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ANALYSIS OF AVAILABLE DATA ON TOURISM

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ANALYSIS OF AVAILABLE DATA ON TOURISM

INTERNATIONAL TRADE IN SERVICES :

ANALYSIS OF AVAILABLE DATA ON TOURISM

Luxembourg, July 16, 1986

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FOREWORD

This document has been edited by Servaas DEROOSE and Marco LANCETTI of the Balance of Payments Section of EUROSTAT. The editors are very grateful to Dr. Michel STUBBE of the Centre Universitaire de Recherche Européenne et Internationale (CUREI) of the Université des Sciences Sociales de Grenoble, at the time external expert at Eurostat. The present report is a revised and extended version of its final study.

The editors also thank the other staff members of the section for their valuable assistance.

PREFACE

In perusing this report the reader should keep in mind that the approach followed in this report is almost exclusively statistical and methodological. The report aims primarily at collecting data and examining their consistency and comparability. The analysis of the recorded phenomenon could have been much more developed. Here the text is strictly confined to explain the tables and to highlight most striking findings. Obviously, the reproduced tables comprise much more valuable information for the interested analyst.

MAIN CONCLUSIONS

CHAPTER 1 : ECONOMIC IMPORTANCE OF TOURISM IN EUR 10

International tourism is an economic activity of considerable importance within EUR 10, albeit its economic significance is difficult to grasp with existing databases. In many cases it is amalgamated with domestic tourism. Moreover, the branch tourism is difficult to isolate from other economic activities, such as e.g. transportation.

Despite all data deficiencies, some broad findings can be reported, indicating somehow the economic significance of (international) tourism:

- The branch "Lodging and Catering" represents 2 % of gross domestic product in EUR 10. This share remains very stable over time. The countries in which figures differ most widely from the Community average are on the one hand Belgium with 2.9 % and on the other hand Denmark (1.1 %) and Germany (1.3 %);
- On average 3.3 % of total employment is localized in "Lodging and Catering". Furtherst remote from EUR 10 average are the UK with 4.3 % and Denmark with 4.9 %. Comparison of employment with value added does presume a relative low labour productivity, differing widely from country to country, however;
- Statistics on gross fixed capital formation are rather scarce . Available figures reveal rather low shares.
- Expenditures on international tourism constitute a relative important part of total national private consumption with 2.5 %. France (1.4 %) and Italy (0.7 %) are the countries in which international tourist spendings are modest relative to final private consumption; they are highest in Ireland (4.3 %). In general, international travel spendings show a faster growth rate than other consumer expenditures.

The item "Travel" occupies a prominent position in the balance of payments. At EUR 12 level travel receipts account for 22.9 % of tradable services exports and 5.3 % of total goods and services exports; travel expenditures account for 24.2 % of tradable services imports and 5.0 % of total goods and services imports. These shares remain relatively stable over time. The EUR 12 percentages mask, however, wide differences among Member States. In a few cases real dependency on travel receipts is noticeable (the Mediterranean countries and Ireland, representing on average 20 % of tradable services exports), whilst in other cases large deficits emerge (Germany and the Benelux).

One of the most striking features of tourist activity is the strength of the seasonal pattern. Two sets of data are available to assess this phenomenon: monthly statistics on nights spent in hotel accomodation and quarterly travel receipts and payments. For nights spent as for receipts and payments a very smooth seasonal pattern is discernible, which takes off in the second

quarter, attaining its top value during summer and reaches its floor level in winter.

The seasonal dispersion is also strongly pointed out by the coefficient of variation. Where the coefficient tends to zero in the case of a regular distribution, it approximates 50 % over the period 1980-1984, in e.g. the case of statistics on nights spent.

CHAPTER 2 : EXTRA-EUR 10 INTERNATIONAL TRAVEL ACCOUNT

The proportion of extra-EUR 10 travel in total travel trade has risen over the period 1979-1984 from 50 % to 55 % in the case of receipts, and from 53 % to 57 % in the case of expenditures. Again, EUR 10 percentages disguise some marked variations between countries: extra-EUR travel receipts account for 77.2 % of total travel in the UK and only 35.6 % in Italy, whilst for expenditures France has the highest share, 68.6 % and Italy the lowest, 36.3 %

The extra-EUR 10 travel account is characterized by pronounced deficits throughout the 1970s and the early 1980s. The net import position peaked in 1981 and declined from then on to reach nearly equilibrium in 1984. Therefore, the tourist account has had a destabilizing impact on extra-EUR 10 balance of payments, by enhancing the deficit. It is expected that EUR 12 will report a significant surplus on its travel account. A simulation, based on 1984 figures, projects for 1984 an improvement in the travel balance by almost 10 mrd ECU.

Geographically, the extra-EUR 10 travel account displays a relatively stable pattern. During the period concerned external travel receipts originated widely from the US and OECD-rest (excluding US, Japan, Spain and Portugal), both accounting for around 37 %. Payments, instead, were oriented to OECD-rest (+ 40 %), Spain+Portugal (+ 21 %) and the US (+ 15 %).

The deficit of the Community is due to the net travel import position of mainly Germany and to a lesser extent of the Benelux, more than offsetting the positive results of mainly Italy, the UK and France.

CHAPTER 3 : INTRA-EUR 10 INTERNATIONAL TRAVEL MARKET

After completing the data by means of estimations and adjustments for imperfect statistical registration, the following findings can be reported regarding intra-EUR 10 international travel:

- Viewed geographically, EUR 10 as destination earns most from tourists residing in Germany (41 %), its share being more than three times that for France, the UK and the Netherlands, all three accounting for more or less 12 %. Undoubtedly, Germany is by far the most important international tourism generator within the European Community.

- The Community tourists spend most in Italy (28 %), next in France (21 %), and then successively in Germany, the UK, the Netherlands, the BLEU, Greece, Denmark and Ireland.

- Intra-EUR 10 travel flows induce a flow of funds from richer to comparatively less well off countries/regions of the European Community. According to the estimates, German residents spend almost five times as much in Italy as Italians do in Germany, e.g.

