

# Tourism Satellite Account, 2018–19, Himachal Pradesh

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# Tourism Satellite Account, 2018–19

## Himachal Pradesh

*Study sponsored by*

**Department of Economics and Statistics  
Government of Himachal Pradesh**

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*The findings, interpretations, and conclusions expressed are those of the authors and do not necessarily reflect the views of the Governing Body or Management of NCAER.*

## Foreword

Himachal Pradesh, the Land of Snowy Mountains, as its name literally means, is a popular tourist destination, particularly for the purpose of leisure or holiday because of its scenic mountain towns, lakes, rich flora and fauna, fairs and festivals, which attract tourists round the year. The State is also popular for its pilgrimage spots, thus attracting tourists for religious purposes. With around 20 million tourists visiting the State every year, Himachal Pradesh thus has a huge tourism potential. Such a level of tourism activity contributes to the creation of employment opportunities in the tourism sector and also in enhancing the State's income through a significant generation of demand for goods and services among tourists.

It is, therefore, imperative to estimate the economic benefits of the State's tourism sector through implementation of a well-designed and internationally accepted framework. Such a framework has been prepared by the United Nations World Tourism Organisation (UNWTO) in its publication called "Tourism Satellite Account: Recommended Methodological Framework, 2008 (TSA: RMF 2008)". While this framework lays down the methodology for national-level TSAs and is being widely adopted across several countries, this study, undertaken by the National Council of Applied Economic Research (NCAER), attempts to use the same methodological framework to prepare the TSA at the sub-national level for the State of Himachal Pradesh.

The outcome of the TSA, which has been created by using this framework, is the estimated contribution of tourism to the Gross Domestic Product (GDP) and to employment in the State economy. This is referred to as the direct share of tourism to the economy. In addition, this study estimates the indirect share of tourism, which results from its linkages with other sectors of the economy.

I take this opportunity to thank Mr Prabodh Saxena, IAS, Additional Chief Secretary (Finance, Personnel, Planning, Economic and Statistics) and Mr Akshay Sood, IAS, Secretary (Finance, Planning, Economics and Statistics, Cooperation, Housing), Government of Himachal Pradesh, for initiating this important study. In the same vein, I also express my gratitude to Dr Vinod Rana, Economic Adviser, Department of Economics and Statistics, Government of Himachal Pradesh, for the valuable insights and constant cooperation he offered the NCAER team through the course of the study. I also wish to thank Mr Amit Kashyap, IAS, Director, Department of Tourism and civil Aviation, Government of Himachal Pradesh, for his useful inputs and suggestions. The NCAER team also wishes to thank all the officials of the Department of Economics and Statistics, Shimla, and its district offices for actively participating in the capacity building sessions organised by NCAER as part of the study. The report benefited immensely from their important inputs.

I also express my gratitude to all the members of the NCAER study team, including Dr Poonam Munjal, Team Leader; Dr Nijara Deka, Associate Fellow; Dr Palash Baruah and Mr Asrar Alam, Senior Research Analysts; and Ms. Sundus Usmani, Research Analyst, for their efforts in completing the study while confronting the challenge of the pandemic in the country. I hope that this study will prove to be a useful contribution to the literature on tourism for the State of Himachal Pradesh, in particular, and the country, as a whole.

**New Delhi**  
September 2021

**Dr Poonam Gupta**  
*Director General, NCAER*

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# **Executive Summary**

## **I. Introduction**

The Tourism Satellite Account (TSA) is the accounting framework recommended by the United Nations World Travel Organisation (UNWTO) for compiling the relevant tourism statistics and integrating these statistics with the System of National Accounts. This framework also presents the linkages between the demand and supply for goods and services in respect of tourism.

The state of Himachal Pradesh is one of the most popular tourism destinations in the Indian Himalayan Region attracting tourists from all over the world. Within the State, Shimla, Dharamshala, Dalhousie, and Kasauli are among the prominent hill stations that are popular amongst both domestic and foreign tourists.

The TSA for the State has been prepared for 2018-19 in order to facilitate a better understanding of the quantification of the economic value of tourism, in absolute terms and also in terms of its share in the State's GDP and employment. This report presents a brief profile of the State covering different aspects of its geography, demography, employment, economy, infrastructure, and tourism. This is followed by the detailed methodological framework that was adopted to prepare the TSA for 2018-19, along with the set of TSA tables and accounts, conforming to the recommended framework of the United Nations World Tourism Organization (UNWTO).

## **II. State Profile**

The State derives its name from the great Himalayan Ranges and is also known as the "Land of Snowy Mountains." Himachal Pradesh is home to scenic mountain towns and resorts situated in the northern part of India among the western Himalayas.

As per the 2011 Census, the total population of Himachal Pradesh is 68,64,602 persons, including 34,81,873 males and 33,82,729 females. Almost 90 per cent of the State's population lives in rural areas. According to more recent data from the 75<sup>th</sup> Round of the National Sample Survey Office (NSSO), the proportion of young people in the age group of 0-14 years among the male and female population is estimated at 23.0 per cent and 20.3 per cent, respectively. The unemployment rate in the State was found to be around 5.5 per cent for those aged 15 years and above for the 2017-18. The unemployment rates were 6.3 per cent and 4.3 per cent for males and females, respectively.

The State's economic growth, in terms of the year-on-year growth in Gross State Domestic Product (GSDP), has been faster than the national growth for most of the years since the inception of the new GDP series, that is, 2011-12. The estimate of GSDP growth for the State for 2019-20 is 4.9 per cent, which is higher than the national growth rate of 4.0 per cent.

Himachal Pradesh has good connectivity due to its developed network of roadways and airways. The State has a road network of 28,208 kilometres, including eight National Highways (NHs) comprising 1,234 km and 19 State highways with the total road length of 1,625 km. The total route length of the operational railway network in the State is 296.26 km.

As regards the State's tourism profile, it has a variety of tourist attractions, including the Great Himalayas, fairs and fests, adventure sports, and a large variety of flora and fauna. The State's latest tourism policy, the "Himachal Pradesh Tourism Policy, 2019", intends to promote sustainable tourism. It has been designed with the vision to position "Himachal Pradesh as a leading global sustainable tourism destination for inclusive economic growth".

The total tourist arrivals in the State stood at 164.5 lakhs in 2018. The top five districts catering to about 66 per cent of the total tourist arrivals in the State in 2018 are Kullu, Shimla, Kangra, Bilaspur, and Una. The number of domestic tourist arrivals and foreign tourist arrivals in Himachal Pradesh stood at 160.9 lakhs and 3.5 lakhs, respectively, in 2018.

According to the 2018 estimates by the Department of Economics and Statistics (DES), Shimla, the State has a total of 4,986 hotels and homestays, of which more than 60 per cent are located in the three districts of Kullu, Kangra, and Shimla.

### **III. Methodology**

According to the latest recommended framework published by the UNWTO, called "Tourism Satellite Account: Recommended Methodological Framework, 2008 (TSA: RMF 2008)", the national-level TSA comprises a set of ten tables and is mainly descriptive in nature. However, for the sub-national level TSA, no such framework is available, though UNWTO does recognise the importance of preparing the TSAs at the State or sub-national levels.

It discusses two main types of approaches followed to prepare the regional TSAs—the Regionalisation or Top-bottom Approach and Regional Estimation or Bottom-up Approach. For India, based on the data availability and feasibility of these approaches, the TSA at the State level can be prepared by using the Regionalisation Approach though it could be refined further by using the State tourism and other consumption characteristics.

Each TSA table presents the tourism-related information for a set of goods and services, identified as tourism-specific products. These are further classified into tourism-characteristic goods, which would cease to exist in meaningful quantity, in the absence of tourism; and tourism-connected goods, which are consumed by visitors but are not considered as tourism-characteristic products.

The data sources used to prepare the State TSA tables include the Domestic Tourism Survey (DTS), 2014-15; International Passenger Survey (IPS), 2015-16; State GDP statements; State Supply and Use Table (SUT), 2018-19; and the Periodic Labour Force Survey (PLFS), 2018-19.

The TSA tables that have been prepared for the State are detailed below.

