services

turnover related to foreign establishment clients

Payment received from established clients for package tours

Payment from foreign established clients for sales of tickets, lodging and package tours on a fee or contract basis,

Other

breakdown of purchases of goods and services

According to the following categories:

- tour operators
- travel agencies
- railways
- shipping enterprises
- air transport enterprises
- passenger transport by bus enterprises
- HORECA enterprises
- other purchases of goods and services intended for resale
- other enterprises

imports

Payment related to package tours organised on own account to foreign established companies

- tour operators
- shipping enterprises
- air transport enterprises
- passenger transport by bus enterprises
- HORECA enterprises
- other enterprises

Costs made in the foreign

- labour costs
- travel accommodation and representation cost
- other operating costs

2.6 Data Quality

The information gathered by the survey does not entirely correspond to the original project. The check of the completed questionnaires has shown the difficulties found by respondents in providing the requested information, especially for smaller enterprises and for Travel Agencies generally not used to taking part in a statistical inquiry. The low response rate can be explained since statistical units found the questionnaire too complex. The weakest section of the questionnaire concerns economic data.

The definition of variables stated in the Methodological Manual of Statistics on Service Enterprises had to be, in general, amended to be consistent with internal definitions, therefore giving rise to ambiguity and inconsistency between the results of member States.

It is evident, from the low ratio of responses and even low rate of valid observation that much of the information sought by the Eurostat Pilot Survey is not readily accessible to businesses within the Hotel and Travel Agency sectors.

More in detail, respect to UK Pilot Surveys, a primary checking was carried out to establish which of the returns were to be classed as valid observations. The largest source of error in the results is due to the difficulties encountered in isolating the separate components of the Hotel sector in the old UK VAT based register (the most accurate data source at the time of the sample selection). The subsequent introduction of the Inter-Departmental Business Register has highlighted fundamental differences in the measures of number of business in the hotel and travel agencies sector. Preliminary work would suggest that estimates using the old register are considerably in excess of those of the new.

Despite considerable effort on the part of the CSO to encourage contributors to provide informed estimates, many questionnaires have either been returned blank or not at all. Businesses were concerned with the complexity of the questions on the form, particularly those in employment and current expenditure section.

Denmark Statistics has used Blaise for registering the data and set up mechanical checks to ensure that the values of the variables are within probable limits and consistent with each other. Some Hotels and Travel Agencies find *the operating balance* too difficult to fill in.

The employment section also caused problems as the enterprises do not always keep a quarterly record of the number of employees. Further more, some enterprises had difficulties in giving the number of temporary employees as they do not keep a record of temporary employees at all. This was especially the case of Hotels.

Difficulties were found to give information on the number of *paid working hours* as those information is not immediately available in the accounting system.

Again, the breakdown of both turnover and purchases of goods and serviced caused some problems, especially for the Hotels, as their own accounting system do not contain information necessary for the proposed breakdown.

In Greek inquiry on HO/TA sector, the response rate has been very high (almost 100%) for turnover, breakdown of turnover by product, variables relating to employment, the cost of labour, investments and purchases of goods and services. The questions that tended to collect a negative response are the following:

the breakdown of commission (TA) as a percentage of income was given as an estimate; there are no data for the reserves variables (TA), as the tourist agencies branch does not declare these.

Own production (HO): this variable was not answered in full as company accountants often recorded the corresponding to this portion as company overheads; Breakdown of income (HO): small Hotel enterprises with restaurant always give aggregate data for income from food and drink services.

The main problem to have quality response has been the incompleteness of records, which are not regularly up-dated. In addition, 20% of the sample has had to be replaced due to the closure of agencies, largely those small scale enterprises that are generally more reluctant to supply responses.

Finally, difficulties arises also respect to Import/Export, as accounts department are not obliged to produce separate accounts. In fact, Greek legislation is not in line with European legislation and, in many cases, payments from and to abroad are made via a third party not included in the sample.

The Swedish Business register contains data about when the enterprises started up but this date does not say very much about the real age of the enterprise. Sometimes, the enterprise change their legal

status or close down and then start up again. Actually, only about half of all newly registered enterprises are really new.

Significant problems refers to the following variables: for the operating income/costs, most enterprises have not been able to fill in the total variables. Payments received from tours on a fee or contract basis, tourist information services and breakdown of purchases of goods and services have been badly accounted for.