INTRODUCTION

International tourism is among the subjects which have been attracting major interest in recent years both in the Member States as in the European Commission. The economic importance of (international) tourism, which justifies this interest and the present report, is highlighted in the first chapter. Trying to assess the economic importance of tourism by means of traditional statistical databases is a frustrating experience. Tourism is very difficult to isolate as an economic activity, unlike agriculture, textile or banking, since it is linked in various ways to many other branches of the economy. A few branches may actually be considered as "tourist industries" such as "Lodging and Catering", but there are also important "tourism related branches" as "Transportation" and "Communications". On the other hand, the personnel employed in tourist businesses is difficult to determine as i.a. a lot of lodging and catering services are family runned and many jobs are only seasonal. As a consequence the information available on tourism in the current databases is fragmentary and raises several methodological problems. Consequently, the branch "tourism" has to be analysed cautiously, even when only the direct effects (i.e. not to speak about the induced effects and the multiplier effects) are taken into consideration.

The conventional databases with information on tourism are the Balance of Payments (BoP) and the National Accounts (NA). Supplementary statistics (e.g. on nights spent) allow to acknowledge an important bottle-neck in the tourist branch: the strong seasonal pattern of the activity. This will be analysed in the third paragraph of chapter 1.

The most detailed data will appear to be the international travel trade data of the Balance of Payments, since Eurostat collects from all Member States annual data for the detailed geographical breakdown of the Balance of Payments. These data are available from 1979 on. They will be analysed in two times: in the second chapter the external international travel trade of the Community and in the third chapter the international travel trade internal to the Community.

The detailed analysis of extra-EUR 10 travel trade will in turn be proceeded in two steps. Firstly, the Community will be considered as a whole and its travel trade results with the "rest of the world" will be examined. In the second step these results will be considered as given and the position of the Member States in the external travel trade performance will be analysed. At that stage of the analysis it will be suggested that the future extra-EUR 12 travel trade balance will show results markedly different from the extra-EUR 10 balance. An appraisal of this difference will be attempted.

A worth mentioning distinction between extra-EC and intra-EC travel statistics is the availability for the latter of a double set of data of the trade flows, so that bilateral balances can be constructed. On the one hand, there are the exports and the

imports declared by Member State A with the partner country Member State B, and on the other hand the corresponding imports and exports declared by Member State B with the partner country Member State A. This enables the construction of matrices contrasting trade flows as recorded by both partners. In principle both transactions carried out between the two countries should be declared by both in the same item -in this case "Travel"- and period and at the same value either in credit(+) or in debit(-) . Thus at a world, an intra-regional or a two-country level the sum of declared expenditures on and the sum of declared receipts from travel trade should be equal. In fact this is not the case, which puts forward the problem of asymmetries and of possible equilibrating adjustments.

Another problem is that of missing values. Since in principal two sources should be available for one flow, this problem can be remedied by means of estimations, if the travel flow is recorded by at least one country.

The methodology of both the asymmetry adjustment and the estimations of missing values can be found in the annex to chapter 3 . However, since the asymmetry problem is important, the first section of the chapter will deal with it before in the second section the final results of the analysis will be examined: the intra-EUR 10 travel matrix.

As it will already be clear from this introduction, the scope of the study is essentially confined to EUR 10, pursuant both to the fact that the bulk of the work has been done in 1985 and to the lack of reliable figures for EUR 12. Nevertheless, where available, figures for the new Member States, Spain and Portugal, are also recorded and commented.

CHAPTER 1 : THE ECONOMIC IMPORTANCE OF TOURISM IN THE COMMUNITY ECONOMY

Promoted by the World Tourism Organisation (WTO) and the OECD, experts and statistical services have realized much research work to improve the state of information on tourism. Their recommendations are nonetheless not sufficiently implemented in order to use the results for systematic international comparisons. This is why the approach in this chapter will be more modest, confined to assess the importance of tourism in the Community by picking up the pieces of information available in conventional databases managed by Eurostat and harmonized at the Community level. It will show at least the urgency for improving the data available on tourism by implementing, at an international level, the recommendations resulting from the research efforts. 1/

I : The Balance of Payments

The BoP item "Travel" enables us to appraise the importance of international trade in tourism. The IMF Balance of Payments Manual (4th ed.) defines the balance of payments item "Travel" as follows:

"278. "Travel" covers the goods and services acquired from an economy by the individuals defined below as travellers, during their stay in that economy and to use themselves or give away.
...

"279. A traveller is a person staying for less than one year in an economy of which he is not a resident, for any purpose other than (a) being stationed on a military base or with another government agency of his own government, (b) accompanying a person mentioned under (a) as a dependent, or (c) undertaking a productive activity directly for an entity which is not a resident of that economy".

After these exclusions the Manual lists as types of travellers: (a) business travellers, (b) students and trainees, (c) excursionists, (d) other travellers.

Thus "travel trade exports" are all the goods and services purchased by non-residents during their stay on the economic territory of the declaring country and "travel trade imports" are all the goods and services purchased by the residents of the declaring country during their stay abroad.

It should, however, be remarked that the item "Travel" is not unquestionable. Comparing it between different countries or zones requires caution as from a methodological point of view its substance might sometimes remain relatively unclear in practice. On the one hand, it can contain transactions that are not strictly speaking related to "Travel", e.g. private capital transfers. On the other hand, all resources and payments originating from tourism are not always recorded under this item, as it is for instance the case with international transport

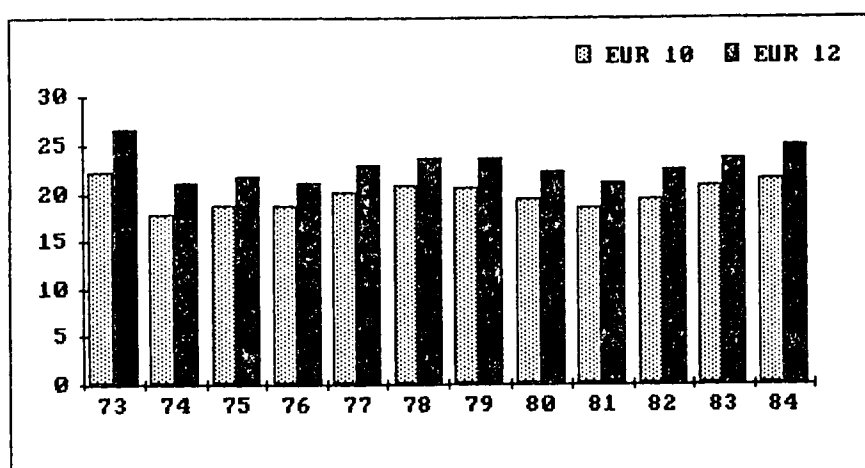
expenditures which several declaring countries attribute to the BoP item "Transport".