### **III.1. Inbound Tourism Expenditure**

- This refers to the expenditure incurred by inbound tourists or tourists arriving from outside the geographical boundary of the State, that is, from abroad and from other States of the country.
- The expenditure incurred by international tourists is obtained from the IPS whereas that from other States is obtained from the DTS.
- The expenditure data were adjusted to account for the package component and for the amount paid or reimbursed by the government or others.
- In order to arrive at the tourism expenditure for the TSA reference year 2018-19, the per-tourist expenditure by the types of tourists obtained from the survey data were applied on the actual number of tourist arrivals in the State. The price change between 2015-16 and 2018-19 has also been accounted for.
- It is estimated that about 3.56 lakh international tourists travelled to Himachal Pradesh in 2018-19. Their average per-tourist expenditure is estimated to be Rs. 93,605.
- About 46.3 per cent of the total expenditure was incurred on tourism-connected products, followed by 15.0 per cent on transportation services, and 14.3 per cent on hotels for accommodation purposes.
- In addition, about 27.4 lakh trips were made to the State of Himachal Pradesh by the tourists from other States of India visiting the State for various purposes. Of these, 49 per cent of the inbound tourist trips from other States were made for social purposes followed by 28 per cent of the trips that were made for religious purposes to the State of reference.
- The average per-trip expenditure incurred by these tourists is estimated to be Rs. 20,011.
- Of the total expenditure incurred by them, 49.34 per cent was on transport services, followed by 21.88 per cent on hotels for accommodation.

### **III.2. Domestic Tourism Expenditure**

- This refers to the expenditure incurred by tourists from within the State, that is, tourists living in the State of reference, travelling to another place within the same State of reference.
- The methodology used for estimation of expenditure is the same as that used for estimating the inbound tourism expenditure incurred by tourists from other States to the State of reference.
- It is estimated that during 2018-19, about 88.83 lakh trips were made to the state of Himachal Pradesh by the domestic tourists from within the State. Of these, 92 per cent of the domestic tourist trips from within Himachal Pradesh were made for social purposes.
- The average per-trip expenditure is estimated to be Rs. 3,665.

- In the case of domestic tourists within the state, 38.9 per cent of their total expenditure was made on transport services followed by 30.4 per cent on tourism connected products.

### **III.3. Outbound Pre-trip Tourism Expenditure**

- This refers to the expenditure incurred by resident visitors travelling outside the State, that is, to a foreign destination or State other than Himachal Pradesh. However, since the TSA covers the entire expenditure incurred within the geographical boundary of the economy of reference, this table presents only the pre-trip expenditure incurred by outbound tourists, covering the expenses incurred in preparation of the outbound trip.
- It is estimated that a total of 46,822 residents of the State of Himachal Pradesh travelled outside country as outbound tourists during 2018-19. Of these, 36 per cent of the residents travelled abroad for holidaying while about 21 per cent of the residents travelled outside the country with business as their leading purpose.
- The average per trip expenditure is estimated at Rs. 13,243.
- About 55 per cent of the total expenditure was incurred on tourism-connected products, which represent the shopping items purchased in preparation of the trip.

### **III.4. Total Internal Tourism Expenditure**

This refers to the sum total of the inbound, domestic, and outbound pre-trip tourism expenditure, presented in TSA Tables 1a, 1b, 2, and 3. In addition, the components of imputed consumption are given in separate rows.

- Since these components of imputed consumption are not directly available from any data source, they are derived by using certain plausible assumptions. These components include services associated with vacation homes on own account; tourism social transfers in kind; financial intermediation services (FISIM) availed of by visitors; costs for producers (businesses, governments, and NPISHs) emanating from expenditures incurred by employees on business trips; and costs for hosts of the receiving visitors in terms of the expenditure on food, utilities, invitations, and presents, or the net costs of hosts.
- The total internal tourism expenditure for Himachal Pradesh is estimated at Rs. 12,136.74 crore for 2018-19. The value of imputed consumption is estimated at Rs. 3049.04 crore. Taking together the internal tourism expenditure and imputed consumption, the value of the total internal tourism consumption stood at Rs. 15,185.78 crore for 2018-19.
- About 27.5 per cent of the total internal tourism expenditure was incurred by international tourists and a significant 72.0 per cent was on account of tourism activities from within the country, whether undertaken in the State itself or from any other State.
- A majority of the expenditure, that is, 27.1 per cent, was incurred on road transport services. Among the tourism-connected products, readymade garments were the most popular item of expenditure for all types of tourists.



### **III.5. Production Account of Tourism Industries**

- This forms the content for Table 5 of the State TSA. It conforms to the format established in the Systems of National Accounts (SNA) for production accounts.
- This is presented in SUT format, wherein products are shown in rows and industries in columns.
- This table shows that of the total GSVA of the State, at Rs. 1,41,641 crore, the GVA accounted for by the tourism industries, that is GVATI, stood at Rs. 12,192 crore, Which accounts for 8.61 per cent of the total GSVA. However, not all the GVA figures for these industries are on account of tourism activity; part of it is also on account of non-tourism.
- The tourism component of these industries is derived through TSA Table 6, which is the core of TSA.

### **III.6. Tourism Industry Ratios and TDGVA**

- This table delineates the confrontation between domestic supply and internal tourism consumption. The total supply of goods and services in the economy by products, which includes domestic production and imports, is compared to the internal tourism consumption that is derived in TSA Table 4.
- The Tourism Product Ratios (TPRs) are derived for each of the 24 product categories through a comparison of the demand-side and supply-side data.
- The TPRs, when applied to each industry column of the supply table, yield the Tourism Industry Ratios (TIRs) for each of the 24 industry categories. These ratios can be used to derive the estimates regarding the GVA attributable to tourism for each of the domestic industries that serve visitors, or the Tourism Direct GVA (TDGVA).
- The TDGVA for Himachal Pradesh is estimated at Rs. 4895.30 crore, which translates into 3.46 per cent of the total GSVA. This is the direct share of tourism to the State GVA.

### **III.7. Tourism Employment**

- According to the UNWTO recommendation, the entire employment in tourism-characteristic industries is referred to as direct tourism employment.
- For TSAs for India and the States of India, TSA Table 7 presents the total number of jobs (one employed person can take up more than one job, with the second being of a subsidiary nature).
- The number of jobs in tourism-characteristic industries in the State was estimated at 1.86 lakh in 2018-19. The total number of jobs in the State was 47.88 lakh. Hence, the direct share of tourism employment to the total employment works out to be 3.89 per cent.
- This share amounts to 1.83 per cent in the case of the self-employed status of work and is much higher at 7.79 per cent in the case of employees, including both include casual workers and salaried or regular wage-earners.

### **III.8. Indirect Contribution of Tourism**

- The indirect benefits of tourism are the result of the inter-linkages of tourism-specific industries with other industries of the economy.
- The Input–Output (IO) model is used to quantify the indirect benefits. The model generates the output, GVA, and employment multipliers, which are the measures of the indirect benefits of a sector to the economy's output, GVA/GDP, and employment, respectively.
- The output multiplier works out to be 2.182, whereas the GVA multiplier is 2.179, and the employment multiplier, 3.707.
- Consequently, the total share of tourism in the State GVA is estimated at 7.53 per cent, and the total share in the number of jobs in the State is estimated at 14.42 per cent.



# I. Introduction

## I.1. Background

Tourism is a multi-faceted phenomenon associated with the movement of people to places outside their usual places of residence. The tourism sector calls for collaboration among the economic, social, cultural, and environmental sectors. In recent decades, tourism has expanded from being an activity carried out by a few privileged members of the society to being undertaken by a large mass for not only the purpose of recreation, which may be considered as the prime motive of tourism, but also other motives such as business, health, religious and educational reasons, and in recent times, even shopping, for a period of not more than a year.

The UN World Tourism Organization (UNWTO) defines tourism as follows, from which the accepted official definition of tourism is derived:

*“Tourism refers to the activity of visitors. A visitor is a traveller taking a trip to a main destination outside his/her usual environment for less than a year, 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.”*

Owing to the rapidly increasing tourism activities across the globe and the significantly high foreign exchange earnings accruing from such activities, it has become a task of primary preference across nations to measure tourism statistics (both monetary and non-monetary). For a vast country like India, with each State exhibiting different economic dynamics and offering a variety of tourism destinations, the measurement of tourism statistics is of utmost importance at the State level too.

