

# Tourism Satellite Accounts 2010



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## List of Abbreviations

BOP	Balance of Payments
ESA	European System of Accounts
EU	European Union
FCE	Final Consumption Expenditure
FTE	Full-Time Equivalent
GDP	Gross Domestic Product
GNI	Gross National Income
GVA	Gross Value Added
GVATI	Gross Value Added of Tourism Industries
HFCE	Household Final Consumption Expenditure
IC	Intermediate Consumption
IOT	Input-Output Tables
IRTS	International Recommendations on Tourism Statistics
NACE	Nomenclature statistique des Activités économiques dans les Communauté Européenne
NSO	National Statistics Office (Malta)
OECD	Organisation for Economic Cooperation and Development
PHC	Private Household Consumption
RMF	Recommended Methodological Framework
SNA	System of National Accounts
SUT	Supply and Use Tables
TGDP	Tourism Gross Domestic Product
TGVA	Tourism direct Gross Value Added
TSA	Tourism Satellite Account
TSA: RMF	Tourism Satellite Account: Recommended Methodological Framework
UN	United Nations
UNWTO	World Tourism Organization
VAT	Value Added Tax



## List of European Countries' Acronyms

AT	Austria
BE	Belgium
BG	Bulgaria
CY	Cyprus
CZ	Czech Republic
DE	Germany
DK	Denmark
EE	Estonia
EL	Greece
ES	Spain
FI	Finland
FR	France
HR	Croatia
HU	Hungary
IE	Ireland
IT	Italy
LT	Lithuania
LU	Luxembourg
LV	Latvia
MT	Malta
NL	Netherlands
PL	Poland
PT	Portugal
RO	Romania
SE	Sweden
SI	Slovenia
SK	Slovakia
UK	United Kingdom





## Executive Summary

This publication provides an overview of the Tourism Satellite Account (TSA) for Malta for the reference year 2010. The TSA is a multi-stage process which attempts to reconcile demand data from tourism surveys with data on the supply of goods and services generated by tourism-related industries, while staying aligned with the System of National Accounts.

The TSA for Malta indicates that during 2010, visitors travelling to and within Malta spent €1,149.5 million worth of goods and services in Malta. The 1.3 million tourists arriving in Malta by air spent the majority of this value (€1,020.7 million), while €112.2 million were spent by Maltese residents. The expenditure by Maltese residents on tourism trips included €23.4 million on overnight visits, €15.6 million on same-day visits, while €73.1 million were spent in the domestic economy for trips abroad. The latter is mostly made up of payments to travel agents, tour operators and transport fares (by air or by sea).

The biggest segments of tourism consumption in Malta were dominated by food and beverage serving services (€275.5 million); air and sea passenger transport services (€260.4 million); and accommodation services (€243.0 million). These values accounted for 24.0 per cent, 22.7 per cent and 21.1 per cent of internal tourism consumption respectively.

The proportion of domestic supply used by visitors (also known as 'tourism ratios') was particularly high in language-school services (98.0 per cent), accommodation services (94.0 per cent) and air and water passenger transport (85.0 per cent). This means that the majority of the supply of such services in Malta was consumed for tourism purposes in the Maltese economic territory. The relevant domestic supply absorbed by visitors amounted to 5.8 per cent of all goods and services, while the consumption by visitors of domestically-produced goods and services amounted to 7.0 per cent.

Employment in tourism-related industries stood at 32,919 employees, while employment supported directly by tourism amounted to 17,086. The latter translates to 12,571 Full-Time Equivalent (FTE).



## Introduction

The Tourism Satellite Account (TSA) is considered the contemporary standard approach to measuring the economic importance of tourism through Tourism Gross Value Added (TGVA). This methodology is used by several countries as well as by a number of international organisations including the World Tourism Organization (UNWTO), United Nations Statistics Division (UNSD), Eurostat and the Organisation for Economic Cooperation and Development (OECD).

The TSA framework adheres strictly to the contents and principles of national accounts regulations established in the System of National Accounts (SNA) and in the European System of Accounts (ESA) and is designed to provide a retrospective picture of the direct economic effects stemming from the impact of internal tourism consumption (i.e. expenditure incurred by visitors) and its immediate effects on the Maltese economy. As such, a TSA does not include estimates for further indirect and induced economic impacts and is treated as a separate tool and an extension to the core National Accounts framework.

Tourism as an economic activity is not classified as a separate industry in accordance with the Statistical Classification of Economic Activities in the European Community (NACE) as by its nature tourism is defined by expenditure activity, rather than by production. Both tourism production and tourism consumption activities are scattered throughout the national accounting structure as they are made up of a wide array of products and activities dispersed across a spectrum of several industries. This reality makes tourism too broad to be classified as a single autonomous industry for statistical purposes as this would require individual enterprises to be classified within this particular industry. For this reason, the purpose of a TSA is to calculate the value added of tourism in a way which allows it to be compared with other economic industries and with the performance of tourism in other nations or geographical areas.

In order to facilitate cross-industry comparisons from the production approach when calculating Gross Domestic Product (GDP), a TSA specifically focuses on the consumption of visitors and thus, transactions related to capital formation<sup>1</sup> are not included in the main tourism economic aggregates.

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<sup>1</sup> Capital formation refers to the utilisation of capital for non-financial investment purposes (such as building or renovating an accommodation establishment).

## TSA compilation for the Maltese Economy

### Product choice

The design of the core TSA tables is based on a list of goods and services typically associated with the visitors' consumption, while the source data feeding the TSA is exclusively based on the perimeter set in the Supply and Use Tables (SUT)<sup>2</sup> or in the Input-Output Tables (IOT) of a particular economy. As such, a TSA could be regarded as a tool which reassembles the SUT in a form which focuses on tourism-related activities and products.

The structure of the TSA identifies 10 main tourism-related industries, and their corresponding main product supplied, as well as a country-specific niche industry (and product or products) consumed by visitors. The TSA for Malta identifies 'English Language Education' as the niche product offered and is listed in the TSA tables connected to inbound tourism.

### Defining 'a tourist/visitor'

The main objective behind a TSA is to estimate the total supply of particular tourism-characteristic products and establish a ratio of consumption which pertains to visitors from demand-side surveys and calculations. For this reason, it is essential to establish clear boundaries of what is actually tourism - which activities should be included as characteristically belonging to tourists and who are the selected individuals actually considered as tourists or visitors.

The first actual distinction is between a traveller and a visitor. A traveller is "someone who moves between different geographic locations, for any purpose and any duration" (UNWTO, 2008; IRTS 2008, p. 9). Travel symbolises the displacement of people, while a visitor is just a specific type of traveller and is defined as "a traveller taking a trip to a main destination outside his/her usual environment for less than a year and for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited" (IRTS 2008, p. 10). The activities carried out by people meeting the latter criteria generate the tourism phenomenon.

In summary, the definition of a visitor contains three main criteria which particularly differentiate between a visitor and other travellers. These three main criteria are:

- Outside the usual environment;
- Not longer than 12 months; and
- Purpose of the visit.

The concepts of inbound and outbound tourism are quite clear in the case of Malta and it is quite straightforward to gauge the admission of visitors in an island-state for statistical purposes. Travellers crossing the border to another country are generally considered to have left their usual environment except for border workers, diplomats, military personnel and people remunerated from the place travelled. Thus, overnight visitors arriving by air and sea are considered tourists, while same-day inbound visitors comprise of cruise passengers only.<sup>3</sup>

With respect to domestic tourism however, the definition of a visitor is more complex. This concept is defined and assembled using two main components: distance and frequency. The arbitration of these two components defining usual environment differs from country to country and is often subject to different interpretations and perceptions. Such interpretations are often subject to the ideologies, geographical structures and lifestyle trends of that particular country or area. Thus, each country may define its own set of boundaries of usual environment, which is particularly important for gauging domestic tourism (albeit not excluding inbound and outbound tourism).

The domestic tourism boundaries in the context of the Maltese islands will be strictly confined to the Maltese residents visiting Gozo for leisure-related purposes. This specific focal point is defined in order to avoid the overestimation of the extent of domestic tourism in Malta and to be compliant with similar interpretations of usual environment and domestic tourism adopted by countries across Europe in terms of distance.<sup>4</sup> The consumption of Maltese residents in the island of Malta will be considered irrelevant for TSA domestic tourism calculations as such expenditure would take place within the usual environment of Maltese residents.

<sup>2</sup> Supply and Use Tables provide a detailed picture of the supply of goods and services by domestic production and imports and the use of goods and services for intermediate consumption and final use (consumption, gross capital formation, exports). For further detail refer to *Supply, Use and Input-Output Tables 2010* (NSO, 2016).

<sup>3</sup> The expenditure of single-day visitors arriving in Malta by Catamaran is not included.

<sup>4</sup> The 'usual environment' perimeters set up by other countries (which ultimately arbitrates the proportions of domestic tourism) ranges from travelling more than 40 or 50 kilometres from the place of residence (one way) to travelling outside the area a person commutes for work/visit daily. Other boundaries may consist of regional perimeters (OECD, 2000).

## TSA Tables

Table 1 analyses the components of the demand (or consumption) made by non-residents in Malta (and therefore with Maltese enterprises), broken down by category of visitor (tourist and same-day visitor).

