Training Course on Tourism Satellite Account in Suriname

Session 7

EMPLOYMENT IN THE TOURISM INDUSTRIES & GROSS FIXED CAPITAL FORMATION OF TOURISM INDUSTRIES (TGFCF)

Presented by:
Ms. Kanageswary Ramasamy
Department of Statistics, Malaysia
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Outline – Employment in the Tourism Industries

1. Introduction
2. Single vs. Multiple jobs in tourism Industries
3. Labour Force Survey (LFS) Coverage
4. LFS: Codes & Classification
5. LFS: Concepts & Definitions
6. LFS: Coverage
7. Table 7: Framework
Introduction

What is Employment Tourism in the tourism industries?

Employment is an important dimension in the characterization of tourism and in the acknowledgement of its importance from the productive, social and strategic points of view…
# Labour Force Survey Coverage

## Objective
- to collect information on the structure and distribution of labour force, employment and unemployment

## Frequency
- Monthly
- January - December

## Scope and Coverage
- Coverage
  - Annually
  - National, state, strata (urban & rural)

## Data Availability
- National and state
- Urban and rural
- Annually, quarterly and monthly
Labour Force Survey Coverage

- Covers both **urban and rural areas** of administrative district within all states in Malaysia.

- Cover persons who live in private Living Quarters (LQ);

- **Not include** persons residing in institutional LQs such as hotels, hostels, prisons, boarding houses and construction work site.

- This survey comprises the **economically active** and **inactive population** between the aged of **15 to 64 years**.
Labour Force – Codes and Classification

- National adaption for classification of industry is “Malaysia Standard Industrial Classification (MSIC) 2008”

- National adaption for classification of occupation is “Malaysia Standard Classification of Occupations (MASCO) 2008”

- National adaption for classification of education is highest level of formal education, highest certificate obtained and field of study

- National adaption for classification of status in employment (employer, employee, own account worker, unpaid family worker)
Labour Force - Concepts and Definitions

Population (P)
- Young age (<15)
  - Labour force (LF)
    - Employed
      - Fully employed
      - Under employed
    - Unemployed (UNEMP)
      - Active
      - Inactive
- Working age (15-64)
- Old age (>64)
  - Outside labour force
    - Schooling
    - Housework
    - Disabled
    - Retired
    - Not interested
Labour Force - Concepts and Definitions

**Labour Force**
Labour force refers to those who, during the reference week, are in the 15 to 64 years and who are either employed or unemployed.

**Outside labour force**
All persons not classified as employed or unemployed are classified as outside labour force. (example: housewives, students, retireds, disabled persons and those not interested in looking for a job)

**Working age**
Refers to those who are between 15 to 64 years during the reference week, and who are either in labour force or outside labour force.

**Employed**
All persons who, at any time during the reference week worked at least one hour for pay, profit or family gain.

**Unemployed**
Classified into two groups that is the Actively unemployed and inactively unemployed.
Labour Force - Coverage

**Employed persons** are classified according to the following **employment status**:

- Employer
- Employee (Government/private)
- Own account worker; and
- Unpaid family worker
### TSA: RMF 2008 - Framework Table 7 (Employment in the tourism industries)

<table>
<thead>
<tr>
<th>Tourism industries</th>
<th>Number of establishments</th>
<th>Number of jobs by status in employment (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Employees</td>
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<td>Male</td>
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<td>Self-employed</td>
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<td>Male</td>
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<tr>
<td>1. Accommodation for visitors</td>
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<tr>
<td>1.a. Accommodation services for visitors other than 1.b</td>
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<tr>
<td>1.b. Accommodation services associated with all types of vacation home ownership</td>
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<tr>
<td>2. Food- and beverage-serving industry</td>
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<tr>
<td>3. Railways passenger transport</td>
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<td>4. Road passenger transport</td>
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<td>5. Water passenger transport</td>
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<td>6. Air passenger transport</td>
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<td>7. Transport equipment rental</td>
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<tr>
<td>8. Travel agencies and other reservation services industry</td>
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<td>9. Cultural industry</td>
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<td>10. Sports and recreational industry</td>
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<tr>
<td>11. Retail trade of country-specific tourism characteristic goods</td>
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<tr>
<td>12. Country-specific tourism industries</td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
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</tbody>
</table>
The SNA 1993 defines **Gross Fixed Capital Formation** (GFCF) as the “total value of a producer’s acquisitions, less disposals, of fixed assets during the accounting period plus certain additional to the value of non-produced assets realized by the productive activity of institutional units”.