The UNWTO recommends placing the relevant tourism statistics in an accounting framework so as to integrate these statistics with the System of National Accounts, and to show the linkages between the demand and supply for goods and services with regard to tourism. This accounting framework is called the Tourism Satellite Account (TSA) and UNWTO's recommendations are documented in TSA: Recommended Methodological Framework, 2008 (TSA: RMF 2008). The systems of tourism statistics and tourism satellite accounts are tools by which the role of tourism in the economy can be better understood and more accurately measured.<sup>1</sup>

The Himalayan State of Himachal Pradesh is one of the prime tourist destinations in India. In the nineteenth century, the British established a group of hill stations in the State, which led to the expansion of tourism activity in the State expanded beyond the erstwhile limited movement of pilgrims to spiritual destinations. Later, the Department of Tourism and Civil Aviation invested in developing diversified tourism products and infrastructure in the State to broaden

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<sup>1</sup> Eurostat: European Implementation Manual on TSA.

the horizon of tourism opportunities in the State and also to weaken the seasonality factor because of which the State was considered to be a tourism destination mostly during the summer months only.

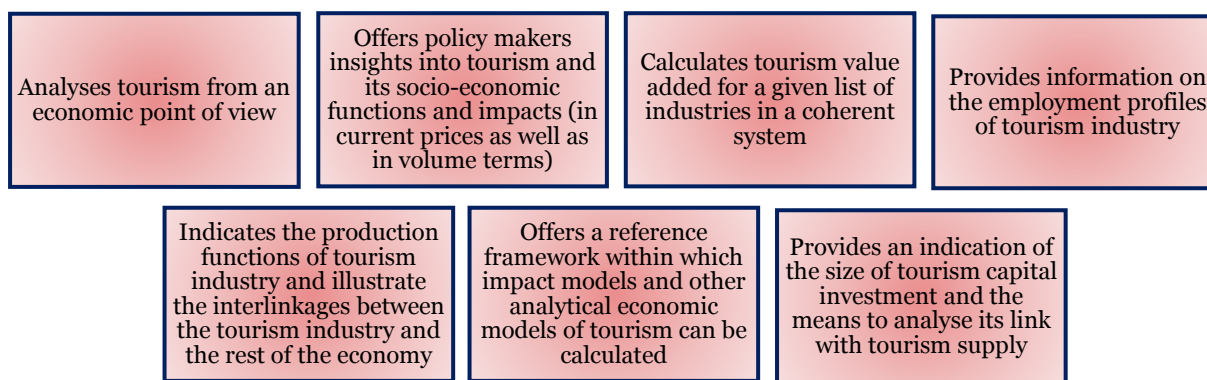
In order to recognise the importance of the tourism industry with its vast growth potential, the Department of Economics and Statistics (DES), Himachal Pradesh, assigned the task of measuring the economic contribution of tourism to the State economy, through the preparation of a Tourism Satellite Account, to the National Council of Applied Economic Research (NCAER).

## **I.2. Tourism Satellite Account**

The Tourism Satellite Account (TSA) is defined as a framework designed to measure goods and services associated with tourism, according to internationally agreed standards, concepts, classifications, and definitions. It helps in assessing the size and contribution of tourism to the economy. TSA maintains a loose relationship with the SNA, with the boundaries expanded and re-classified. Further, a satellite account focuses on the purpose or function of transactions.

The TSA measures the linkage between the demand and supply for goods and services in respect of tourism by integrating the relevant tourism statistics with the System of National Accounts. It helps in assessing the size and contribution of tourism to the economy and is hence a powerful instrument for designing economic policies related to tourism. The important uses and applications of TSA are listed in Figure I.1.

**Figure I.1 : Uses and Applications of a Tourism Satellite Account**

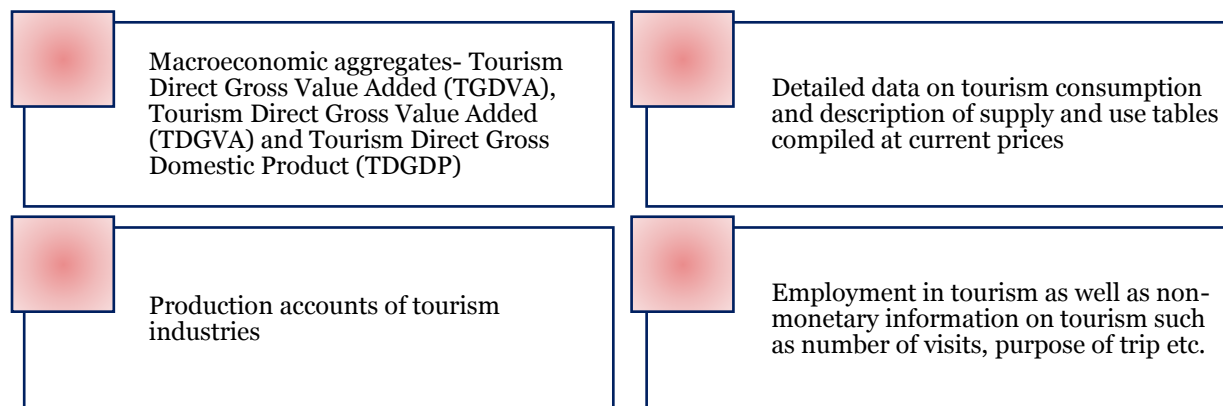


Source: NCAER compilation using TSA: RMF 2008.

The TSA framework provided by UNWTO is the most comprehensive way for measuring the economic importance of tourism in national economies. The various components of a complete

TSA as per the latest recommended framework published by UNWTO, called Tourism Satellite Account: Recommended Methodological Framework, 2008 (TSA: RMF 2008), are detailed in Figure I.2.

**Figure I.2: Components of a Tourism Satellite Account**



Source: NCAER compilation using TSA: RMF 2008.

A TSA mainly comprises a set of tables and is mostly descriptive in nature. These tables include those sectors of the economy that provide their products or services to the tourists and follow a standard recommended industrial classification.

### **I.3. Regional Tourism Satellite Account**

With the expansion of tourism, the UNWTO recognised the importance of preparing TSAs at the State or sub-national level as well. TSA: RMF 2008 is a framework that can be used as a guiding tool for the preparation of national-level TSAs, but no such framework is available for preparing RTSAs. In many countries, the sub-national or regional TSAs (RTSA) are becoming popular as a result of which UNWTO has taken various initiatives to develop the regional or sub-national TSA.

According to the TSA: RMF 2008, there are various reasons for encouraging a discussion on the manner in which the Tourism Satellite Account can be adapted to sub-national levels. Some of these reasons are:

- There is a worldwide trend towards a certain degree of decentralisation of political power and decentralised management of national resources in federal states, regions, and municipalities, among other areas. In order to allocate and monitor these resources effectively, there is need for more and better integrated regional and local information.

- Tourism activities are multi-faceted in nature and can potentially benefit rural areas that are seeking to diversify.
- The unequal geographical distribution and characteristics of tourism activity within the national territory, from the standpoint of both demand and supply, lead to additional requirements for tourism statistics at various territorial levels.
- Tourism-related businesses are exhibiting a growing interest in learning about the inter-relation of their activity with others and its main determinants and seasonal cycles.
- There is a great necessity for improving the allocation of resources in national and local economies, which can be achieved only by upgrading quantitative references and measuring economic impacts.

In India, three national level TSAs have been prepared, with the first TSA being for the reference year 2002-03, the second for 2009-10, and the third TSA for 2015-16. As regards the State-level RTSAs, the data for 2009-10 were used for the first attempt to prepare the TSAs for all the States of India for the same year. The second round of RTSA has recently been prepared for the reference year 2015-16 for all the States and Union Territories (UTs) of India.