**Table 1. Inbound tourism: 2010**

		€000		
Computational code	Products	Type of visitor		Total visitors (1.3) = (1.1) + (1.2)
		Tourists (overnight visitors) (1.1)	Excursionists (same-day visitors) (1.2)	
A	Consumption products*			
<b>A.1</b>	<b>Tourism characteristic products</b>	<b>854,981</b>	<b>3,667</b>	<b>858,647</b>
A.1.1	Accommodation services for visitors	231,599	X	<b>231,599</b>
A.1.1a	Accommodation services for visitors (other than 1b)	228,081	X	<b>228,081</b>
A.1.1b	Accommodation services associated with all types of vacation home ownership	3,518	X	<b>3,518</b>
A.1.2	Food and beverage serving services	257,455	887	<b>258,341</b>
A.1.3	Railway passenger transport services			
A.1.4	Road passenger transport services	23,844	707	<b>24,551</b>
A.1.5	Air and water passenger transport services**	229,955	1,028	<b>230,982</b>
A.1.7	Transport equipment rental services	18,972	3	<b>18,976</b>
A.1.8	Travel agencies and other reservation services	36,151		<b>36,151</b>
A.1.9	Cultural services	11,901	600	<b>12,501</b>
A.1.10	Sports and recreational services	22,564	442	<b>23,006</b>
A.1.11	Language school services	22,539		<b>22,539</b>
<b>A.2</b>	<b>Tourism connected products</b>	<b>165,729</b>	<b>8,459</b>	<b>174,187</b>
A.2.1	Wearing apparel and leather products	32,841	1,777	<b>34,618</b>
A.2.2	Food products	41,360	2,238	<b>43,598</b>
A.2.3	Beverages	24,893	1,087	<b>25,980</b>
A.2.4	Other goods and services	66,634	3,356	<b>69,991</b>
<b>Total expenditure by inbound visitors</b>		<b>1,020,710</b>	<b>12,125 6</b>	<b>1,032,834</b>

\* The value of consumption products is net of the gross service charges paid to travel agencies, tour operators and other reservation services.

\*\* Air passenger transport services have been merged with water passenger transport services due to confidentiality purposes.

X does not apply

Note: Totals may not add up due to rounding.

TSA-Table 2 examines the expenditure components of domestic tourists, in other words the demand (consumption) made by Maltese residents with Maltese enterprises or individuals for tourism purposes within the Maltese economy. The consumption expenditure of Maltese residents within Malta is broken down by the target destination of their trip. The target destination by residents can either be within the country of reference (to Gozo) or abroad.

The aforementioned table also contains an exclusive concept as an expenditure data table. It comprises a separate illustration showing the domestic expenditure portion for outbound travel in the second segment of the expenditure table. The principle of including this expenditure artificially as 'Domestic Tourism' is the acknowledgement that such goods and services were purchased by Maltese residents from Maltese suppliers. This means that this kind of expenditure should still be part of internal tourism consumption as such expenses originated and were spent for tourism purposes. This expenditure category includes services such as payments to local travel agents/tour operators, local air carriers and durables such as luggage.

Table 2. Domestic tourism: 2010

€000

Computational code		Domestic tourism expenditure***								
		Domestic trips			Outbound trips			All types of trips		
		Tourists (overnight visitors)	Excursionists (same-day visitors)	Visitors on domestic trips	Tourists (overnight visitors)	Excursionists (same-day visitors)	Visitors	Tourists (overnight visitors)	Excursionists (same-day visitors)	Visitors
		(2.1)	(2.2)	(2.3) = (2.1) + (2.2)	(2.4)	(2.5)	(2.6) = (2.4) + (2.5)	(2.7) = (2.1) + 2.4)	(2.8) = (2.2) + (2.5)	(2.9) = (2.3) + (2.6)
Products										
A	Consumption products*									
<b>A.1</b>	<b>Tourism characteristic products</b>	<b>15,746</b>	<b>14,372</b>	<b>30,118</b>	<b>69,215</b>		<b>69,215</b>	<b>84,961</b>	<b>14,372</b>	<b>99,332</b>
A.1.1	Accommodation services for visitors	5,621	X	5,621	1,247	X	1,247	6,869	X	6,869
A.1.1a	Accommodation services for visitors (other than 1b)	5,621	X	5,621	1,247	X	1,247	6,869	X	6,869
A.1.1b	Accommodation services associated with all types of vacation home ownership		X			X			X	
A.1.2	Food and beverage serving services	7,576	9,558	17,135				7,576	9,558	17,135
A.1.3	Railway passenger transport services									
A.1.4	Road passenger transport services	788	982	1,770				788	982	1,770
A.1.5	Air and water passenger transport services**	1,760	3,831	5,591	23,821		23,821	25,581	3,831	29,413
A.1.7	Transport equipment rental services									
A.1.8	Travel agencies and other reservation services				44,146		44,146	44,146		44,146
A.1.9	Cultural services									
A.1.10	Sports and recreational services									
<b>A.2</b>	<b>Tourism connected products</b>	<b>7,702</b>	<b>1,267</b>	<b>8,970</b>	<b>3,849</b>		<b>3,849</b>	<b>11,552</b>	<b>1,267</b>	<b>12,819</b>
A.2.1	Wearing apparel and leather products	740	122	862				740	122	862
A.2.2	Food products	1,967	324	2,291				1,967	324	2,291
A.2.3	Beverages	319	52	371				319	52	371
A.2.4	Other goods and services	4,676	769	5,446	3,849		3,849	8,526	769	9,295
<b>Total expenditure by domestic visitors</b>		<b>23,448</b>	<b>15,639</b>	<b>39,087</b>	<b>73,064</b>	-	<b>73,064</b>	<b>96,512</b>	<b>15,639</b>	<b>112,151</b>

\* The value of consumption products is net of the gross service charges paid to travel agencies, tour operators and other reservation services.

\*\* Air passenger transport services have been merged with water passenger transport services.

\*\*\* Domestic tourism comprises the activities of a resident visitor within the country of reference either as part of a domestic trip or part of an outbound trip.

X does not apply

Note: Totals may not add up due to rounding.

Table 3 measures the amount of goods and services which residents of Malta consumed in the rest of the world. In principle, this table should also be subdivided into same-day visitors and overnight visitors just like TSA-Table 1.

**Table 3. Outbound tourism: 2010**

		€000		
Computational code	Products	Type of visitor		
		Tourists (overnight visitors)	Excursionists (same-day visitors)	Total visitors
		(1.1)	(1.2)	(1.3) = (1.1) + (1.2)
A	Consumption products*			
<b>A.1</b>	<b>Tourism characteristic products</b>	<b>130,281</b>		<b>130,281</b>
A.1.1	Accommodation services for visitors	49,860	X	49,860
A.1.1a	Accommodation services for visitors (other than 1b)	49,839	X	49,839
A.1.1b	Accommodation services associated with all types of vacation home ownership	22	X	22
A.1.2	Food and beverage serving services	50,307		50,307
A.1.3	Railway passenger transport services	12,460		12,460
A.1.4	Road passenger transport services	69		69
A.1.5	Air and water passenger transport services**	2,832		2,832
A.1.7	Transport equipment rental services	8,087		8,087
A.1.8	Travel agencies and other reservation services	141		141
A.1.9	Cultural services	373		373
A.1.10	Sports and recreational services	6,152		6,152
<b>A.2</b>	<b>Tourism connected products</b>	<b>59,755</b>		<b>59,755</b>
A.2.1	Wearing apparel and leather products	1,845		1,845
A.2.2	Food products	8,962		8,962
A.2.3	Beverages	5,580		5,580
A.2.4	Other goods and services	43,369		43,369
<b>Total expenditure by onbound visitors</b>		<b>190,037</b>	<b>-</b>	<b>190,037</b>

\* The value of consumption products is net of the gross service charges paid to travel agencies, tour operators and other reservation services.

\*\* Air passenger transport services have been merged with water passenger transport services.

X does not apply

Note: Totals may not add up due to rounding.

The importance of TSA-Table 3 is practically scaled down in the shadow of its other sister expenditure TSA-Tables 1 and 2. Notwithstanding its significance in National Accounts and Balance of Payments (BOP) statistics as an economic leak, the impacts of outbound tourism on internal tourism consumption are limited as the contents of TSA-Table 3 do not feature in the subsequent table related to the 'internal tourism consumption' aggregate. The values within TSA-Table 3 exclude expenditure by Maltese residents for an outbound trip. Such expenditure incurred by residents on purchases of goods and services from resident enterprises is included as domestic expenditure in TSA-Table 2. Thus, the values imputed in this TSA-table refer to expenditure made by residents during a trip abroad. The discrimination between pre-trip expenditure and expenditure during the trip is generally arbitrated by the structure of the BOP and SUT.

Total internal tourism consumption is assembled in TSA-Table 4 and consists of all the consumption in cash and in kind consumed for tourism purposes by both residents and non-residents within the economic territory of Malta (services provided by resident enterprises), corresponding to a fraction of total economy Final Consumption Expenditure (FCE). In other words, the bulk of this table is made up of the conjoining of TSA-Tables 1 and 2. The second component within this TSA-table is independent of TSA-Table 1 and TSA-Table 2 as it includes non-cash consumption established as 'other components of tourism consumption'. This consumption type includes expenditure incurred on behalf of visitors but paid for by other entities or any kind of consumption which is not paid for in a monetary form.