The relationship between the breakdowns of income and purchases does not correspond in several cases. No enterprise has filled in the variable *fixed production*, as the translation into Swedish became uncertain and as this concept does not exist in Swedish accounting practice

For Portugal, unsatisfactory replies refers to "changes in goods and services for resale", distribution of income, purchases, sales and provision of services (exports) and payments made (imports), financial leasing (cost for the financial year).

In the case of Austria, initial difficulties arose because of the imprecise definition of the heading *year of establishment*. In some cases no information was given and often was implausible. It was, therefore, not possible to make a cross-reference between *opening days* and the year of establishment.

Problems also arose with employees, since the distinction between part-time and temporary was not made by some enterprises owing the imprecision of the definition. For some enterprises, it was not possible to distinguish proceeds on food from those on drinks. The section Profit and loss was not completely answered, as the relevant balance sheet data were not available when the questionnaire were filled. Travel agencies and tour operators could not give a detailed breakdown for exports and imports

No particular comment has been done for the Dutch Hotel sector. Respect to TA sector, encountered problems refers to local units, as the universe's result of the member of local units has been obtained by raising the result of the additional question about this variable. Selling outlets are not distinguished by legal form. Hardly any enterprise responded to the question of establishments in other EC countries and non-EC countries. Quarterly data about the number of personnel are not available at the level of group or subgroups. As for exports and imports, the response quality of these variables was very poor.

Luxembourg NSI faced problems on the following items:

the number of hours actually worked, as often the statistical units partially responded to this question, hence reducing the significance of employment data. Turnover estimates determined more problems since it was difficult to define its breakdown respect to (i) main and secondary activity and (ii) inside the principal activity; the breakdown of purchases of goods and services respect to different categories seems to be almost difficult to realise.

Respect to TA sector, problems refers to turnover as about half of the respondents gave only net turnover figures (i.e. commission income). To obtain gross turnover data, the enterprises were asked to provide a percentage figure for the average mark-up on each product. Nearly of 70% of respondents did not state the number of hours actually worked

For Italy, the overall weakest section of the questionnaire concerns economic data. In fact, the structure of costs and of incomes of the business requires a detailed analysis, in several cases not available and, in others not easily evaluable. In this case, data on turnover by kind of provided services was very difficult to quantify causing a high percentage of missing answers or in clearly unreliable data.

Many statistical units, in particular, noted the impossibility of distinguishing between income from guest that had used only lodging from that from the complete service and in any case more generally

from all the other activities and accessory services offered to the tourists of the hotel purchased during the period of the stay.

The other sections of the questionnaire were found to have fewer gaps in the answers. The quality of the answers on the physical characteristics of the hotel were generally good, that is, the reception capacity, the equipment and installations for the customers, the technological endowment and organisational systems used by the units in carrying out their activity.

More attention must be given, finally, to the variable relating to the main and secondary activities of the business. This lack of initial clarification made the answers given in the questionnaires on secondary activity heterogeneous and produced effects especially on the relations between the hotel typology established on the basis of services given to clients and the activities pursued and the economic results obtained.

Respect to Spanish surveys, problems arise with reference to the section on operating income and expenditure, since in some cases the items appear as commission and in others they are gross figures. It was difficult to obtain and compare figures for the section giving a breakdown of income from rentals of goods and services.

3. A feedback for the Eurostat Methodological Manual

The Methodological Manual of statistics on service enterprise, chapter "General Framework", defines a common approach to the service sector as a whole and covers methodological elements relating to (i) statistical units, (ii) classification issues, (iii) economic variables.

Directly linked to the "General Framework" is the chapter of the Methodological Manual which develops exclusively the methodological aspects relating to the statistical analysis of a particular fields of the service sector, HORECA/TA sector, which is mainly involved with the analysis of those statistical units which provide services to the tourism sector (cf. M.M. for a more detailed explanation of what is intended for tourist sector).

Hence, the two reference chapters are strictly connected as they consider common definitions about variables and provide, at different degree of analysis, a homogenous analysis for the choice of the reference statistical units.

The main aim of this section is to look at the applicability of the principles and statements, as they have been developed in the above manuals, by an ex-post viewpoint, i.e. by analysing, respect to given elements the effective:

- applicability of the principles of analysis;
- the degree of homogeneity between Member Countries;
- variables definition problems;
- existence of common reference sources.