However, in order to arrive at more updated information on tourism statistics and also to derive the tourism-related estimates with a greater focus on State characteristics, the Government of Himachal Pradesh has decided to prepare its Tourism Satellite Account for 2018-19

#### **I.4. Objectives of the Study**

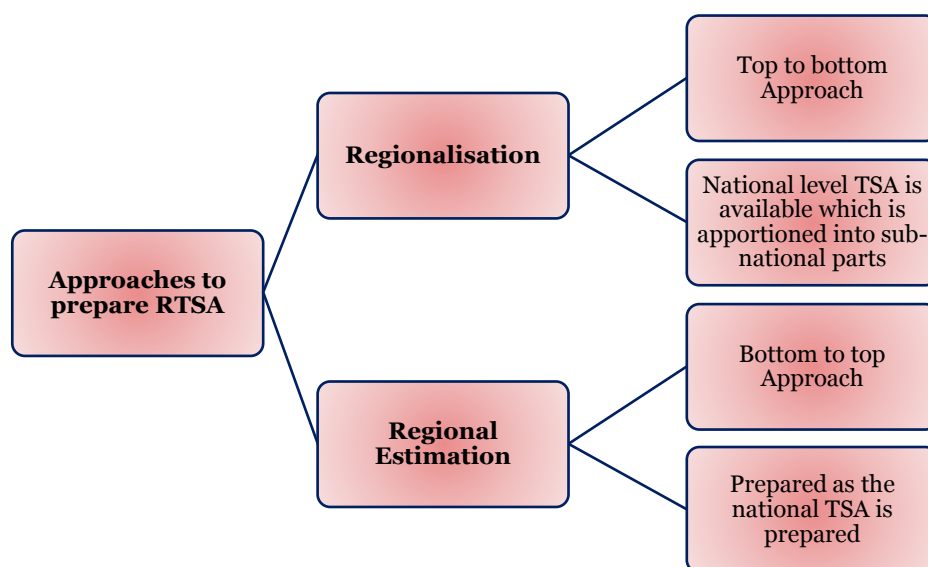
The broad objectives of this study are to prepare the Tourism Satellite Account for Himachal Pradesh for the year 2018-19 and to develop the capacity of officials of the Department of Economics and Statistics (DES) for preparation of the Tourism Satellite Account of the State. Following is the detailed scope of work:

- Tourism Satellite Account of the State for the year 2018-19 has to be prepared covering the following components:
  - Introduction;
  - State Profile;
  - Data Sources and Key Findings;
  - Methodology Adopted for State TSA Tables;
  - TSA Tables and Accounts;
  - Summary of Findings; and
  - Training of DES Officials.

## I.5. Approach of the Study

In the paper published by the UNWTO Statistics and Tourism Satellite Account (STSA) in October 2013, titled “Regional Tourism Satellite Account”, two distinct approaches in preparing the regional TSAs (RTSA) have been suggested – Regionalisation and Regional Estimation.

**Figure I.3: Approaches to Regional Tourism Satellite Accounts**



Source: NCAER compilation

Similar approaches are also used for preparing the regional Supply and Use Tables, if the direct data are not available.

### Regionalisation

This is a top-to-bottom approach, also known as the inter-regional approach. This approach attempts to divide the available national TSA into its sub-national parts using appropriate ratios.

This approach has been used by many countries like Canada (Barber-Dueck et al., 2003);<sup>2</sup> Australia (Van Ho et al. 2008);<sup>3</sup> and the northern European countries of Denmark, Finland, and Norway (Zhang 2005,<sup>4</sup> Konttinen 2006,<sup>5</sup> Braendvang et al. 2001).<sup>6</sup> These countries have

<sup>2</sup> Barber-Dueck, C., and D. Kotsovos (2003). “The Provincial and Territorial Tourism Satellite Accounts for Canada 1998.” *Research Paper*. Ottawa: Statistics Canada.

<sup>3</sup> Dwyer, L., P. Forsyth, R. Spurr, and T. Van Ho (2008). “The Economic Impact of Tourism Shocks: A Paradigm Shift in Technique.” In S. Babu (eds.), *Tourism Development Revisited*. Sage Publications: India.

<sup>4</sup> Zhang, Jie (2005). “Regional Tourism Satellite Accounts for Denmark: Accounting and Modelling”, Paper presented at the 15<sup>th</sup> International Input-Output Conference, Beijing, China, 27 June – 1 July.

developed RTSAs using the national TSA or national accounts and the input-output system, essentially consisting of SUT.

### **Regional Estimation**

This approach, also called the bottom-top approach, entails the development of a specific TSA for any given region, in which specific situations and differentials may also be identified for important sub-regional territories, provided sufficient information is available about them. Hence, this approach helps in preparing the regional TSA (RTSA), which is similar to the procedure used for preparing the national-level TSA.

This approach has been used by various regions of Spain, the most recent being the one presented in 2010 for the Madrid region (Instituto de Estadística-C. Madrid, 2011).<sup>7</sup> This approach has also been used by other countries like Wales in the United Kingdom (Jones et al. 2010)<sup>8</sup> and Flanders-Brussels (Weekers, 2012).<sup>9</sup> These TSAs are developed using the SUT and other statistical and accounting information for the specific region concerned, by reproducing the basic TSA: RMF scheme on a regional scale, with the necessary adjustments required for conceptual and statistical reasons.

Both the above approaches have advantages as well as disadvantages, as illustrated in Figure I.4. The present study of preparing the State-level TSA for Himachal Pradesh is mainly based on the Regional Estimation Approach but also uses the regionalisation approach wherever State-level disaggregated data are not available. To be specific, the regionalisation approach has been adopted in the preparation of Supply and Use Tables covering tourism-specific and non-specific industries.

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<sup>5</sup> Kontinnen, Juha-Pekka (2006). "Regional Tourism Satellite Account (RTSA) in Finland—Data, Concepts, Methods and Key Results," *ERSA Conference Papers ersa06p107*, European Regional Science Association.

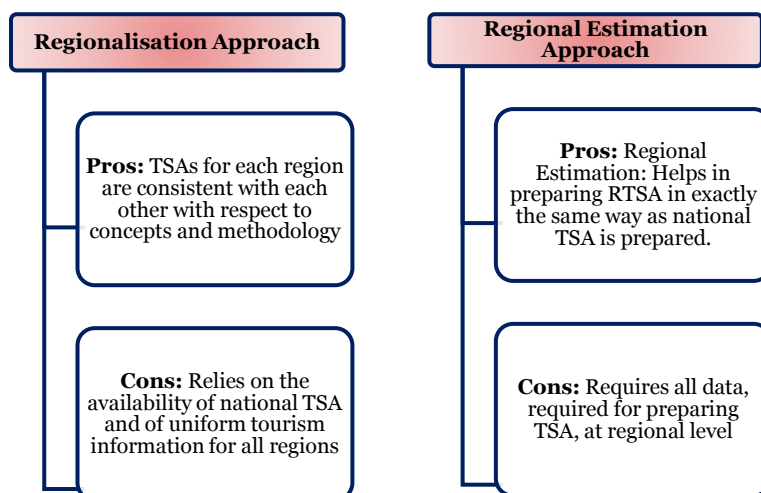
<sup>6</sup> Braendvang, K., P. Dybedal, S. Johansen, and K. Sorensen (2001). "Regional Satellite Accounts for Tourism: Data, Concepts, Methods and Application", Oslo: Statistics Norway, Institute of Transport Economics, Institute for Urban and Regional Research. Mimeo.

<sup>7</sup> Instituto de Estadística - C. Madrid (2011), Cuenta Satélite del Turismo de la Comunidad de Madrid: metodología y primeras estimaciones (Online), Available at: <http://www.madrid.org/iestadis/fijas/estructu/economicas/contabilidad/descarga/csatturme.pdf>.

<sup>8</sup> Jones, Calvin and Max Munday (2010). "Tourism Satellite Accounts for Regions? A Review of Development Issues and an Alternative", *Economic Systems Research*, 22(4): 341-358, DOI: 10.1080/09535314.2010.526594.

<sup>9</sup> Weekers, K. (2012). TSA. Flemish and Brussels-Capital Region 2008, Research Centre of the Government of Flanders (Online), available: <http://www.toerismevlaanderen.be>.

**Figure I.4: Pros and Cons of the Two Approaches for preparing the RTSA**



Source: NCAER compilation

## I.6. Structure of the Report

This chapter on Introduction dealt with the definition and importance of tourism, the relevance of measuring the tourism statistics, and the concepts and uses of satellite account and tourism satellite accounts at the national and sub-national levels. Chapter 2 presents a snapshot of the State of reference, that is, Himachal Pradesh, serving serves as a window to the State's geographical, demographic, and economic profile. Chapter 3 presents the State tourism profile, covering various State tourism characteristics. Chapter 4 provides the methodological framework for the recommended TSA tables and tourism aggregates that have been included in this report. Chapter 5 presents the key findings of RTSA, 2018-19. The Glossary contains the conceptual issues and operational definitions of tourism, its types, forms, and dimensions, and related issues.