Table 4. Internal tourism consumption: 2010

€000

Computational code	Products	Visitors final consumption expenditure in cash			Other components of visitors' consumption	Internal tourism consumption
		Inbound tourism expenditure	Domestic tourism expenditure	Internal tourism consumption in cash		
		(1.3)	(2.9)	(1.3) + (2.9) = (4.1)		
A	Consumption products*					
<b>A.1</b>	<b>Tourism characteristic products</b>	<b>858,647</b>	<b>99,332</b>	<b>957,980</b>	<b>4,547</b>	<b>962,527</b>
A.1.1	Accommodation services for visitors	231,599	6,869	238,468	4,547	243,015
A.1.1a	Accommodation services for visitors (other than 1b)	228,081	6,869	234,950		234,950
A.1.1b	Accommodation services associated with all types of vacation home ownership	3,518	-	3,518	4,547	8,065
A.1.2	Food and beverage serving services	258,342	17,135	275,476		275,476
A.1.3	Railway passenger transport services	-	-	-		0
A.1.4	Road passenger transport services	24,551	1,770	26,321		26,321
A.1.5	Air and water passenger transport services**	230,983	29,413	260,395		260,395
A.1.7	Transport equipment rental services	18,976	0	18,976		18,976
A.1.8	Travel agencies and other reservation services	36,151	44,146	80,297		80,297
A.1.9	Cultural services	12,501	0	12,501		12,501
A.1.10	Sports and recreational services	23,007	0	23,007		23,007
A.1.11	Language school services	22,539	X	22,539		22,539
<b>A.2</b>	<b>Tourism connected products</b>	<b>174,187</b>	<b>12,819</b>	<b>187,006</b>		<b>187,006</b>
A.2.1	Wearing apparel and leather products	34,618	862	35,481		35,481
A.2.2	Food products	43,599	2,291	45,889		45,889
A.2.3	Beverages	25,980	371	26,351		26,351
A.2.4	Other goods and services	69,991	9,295	79,285		79,285
<b>Total expenditure by domestic visitors</b>		<b>1,032,835</b>	<b>112,151</b>	<b>1,144,986</b>	<b>4,547</b>	<b>1,149,533</b>

\* The value of consumption products is net of the gross service charges paid to travel agencies, tour operators and other reservation services.

\*\* Air passenger transport services have been merged with water passenger transport services.

X does not apply

Note: Totals may not add up due to rounding.

The TSA for Malta identifies a number of dwellings situated in Gozo which are owned by Maltese residents as secondary homes. These dwellings are tourism factors and imply domestic tourism activity, even though such activities do not directly involve cash expenditure. The implied rents which the owners of such dwellings consume are also included in the TSA as an imputed consumption element. This consumption value represents output produced in Gozo and consumed by the owner of the dwelling for the purpose of tourism. Such allocation symbolises the ownership of summer residencies by residents of mainland Malta, in line with the domestic tourism interpretation for Malta.

The fifth TSA table is the supply table where the total commodity production by industry is displayed in a matrix form irrespective of who might have consumed the respective products. This table is extracted directly from the SUT, with particular focus on the tourism-related products produced by the tourism-related industries<sup>5</sup>. These products and industries, predefined by the Recommended Methodological Framework (RMF, 2008) are shown individually, while the rest of the components of the economy are shown in one row and one column.

5 Output and intermediate consumption shown in TSA-Tables 5 and 6 deviate from the figures produced in Supply, Use and Input-Output Tables 2010 (NSO,2016) due to different definitions. Figures for GVA are consistent.



Table 5. Production accounts of tourism industries and other industries (at basis prices): 2010

€000

Computational code	Products	Industries											Total	Other industries ***	Output of domestic producers (at basic prices)	
		Accommodation activities for visitors	Accommodation activities for visitors (other than 1b)	Accommodation activities associated with all types of vacation home ownership	Food and beverage serving activities	Railway passenger transport activities	Road passenger transport activities	Air and water passenger transport activities**	Transport equipment rental activities	Travel agencies and other reservation activities	Cultural activities	Sports and recreational activities				Education activities
		(5.1)	(5.1a)	(5.1b)	(5.2)	(5.3)	(5.4)	(5.5)	(5.7)	(5.8)	(5.9)	(5.10)				(5.11)
A	Consumption products*															
A.1	<b>Tourism characteristic products</b>															
A.1.1	Accommodation services for visitors	329,593	245,418	84,175	2,242	0	175	600	230	305	123	48	4,658	337,974	88,1578	426,1312
A.1.1a	Accommodation services for visitors (other than 1b)	235,553	235,553	0	0	0	0	0	0	0	0	0	3,407	238,959	1	238,961
A.1.1b	Accommodation services associated with all types of vacation home ownership	94,040	9,865	84,175	2,242	0	175	600	230	305	123	48	1,251	99,015	88,157	187,171
A.1.2	Food and beverage serving services	78,632	78,632	0	289,605	0	0	185	0	548	5	0	0	368,975	1,350	370,325
A.1.3	Railway passenger transport services	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-
A.1.4	Road passenger transport services	27	27	0	0	0	45,482	0	2,059	0	0	0	91	47,659	1,558	49,217
A.1.5	Air and water passenger transport services**	0	0	0	0	0	0	258,716	894	988	0	0	0	260,597	-	260,597
A.1.7	Transport equipment rental services	0	0	0	0	0	0	0	40,777	0	0	0	0	40,777	39	40,817
A.1.8	Travel agencies and other reservation services	1,224	1,224	0	0	0	0	0	0	120,469	0	0	109	121,801	631	122,431
A.1.9	Cultural services	0	0	0	0	0	0	0	0	0	18,410	0	0	18,410	105	18,515
A.1.10	Sports and recreational services	13,293	13,293	0	0	0	0	0	0	0	0	94,493	0	107,785	1,514	109,300
A.1.11	Language school services	243	243	0	0	0	0	0	0	283	0	0	21,861	22,387	292	22,679
A.2	<b>Tourism connected products</b>															
A.2.1	Retail trade margin on goods	6,126	6,126	0	1	0	0	2	904	1,071	0	0	221	8,325	791,549	799,874
A.2.2	Wearing apparel and leather products	27	26	2	0	0	0	0	0	0	0	3	0	33	12,262	12,295
A.2.3	Food products	0	0	0	253	0	0	0	0	3	0	0	0	256	419,617	419,873
A.2.4	Beverages	0	0	0	1	0	0	0	0	11	0	0	0	12	75,722	75,734
A.2.5	Other goods and services	3,763	3,546	218	13	0	2,710	12,784	4,428	1,497	30	69	24,817	50,112	2,919,516	2,969,627
B	Non-specific products***															
B.1.1	Other margins	0	0	0	0	0	0	0	0	0	0	0	0	-	90,082	90,082
B.1.2	All other products	388,644	12,072	376,572	55,299	0	65,862	86,655	70,807	1,036	14,530	19,106	54,384	756,322	6,824,295	7,580,617
	<b>Total output (at basic prices)</b>	<b>821,572</b>	<b>360,606</b>	<b>460,966</b>	<b>347,415</b>	<b>0</b>	<b>114,229</b>	<b>358,942</b>	<b>120,099</b>	<b>126,210</b>	<b>33,097</b>	<b>113,720</b>	<b>106,140</b>	<b>2,141,425</b>	<b>11,226,689</b>	<b>13,368,114</b>
	<b>Total intermediate consumption (at purchasers' prices)</b>	<b>313,009</b>	<b>199,117</b>	<b>113,892</b>	<b>236,465</b>	<b>0.0</b>	<b>65,320</b>	<b>301,538</b>	<b>75,765</b>	<b>81,984</b>	<b>11,077</b>	<b>60,724</b>	<b>36,600</b>	<b>1,182,481</b>	<b>6,394,879</b>	<b>7,577,359</b>
	<b>Total gross value added</b>	<b>508,563</b>	<b>161,489</b>	<b>347,074</b>	<b>110,950</b>	<b>0.0</b>	<b>48,909</b>	<b>57,404</b>	<b>44,335</b>	<b>44,227</b>	<b>22,020</b>	<b>52,997</b>	<b>69,541</b>	<b>958,945</b>	<b>4,831,810</b>	<b>5,790,754</b>

\* The value of consumption products is net of the gross service charges paid to travel agencies, tour operators and other reservation services.

\*\* Air passenger transport has been merged with water passenger transport.

\*\*\* Includes all other goods and services that circulate in the economy of reference.

Note: Totals may not add up due to rounding.

## Supply and Gross Value Added Tables

Tourism, as an industry intertwines with a multitude of different auxiliary industries and its overall income effect extends over the tourism characteristic industries. A number of industries are involved in the production of goods and services demanded not only by tourists but also by residents. Road passenger transport services are perhaps the most obvious examples of services which are demanded by both visitors and locals with equal interest. The output conjoining of the so called tourism-related industries in TSA-Table 5 during 2010 stood at €2.1 billion (total output supplied to any category of consumer – both visitors and non-visitors), making up around 16.0 per cent of the total output of domestic producers at basic prices.