The "General Framework" takes primarily into account the need to realise significant comparisons between common activities in different countries, irrespective of differences in customs and legislation.

The leading criteria is the following: first of all, it has to be determined the reference observation unit, classification standard and statistical sources; then, given the definition of the relevant collecting variables, it is possible to set out which figures can be surveyed.

The following part of the paper is mainly involved with this type of analysis, carried out for the HORECA/TA sector. More in detail, the report refers to two important subsector of HORECA activities classified according to Nace/Rev.1: hotels with restaurant (55.11), hotels without restaurant (55.12). Respect to TA sector, the distinction is especially relevant in the context of the economic variables collection, given the significant different nature of travel agencies (63.301) and tour operators (63.202) activity; moreover, the variables included in the analysis are **turnover, number of persons employed, labour costs and investments**.

Starting from the variables definition stated in the G.F. (adapted from the Industry Handbook), the aim of this section is to report a very detailed set of information about the difficulties faced by each Member State in collecting the above figures and the nature of the data collection process, i.e. the relevance of each variable in the context of each country statistical information system, the structure of the statistical system, the possibility to collect the variables as a standard practice, etc.

TURNOVER

Turnover is defined as a sum of turnover (collected variable) relating to the various products, defined according to CPA headings, in which total unit production is broken down. Hence, the approach is that of the product-by-product system, which results complementary to the sector-by-sector analysis and, often, could result the only parameter which permits to compare activities of different enterprises.

Respect to TA sector, turnover turns to be particularly relevant in distinguishing between travel agency activity, which acts as an intermediary and which turnover correspond to commission and tour operator activity, which effectively sell a product, since they conduct a production activity: turnover, in this case, is made up of the sum paid by the customers.

Another relevant aspect is that turnover refers to the set of products relating to principal and secondary activities (this is a very special point in the analysis of the relationships between Ta and To activities).

In HORECA/TA pilot survey, turnover is variously surveyed as it is connected to:

- number of enterprises/local units,
- legal form of the enterprise
- kind of activity,
- controlled/controlling enterprise,
- age of the enterprise,
- co-operation with other enterprises.

Turnover is an essential piece of accounting data. Even if it cannot always be used to compare one activity or one enterprise with another, it is the only parameter that permits a breakdown by product or enables exports to be determined. Turnover excludes VAT collected by the seller on behalf of the State: indirect tax is levied on the price of the products sold, according to the percentages determined by the type of product.

Moreover, even though the variable *turnover* is necessary, notably for the breakdown of sales by product, it is not always very significant when comparisons are being made between activities. The activities involving the *purchase and resale of goods and services* have, all things being equal, a turnover which is much higher than the suppliers of pure services.

Turnover of the production unit is broken down by product by reference to a classification system based on the CPA. When investigating the units, the survey classification system must be able to distinguish between various products as well as the method of accounting in order to distinguish between invoicing of the provision of services (commissions received by intermediaries) and invoicing coming under sale-resale of goods and services (activity of invoicing trader).

More in detail, for the general activity of Travel Agencies, there are two possibilities, already outlined in the *General Framework*, for enterprises which operate as intermediaries or as retailers. In the former case, turnover consists solely of commission, while in the second case it consists of the amount paid by clients. For this variable, therefore, and for the TA sub-sector, it will be necessary to distinguish the turnover which includes figures for the purchases of goods and services from the turnover which concerns the provision of services such as booking services, sales of tickets for travel or other sales of inclusive tours on behalfs of tour operators.