Tables 1.0.0 and 1.0.1 of the Annex contain time series going from 1970 to 1984 of the share of "Travel" in total services trade of the Member States, Spain, Portugal, USA and Japan. The tables 1.0.2 and 1.0.3 contain similar series but compare "Travel" to total goods and services trade. Both aspects have to be analysed to avoid accidental misinterpretations due to different structures of the current balance. As such, taking into consideration only the share of "Travel" in total services trade could lead to overstating its importance in the case of a country with a small services trade and a large merchandise trade.

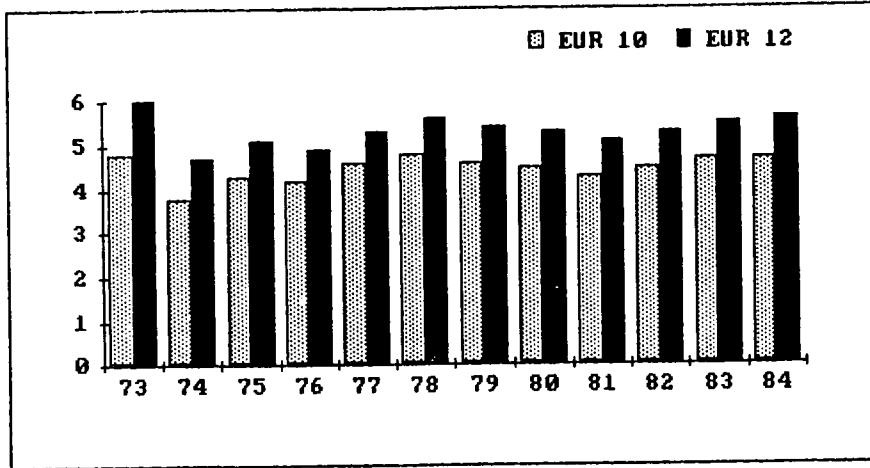
The main features of these tables will be pointed out with the graphs 1 to 8. Graphs 1 to 4 represent the columns EUR 10 and EUR 12 of the tables and graphs 5 to 8 the horizontal line "average 73-84".

The consequences of the second enlargement may be derived from graph 1 and graph 2. "Travel" represents about 20% of EUR 10 services trade and 4.5% of EUR 10 total foreign trade, whilst the corresponding figures for EUR 12 are respectively 22.5% and 5.3%. This means in both cases an increase of more than 10%. In both pictures there is a cyclical pattern for EUR 10 and EUR 12. The shares are high in 1973, decrease strongly in 1974, increase till 1978 included, begin to decrease in 1979 until 1981 and since then increase again, indicating that there must be some relationship between these shares and the business cycle, perhaps with a time-lag. However, trying to explain this phenomenon would require an analysis far beyond the scope of this report.

GRAPH 1 : Share of travel trade exports in tradable services exports (in percentage)

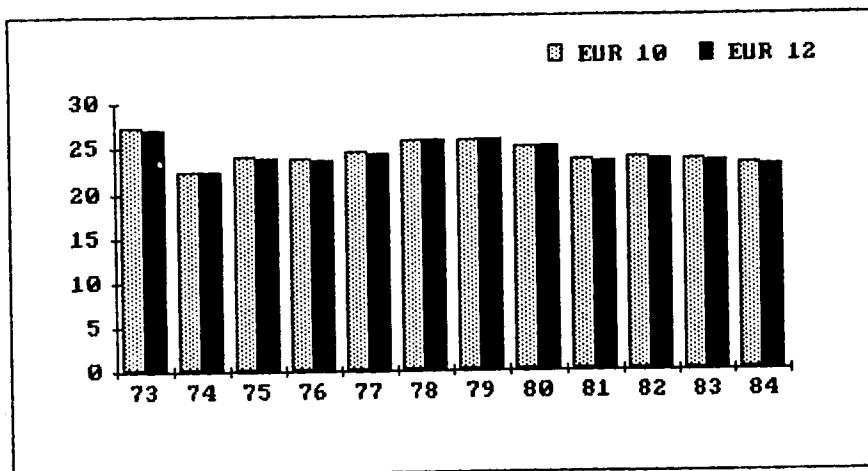


GRAPH 2 : Share of travel trade exports in total exports (%)

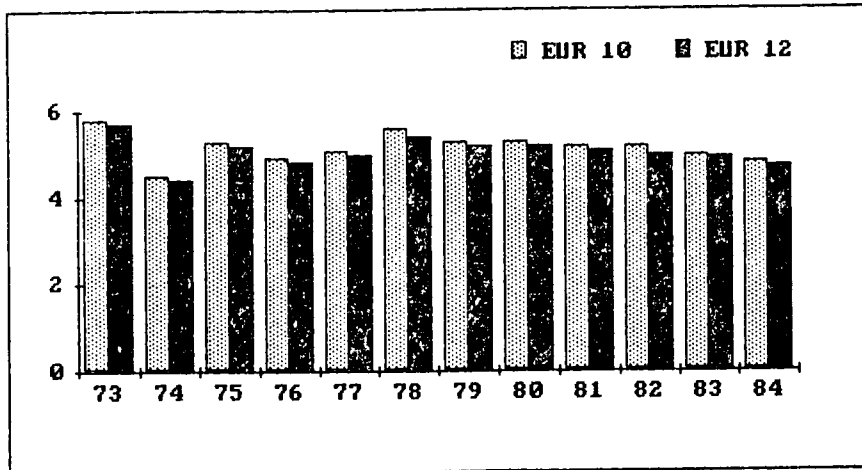


On the import side the enlargement does not seem to exert a significant effect on the share of "Travel", either in tradable services imports or in total goods and services imports. The shares amount respectively to about 24% and 5% for both EUR 10 and EUR 12 (see graph 3 and 4). The cyclical pattern stated above is visible only with respect to the share of travel trade in total trade. The last years, from 1978 on, the import shares seem to have decreased, instead of increasing like the exports, from 1981 on.