**What is GFCF**

- **Acquisition** includes both purchases of assets (new / used) and the construction of assets by producers for their own use.
- **Disposals** include sales of assets for scrap as well as sales of used assets in a working condition to other producers.
- GFCF is also known as investment in fixed assets that used repeatedly in the process of production for more than one year.
Introduction: Tourism Gross Fixed Capital Formation (TGFCF)

What is TGFCF

Producer’s Acquisitions
- Capital Expenditure

Disposals
- Assets Sold / Discarded

Gross Fixed Capital Formation
- Tourism Gross Fixed Capital Formation

= LESS
Basic Concepts

- Goods and services
- Used repeatedly or continuously in process of production
- Lifespan > 1 year
- Significant value
- Ownership right are enforced by institutional units
- Future benefits
Main Categories of Tourism Investment

Tourism Specific Fixed Assets

Investment by the Tourism Industries in Tourism Specific Fixed Assets

Tourism Related Infrastructure
Tourism Specific Fixed Assets

- Are used exclusively or almost exclusively in the production of tourism characteristic goods and services
- If tourism did not exist, such assets would of little value as they could not easily converted to non-tourism applications
- Railway passenger coaches, cruise ships, sight seeing buses, hotel facilities, convention centers, marinas, ski lifts
Investment by the Tourism Industries in Tourism Specific Fixed Assets

- Investment by the tourism industries in non tourism specific fixed assets are fixed assets considered as tourism-related, not due to nature of the assets themselves, but due to the use which is made of them, by a tourism industry.

- Because of great diversity of assets that can be part of this category, there is no specific recommendation regarding classification different and countries are encouraged, when feasible, to identify some specific classes of such assets that significant in their national economy.

- Hotel / Travel agency computer systems, Hotel Laundry Facilities
Tourism Related Infrastructure

- Put in place principally by the public authorities to facilitate tourism is usually even more difficult to identify.

- Because of great It might have been developed in a specific moment in time for this specific purpose, or it might in fact facilitate tourism, although not necessarily been primary objective of investment.

- Sewerage, electricity, telecommunications, health services.
Tourism driven investment can be classified in three main categories (RMF 2008 para. 2.46):

- **Tourism specific fixed assets**
  - Cruise ships
  - Sight seeing buses
  - Hotel facilities
  - Convention centers

- **Investment by Tourism industries in non tourism specific fixed assets**
  - Computer systems
  - Hotel laundry

- ***Tourism related infrastructure**
  - Development of beach or ski sites especially for visitors
  - Special road to a resort

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**By Type of Assets:**

- Residential
- Non residential
- Other Civil
- Transport
- Machinery & Other Equipment
- Others

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*TSA focus primarily on tourism specific fixed assets and Investment by the tourism industries in non tourism specific fixed assets (RMF 2008 para. 2.54)*
Because of the difficulties of identifying "tourism investment", TSA focus primarily on:

- Tourism Specific Fixed Assets
- Investment by the Tourism Industries in Non Tourism Specific Fixed Assets
TSA: RMF 2008 - Framework Table 8 (Tourism gross fixed capital formation of tourism industries and other industries...
Data Source & Compilation

TGFCF data is derived from GFCF:

By Tourism Industries
- Accommodation services for visitors
- Food & beverages serving industry
- Passenger transport services industry
- Travel agencies other reservation services industry
- Cultural, sports and recreational industry
- Retail trade industry
- Country-specific tourism industries

By Type of Assets
- Residential
- Non residential
- Other Civil
- Transport
- Machinery & Other Equipment
- Others

National GFCF
- By kind of economic activity
- By type of assets
- By sector

Economic Census, Survey & Administrative Data

Thank You