Turnover	Definition
<p>Subsector:</p> <p>Hotels with restaurants (Nace/Rev.1 55.11)</p> <p><u>Definition and delimitation:</u></p> <p><u>Data source</u></p>	<p>Problems of the breakdown of turnover as their accounting system do not contain information at a very detailed level.</p> <p>Hotels with apartments, for definition problems, often are included in the survey as they are not clearly part of Nace 55.11 group even if it seems difficult to separate from ordinary hotels (in Denmark they represent about 1/3 of the total number of accommodation).</p> <p>Classification problems arose for Nace 55.11 and 55.12 as often those distinctions could be provided at local unit level but not at level of the enterprise.</p> <p>Breakdown of turnover is problematic for hotel especially in separating proceeds on foods from those on drinks as, often, these are both included in the Hotel activity. This could also depend on the fact that indirect tax share is unique and hotels and restaurants have not to detail this information.</p> <p>VAT statistics, Account data, Quarterly turnover statistics.</p>
<p>Hotels without restaurant (Nace/Rev.1 55.12)</p> <p><u>Definition and delimitation</u></p> <p><u>Data source</u></p>	<p>Same problem as above: some (UK) classifies hotels and motels together with residential establishments. The latter, in any case, falls outside the scope of the hotel sector but it is impossible to isolate the hotel component with any degree of accuracy.</p> <p>The breakdown of turnover could be obtained by splitting up the data according to enterprise total activity. This proposal implies a clear distinction between main and secondary activities inside the same statistical unit.</p> <p>In collecting detailed data, therefore, it is necessary to know the main activity engaged in by the business; the questionnaire should be designed so that the details requested relate mainly to this main activity as these are more relevant than any particular business.</p> <p>VAT statistics, Account data, Quarterly turnover statistics.</p>

<p>Travel agencies (Nace/Rev.1 63.301)</p> <p><u>Definition and delimitation</u></p> <p><u>Data source</u></p>	<p>Turnover and its breakdown represents a real problem for TA sector agents as some seem to use total gross turnover while others use the provision only. Some of them, finally, are able to give both information too. This is an example of the different content of a variable even within the same activity class.</p> <p>Two relevant aspects are to be considered.</p> <ul style="list-style-type: none"> - income of To an Ta is divided into income from the organisation of package-type trips and income from commission earned. There are problems in distinguishing between these two activities as many agencies act as To and/or they carry out both activities in the same place; - distinction respect to Nace 63.301-302-303 is too weak. <p>In any case, this classification results a good choice as associations, groups and organisations involved in tourism on a co-operative, mutual and non-profit basis are, at present, difficult to identify.</p> <p>Annual regional turnover statistics, Business Register, VAT Register.</p>
<p>Tour operators (Nace/Rev.1 63.302)</p> <p><u>Definitions and delimitation</u></p>	<p>The most relevant thing about turnover is the relationship between tour operator and its intermediaries. The question is: which turnover is reported. Often, in Yearly Account Data is reported gross turnover but, for various reasons (book of travels by means of computers, customers buy directly from To) the provision of the intermediaries is the only amount they can report (net value). Hence, there's a mixture of types of turnover, often inside the same enterprise. Furthermore, for UK, group VTC 7092 includes also shipping agents and forwarding agents as Ta sector is normally classified inside transport activities.</p> <p>Proposals:</p> <ul style="list-style-type: none"> - ask for gross turnover and provision; - to locate the reference source for these data along the division line between these two activities; - restrict the questionnaire to the variables which the statistical units are likely to be able to provide; finally, the full breakdown, which is important to measure the changing nature of the industry, should not be collected on an annual basis.

NUMBER OF PERSONS EMPLOYED

The whole analysis should be considered with reference to the four sub-sectors in which the Pilot Survey on Horeca/Ta sector is structured, according to the methodological manual. It is also important to consider that this variable is analysed in conjunction with other demographic and/or economic variables and, often, difficulties in the responses depend strictly upon the latter group of variables.

In order to capture the seasonal component of the employment, the survey questionnaire was structured for collecting data on the number of non-wage and salary earners, permanent and temporary employees by full time and part - time at the end of the following period:

- 31st of March
- 30th of June
- 30th of September
- 31st of December

Then, the number of employees should be given as an annual average of the data collected on a quarterly basis. The number of persons employed constitutes an initial approach to the analysis of the "labour factor". This item will be successively integrated by the complementary matter relating to the "labour cost" which is determinant in explaining the dynamics of the employment level inside the sector of interest.

This is especially true if we consider its constituting components, such as social security contributions which can be considered as an important indicator in distinguishing between self-employed, non paid family workers and employees.

About the number of persons employed, a breakdown according to the number of wage and salary earners could be made. This approach has been proposed by the methodological Manual but it is necessary to consider two points:

- if the number of wage and salary earners employed on a part time basis is important, this method could be misleading;
- secondly, perhaps is better to abandon the criteria of the number of working hours as Pilot Survey results are very poor on this matter.

Finally, for many countries, the number of employees or the level of employment is an important reference variable for stratification.