GRAPH 3 : Share of travel trade imports in total services imports (in percentage)

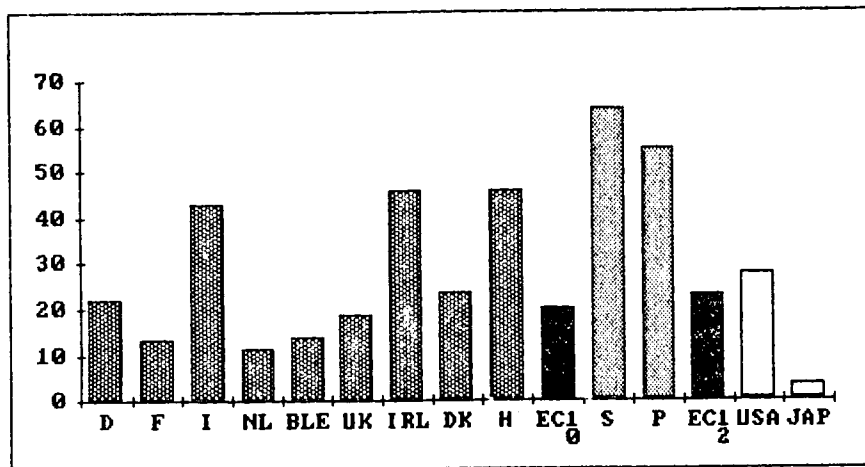


GRAPH 4 : Share of travel trade imports in total imports (%)



The explanation of these characteristics are in part provided by graphs 5 to 8, in which considerable differences between the export and the import side are noticeable. However, both sides have in common that the shares in total foreign trade are larger for EUR 10 and EUR 12 than for USA and Japan, whilst the share of "Travel" in total services exports and imports for EUR 10 and EUR 12 is smaller than for USA and larger than for Japan.^{2/}

GRAPH 5 : Share of travel exports in tradable services exports, average 1973-1984 (in percentage)

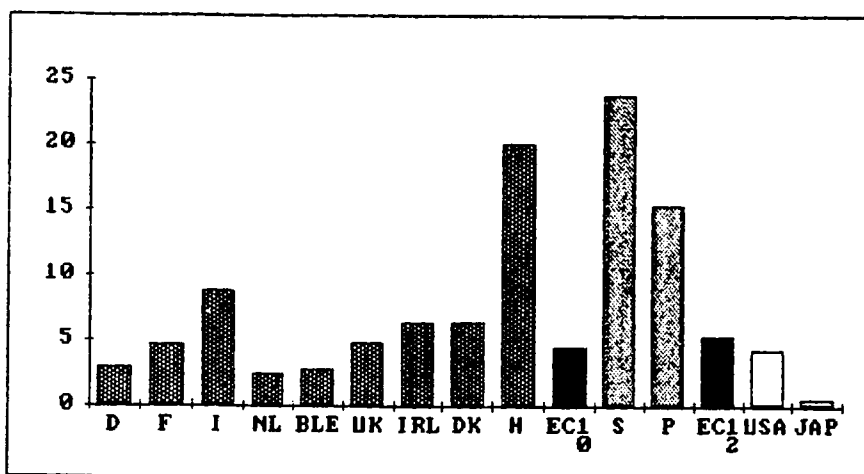


On the export side the Member States can be divided into two groups starting from graph 5. For the first group the importance of travel trade exports in total services exports is high: Italy (42.6%), Ireland (45.9%), Greece (45.5%), Spain (63.5%) and Portugal (55.0%). For the second group the share is smaller than 25%: in descending line, Denmark (23.6%), Germany (22.0%), the UK (18.8%), the BLEU (13.6%), France (13.4%) and the Netherlands (11.1%). The

difference between EUR 10 and EUR 12 reveals large figures for Spain and Portugal, with respectively 43.6 and 25.1 percentage points above EUR 10 average.

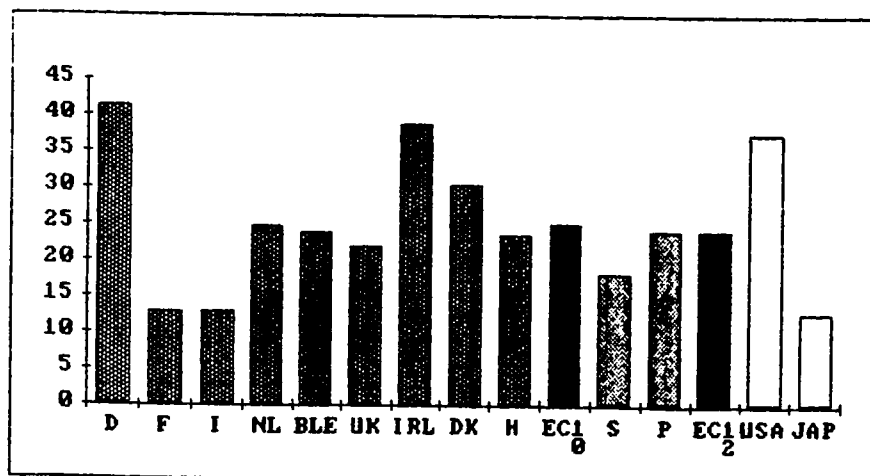
The share of travel trade exports in total exports (graph 6) might indicate which Member States may really be considered as dependent on tourism. Here, in this context Italy and Ireland have joined the group of countries less dependent on travel (shares less than 10%). The Spanish (23.9%), the Greek (20.1%) and the Portuguese (15.4%) economic situation appear to be very dependent on receipts from international travel. Spain e.g. earns nearly one quarter of its foreign trade resources from travel.