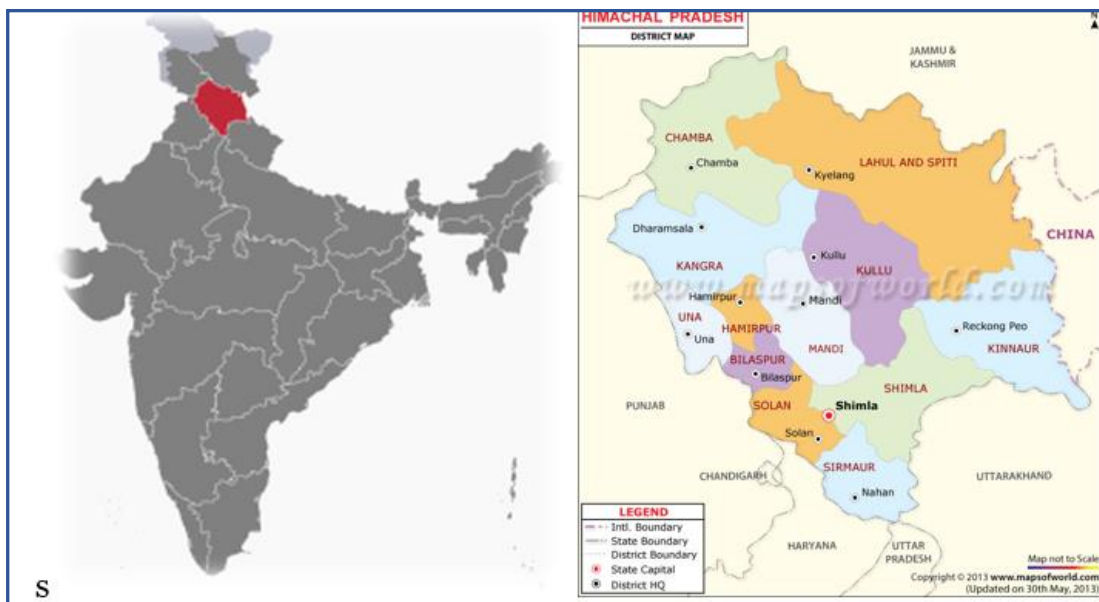


## II. Himachal Pradesh: The Land of Snowy Mountains

The State of Himachal Pradesh has derived its name from the great Himalayan Ranges and is also known as the “Land of Snowy Mountains.” Himachal Pradesh is home to scenic mountain towns and resorts situated in the northern part of India among the western Himalayas. Host to the Dalai Lama, this snow-laden province has a strong Tibetan presence, which can be prominently seen in the Tibetan New Year celebrations.

Himachal Pradesh was made a full-fledged State on 25 January 1971. The state is bounded by Jammu & Kashmir to the North, Punjab to the West, Haryana to the South, Uttarakhand to the South-east, and by the Tibet Autonomous Region of China to the East (Figure II.1). Its diverse geographical terrain features lofty snow-clad mountains, deep gorges, thickly forested valleys, large lakes, terraced fields, and cascading streams. The capital of the State is Shimla.

**Figure II.1: Map of Himachal Pradesh**



Source: District map of Himachal Pradesh ([mapsofindia.com](http://mapsofindia.com)).

### II.1. Demographic Profile

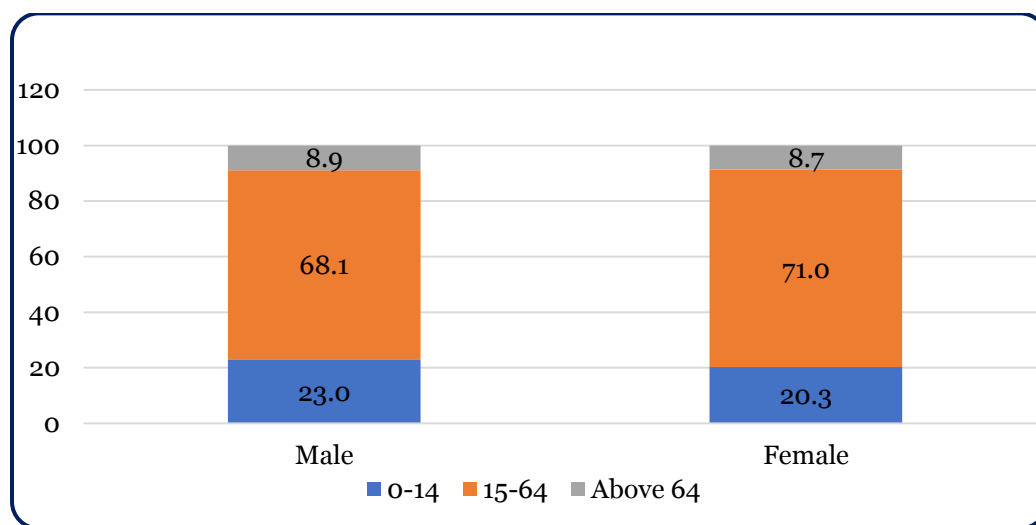
As per the 2011 Census, the total population of Himachal Pradesh is 68,64,602, including 34,81,873 males and 33,82,729 females. Almost 90 per cent of the State's population lives in rural areas. The sex ratio, as per the Census, stood at 972 females per 1000 males, higher than

the national average of 943 females per 1000 males, showing an increase from 896 in the 2001 Census.

The population density of the State is 123 per sq. km, which is lower than the national average of 368 per sq. km., placing the State at the 21<sup>st</sup> position on the population chart. The literacy rate of the State population is 82.8 per cent, with 89.53 percent for males and 75.93 per cent for females.

More recent data on the demographical details of the State may be obtained from the survey conducted by NSSO during 2017-18 on “Household Social Consumption: Education and Health”. Figure II.2 illustrates the distribution of the State’s population by broad age group and gender, for the year 2017-18. The proportion of young people in the age group of 0-14 years is estimated at 23.0 per cent for males, and 20.3 per cent for females. About 68 per cent of the total male population falls in the age group of 15-64 years, whereas only 9 per cent fall in the age group of above 64 years. The proportion of people aged 15-64 years, among the female population, is slightly higher, at 71.0 per cent, than the corresponding figure for the male population.

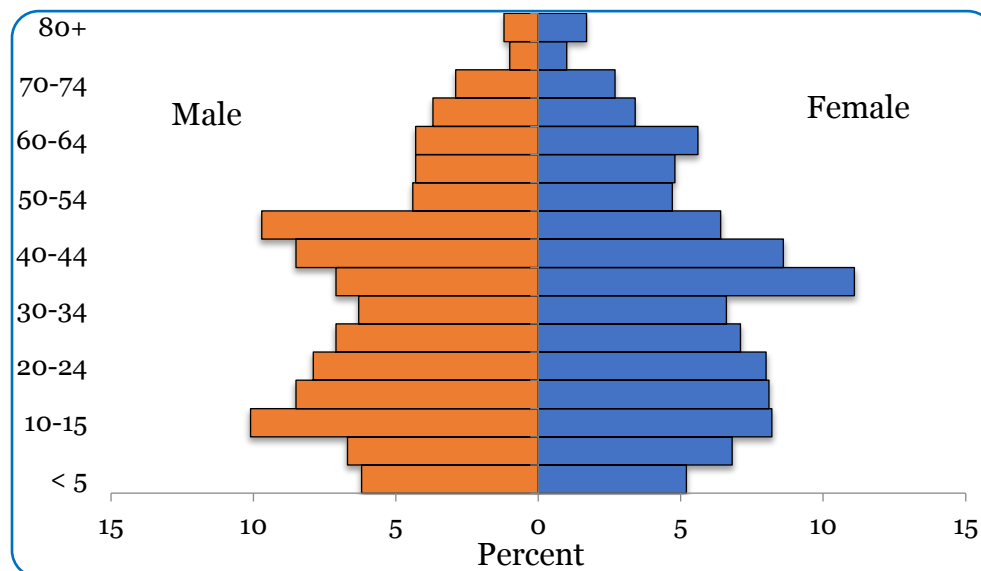
**Figure II.2: Distribution of Population by Broad Age Category and Gender (%)**



Source: “Household Social Consumption: Education”, NSSO, 2017-18.