When the focus is shifted towards the value added of the tourism industries, i.e. the value added of all establishments for which the principal activity is related to the supply of a tourism characteristic product, the Gross Value Added of Tourism Industries (GVATI) reaches €958.9 million, 16.6 per cent of total economy Gross Value Added (GVA). This aggregate is often of little significance to the scope of this analysis as the tourism-related supply may be quite sizeable to cater for non-tourism demand required by residents during their regular course of life. In addition, a portion of GVATI relates to real estate services. Such activities are mostly consumed by non-visitors as most of the GVA is generated from imputed rents of resident owner occupiers of dwellings. Some countries choose to input only the consumption value used up by tourists as 'vacation home' supply and pair it with a 100 per cent tourism consumption ratio. This TSA for 2010 shows all the output and GVA of real estate activities as a tourism-related industry even though the majority of the related supply is not consumed by visitors. For this reason, the GVATI as a percentage to total GVA may be considerably higher than the equivalent of other countries.

The supply of such goods and services is not entirely consumed by tourists and thus in order to accurately identify tourism related supply, it is necessary to derive estimates of the share of tourism consumption from the total supply of each product category. These are referred to as 'tourism ratios' and are calculated by dividing total supply of each product category by the internal tourism consumption expenditure of each corresponding product.

Total internal tourism consumption and domestic supply are reconciled in TSA-Table 6, which is ultimately the core table of TSA. This table presents a synthesis of domestic supply for each of the tourism-characteristic products confronted by the consumption of visitors for each of the listed products (TSA-Table 4). Ratios of tourism consumption on total supply of the tourism industries can be defined at a product level of detail.

The upper part of TSA-Table 6 is supplemented with columns relating to the tourism share of total production of tourism and other industries. Most importantly, the 'tourism ratio on supply' and the calculations of 'Tourism Gross Value Added' (TGVA) and 'Tourism Gross Domestic Product' (TGDP) may be derived from such a mechanism. The two latter variables are the fundamental elements of the TSA and thus, the importance of this TSA-table is even more pronounced. TGVA is derived as a balancing item from the tourism share of output less the tourism share of intermediate consumption. Tourism characteristic products are typically expected to bear a higher tourism ratio to total supply, some of which may be close to 100 per cent (such as accommodation services, air passenger transport services and travel agent services).

Table 6. Total domestic supply and internal tourism consumption (at purchasers' prices): 2010 ...

€000

Computational code	Products	Industries													
		Accommodation activities for visitors		Accommodation activities for visitors (other than 1b)		Accommodation activities associated with all types of vacation home ownership		Food and beverage serving activities		Railway passenger transport activities		Road passenger transport activities		Air and water passenger transport activities**	
		Output (5.1)	Tourism share (in value)	Output (5.1a)	Tourism share (in value)	Output (5.1a)	Tourism share (in value)	Output (5.2)	Tourism share (in value)	Output (5.3)	Tourism share (in value)	Output (5.4)	Tourism share (in value)	Output (5.5)	Tourism share (in value)
<b>A</b>	<b>Consumption products*</b>														
A.1	Tourism characteristic products														
A.1.1	Accommodation services for visitors	329,593	224,685	245,418	221,185	84,175	3,499	2,242	93	0	175	7	600	25	
A.1.1a	Accommodation services for visitors (other than 1b)	235,553	220,775	235,553	220,775	0		0		0	0		0		
A.1.1b	Accommodation services associated with all types of vacation home ownership	94,040	3,909	9,865	410	84,175	3,499	2,242	93	0	175	7	600	25	
A.1.2	Food and beverage serving services	78,632	50,219	78,632	50,219	0		289,605	184,957	0	0		185	118	
A.1.3	Railway passenger transport services	0		0		0		0		0	0		0		
A.1.4	Road passenger transport services	27	13	27	13	0		0		0	45,482	21,815	0		
A.1.5	Air and water passenger transport services**	0		0		0		0		0	0		258,716	218,385	
A.1.7	Transport equipment rental services	0		0		0		0		0	0		0		
A.1.8	Travel agencies and other reservation services	1,224	653	1,224	653	0		0		0	0		0		
A.1.9	Cultural services	0		0		0		0		0	0	0	0		
A.1.10	Sports and recreational services	13,293	2,102	13,293	2,102	0		0		0	0		0		
A.1.11	Language school services	243	237	243	237	0		0		0	0		0		
A.2	Tourism connected products														
A.2.1	Retail trade margin on goods	6,126	250	6,126	250	0	0	1	0	0	0		2	0	
A.2.2	Wearing apparel and leather products	27	4	26	4	2	0	0		0	0	0	1	0	
A.2.3	Food products	0		0		0		253	12	0	0	0	0		
A.2.4	Beverages	0		0		0		1	0	0	0		0		
A.2.5	Other goods and services	3,763	44	3,546	41	218	2	13	0	0	2,710	31	12,784	148	
<b>B</b>	<b>Non-specific products***</b>														
B.1.1	Other margins	0		0		0		0		0	0		0		
B.1.2	All other products	388,644		12,072		376,572		55,299		0	65,862		86,655		
	<b>Total output (at basic prices)</b>	<b>821,572</b>	<b>278,205</b>	<b>360,606</b>	<b>274,703</b>	<b>460,966</b>	<b>3,502</b>	<b>347,415</b>	<b>185,062</b>	<b>0</b>	<b>0</b>	<b>114,229</b>	<b>21,854</b>	<b>358,942</b>	<b>218,677</b>
	<b>Total intermediate consumption (at purchasers' prices)</b>	<b>313,009</b>	<b>152,549</b>	<b>199,117</b>	<b>151,684</b>	<b>113,892</b>	<b>865</b>	<b>236,465</b>	<b>125,961</b>	<b>0</b>	<b>0</b>	<b>65,320</b>	<b>12,497</b>	<b>301,538</b>	<b>186,667</b>
	<b>Total gross value added</b>	<b>508,563</b>	<b>125,656</b>	<b>161,489</b>	<b>123,019</b>	<b>347,074</b>	<b>2,637</b>	<b>110,950</b>	<b>59,101</b>	<b>0</b>	<b>0</b>	<b>48,909</b>	<b>9,357</b>	<b>57,404</b>	<b>32,009</b>

\* The value of consumption products is net of the gross service charges paid to travel agencies, tour operators and other reservation services.

\*\* Air passenger transport has been merged with water passenger transport.

\*\*\* Includes all other goods and services that circulate in the economy of reference.

Note: Totals may not add up due to rounding.

... Table 6. Total domestic supply and internal tourism consumption (at purchasers' prices): 2010

€000

Computational code	Products	Industries											
		Transport equipment rental activities		Travel agencies and other reservation activities		Cultural activities		Sports and recreational activities		Education activities		Total	
		Output (5.7)	Tourism share (in value)	Output (5.8)	Tourism share (in value)	Output (5.9)	Tourism share (in value)	Output (5.10)	Tourism share (in value)	Output (5.11)	Tourism share (in value)	Output (5.13)	Tourism share (in value)
<b>A</b>	<b>Consumption products*</b>												
A.1	Tourism characteristic products												
A.1.1	Accommodation services for visitors	230	10	305	13	123	5	48	2	4,658	3,245	337,974	228,084
A.1.1a	Accommodation services for visitors (other than 1b)	0		0		0		0		3,407	3,193	238,959	223,968
A.1.1b	Accommodation services associated with all types of vacation home ownership	230	10	305	13	123	5	48	2	1,251	52	99,015	4,116
A.1.2	Food and beverage serving services	0		548	350	5	3	0		0		368,975	235,647
A.1.3	Railway passenger transport services	0		0		0		0		0		0	
A.1.4	Road passenger transport services	2,059	988	0		0		0		91	44	47,659	22,859
A.1.5	Air and water passenger transport services**	894	827	988	835	0		0		0		260,597	220,048
A.1.7	Transport equipment rental services	40,777	16,241	0		0		0		0		40,777	16,241
A.1.8	Travel agencies and other reservation services	0		120,469	64,275	0		0		109	58	121,801	64,985
A.1.9	Cultural services	0	0	0	0	18,410	10,884	0		0		18,410	10,884
A.1.10	Sports and recreational services	0		0		0		94,493	14,940	0		107,785	17,042
A.1.11	Language school services	0		283	277	0		0		21,861	21,367	22,387	21,881
A.2	Tourism connected products												
A.2.1	Retail trade margin on goods	904	37	1,071	44	0		0		221	9	8,325	340
A.2.2	Wearing apparel and leather products	0		0	0	0		4	1	0		33	5
A.2.3	Food products	0		4	0	0		0		0		256	12
A.2.4	Beverages	0		11	2	0		0		0		12	2
A.2.5	Other goods and services	4,428	51	1,497	17	30	0	69	1	24,817	288	50,112	581
<b>B</b>	<b>Non-specific products***</b>												
B.1.1	Other margins	0		0		0		0		0		0	
B.1.2	All other products	70,807		1,036		14,530		19,106		54,384		756,322	
	<b>Total output (at basic prices)</b>	<b>120,099</b>	<b>18,154</b>	<b>126,210</b>	<b>65,812</b>	<b>33,097</b>	<b>10,892</b>	<b>113,720</b>	<b>14,943</b>	<b>106,140</b>	<b>25,010</b>	<b>2,141,425</b>	<b>838,610</b>
	<b>Total intermediate consumption (at purchasers' prices)</b>	<b>75,765</b>	<b>11,453</b>	<b>81,984</b>	<b>42,750</b>	<b>11,077</b>	<b>3,645</b>	<b>60,724</b>	<b>7,979</b>	<b>36,599</b>	<b>8,624</b>	<b>1,182,481</b>	<b>552,126</b>
	<b>Total gross value added</b>	<b>44,335</b>	<b>6,702</b>	<b>44,227</b>	<b>23,062</b>	<b>22,020</b>	<b>7,247</b>	<b>52,996</b>	<b>6,964</b>	<b>69,541</b>	<b>16,386</b>	<b>958,945</b>	<b>286,484</b>

\* The value of consumption products is net of the gross service charges paid to travel agencies, tour operators and other reservation services.