GRAPH 6 : Share of travel exports in total exports,
average 1973-1984 (in percentage)



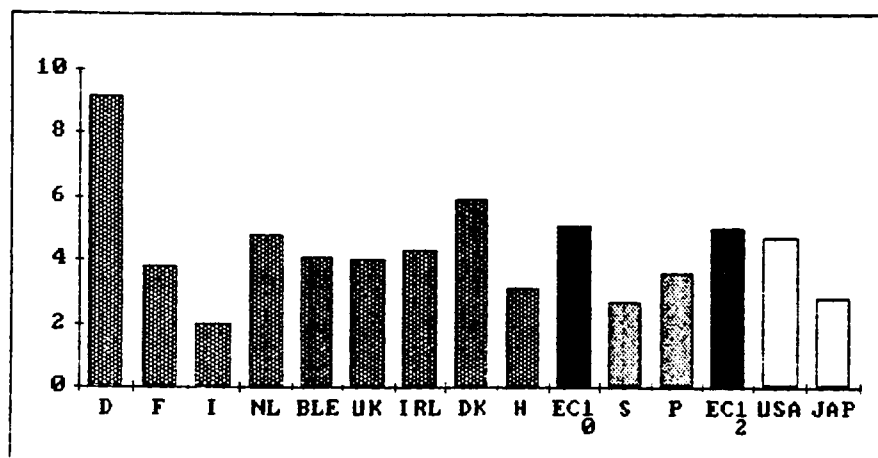
On the import side, the share of "Travel" in total services imports divides the Member States into three groups (see graph 7). A first group has shares higher than 30% : Germany, Ireland and Denmark. A second group contains two countries with shares smaller than 15% : France and Italy. The other Member States are in the third group with ratios between 15% and 30% .

GRAPH 7 : Share of travel imports in tradable services imports,
average 1973-1984 (in percentage)



The dispersion diminishes in the case of the share of travel trade imports in total imports (graph 8). Only Germany has still a very large share of about 9%, Italy records the smallest share, 2%. The other Member States reports rather identical shares, varying between 3.1% and 5.8%.

GRAPH 8 : Share of travel imports in total imports,
average 1973-1984 (in percentage)



II : The National Accounts.

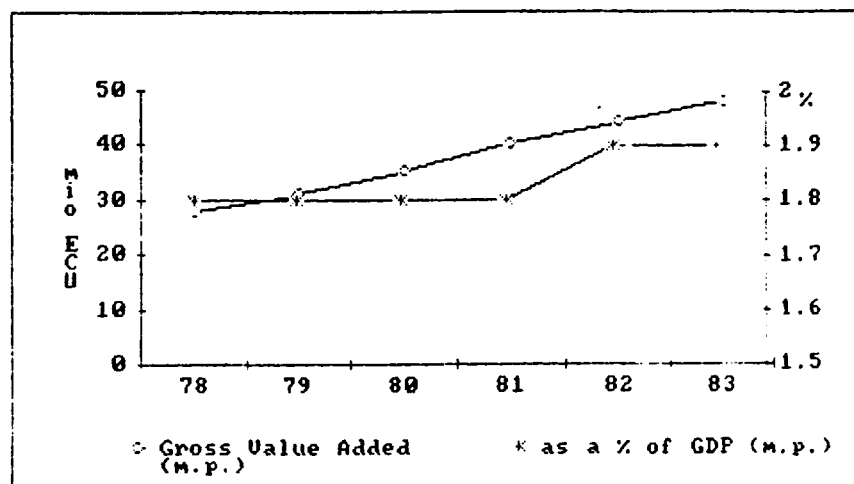
The European System of Accounts (ESA) comprises data disaggregated at two digits by branch of economic activity. On the production side tourism is not an explicit branch in the ESA since only one branch directly, even if not completely, related to tourism is distinguished: "Lodging and Catering". This is a consequence of the particular nature of tourist activity emphasized in paragraph 1. A larger disaggregation of the branches, i.e. at least at three digits level could be recommended. On the consumption side the breakdown of the "Final Consumption of Households on the Economic Territory, by purpose" contains the items "Expenditure in restaurants, cafés and hotels" and "Packaged Tours" but there are many missing values and both items are often aggregated with other items. On this side too, therefore, much work has still to be done.

To appraise the state of the database and to try to assess the importance of tourism at least on the production side, tables 1.1.0, 1.1.1 and 1.1.2 of the annex comprise information respectively on Gross Value Added, Employment and Gross Fixed Capital Formation of the branch "Lodging and Catering Services". Again these tables are summarized in corresponding graphs which will be examined in the following sections. Unfortunately, this database is not very up to date.

A. Production

In graph 9 the evolution of Gross Value Added at market prices of "Lodging and Catering" between 1978 and 1983 of EUR 7, including Germany, France, Italy, the Netherlands, Belgium, Denmark and UK is represented in mrd current ECU.

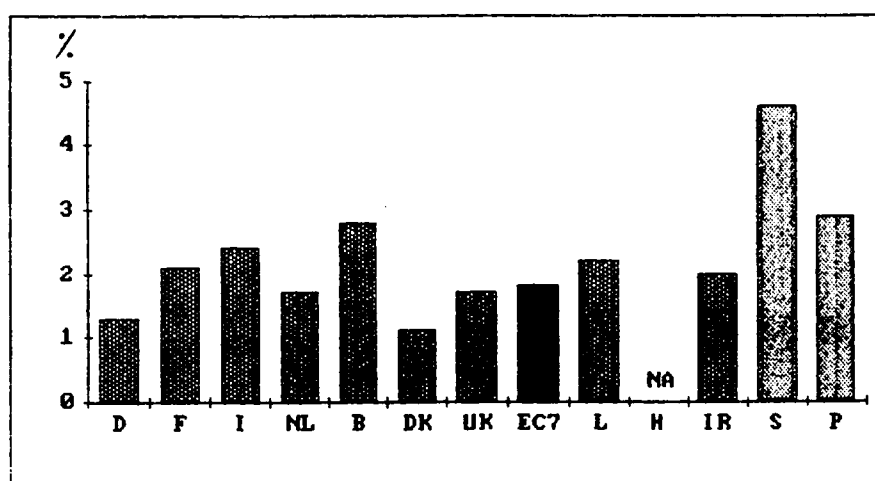
GRAPH 9 : Gross value added of Lodging and Catering



A very regular increase can be seen. However, when nominal growth is compared to the nominal growth of Gross Domestic Product, "Lodging and Catering" does not appear to be a very dynamic branch as its share in GDP remains stable from year to year at slightly less than 2%. In real terms the available figures are still less favourable (table 1.1.0). Compared with global growth of the economy, from 1978 to 1981 real production in "Lodging and Catering" decreased in France (-5%), and the UK (-4%), stagnated in Luxemburg (-1.1%), Denmark (+0.9%) and Germany (+2.5%) and increased only in Belgium (+8.2% ,i.e. +1.9% per annum) and Italy (+11.4% ,i.e. +2.7% per annum). This implies at the EUR 7 level -and probably more generally- that the constant share of Lodging and Catering in nominal GDP is rather due to price increases than to volume effects.