Figure II.3 depicts the age structure of the State population presented in the form of a population pyramid for the year 2017-18. An examination of this population pyramid reveals a noticeable larger young male population (aged 0-29 years) as compared to the female population in the same age group. On the other hand, an analysis of the older population (aged 45 years and above) indicates that the female population is found to be larger than the male population in the same age group.

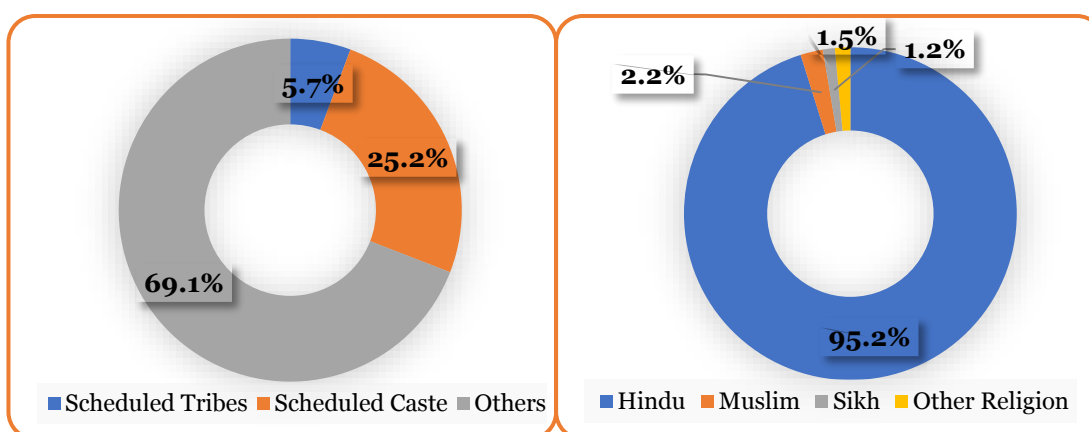
**Figure II.3: Population Pyramid (%)**



Source: "Household Social Consumption: Education", NSSO, 2017-18.

Figure II.4 shows the percentage distribution of the population by social group and religion. As per the 2011 Census, the Scheduled Tribes (STs) and Scheduled Castes (SCs) constitute 6 per cent and 25 per cent of the population, respectively, in the State. An assessment of the religion-wise population distribution indicates that those following the Hindu religion account for 95.1 per cent of the population, followed by Muslims, accounting for 2.2 per cent, while those following other religions account for around 2.7 per cent of the total population.

**Figure II.4: Distribution of Population by Broad Social Group and Religion (%)**

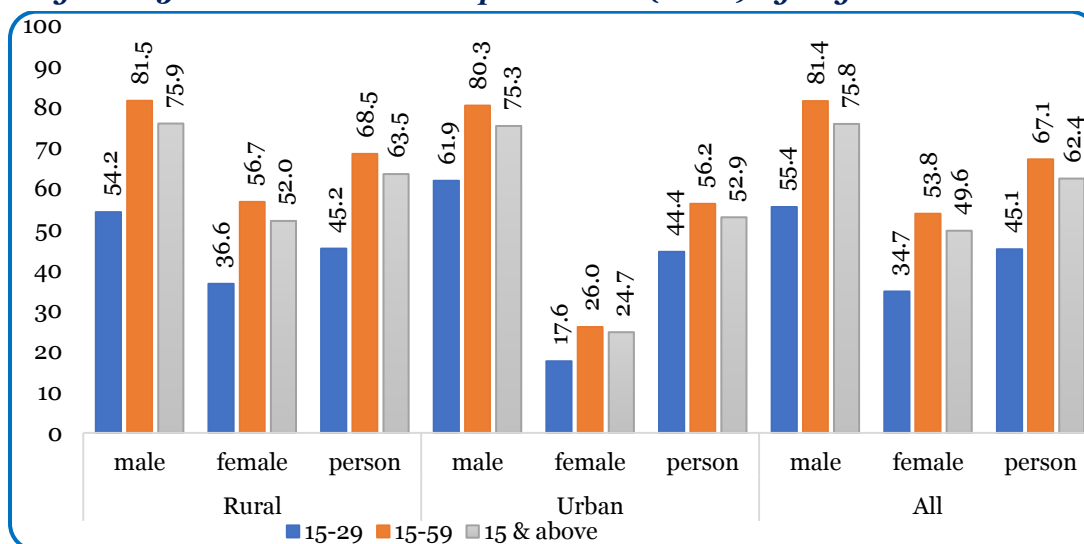


Source: "Household Social Consumption: Education", NSSO, 2017-18.

## II.2. Employment

Figure II.5 shows the labour force participation rate by broad age categories, gender, and regions for the period 2017-18. According to the latest annual Employment-Unemployment Survey, the “Periodic Labour Force Survey (PLFS)”, conducted by NSSO during 2017-18, in the rural areas 45.2 per cent, 68.5 per cent, and 63.5 per cent of the total population within the age group of 15-29 years, 15-59 years, and 15 years and above, respectively, are either currently employed or are seeking employment. The corresponding figures for the urban areas are estimated to be 44.4 per cent, 56.2 per cent, and 52.9 per cent, respectively. This proportion is estimated at 75.9 per cent for males and 52.0 per cent for females in the rural areas, and 75.3 per cent for males and 24.7 per cent for females in the urban areas for the age group of ‘15 and above’ years.

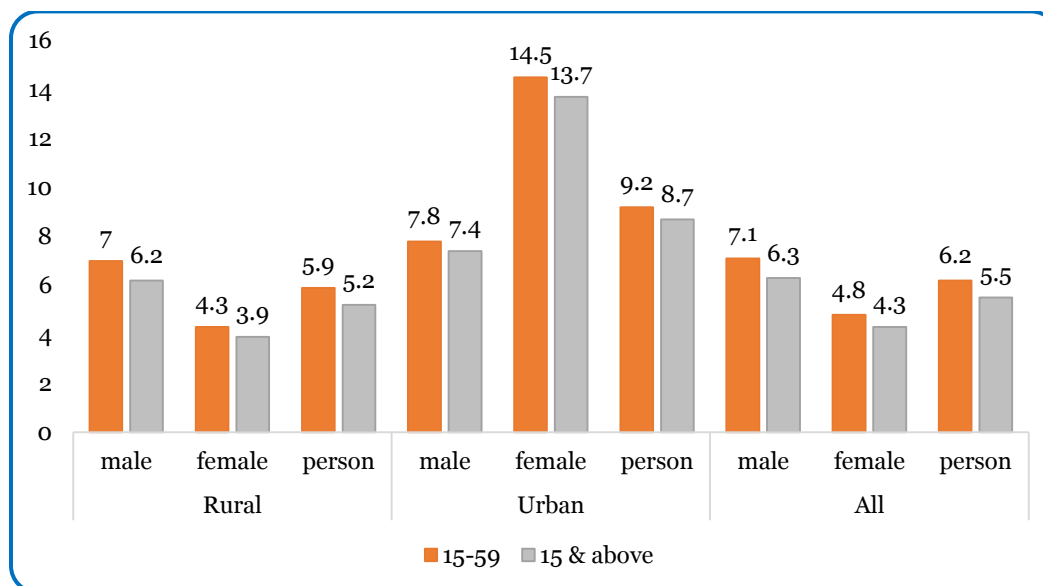
**Figure II.5: Labour Force Participation Rate (LFPR) by Region and Gender**



Source: “Periodic Labour Force Survey”, NSSO, 2017-18.

The unemployment rate in the State was found to be around 5.5 per cent for those aged 15 years and above for the year 2017-18. The unemployment rates were 6.3 per cent for males and 4.3 per cent for females (Figure II.6). The unemployment rate among the population in the age group of 15-29 years was found to be higher as compared to that for the other age groups.