The reference source for employment statistics should be the **register-based business employment statistics**, which, among other variables, includes information on the number of persons employed too. According to the definition, a very relevant thing should be to understand which kind of employees characterises each sub-sector

The significance of seasonal work in HORECA/TA enterprises and activities must be made clear in the quantitative analysis of the whole sector. Alongside the annual data on employment, an effort must be made to collect data for these variables quarterly, and at the peak employment time which, for most Member States, is usually around 15 August.

The number of persons employed should be given as an annual average of the data collected, e.g. on a quarterly basis, and also as a snapshot statistics, e.g. at the end of September. This include all persons self-employed and salaried on a part-time basis, as well as other professional status at the given dates.

Number of persons employed	Definition:
<p>Subsectors:</p> <p>Hotels with restaurant (Nace/Rev.1 55.11)</p> <p><u>Definition and delimitations</u></p>	<p>The employment selection caused problems for both hotels and travel agencies as enterprises do not always keep a quarterly record of the number of employees. Furthermore, some enterprises had difficulties in giving the number of temporary employees as they do not keep a record of the temporary employees at all. This is particularly relevant for hotels.</p> <p>Proposal:</p> <p>the breakdown of employment should be restricted to full/part time information as this is available directly from quarterly administrative employment data (without great burden for enterprises).</p> <p>For the same reason, a number of statistical units find difficult to provide data on the number of working hours as this information is not immediately available from the accounting system.</p> <p>This fact causes some problems in terms of employment and its quarterly report.</p> <p>The enterprises were concerned particularly with the complexity of the employment section. The information required are too time consuming to collect (especially temporary employees). The sector, for the major part is constituted by enterprises belonging to the first employment size class (1-9 employees).</p> <p>First problem: Eurostat's division by size employees classes does not correspond to that in the National production statistics and, hence, it is necessary to create some aggregates. Moreover, no distinction can be made between permanent and temporary employees. Data about full-time and part-time personnel are not available as well for the asked level neither for the group nor for the sub-groups.</p> <p>Important point: Personnel lent to other enterprise should be not excluded; on the other hand, personnel borrowed from other enterprises should be not included, according to the Methodological Manual. The consequence is that the financial results, as turnover and value added (VA) are not based on the number of persons which is really active in the enterprise.</p> <p>Finally, quarterly data about the number of personnel are not</p>

	available at the level of sub-groups. This also applies for the data of the paid working hours.
Hotels without restaurant (Nace/Rev.1 55.12) <u>Definitions and delimitation</u>	<p>Problems arose in the distinction between part-time and temporary employees, given the imprecision of the definition. Number of working hours is a reference variable in this context (to be substituted by another, more direct, reference item).</p> <p>For Hotel sector, the availability of precise data on employment numbers over the year in the hotel trade allows assessments of sector employment trends according to the four significant periods regarding tourism. Moreover, the employment level for every quarter does not necessarily correspond with the peaks of the maximum hotel activity, hence, reducing the possibility of identifying seasonal workers.</p>
Travel agencies (Nace/Rev.1 63.301) <u>Definitions and delimitation</u>	<p>The joint-stock companies had problems in distinguishing employees and non-salary earners. In principle, there should not be any salary earners in joint-stock companies. Sweden solved this problem by reporting non-salary earners together with employees. Consistently, once stated labour costs, it results absolutely complementary in the analysis of the "labour factor". Figures on the number of worked hours cannot be used. About half of enterprises were unable to get an answer. Moreover, the number of worked hours ought to be replaced by the average number of employees (yearly based).</p> <p>Proposals:</p> <ul style="list-style-type: none"> - instead of recording the number of hours of work paid, we use the number of hours worked annually in accordance with the Methodological Manual on service statistics (General Framework) and ESA, which adopts ILO standards. Enterprises feel that recording the hours actually worked by the various categories of the staff employed full-time and part-time is a huge administrative burden; -Luxembourg adopts the term employees to include permanent and casual employees. The reason for this is that the General Framework and Horeca chapters in the methodological manual do not define casual employees. It adopts the breakdown of persons employed according to the General Framework. Finally, in TA sector, students and trainees are classed as non-manual rather than manual workers.