\*\* Air passenger transport has been merged with water passenger transport.

\*\*\* Includes all other goods and services that circulate in the economy of reference.

Note: Totals may not add up due to rounding.

... Table 6. Total domestic supply and internal tourism consumption (at purchasers' prices): 2010

€000

Computational code Products	Other industries***		Output of domestic producers (at basic prices)		Imports		Taxes less subsidies on products of domestic output and import		Trade and transport margins		Domestic supply (at purchasers price)	Internal tourism consumption	Tourism ratio on supply
	Output (5.14)	Tourism share (in value)	Output (5.15) = (5.13) + (5.14)	Tourism share (in value)	Output (6.1)	Tourism share (in value)	Output (6.2)	Tourism share (in value)	Output (6.3)	Tourism share (in value)	(6.4) = (5.15) + (6.1) + (6.2) + (6.3)	(4.3)	(6.5) = (4.3) / (6.4)
<b>A Consumption products*</b>													
A.1 Tourism characteristic products													
A.1.1 Accommodation services for visitors	88,158	3,666	426,132	231,750	4,001	1,237	14,565	10,028	X	X	444,698	243,015	
A.1.1a Accommodation services for visitors (other than 1b)	1	1	238,961	223,969	1,195	1,120	10,520	9,860	X	X	250,676	234,950	0.94
A.1.1b Accommodation services associated with all types of vacation home ownership	88,157	3,665	187,171	7,781	2,806	117	4,045	168	X	X	194,022	8,065	0.04
A.1.2 Food and beverage serving services	1,350	862	370,325	236,509	1,513	966	59,502	38,001	X	X	431,340	275,476	0.64
A.1.3 Railway passenger transport services	0		0		0		0		X	X	-	-	0.00
A.1.4 Road passenger transport services	1,558	747	49,217	23,606	1,661	797	4,001	1,919	X	X	54,878	26,321	0.48
A.1.5 Air and water passenger transport services**	0		260,597	220,048	41,551	35,938	5,220	4,410	X	X	307,368	260,395	0.85
A.1.7 Transport equipment rental services	39	16	40,817	16,257	998	398	5,828	2,321	X	X	47,643	18,976	0.40
A.1.8 Travel agencies and other reservation services	631	336	122,431	65,322	28,069	14,976	0		X	X	150,500	80,297	0.53
A.1.9 Cultural services	105	62	18,515	10,946	2,197	1,299	433	256	X	X	21,145	12,501	0.59
A.1.10 Sports and recreational services	1,514	239	109,300	17,281	1,644	260	34,570	5,466	X	X	145,514	23,007	0.16
A.1.11 Language school services	292	285	22,679	22,167	381	372	0		X	X	23,060	22,539	0.98
A.2 Tourism connected products													
A.2.1 Retail trade margin on goods	791,549	32,281	799,874	32,620					-799,874	-32,620	-		
A.2.2 Wearing apparel and leather products	12,262	1,745	12,295	1,750	120,495	17,147	33,253	4,732	83,284	11,852	249,326	35,481	0.14
A.2.3 Food products	419,617	19,381	419,873	19,393	402,862	18,607	-3,897	- 180	174,696	8,069	993,534	45,889	0.05
A.2.4 Beverages	75,722	10,206	75,735	10,208	50,222	6,769	17,471	2,355	52,074	7,019	195,502	26,351	0.13
A.2.5 Other goods and services	2,919,516	33,860	2,969,627	34,441	3,024,885	35,082	351,908	4,081	489,818	5,681	6,836,238	79,285	0.01
<b>B Non-specific products***</b>													
B.1.1 Other margins	90,082		90,082		0				-90,082	-	-	-	0.00
B.1.2 All other products	6,824,295		7,580,617		2,090,278		285,887		90,082	X	10,046,864	-	0.00
<b>Total output (at basic prices)</b>	<b>11,226,689</b>	<b>103,688</b>	<b>13,368,114</b>	<b>942,297</b>	<b>5,770,757</b>	<b>133,847</b>	<b>808,739</b>	<b>73,389</b>	<b>-1</b>	<b>0</b>	<b>19,947,609</b>	<b>1,149,533</b>	<b>0.058</b>
<b>Total intermediate consumption (at purchasers' prices)</b>	<b>6,394,879</b>	<b>59,062</b>	<b>7,577,360</b>	<b>611,188</b>									
<b>Total gross value added</b>	<b>4,831,810</b>	<b>44,626</b>	<b>5,790,755</b>	<b>331,110</b>									

\* The value of consumption products is net of the gross service charges paid to travel agencies, tour operators and other reservation services.

\*\* Air passenger transport has been merged with water passenger transport.

\*\*\* Includes all other goods and services that circulate in the economy of reference.

Note: Totals may not add up due to rounding.

## Employment for Tourism

Table 7 contains information related to employment, by gender and by type, active in the tourism industries. Employment is also shown in Full-Time Equivalent (FTE) in order to account for the higher number of part-time employees in particular industries.

**Table 7(a). Employment in the tourism industries: 2010**

Computational code	Tourism industries	Employees			Self-employed		
		Males	Females	Total	Males	Females	Total
		Number of jobs by status in employment					
A.1.1	Accommodation services for visitors	5,795	3,769	9,564	187	62	250
A.1.1a	Accommodation services for visitors (other than 1b)	5,554	3,553	9,107	51	15	66
A.1.1b	Accommodation services associated with all types of vacation home ownership	242	215	457	137	47	183
A.1.2	Food and beverage serving services	5,556	3,655	9,211	1,175	242	1,417
A.1.3	Railway passenger transport services						
A.1.4	Road passenger transport services	1,073	159	1,232	1,322	49	1,371
A.1.5	Air and water passenger transport services*	635	201	836	115	3	118
A.1.7	Transport equipment rental services	836	175	1,012	228	29	257
A.1.8	Travel agencies and other reservation services	637	632	1,269	186	252	438
A.1.9	Cultural services	488	351	840	249	142	391
A.1.10	Sports and recreational services	1,781	1,036	2,817	132	96	228
A.1.11	Language school services	457	1,213	1,670			
	<b>Total</b>	<b>17,259</b>	<b>11,191</b>	<b>28,450</b>	<b>3,595</b>	<b>874</b>	<b>4,469</b>
		Number of full time equivalent jobs by status in employment					
A.1.1	Accommodation services for visitors	4,679	2,836	7,515	171	53	224
A.1.1a	Accommodation services for visitors (other than 1b)	4,449	2,652	7,101	45	13	58
A.1.1b	Accommodation services associated with all types of vacation home ownership	230	183	414	126	40	166
A.1.2	Food and beverage serving services	3,811	2,187	5,999	991	194	1,185
A.1.3	Railway passenger transport services						
A.1.4	Road passenger transport services	1,005	130	1,135	1,271	42	1,313
A.1.5	Air and water passenger transport services*	625	195	820	61	1	62
A.1.7	Transport equipment rental services	746	155	901	178	18	196
A.1.8	Travel agencies and other reservation services	540	555	1,095	125	172	297
A.1.9	Cultural services	414	256	670	158	97	255
A.1.10	Sports and recreational services	1,185	652	1,838	102	75	177
A.1.11	Language school services	274	714	988			
	<b>Total</b>	<b>13,279</b>	<b>7,680</b>	<b>20,959</b>	<b>3,058</b>	<b>651</b>	<b>3,709</b>

\* Air and water passenger transport industries have been merged.

A distinction is made between total employment in tourism-related industries and employment which is specifically related to tourism. The tourism shares by industry are applied to the employment numbers (Table 7(b)) and as a result, the values in Table 7(b) virtually represent the number of employees directly catering for visitor demand.