**Figure II.6: Unemployment Rate (UR) by Region and Gender**



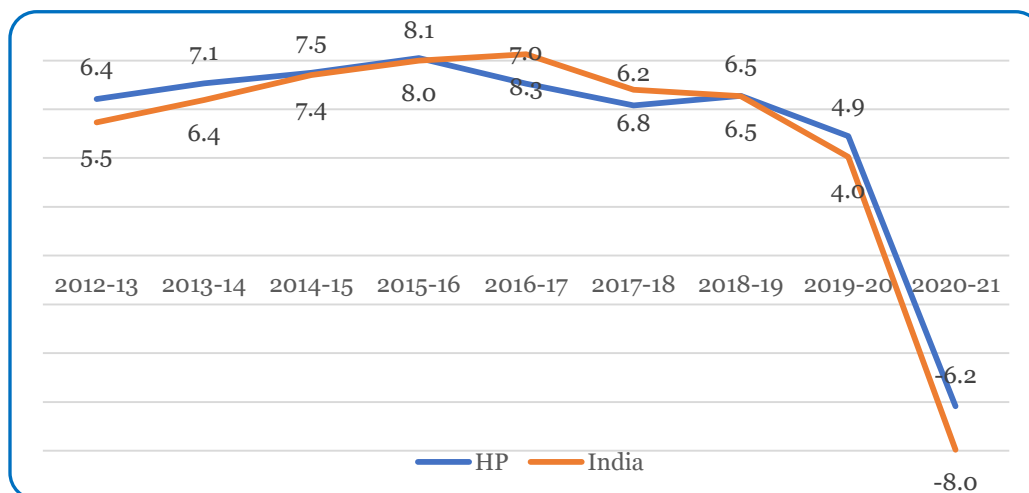
Source: "Periodic Labour Force Survey", NSSO, 2017-18.

### II.3. Economic Profile

The State is doing very well with respect to economic growth, especially that driven by the growth of industry and tourism. In addition, agriculture, horticulture, and hydropower are also traditionally important constituents of the State's economy. The State is particularly known for the abundant production of off-season vegetables, exotic fruits and vegetables, and various varieties of flowers and carnation.

The State's economic growth, in terms of the year-on-year growth in Gross State Domestic Product (GSDP), has been faster than the national growth for most of the years since the inception of the new GDP series, that is, 2011-12 (Central Statistics Office, Ministry of Statistics and Programme Implementation). The GSDP growth for 2019-20 is 4.9 per cent, higher than the national growth of 4.0 per cent (Figure II.7). In 2020-21, when India's GDP suffered a loss of 8.0 per cent resulting from the pandemic and several lockdown restrictions, the State's GSDP fell by a comparatively lower rate of 6.2 per cent.

**Figure II.7: Growth in Gross State Domestic Product (Constant Prices)**



Source: Central Statistics Office.

## II.4. Infrastructure Profile

The State has a total area of 55,673 sq km, and a common border with many Indian States. Its rivers are perennial and are fed by snow and rainfall. These are Chandra Baga or the Chenab, the Ravi, the Beas, the Satluj, and the Yamuna. The landscape of the State is predominantly hilly, which renders many of its areas difficult to reach. However, in recent years, roads have been built and many bridges have been constructed to make these areas more easily accessible to travellers.

Himachal Pradesh has good connectivity through developed roadways and also airways. The State has a road network of 28,208 km, including eight National Highways (NH) accounting for a total road length of 1,234 km and 19 state highways with the total length of 1,625 km. Some roads are, however, closed during the winter and monsoon seasons due to snow and landslides. There are three domestic airports in the State, namely the Gaggal airport in Kangra district, Bhuntar airport in Kullu district, and Shimla airport in Shimla district.

Himachal Pradesh has two railway lines—broad-gauge and narrow-gauge lines. The broad gauge railway line, which was electrified in 1999, connects the Una Himachal railway station to Nangal Dam in Punjab and runs up to Daulatpur. The narrow-gauge railway line, which runs between Kalka and Shimla and is popular among tourists, is one of the UNESCO World Heritage Sites. This train passes through many tunnels and bridges. Another narrow gauge line between Pathankot and Jogindernagar runs through a maze of hills and valleys. The total length of the narrow railway track is 259 km.

Overall, the total route length of the operational railway network in the State is 296.26 km.

### III. State Tourism Profile

Situated in the lap of the western Himalayas, the State of Himachal Pradesh is one of the most famous mountain States of India, dotted with an assorted range of mountain peaks and a perennial river system comprising the Chenab, Ravi, Beas, Sutlej, and Yamuna rivers. The State experiences diverse climate ranging from sub-humid in the southern area to extreme cold as one moves up towards the mountains. Parts of the State also experience heavy rainfall though districts like Lahaul and Spiti do not experience rain at all.

Himachal Pradesh is one of the most popular tourism destinations in the Indian Himalayan region, attracting tourists from all over the world. Shimla, Dharamshala, Dalhousie, and Kasauli are among its prominent hill stations, which are popular destinations amongst both domestic and foreign tourists. Apart from being a great summer destination, the State is also known for its adventure activities such as ice skating, paragliding, and skiing as well as for its popular Hindu pilgrimage sites.

Some of the major tourist attractions in the State are detailed below.

**The Great Himalayas:** The geographical expanse of the State extends through the Shivalik ranges up to the Greater Himalayas, covering sacred peaks and mountain lakes visited both by where devotees for annual pilgrimages as well as tourists for the scenic riverside natural beauty along the river basins. The great mountain ranges have carved out the serene Sangla (Kinnaur) valley, the desert valley of Spiti, and the Chamba and Lahaul valleys.

**Fairs and Fests:** The people of the State celebrate and host a range of fairs around the time of festivals to celebrate their traditions. Some of the famous celebrations across the State include the Manali Winter Carnival in January, the Shimla Summer Festival in June, the Dal Fair in August, and the Shoolini Fair in Solan.

**Adventure Sports:** The State offers the adventure lovers several options for mountain adventures. These include river rafting in Kullu, still water sports in Bilaspur, ice skating in Shimla, and paragliding in the Solang valley near Manali. The State also offers other opportunities for adventure tourism such as mountaineering and rock climbing, day hiking, and camping.

**Flora and Fauna:** Himachal Pradesh is described as the green pearl of the Himalayan region because of the presence of a wide range of flora and fauna in it. The State is home to the rare snow leopards as well as the Himalayan yak, the Himalayan black deer, musk deer, and western tragopan, among other exotic animals. A wide range of flowers, ferns, and medicinal herbs are found in the forests and alpine meadows. The Chail Wildlife Sanctuary, Manali Wildlife Sanctuary, and The Great Himalayan National Park, which is also a UNESCO World heritage site, are some of the major sanctuaries and national parks in the State.

### III.1. Himachal Pradesh Tourism Policy, 2019

In 2018, the number of global international tourist arrivals grew by 5 per cent, reaching the 1.4 billion mark two years before UNWTO's forecast. The total international tourism export earnings grew by 4 per cent, reaching USD 1.7 trillion. Tourism is responsible for about 235 million jobs worldwide (UNWTO, 2019).

Following the worldwide trend, the tourism sector in India has experienced sustained growth to become one of the fastest growing sectors of the country. The Indian Himalayan region has played an important role in attracting tourists not just from within the country but also from around the world, providing tourists the opportunity to experience all sorts of adventures, spiritual solace, a cooler climate in summers, and the rich culture of the Himalayan regions. Along with the benefits of tourism in the form of its contribution to the State and national GDP as well as its role in generating employment, mass tourism and its impact on the environment in the Himalayan region has become a source of concern for policy-makers. Apart from the long-term impact of tourism on climate change, policy-makers have also raised concerns regarding the lack of engagement of the poor with the tourism industry. In this context, the Himachal Pradesh Tourism Policy, 2019, intends to promote sustainable tourism.

The State tourism policy has been designed with the vision to position "Himachal Pradesh as a leading global sustainable tourism destination for inclusive economic growth".

The goals and objectives of the policy are depicted in Table III.1.

**TABLE III.1: GOALS AND OBJECTIVES OF THE TOURISM POLICY**

Goals	Objectives
Goal 1 Establish Himachal Pradesh tourism as an international brand in niche tourism.	Objective 1: To promote tourism diversification through theme-based development.
	Objective 2: To safeguard the State's tourist destinations through sustainable interventions.
Goal 2 Make tourism sustainable with a prime focus on socio-economic growth and employment generation.	Objective 3: To ensure that sustainable tourism primarily benefits host communities.
	Objective 4: To build capacity and develop quality human resource for the tourism industry.
GOAL 3 Ensure quality experience for tourists.	Objective 5: To provide safe, secure, and unique "Tourism for all".
GOAL 4 Encourage private sector participation in tourism related investments and infrastructure	Objective 6: To create an enabling environment for investments in sustainable tourism.