<p>Tour operators (Nace/Rev.1 63.302)</p> <p><u>Definitions and delimitation</u></p>	<p>The distinction of the number of persons employed respect to the two TA sub-sectors should follow the same criteria as for the Hotel sector and, it could refer also to the nature of the legal form in which Ta or To has been constituted.</p> <p>There are some problems with the information on self-employed persons as they are considered aggregated with the employees. Another problem relates to the distinction, for TA sector, respect to quarterly employment levels (poor response rate).</p>
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LABOUR COSTS

The Labour Cost is defined as the sum of (i) gross wages and salaries, (ii) employers compulsory social security contributions and (iii) voluntary contributions and others labour costs. It, moreover, represents a crucial variable in the context of the enterprise balance sheet and, more in general, in considering the efficiency of the production process from input factors side.

The definition stated in the Methodological Manual is taken from the Industry Handbook, VI, 8: labour cost represents, for the production unit, the cost of salaried work (regular and temporary employees) during the reference period. Furthermore, a consistency requirement which establishes a strong relationship between *number of employees* and *labour costs* is that to handle the item *temporary employees* equally in the above two definitions, i.e. it should not, at the same time, included in one and excluded from the other.

Though labour cost is defined by the sum of given components, it is classified, in the General Framework, among *collected variables*. Hence, a more detailed analysis could be useful:

- (i) gross wages and salaries: the relevance of this figure is that it allows a direct link with
 - average pay rate by person
 - number of hours worked.

This latter relationship is relevant in the view of HORECA/TA sector as the importance of this variable is very low. Moreover, it should be interesting to define a series of integrated relationships between the variables considered in the survey questionnaire which allow to check their consistency. This point is more important since, according to the M.M., the number of salaried hours worked by wage and salary earners "sheds greater light on the labour factor and in the calculation of some ratios this is more appropriate than the number of wages and salary earners".

There are two matters at this stage:

- (i) given the inconsistency of the item "number of paid working hours", the variable "number of salaried hours worked" can be considered as a significant proxy of the former if it is derived from *gross wages and salaries*;
- (ii) Problems occur when a monthly or, at least, quarterly detail is requested.

Related points to *social security contributions* are the following:

- (i) their quality is conditional to the existence of an efficient National Retirement System;
- (ii) SSC represents, in the definition of the M.M., the labour factor cost for the reference period together with wages and salaries;
- (iii) SSC can also be considered as indicators in distinguishing total employment level among self-employed, non-paid family workers and employees.

The good estimation of labour cost (gross wages and salaries and other components) enable to shed light on some sectors and represents an important variable in the analysis of *labour factor*. Moreover, it is particularly important to have data on employment in the services sector, because of its role concerning job creation.

Labour Costs	Definition
<p>Sub-sectors</p> <p>Hotels with restaurant (Nace/Rev.1 55.11)</p> <p><u>Data source</u></p> <p><u>Definitions and Delimitation</u></p>	<p>First of all, there seems to be no particular problems to collect this variable except for the breakdown between gross wages and salaries and social security contributions, as many of the enterprises have not been able to split up labour costs. This evaluation increase the importance (for the NSI and/or enterprises) to have access to complementary statistical sources. Data on this variable is easier to collect especially in country with very developed retirement systems.</p> <p>This item is considered in the operating balance in order to construct Gross Operating Surplus (defined as VA at market prices minus Labour Costs). Denmark practise is such that it considers other operating incomes and other operating costs in the questionnaire for both Hotels and TA in order to make the operating balance complete and more comparable with enetrprises'accounts.</p> <p>This variable is absolutely crucial in the definition of the net result (perhaps, the true result as temporary fiscal policy can bias the effective economic result pursued by the enterprise) so that, normally, it is not difficult to collect data on this item, at least at a more aggregate level. Finally, this value could be misleading if it is calculated indirectly from, for example, the average number of employees (which definition, in the case of Sweden, do not correspond to that of Eurostat).</p> <p>Proposal:</p> <p>for both sectors and their components, good quality data should be provided only for enterprises with at least 20 employees while, for the other ones, the total cost (gross wages plus SSC) should be estimated by applying a given ratio, taken from fiscal registers, to the value added of each statistical unit.</p>
<p>Hotels without Restaurant (Nace/Rev.1 55.12)</p> <p><u>Data Source</u></p> <p><u>Definitions and Delimitation</u></p>	<p>As a really relevant component in the determination of the GOS, it has a particular importance, especially if it is considered together with the analysis of the main and secondary activities of the enterprise. A lack of information on this matter could produce:</p> <ul style="list-style-type: none"> - bias in the possible estimates of the employment level; - inconsistencies among hotels typology established on the

