



Comprehensive Restructuring of the International Economic Accounts: New International Guidelines Redefine Travel

In 2009 the International Monetary Fund (IMF) released the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6), which included a definitional change for ‘travel’ and the trade of travel-related goods and services.

As a result, the Bureau of Economic Analysis (BEA) embarked on a path towards a comprehensive restructuring of the U.S. international economic accounts, the most extensive restructuring since 1976, in an effort to bring our international accounts into closer conformity with international guidelines.

The new presentation of these accounts not only conforms more closely to IMF’s guidelines, but also brings our nation’s international accounts into closer alignment with those of other countries who have already adopted the changes originating from BPM6.

This is particularly important for international economic statistics where international transactions between any two countries should be mirrored in each other’s bilateral statistics; for example, country A’s exports of services to country B should be mirrored in country B’s imports of services from country A. Bilateral comparisons can provide valuable insights into the completeness and quality of the statistics and help identify areas of concern, but only if the two countries’ statistical methodology and data sources are comparable.

So what exactly has changed with regards to travel and tourism-related statistics?

Travel—International standards recommend using a broader definition of travel than that previously used by BEA. The broader definition includes education-related and health-related travel and expenditures on goods and services by border, seasonal, and other short-term workers. In the new presentation, these transactions, which were previously included in “other” private services, have been reclassified to travel. To distinguish the new broader category from the old measure, the new category is now called “**travel (for all purposes including education).**”

The new presentation breaks out business travel expenditures and personal travel expenditures. Under business travel, the new presentation provides expenditures by border, seasonal, and other short-term workers and “other” business travel. Under personal travel, the new presentation shows health-related travel, education-related travel, and “other” personal travel.

This new presentation provides two benefits. First, education-related travel, previously shown as education under “other” private services, will remain available to BEA’s data users. Second, users will be able to reconstruct the old measure of travel by adding “other” business travel and “other” personal travel.

The new presentation also improves the comparability of BEA’s travel statistics with those of other countries. The broader definition of travel was recommended in earlier versions of the international standards, and it was widely adopted by other countries then.

Put simply, moving health- and education-related travel to the travel services category brings the U.S. international accounts into closer harmony with data produced by our trading partners. These changes improve the overall comparability of international economic statistics and provide policymakers and others with a stronger statistical foundation for understanding and responding to international economic events.

The National Travel and Tourism Office will publish preliminary data each March (so 2014 year-end data will be published in March 2015), subsequently revised data in June, and country-specific data in October. As a result of the reclassifications, all travel and tourism-related trade data have been revised back to 1999.

Here is a look at the new presentation of travel and tourism-related data:

<u>Old Structure</u>	<u>New Structure</u>
Total Travel and Tourism-Related Exports	Total Travel and Tourism-Related Exports⁽¹⁾
Travel	Travel (for all purposes including education) ⁽²⁾⁽³⁾
Passenger Fares	Business
	Expenditures by border, seasonal, and other short-term workers
	Other business travel
	Personal
	Health related
	Education related
	Other personal travel
	Passenger Air Transport ⁽⁴⁾

¹ *Total Travel and Tourism Exports/Imports* represents the sum of 'Travel' + 'Passenger Air Transport' (what international visitors spent while here + what they spent to get here).

² *Travel*: These accounts cover purchases of goods and services by U.S. persons traveling abroad and by foreign travelers in the United States for business or personal reasons. These goods and services include food, lodging, recreation, gifts, entertainment, local transportation in the country of travel, and other items incidental to a foreign visit.

³ All travel purposes include 1) business travel, including expenditures by border, seasonal, and other short-term workers and 2) personal travel, including health-related and education-related travel, along with spending on day-trips (less than one night).

⁴ Fares received for the transport of nonresidents by U.S. air carriers between the United States and foreign countries and between two foreign points (exports), and the transport of U.S. residents by foreign air carriers between the United States and foreign countries (imports).