**Table 7(b). Employment in the tourism industries pertaining to tourism demand: 2010**

Computational code	Tourism industries	Tourism ratios by industry	Employees			Self-employed		
			Males	Females	Total	Males	Females	Total
			Number of jobs by status in employment					
A.1.1	Accommodation services for visitors		4,232	2,709	6,941	40	12	52
A.1.1a	Accommodation services for visitors (other than 1b)	0.76	4,231	2,707	6,938	39	12	51
A.1.1b	Accommodation services associated with all types of vacation home ownership	0.01	2	2	3	1		1
A.1.2	Food and beverage serving services	0.53	2,959	1,947	4,906	626	129	755
A.1.3	Railway passenger transport services	0.00						
A.1.4	Road passenger transport services	0.19	205	30	236	253	9	262
A.1.5	Air and water passenger transport services*	0.61	285	92	377	36	1	37
A.1.7	Transport equipment rental services	0.15	126	26	153	34	4	39
A.1.8	Travel agencies and other reservation services	0.52	332	330	662	97	132	229
A.1.9	Cultural services	0.33	161	116	276	82	47	129
A.1.10	Sports and recreational services	0.13	234	136	370	17	13	30
A.1.11	Language school services**	0.98	446	1,186	1,632			
<b>Total</b>			<b>8,982</b>	<b>6,572</b>	<b>15,554</b>	<b>1,185</b>	<b>346</b>	<b>1,532</b>
			Number of full time equivalent jobs by status in employment					
A.1.1	Accommodation services for visitors		3,391	2,022	5,413	35	10	45
A.1.1a	Accommodation services for visitors (other than 1b)	0.76	3,389	2,020	5,409	34	10	44
A.1.1b	Accommodation services associated with all types of vacation home ownership	0.01	2	1	3	1	0	1
A.1.2	Food and beverage serving services	0.53	2,030	1,165	3,195	528	103	631
A.1.3	Railway passenger transport services	0.00	0	0	0	0	0	0
A.1.4	Road passenger transport services	0.19	192	25	217	243	8	251
A.1.5	Air and water passenger transport services*	0.61	282	90	372	19	0	19
A.1.7	Transport equipment rental services	0.15	113	23	136	27	3	30
A.1.8	Travel agencies and other reservation services	0.52	282	289	571	65	90	155
A.1.9	Cultural services	0.33	136	84	220	52	32	84
A.1.10	Sports and recreational services	0.13	156	86	241	13	10	23
A.1.11	Language school services**	0.98	268	698	966	0	0	0
<b>Total</b>			<b>6,849</b>	<b>4,483</b>	<b>11,332</b>	<b>983</b>	<b>256</b>	<b>1,239</b>

\* The apportioned employment values may not match with the industry-ratio due to merging of air and water transport industries.

\*\* The product ratio was applied as it was possible to extract product-related employment.

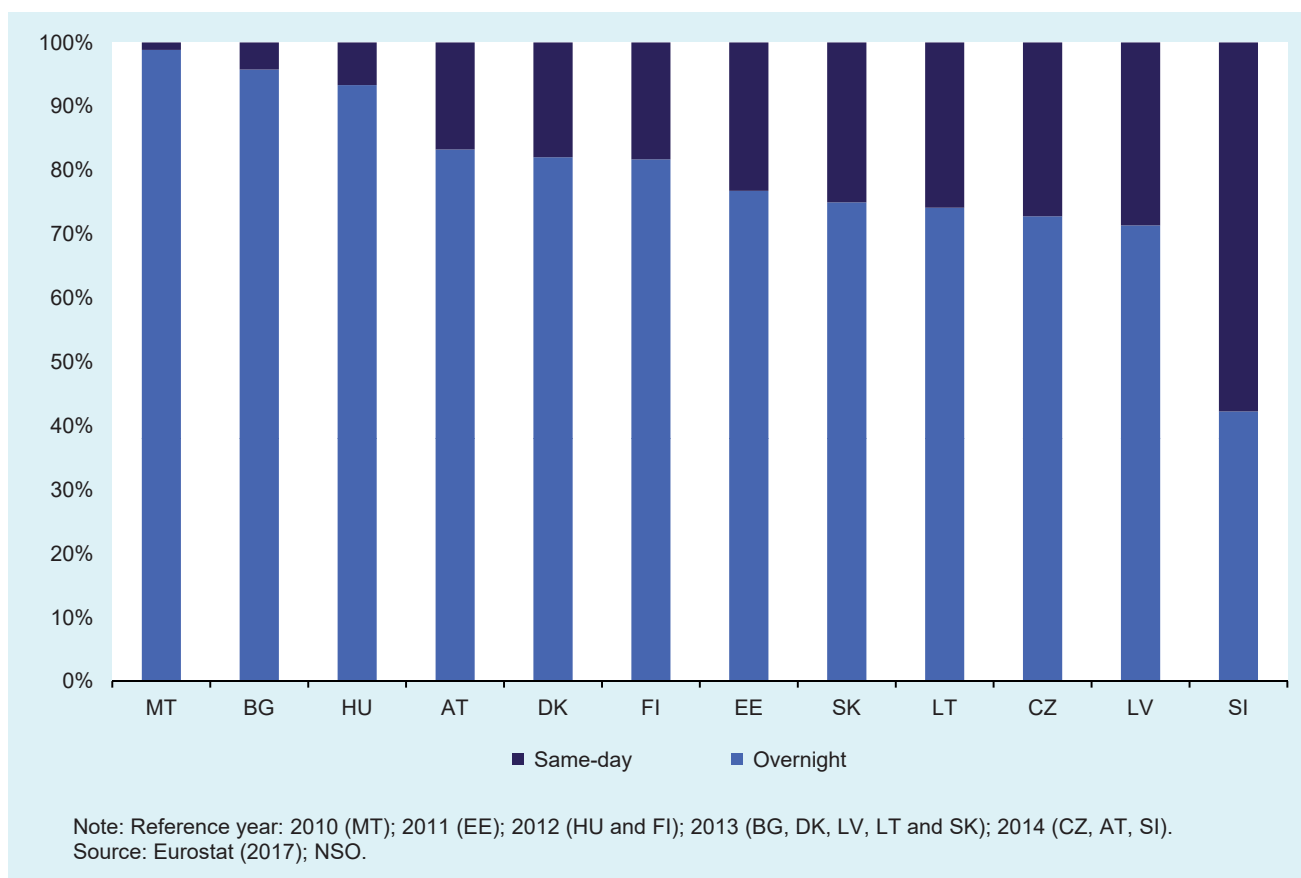
Tourism ratios by industry are used rather than tourism ratios on products as TSA-Table 7(b) is not a product-based table (such as TSA-Tables 1 to 6) but an industry-based table.

## Main Results

### Expenditure Tables

The TSA drawn for the Maltese Islands shows that €1,032.8 million were spent by inbound visitors in the Maltese economy. This expenditure was predominantly spent by overnight visitors (98.8 per cent), while expenditure by same-day visitors<sup>6</sup> was relatively low, which is only natural for an island-state.

**Chart 1. Inbound tourism expenditure by category in the EU**

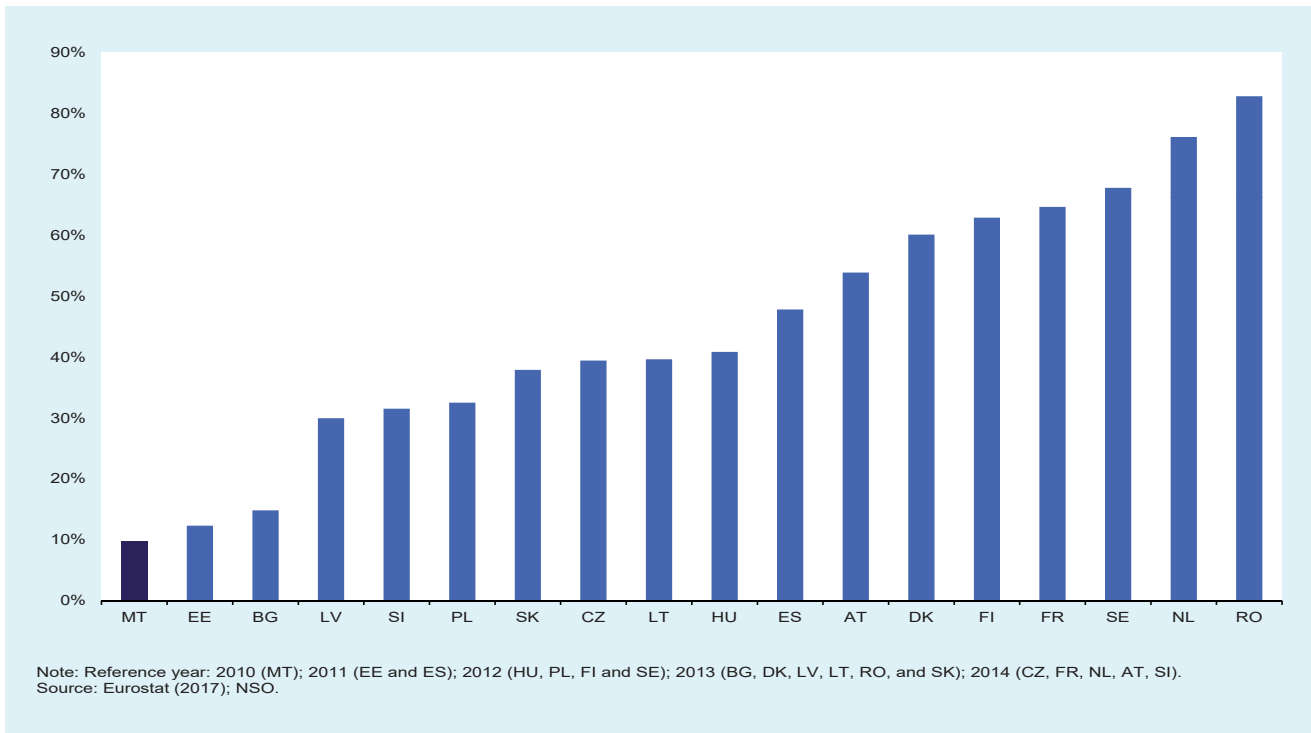


Inbound tourism expenditure may be added to domestic tourism expenditure in order to derive the internal tourism expenditure. Domestic tourism in Malta (TSA-Table 2) may be considered a trivial aspect of tourism expenditure as it accounted for just 9.8 per cent (€112.2 million) of total internal tourism consumption. This proportion is relatively low compared to the same tourism typology of other European countries.

<sup>6</sup> In this case, referring to visitors arriving by cruise liners.