	basis of the services given to clients, the activities pursued and the final economic result obtained by the business.
Travel Agencies (Nace/Rev.1 63.301) <u>Data Source</u> <u>Definitions and Delimitation</u>	<p>Normally, this variable is included in the standard production statistics on this field. Sweden consider, moreover, labour costs abroad as imports. It is divided in the part relating to sales on a fee contract basis and in one for sales of tours organised on own account. More in general, labour cost is a component of the total operating income and it is part of its breakdown.</p> <p>The more relevant thing is the detail between gross wages and social security contributions. Sweden has no correspondence to the concept of social security contributions. Some enterprises, following NSI statements, tried to separate insurance costs from the rest of the social costs. But others, the most part, seem to have included the former variable in social costs and pensions. This, moreover, might explain why many statistical units have chosen to put the insurance cost among the social costs and pensions. Hence, this practice could be misleading in the evaluation of efficiency level, of the mix of inputs for the production process and, finally, of employment levels.</p> <p>In fact, as labour cost is directly connected with the number of employees, it could help in the distinction between full-time and part-time personnel or, alternatively, the former values could be biased by the wrong estimates of the employment level.</p> <p>There are some problems in defining coherent relationships between the employment level and its characteristics (temporary and permanent employees) with the breakdown of the related labour costs: the statistics supplied on temporary wages and salaries are unreliable.</p> <p>Proposal on the breakdown of labour costs:</p> <ul style="list-style-type: none"> - wages and salaries; - social costs; - education costs; <p>Moreover, the following criteria could be adopted as a quality check for the control of responses,:</p> <ul style="list-style-type: none"> (i) - the percentage of social contributions with respect to gross wages and salaries can vary only within a certain margin; (ii) - the number of hours worked, indirectly connected with labour costs value, can vary only within a certain range <p>These rules allow to control a series of fundamental employment variables as, often, the number of hours worked are not provided or SSC fall outside the acceptable range, in which cases they can be estimated.</p>

<p>Tour Operators (Nace/Rev.1 63.302)</p> <p><u>Data Source</u></p> <p><u>Definitions and Delimitation</u></p>	<p>Respect to the section of loss and profits accounts, there were time consistency problems since relevant balance sheet data were not available when the questionnaire were filled in.</p> <p>Further more, in many cases, Ta and To could not be separated, in individual tables because of the low number of questionnaires returned.</p> <p>One proposal for distinguishing between four subsectors if the original data are more aggregated is the following: the detail can be obtained by breaking down data according to the enterprise's principal activity.</p> <p>Finally, the item labour costs incurred abroad mainly concerns To's and, often, has not been included in the questionnaire as it is considered as a minor activity.</p>
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INVESTMENTS

This heading refers to investments made over the year consisting in the value of durables acquired by enterprises in order to be used over time and in the value of services incorporated in acquired investment goods. *Investments* includes the value of bare land, building constructions, expenditure for the acquisition of goods and services for special maintenance tasks to improve the productive efficiency and financial investments.

As complementary variable, stock of goods refers to hotels with secondary activities such as restaurant or catering.

In any case, the variables on investments turned difficult to evaluate, especially in the cases of missing answers, caused both by imperfections in the model and by circumstances actually relating to the single statistical unit interviewed.

The investment made represents the resources which the production unit, in the course of the financial year, has developed directly in order to improve its production capacity. This improvement can be measured through the acquisitions, by deducting the effective values of disposals. In any case, the increase in production capacity can also be of an indirect nature in I.e. *leasing*, which is not included in this variable.

On the other side, a more precise definition of *immaterial investment* seems premature. More in detail, they are not necessarily included in the fixed assets. This is, for example, for expenses on computer software, which are considered, from the point of view of the accountants, as expenses in the sense of Code 13 (Purchases of goods and services).