Graph 10 outlines the share of "Lodging and Catering" in total production of the Member States.

GRAPH 10 : Gross value added of Lodging and Catering in percentage of GDP, average 1978-1984

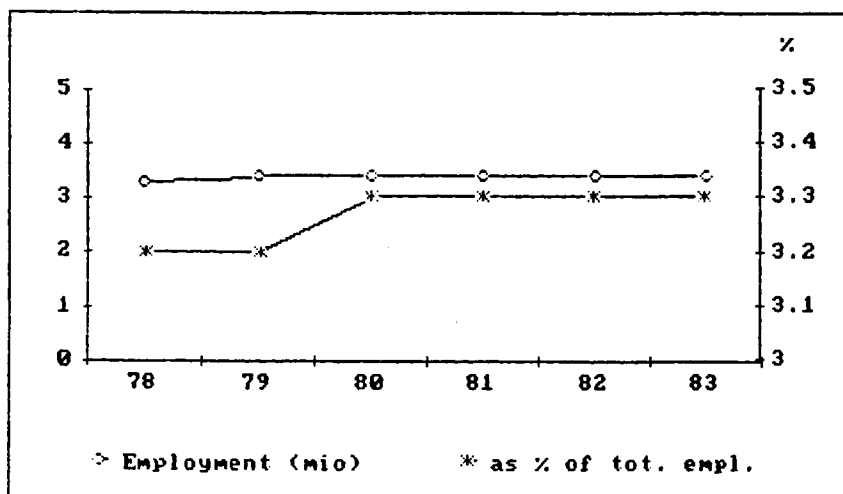


Three groups can be distinguished. In the first group the average over 1978 to 1981 approximates the EUR 7 figure of 2% : France (2.1%), Ireland (2.0%) and Luxembourg (2.2%). The average is larger for the second group: Italy (2.4%), Belgium (2.8%), Portugal (2.9%) and Spain (4.6%). In the last group the share is smaller than the EUR 7 average: the Netherlands (1.7%), UK (1.7%), Germany (1.3%) and Denmark (1.1%). No data are available for Greece; its share may be assumed to be relatively high. In all the Member States, except Italy and Spain, the shares are stable over time. In Italy it rose from 2.4% in 1978-1980 to 2.8% in 1982-1983 and in Spain from 4.4% in 1978 to 4.9% in 1981.

B. Employment and labour productivity 3/

From 1978 to 1983 employment in "Lodging and Catering" in EUR 7 remained very stable at a level of 3.4 mio jobs, which was continuously slightly more than 3% of Total Employment (graph 11).

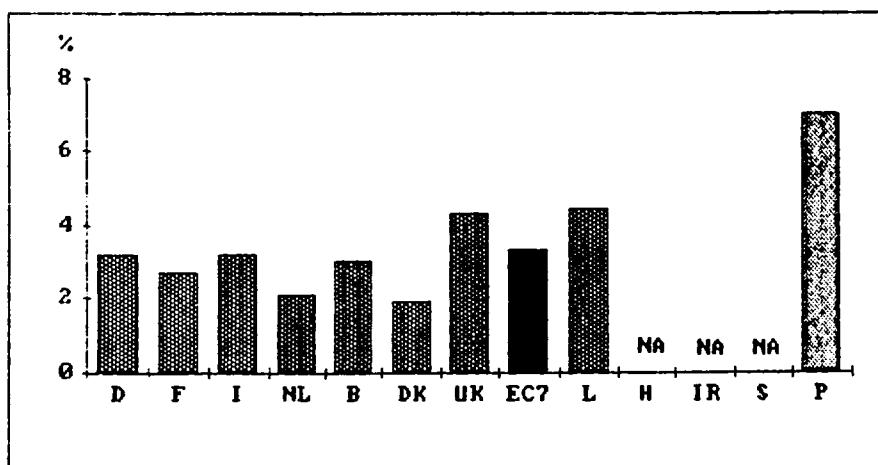
GRAPH 11 : Employment in "Lodging and Catering" (in millions)



Taking into account the share of the branch in Total Production (a stable 2%), one can conclude that nominal labour productivity of "Lodging and Catering" has remained stable at a level well below overall economy average for EUR 7. This stability is mainly due to structural reasons, since the operating and the seasonal pattern of the activity cause labour hoarding ("hidden unemployment"). An extreme example is provided by the high share of "Lodging and Catering" employment in total employment in Portugal, around 7%.

According to the share of employment in "Lodging and Catering" in total employment the Member States can be divided into three groups (see graph 12). In the first group the share is well above the average: UK (4.3%), Luxembourg (4.4%) and Portugal (7%); in the second the share approximates it: Belgium (3%), Germany (3.2%) and Italy (3.2%) and in the last group it is below the average: France (2.7%), the Netherlands (2.1%) and Denmark (1.9%). Again the shares seem to be very stable. No data are available for Greece, Ireland and Spain.