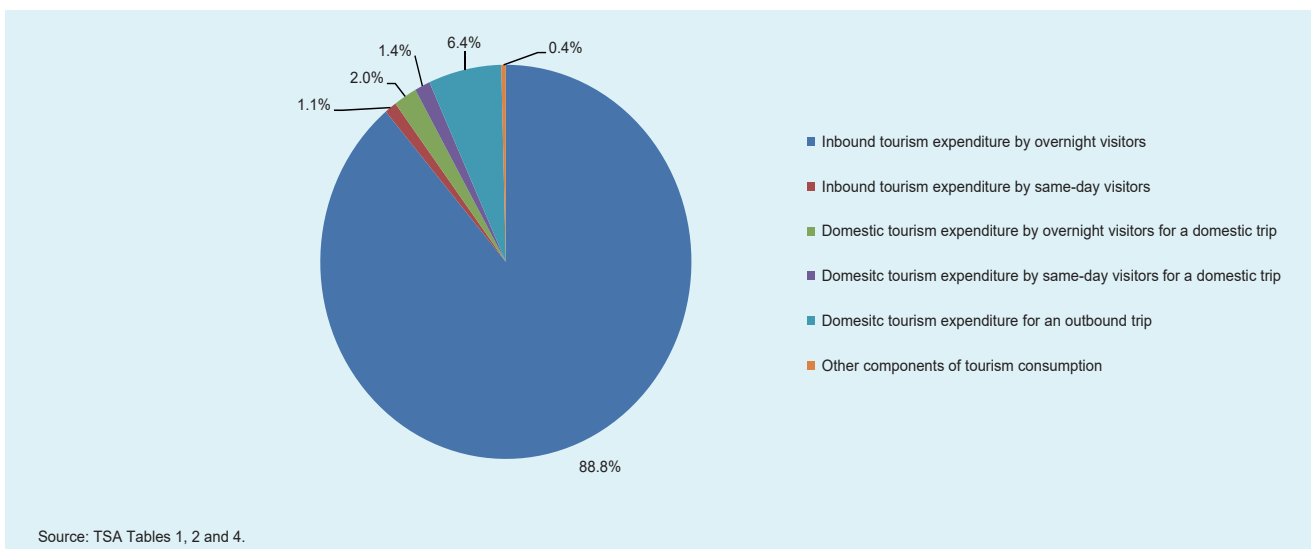
**Chart 2. Proportion of domestic tourism to total internal tourism consumption in the EU**



The relatively low volume of domestic tourism expenditure in the Maltese Islands was additionally dominated by resident expenditure for outbound trips (€73.1 million, or 65.1 per cent of total domestic tourism expenditure). Such a feature reveals the triviality of actual domestic trips (€39.1 million) which accounted for 34.9 per cent of domestic tourism expenditure or 3.4 per cent of internal tourism expenditure (Chart 3). This can be explained by the geographical reality of Malta, where only Maltese residents visiting Gozo for leisure are considered.

The other components of tourism consumption are added to the internal tourism expenditure to arrive at the total internal tourism consumption (TSA-Table 4). Other components of tourism consumption consist of imputed rents<sup>7</sup> of owner-occupied vacation dwellings. These amounted to €4.5 million (0.4 per cent of total internal tourism consumption).

**Chart 3. Breakdown by category of internal tourism consumption: Malta 2010**



<sup>7</sup> For more details about imputed rents methodology in Malta refer to the GNI Inventory (NSO, 2014).

The values of outbound tourism expenditure do not feature in internal tourism consumption and as such are not relevant to Tourism GDP as these represent economic activities supplied by other countries. During 2010, the outbound tourism expenditure amounted to €190.0 million (TSA-Table 3).

The items which accounted for the biggest portion of internal tourism consumption were as follows:

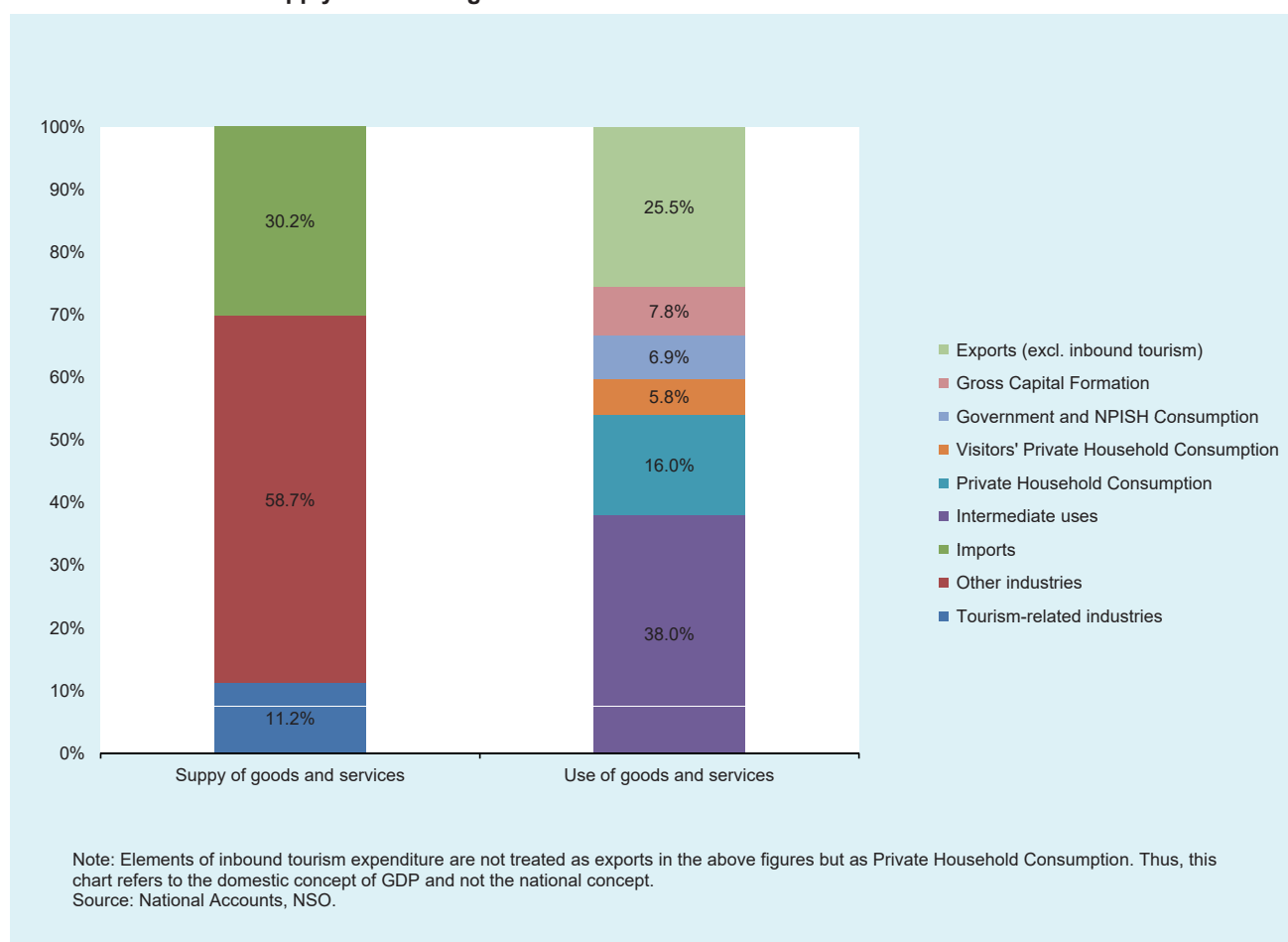
- Food and beverage serving services (€275.5 million or 24.0 per cent of total internal tourism consumption)<sup>8</sup>;
- Air and water passenger transport services (€260.4 million or 22.7 per cent of total internal tourism consumption);
- Accommodation services (€243.0 million or 21.1 per cent of total internal tourism consumption).

These three specified core tourism services accumulated over €778 million, making up over two-thirds of the total internal tourism consumption during 2010. Internal tourism consumption in Malta was dominated by inbound tourism and through a different perspective, was also dominated by overnight visitors.

### Supply Tables and Reconciliation

The supply of goods and services in Malta during 2010 amounted to just over €19 billion<sup>9</sup>, with 11.2 per cent generated by tourism-related industries, while a further 30.2 per cent supplied via imports.