Investments	Definition
<p>Sub-Sectors:</p> <p>Hotels with Restaurant (Nace/Rev.1 55.11)</p> <p><u>Data Source</u></p> <p><u>Definitions and delimitation</u></p>	<p>Most of the economic variables needed to complete the questionnaire were only available at enterprise level, not at local unit level: this is the case of investments. In this frame, on the contrary, the response rate is very high as the difficulties seems to be referred to the inconsistency of the proposed variables with the existing register of enterprises.</p> <p>An interesting linkage, perhaps, could be established with the variable "fixed production" (investments produced by the enterprise itself) as they belongs to the investment class in wider sense. In some cases, this variable has been cancelled from the questionnaire as it has been assumed that hotels and travel agencies have no or little production of capital goods manufactured or built by the enterprise itself, with (this is an important linkage) its own labour force and for its own use.</p> <p>More in detail, it is unclear whether the investments section should contain acquisitions less disposals or just acquisitions. This matter does not improve the compatibility of the results of Member States.</p> <p>By considering the well known relationships between stocks and the investments dynamics, it could be significant to consider stock variations as a good proxy of investments flows. More in detail, in both HO/TA sector questionnaires, stocks at the end of the pervious period and those at the end of the reference year should be surveyed instead of actual stock changes; these are broken down in a greater detail, i.e. into stocks of (i) fuel, raw materials and semi-finished products, (ii) marketable goods and (iii) finished products and goods in process. This could be an alternative breakdown as National distinction respect stocks typologies is, normally, not consistent with that proposed by Eurostat. In fact, investments are generally compiled using the usual National breakdown by type of investment.</p>
<p>Hotels without Restaurant (Nace/Rev.1 55.12)</p> <p><u>Data Source</u></p> <p><u>Definitions and Delimitation</u></p>	<p>This definition corresponds to Eurostat's pilot Survey at an aggregate level. Sweden does not provide the whole breakdown respect to tangible (6 items) and intangible investments. The most relevant figure of the goods leased and the disposal of instrumental goods is considered at all.</p> <p>For this variable, Swedish NSI does not provide a detail respect to the four sub-sectors. In this view, it should be considered</p>

	<p>that this detail is not considered in the sample survey and that it is possible to divide the enterprises as requested by Eurostat only after a further sample survey.</p> <p>There are some problems respect to financial leasing as most enterprises do not provide the required data (on the definition of investments components, cf. General Framework). Moreover, data are homogenous to the breakdown of tangible investments as proposed by Eurostat.</p>
<p>Travel Agencies (Nace/Rev.1 63.301)</p> <p><u>Data Source</u></p> <p><u>Definitions and Delimitation</u></p>	<p>Most of the respondents have given the total value of tangible and intangible assets according to their balance sheet.</p> <p>To separate transport material from machinery and equipment does not seem to work. All enterprises does not have that division in their accounting systems. The net investment according to the join-stock companies' annual reports have been recorded instead of the figures send by the enterprises</p> <p>All these difficulties, finally, could be imputed to the survey module which, in some versions, wasn't completely clear. On the contrary, there are no particular problems with the collection of the value of goods rented (leasing).</p> <p>Proposal:</p> <p>A reference variable in the analysis of the quality of data on investments could be the variation in stock of goods and services even if, for Ta sector, this amounts to a very small part of the total revenue.</p> <p>The investment flows could be also related to enterprise's main and secondary activities: hence, a right definition of the latter one is important in obtaining consistent estimates.</p> <p>This could cause some problems as, normally, the distinction of enterprises with/without secondary activities is difficult, especially when the main activity of a given sub-sector beyond the limits of its class and corresponds to the secondary activity of another sector</p> <p>Finally, investments cannot be divided according to turnover size classes because these data are not asked in the production statistics.</p>
<p>Tour Operators (Nace/Rev.1 63.302)</p> <p><u>Data Source</u></p> <p><u>Definitions and Delimitation</u></p>	<p>In this sector there are difficulties in providing all costs for the financial year, especially data on financial leasing.</p> <p>Furthermore, additional enquiries revealed that the heading "changes in stocks of goods for resale" included some enterprises that bought goods for sale to customers.</p>

	(iii) finished products and goods in process. This could be an alternative breakdown as National distinction respect stocks typologies is, normally, not consistent with that proposed by Eurostat. In fact, investments are generally compiled using the usual National breakdown by type of investment
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	<p>especially when the main activity of a given sub-sector beyond the limits of its class and corresponds to the secondary activity of another sector.</p> <p>Finally, investments cannot be divided according to turnover size classes because these data are not asked in the production statistics.</p>
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