Turnover and Output Measurement for Accommodation and Food Services in Ireland

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Introduction

• Classifications straightforward
• Lots of data
• But measurement complicated by Register issues, ownership, seasonality
• Holiday and other short-stay accommodation sub sector is problematic
• Sector experiencing difficulties after 10 years of rapid growth
Surveys

• Annual Services Inquiry – structural business statistics
• Monthly Services Inquiry (since 2009) for short-term indicators
• And some other such as ICT and e-Commerce, Retail Sales
• Better use for administrative data from 2010
Response Burden

Relatively low for the sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>No. of Minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale and retail trade</td>
<td>143.9</td>
</tr>
<tr>
<td>Hotel and food services</td>
<td>21.0</td>
</tr>
<tr>
<td>Transport, storage and communication</td>
<td>19.5</td>
</tr>
<tr>
<td>Real estate, renting and business activities</td>
<td>15.7</td>
</tr>
<tr>
<td>Other community, social and personal services</td>
<td>14.3</td>
</tr>
<tr>
<td><strong>All Sectors</strong></td>
<td><strong>54.5</strong></td>
</tr>
</tbody>
</table>
Some Results

• Rapid growth in turnover between 1999 and 2007, more than doubling to €9 billion in current prices
• Even stronger growth in GVA (124%)
• 33% growth in enterprises
• Full-time employees rose from 43,000 to 82,500

......but
Recent Collapse

• Rate of growth since 2004 slower than all services sectors growth
• Collapse from mid 2008 evident from Monthly Turnover Survey
• Current problems
Turnover Index for Accommodation and Food Services Sector, 2005=100 (Experimental)
## Composition of turnover (%) by activity 2007

<table>
<thead>
<tr>
<th>Activity</th>
<th>Hotel Services</th>
<th>Camping Services</th>
<th>Food Serving</th>
<th>Beverage Serving</th>
<th>Canteen &amp; Catering</th>
<th>Other Products n.e.c.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotels</td>
<td>50.6</td>
<td>1.2</td>
<td>24</td>
<td>17.9</td>
<td>0</td>
<td>6.3</td>
</tr>
<tr>
<td>Restaurants</td>
<td>1.3</td>
<td>0</td>
<td>76.7</td>
<td>15.1</td>
<td>2.1</td>
<td>4.8</td>
</tr>
<tr>
<td>Bars</td>
<td>3.6</td>
<td>0.2</td>
<td>25.4</td>
<td>61.7</td>
<td>0.4</td>
<td>8.8</td>
</tr>
<tr>
<td>Canteen &amp; Catering</td>
<td>0.1</td>
<td>0</td>
<td>11.6</td>
<td>6.8</td>
<td>73.1</td>
<td>8.4</td>
</tr>
</tbody>
</table>
# Distribution of Accommodation and Food Services enterprises by turnover, 2007

<table>
<thead>
<tr>
<th></th>
<th>Under €100,00</th>
<th>€100,000 and under €1,000,000</th>
<th>€1,000,000 and under €5,000,000</th>
<th>€5,000,000 and over</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprises</td>
<td>1,020</td>
<td>7,225</td>
<td>1,736</td>
<td>304</td>
</tr>
<tr>
<td>Turnover €mill</td>
<td>68.8</td>
<td>2,619.2</td>
<td>3,275.8</td>
<td>3,033.3</td>
</tr>
</tbody>
</table>
Ownership

• Almost entirely Irish so little complications due to multinational ownership
• Majority (61%) of enterprises family owned leading to difficulties in measurement of full-time equivalents. Combined with strong seasonality makes measurement of labour productivity difficult
National Accounts

- Own National Income and Expenditure classification
- Broadly follows NACE 1.1 except Bars assigned to “Distribution, Transport and Communication” while rest to “Other services”
- Due to the lack of detailed data from ASI
- Move to NACE Rev.2 by September 2011
Output method

• Under development
• Adjustments for 55.2 (Holiday and short stay accommodation) and self-employed enterprises
• Overall totals weighted to Match Income Method estimates. Discrepancy between ASI and NIE
• So lack of detailed data a real problem
Summary

• Several measures
• Moving to NACE Rev.2
• Seasonality, family ownership and mix of products offered complicate measurement
• National Accounts compilation issues
• Industry facing considerable challenges