GRAPH 12 : "Lodging and Catering" employment in percentage of total employment, average 1978-1984

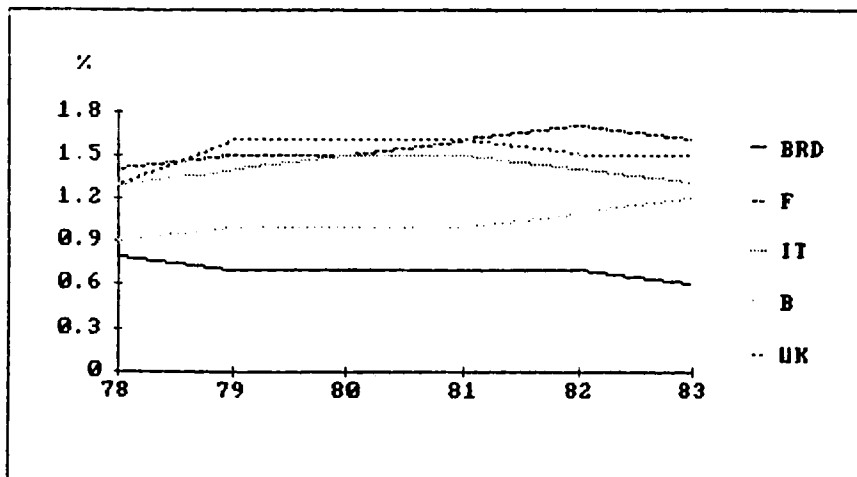


For several Member States the development of real labour productivity of the branch "Lodging and Catering" can be approximately evaluated by comparing production figures with employment figures. This evolution is likely to be favourable in Italy and Belgium (high real growth; medium employment share), while it is likely to be unfavourable in the UK and Luxembourg (real growth decreases; high employment share). The intermediate cases are Denmark, France and Germany, where growth and employment figures seem to indicate a moderate and no significant changing labour productivity.

C. Gross Fixed Capital Formation (GFCF)

Here the problem of missing values is very acute, as even an EUR 7 figure is not available. As a consequence, graph 13 displays only for a few Member States the share of GFCF of "Lodging and Catering" in Total GFCF, and that for the years 1978 to 1983. The average is slightly above 1% and remains stable. This implies that the investment quota of the branch is probably lower than that of the economy in the Member States considered, but this can not be verified yet. There are two groups: in Germany and in Belgium the share is lower or nearly equal to 1% , in the former slightly declining and in the latter slowly increasing. The second group has shares fluctuating between 1.2% and 1.7% and comprises the UK, France and Italy. As far as the available data allow to assess, there is no country where the investment quota might be considered as high.

GRAPH 13 : Gross fixed capital formation in "Lodging and Catering" in percentage of total gross fixed capital formation



III. The seasonal pattern of tourist activity

One of the most critical problems in the tourist branch is the strength of the seasonal pattern of the activity. The concentration of school and business holidays over a small period of the year - which is virtually common in all the Member States - causes saturation in the transport and tourist infrastructure during this time and under-utilisation during the rest of the year. This largely varying occupation can harm the tourists themselves, is inconsistent with an efficient allocation of production factors and creates the problem of unstable employment and prices. The monthly statistics on nights spent in hotel accommodation and the quarterly Balance of Payments data allow to assess this phenomenon and eventually to feed back policy intervention. Quarterly travel data are analysed first, owing to the fact that this data set is complete and provide in all likelihood more reliable information. To pinpoint the seasonal pattern of the tourist activity monthly data on nights spent in hotel accommodation, which include "domestic tourism", could, however, be a valuable complementary source of information. These data are therefore treated in second stance.

As indicator for the seasonal dispersion of tourist activity the coefficient of variation has been selected in this study. ^{4/} Regardless of their magnitude, when travel receipts and expenditures (or nights spent) are distributed very regularly over the year, the coefficient tends to zero. On the contrary, the more they are concentrated in a small part of the year the more the coefficient grows and tends to 100 % . The coefficient may even exceed 100 % when applied to figures with an opposite sign. This coefficient is thus an easy indicator of the repartition of tourist activity over the seasons, unbiased by the size of the country. The objective is that it should be as low as possible.

A. Balance of Payments Quarterly "Travel" Data

These data, sampled in table 1.2.0 of the annex of this chapter, give a first indication of the seasonality problem. The table consists of three parts: one for the credits, one for the debits and one for the nets. At the bottom of each part of the table the yearly coefficient of variation can be found.

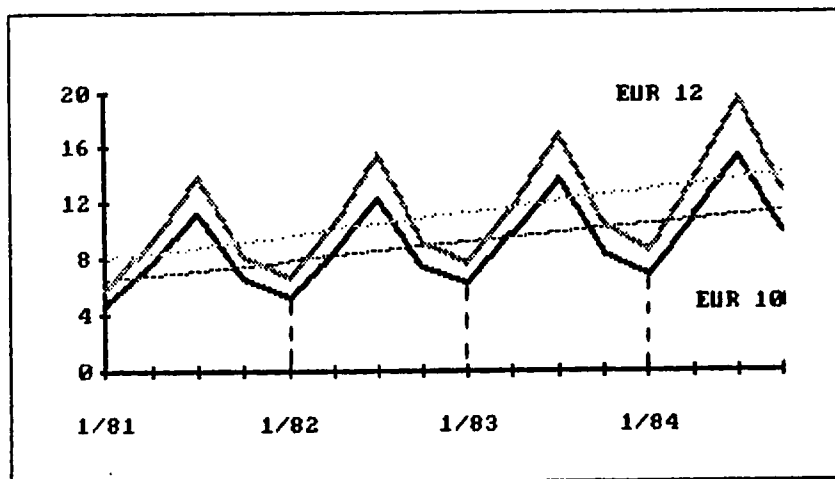
There are no significant differences between the EUR 10 and the EUR 12 coefficients: both are equal to slightly more than 30% for the credits, as well as for the debits. Concerning the credits, Germany, France, the Netherlands and the BLEU are below the average; the UK, Denmark, Spain and Portugal approximate it and Italy, Ireland and Greece are superior to it. The Mediterranean countries appear to score a rather higher coefficient of variation since they are the traditional destination countries in Summer. A policy to balance the flows would thus in the first place be beneficial to them.