**Chart 4. Profile of the supply and use of goods and services in Malta: 2010**



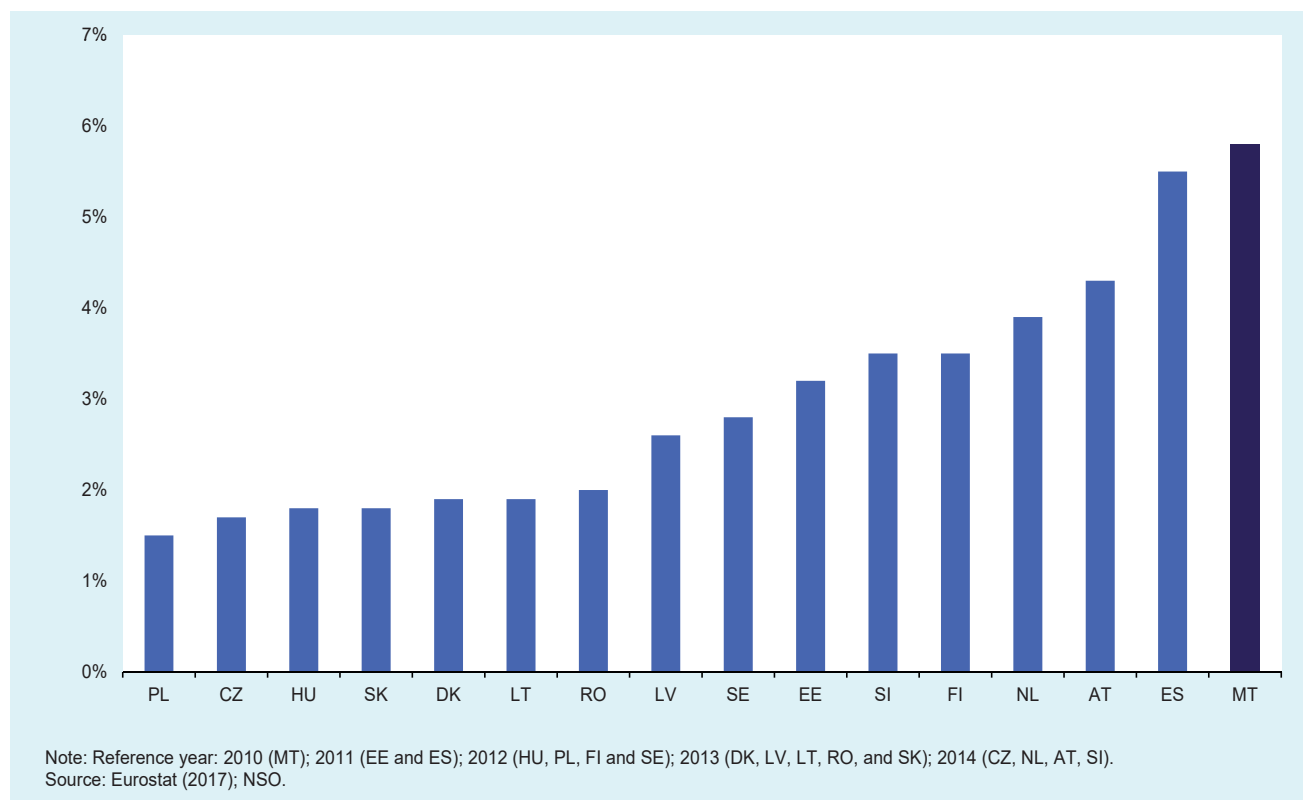
Total internal tourism consumption absorbed 5.8 per cent of the total supply in the economy (TSA-Table 6)<sup>10</sup>. This ranked the highest when compared to the other EU countries that submitted their TSA results to Eurostat (2017).

8 This group of services includes meals and beverages served in restaurants, take-aways, bars and similar establishments, including bars and restaurants within hotels.

9 Values at basic prices. Values in the TSA may vary slightly from the SUT (NSO, 2016) due to the methodological discrepancy in the field related to Tour Operators between the TSA and ESA.

10 This percentage is referred to as the 'tourism ratio'.

**Chart 5. Tourism ratios in the EU**



When the total amount of internal tourism consumption is distributed across all economic agents that supply each particular product using the symmetric approach<sup>11</sup>, the portion of internal tourism consumption purchased from domestic producers amounted to €942.3 million. The latter value (at basic prices) represents 82.0 per cent of total internal tourism consumption (at purchasers' prices) and accounts for 7.0 per cent of the total domestic supply of the Maltese economy. When compared to other European countries, the portion of domestic output produced by industries in Malta to meet the demand of visitors is also relatively high.

The symmetric approach is also applied to estimate the intermediate inputs required to produce €1 worth of output per industry, irrespective of the product produced. In other words, the value of tourism output generated by each industry is allocated a value of intermediate inputs in proportion to its respective total by industry. This procedure allows for the estimation of tourism intermediate consumption, which is an important substance for deriving Tourism direct Gross Value Added (TGVA).

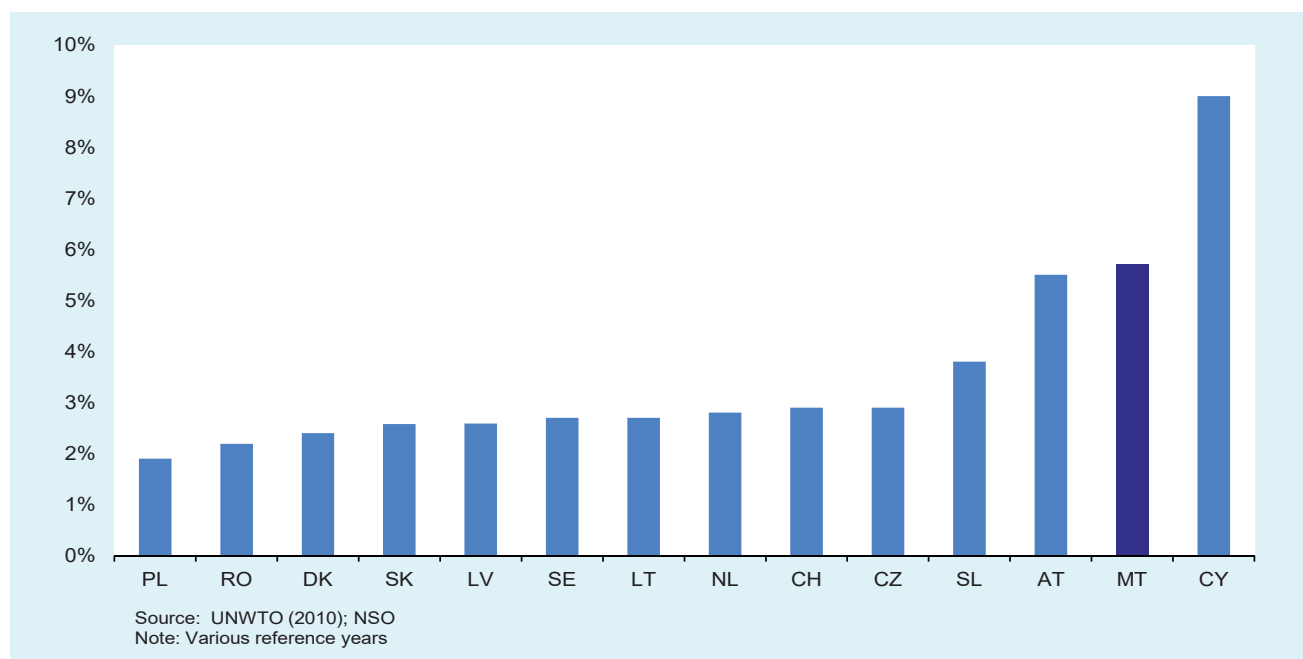
For the reference year 2010, the tourism intermediate consumption amounted to €611.2 million<sup>12</sup>. Consequently, the TGVA amounted to €331.1 million, which is equivalent to 5.7 per cent of total economy GVA. When the effect of taxes and subsidies is added to the TGVA and compared to the GDP of Malta, during 2010, TGDP accounted for 6.1 per cent of the total economy.

The striking step-down from the 7.0 per cent tourism output to the 5.7 per cent of TGVA is the result of a higher-than-average intermediate consumption to output ratio of the tourism satellite industry. This relatively high ratio could be particularly observed in the air and water passenger transport industry, while the step-up from the 5.7 per cent TGVA to the 6.1 per cent TGDP reflects the higher proportion of tax gathered from services which visitors typically consume. Thus, using this observation, visitors are taxed relatively more when compared to other categories of final consumers.

<sup>11</sup> The symmetric approach refers to a conceptual mechanism where each good or service consumed by visitors is distributed proportionally according to the supply of each and every industry (including Imports) of each respective product.

<sup>12</sup> The value of intermediate consumption could be further broken down into either indirect tourism flow-on effects or economic leakages. This breakdown, however, goes beyond the scope of the TSA.

**Chart 6. Tourism direct Gross Value Added shares across different countries in the EU**



**Table 8. Comparison of GVA shares of different economic activities in Malta: 2010**

Industry	% share
Gambling and Betting Activities	7.9%
Public Administration and Defence; Compulsory Social Security	6.1%
Real Estate Activities	6.0%
Education	5.8%
Financial Service Activities, except Insurance and Pension Funding	5.7%
Wholesale Trade, except of Motor Vehicles and Motorcycles	5.3%
Human Health Activities	4.6%
Retail Trade, except of Motor Vehicles and Motorcycles	4.5%
Warehousing and Support Activities for Transportation	3.8%
Manufacture of Computer, Electronic, Optical Products and Electrical Equipment	3.2%
Accommodation	2.8%
Construction of Buildings	2.6%
Computer Programming, Consultancy and Related Activities	2.3%
Telecommunications	2.2%
Food and Beverage Service Activities	1.9%
<b>Tourism</b>	<b>5.7%</b>

Source: National Accounts, NSO

During 2010, the largest 15 industries in Malta accounted for over 60 per cent of the total economy. The tourism satellite industry, which accounted for 5.7 per cent of the country's GVA can be compared with the value added contribution of industries such as real estate activities<sup>13</sup>, the government-affiliated public administration, defence and compulsory social security industry, the education industry, and the industry involving financial services activities except insurance. The gaming industry remains the largest in terms of direct value added to the economy.

<sup>13</sup> Real estate activities include imputed rents of all owner-occupied dwellings in Malta.

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