Concerning the debits the composition of the groups is different, but again relatively consistent with the fact that a country is a particular departure -in which case the coefficient of variation is rather high- or destination location -in this

case the coefficient is rather low . The group of countries below the average consists of France, Italy, BLEU, Denmark, Greece, Spain and Portugal. The group with a coefficient nearly equal to the average consists of Germany and the Netherlands and the group with a very high coefficient is composed of the UK and Ireland.

The analysis over time can be applied to the representative cases of EUR 10 and EUR 12. Graph 15 gives the case of the credits. The level of EUR 12 is constantly much higher than the level of EUR 10 (see above) and it has a slightly steeper rising trend than EUR 10 while the seasonal evolution of both is completely parallel.

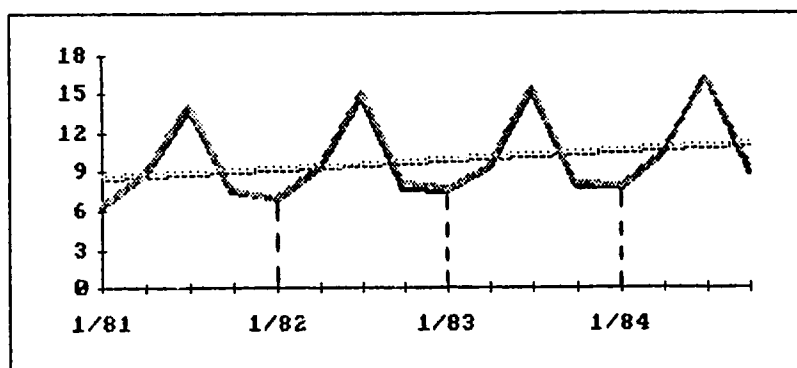
GRAPH 14 : International travel receipts (in mrd ECU)



On the other hand graph 16 represents the debits, in which case there is no significant difference between EUR 10 and EUR 12, the evolution of the trend included. Here again, the seasonal pattern -as a particular feature of tourist activity- is demonstrated.

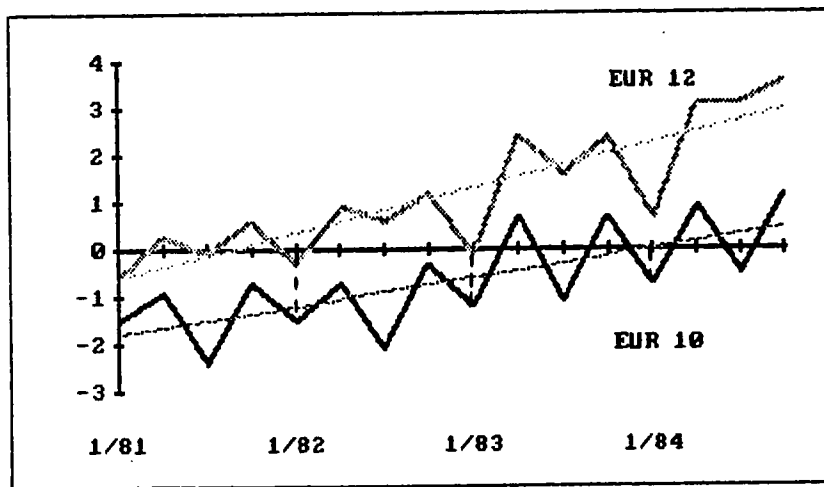
The yearly travel trade cycle of both imports and exports takes off in the second quarter of the year and is at its top in the third quarter i.e. in Summer. In Autumn decline begins and the floor is reached in Winter, i.e. the first quarter of the next year.

GRAPH 15 : International travel expenditures (in mrd ECU)



Lastly, graph 16 shows the evolution of the nets. This evolution is cyclical with an amplitude of six months around a rising trend which is steeper in the case of EUR 12 than of EUR 10. It can also be seen that travel contributes positively to the Balance of Payments of EUR 12, while EUR 10 is in deficit in its travel account, although it gradually tends to equilibrium. Differently, net travel receipts of the new Member States, Spain and Portugal, more than outweigh net travel expenditures of EUR 10.

GRAPH 16 : International travel balance (in mrd ECU)



B. Nights spent in hotel accomodation

An alternative, but complementary presentation of the same phenomenon is given by the statistics on nights spent in hotel accomodation. Six Member States (Germany, Italy, the Netherlands, Belgium Denmark and Greece) provide monthly data on nights spent in hotel accomodation. These data are reflected in table 1.2.1 of the annex of this chapter; likewise containing the calculated coefficient of variation. As these data are important, it is not satisfactory that only six Member States supply them. All Member States should be recommended to provide them.

The coefficient of variation is identical for Germany, the Netherlands and Belgium with an average of around 38 % for the period 1978-1984. It is about 10 percentage points higher in Denmark, it averages 58.7 % in Italy and even 71.3 % in Greece. Since the number of nights spent in Italy is nearly equal to the number in the other countries together the latter has a preponderant impact on EUR 6 average, which fluctuates around 50 %. Even in the case of the first three countries the coefficients are high. Apparently the magnitude of the coefficient is positively related to the importance of tourism for the domestic economic. Hence tourist activity in the Mediterranean countries, Italy and Greece, despite their gentle climate all over the year, is more prone to seasonal fluctuations than in the northern EC-countries.

Over the years the coefficient fluctuates a few percentage points. Generally speaking it was low in 1980 and 1981, likely under the influence of cyclical factors. It has a downward trend in Italy, Belgium and Denmark and no apparent trend in Germany, the Netherlands and Greece.

The graphs 17a to 17g represent the average figures of table 1.2.1 and clearly show the seasonal pattern of tourist businesses. In Winter the number of nights spent in hotel accomodation is low in the six countries. In March it begins to increase and reaches its top level in August. From then on it decreases rapidly -faster than the increase- and reaches in November its "Winter level". The phenomenon is most pronounced in Greece, Italy and Denmark and endows the graphs with a typical skew bell shape. Only in the Netherlands this shape does not appear as the number of nights spent in hotels in this country in April and May is as large as in July and August and much larger than in June. This is probably due to the fact that the tourist activity on the Easter and the Pentecost holidays in this country is already sufficiently intensive to reach full occupancy rates.

GRAPH 17 : Nights spent in hotel accomodation
(average 1978-1984, in millions)

17a : EUR 6