Source: Himachal Pradesh Tourism Policy, 2019.



Following are the three guiding principles for achieving the above goals and objectives:

- Sustainable Tourism;
- Inclusive Tourism; and
- Atithi Devo Bhava.

The policymakers intend to achieve the six objectives listed in Table III.1 through a set of strategies. The strategies are designed for short-term (0-3 years), mid-term (3-5 years), and long-term (5-10 years) action plans in order to achieve the objectives. The detailed strategies and action plans are given in Table III.2.

**TABLE III.2: STRATEGIES AND ACTION PLANS**

Strategies	Action Plans		
	Short Term	Mid Term	Long Term
<b>Objective 1: To promote tourism diversification through theme-based development</b>			
Strategy 1: Promoting thematic tourism products/experiences to cater to the national and international market segments	<ul style="list-style-type: none"> <li>➤ Select five potential sites having diverse tourism products to be developed into tourism destinations</li> <li>➤ Prepare a five-yearly tourism destination plan</li> <li>➤ Develop tourism based on 10 themes - eco, agro, health and wellness, heritage and culture, adventure, lake, snow, film, pilgrimage and MICE</li> <li>➤ Creation and marketing of thematic tourism</li> </ul>	<ul style="list-style-type: none"> <li>➤ Execute the five-year plan</li> <li>➤ Promote and facilitate inter-State tourism</li> </ul>	<ul style="list-style-type: none"> <li>➤ Replicate the tourism destination development models for other potential sites</li> </ul>
Strategy 2: State-wide tourism infrastructure optimisation	<ul style="list-style-type: none"> <li>➤ Develop wayside amenities at an interval of 40-60 km on major arterial roads</li> <li>➤ Improve last mile connectivity</li> <li>➤ Launch Run Hop-on, Hop-Off (HO-HO) services on the popular circuits</li> <li>➤ Facilitate ropeway projects to provide last mile connectivity in remote terrains</li> <li>➤ Augment the signage, lighting and street infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>➤ Develop wayside amenities on other routes as well</li> <li>➤ Build state-of-the-art infrastructure at popular tourism destinations</li> </ul>	<ul style="list-style-type: none"> <li>➤ Improve air connectivity to Lahaul and Spiti, Kinnaur, Chamba</li> <li>➤ Identify routes for heli-rides and operationalise them</li> <li>➤ Promote and develop Himachal as a charter destination</li> </ul>
Strategy 3: Adopting innovative promotion mechanisms and branding techniques to reach national and international markets	<ul style="list-style-type: none"> <li>➤ Hire brand ambassadors for promotion</li> <li>➤ Undertake marketing through participation in national/ international events</li> <li>➤ Encourage film tourism</li> <li>➤ Create taglines and brand names for thematic tourism sites</li> <li>➤ GI tagging of key State products</li> <li>➤ Offline marketing through coffee table books, brochures, newsletters</li> <li>➤ Merchandise –Set up Unforgettable Himachal hoardings at international and domestic airports</li> </ul>	<ul style="list-style-type: none"> <li>➤ Conceptualise and organise award shows, cultural events, etc.</li> <li>➤ Sponsor large-scale events outside the State</li> </ul>	

Strategies	Action Plans		
	Short Term	Mid Term	Long Term
<b>Objective 2: To safeguard the State's tourist destinations through sustainable interventions</b>			
Strategy 1: Strengthening and development of tourism management guidelines for sustainable tourism	<ul style="list-style-type: none"> <li>➤ Form thematic tourism codes of conduct for tourists</li> <li>➤ Ensure 100% registration/renewal of all service providers and control the number of operators</li> <li>➤ Strengthen the statistical division to improve data collection systems for monitoring the volume and impact of tourism</li> </ul>	<ul style="list-style-type: none"> <li>➤ Invest in advancing databases and technology on providing "Live statistics" as a universal information system</li> <li>➤ Periodic review and upgradation of all Tourism Management Guidelines</li> <li>➤ Prepare a Special Area Plan for tourist panchayat to control haphazard growth due to tourism</li> </ul>	
Strategy 2: Provisioning carrying capacity-based tourism destination development	<ul style="list-style-type: none"> <li>➤ Assess carrying capacity calculations for popular tourism destinations</li> <li>➤ Enable decongestion planning through diversification to nearby destinations, traffic regulation and management during peak seasons, green tax</li> </ul>	<ul style="list-style-type: none"> <li>➤ Create satellite nodes/attractions to decongest over-crowded tourist nodes</li> <li>➤ Develop destination control mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>➤ Develop new tourism products/sites/attractions</li> </ul>
Strategy 3: Encouraging green practices at all tourist destinations	<ul style="list-style-type: none"> <li>➤ Ensure efficient solid waste management</li> <li>➤ Encourage water conservation</li> <li>➤ Encourage energy conservation</li> <li>➤ Encourage equipment upgradation/technology change through financial incentives</li> <li>➤ Promote cleaner fuels to reduce air pollution</li> </ul>	<ul style="list-style-type: none"> <li>➤ Introduce green tax for tourists entering Shimla, Manali, and Dharamshala</li> <li>➤ Institutionalise eco-labelling of tourism products and services</li> <li>➤ Encourage green protocol in State through awards for green practices to private investors</li> </ul>	<ul style="list-style-type: none"> <li>➤ Make environmental audits mandatory for renewal of tourism registration</li> </ul>
<b>Objective 3: To ensure that sustainable tourism primarily benefits the host communities</b>			
Strategy 1: Strengthening homestay registration	<ul style="list-style-type: none"> <li>➤ Ensure homestay compliance with the guidelines of 'HP Home Stay Scheme (2008)' and 'Approval and Registration of Incredible India Bed and Breakfast/ Home stay establishments'</li> <li>➤ Listing all registered homestays on the Department website</li> </ul>	<ul style="list-style-type: none"> <li>➤ Professional certification and quality-based rating to be made mandatory</li> <li>➤ Rating information of homestays and their online registration to be linked to the HPTDC website on payment of commission</li> </ul>	
Strategy 2: Providing support for community-	<ul style="list-style-type: none"> <li>➤ Encourage tourism development in rural areas</li> <li>➤ Invest or utilise funds to support community managed tourism</li> </ul>	<ul style="list-style-type: none"> <li>➤ Provide marketing and promotion support for local products and</li> </ul>	<ul style="list-style-type: none"> <li>➤ Developing an e-commerce portal for rural/eco-</li> </ul>

Strategies	Action Plans		
	Short Term	Mid Term	Long Term
based tourism development	activities like guided trail route development, rural wellness units ➤ Facilitate micro finance options for MSMTEs ➤ Prioritise local residents in training and employment in tourism industry, particularly women and minority groups	community-managed tourism activities ➤ Facilitate host communities especially in rural areas to manage their cultural & natural assets ➤ Conducting clean drives on important dates like Himachal Day in collaboration with NGOs	products and tourism taxi services
Strategy 3: Planning for year-round tourist engagement activities	➤ Tapping MICE tourism to promote tourism during the off-season by developing convention centres and resorts, and providing the required training programmes in the districts of Solan, Kangra, Kullu, and Sirmaur ➤ Formulation of State-level MICE Bureau as mandated by the national tourism policy ➤ Facilitating development of snow tourism activities ➤ Calendar creation for year round events		
<b>Objective 4: To build capacity and develop quality human resources for the tourism industry</b>			
Strategy 1: Strengthening of existing institutional structure	➤ Strengthen HPTDB by including tourism experts like Lake Tourism, Civil Aviation, Adventure tourism to develop high standard infrastructure ➤ Technically strengthen district tourism development offices by having an engineering wing ➤ Strengthen the statistical cell in the Department of Tourism to improve the data collection and management process for future planning ➤ Establish a separate division with the tourism department for monitoring, evaluation and up-gradation of the existing standards, certifications and guidelines ➤ Capacity building of staff for ICT enablement, sustainable tourism and green practices	➤ Strengthen the Tourism Development Council ➤ Constitution of an inter-departmental convergence committee	

Strategies	Action Plans		
	Short Term	Mid Term	Long Term
Strategy 2: Organising skill development and entrepreneurship development programmes for target communities	<ul style="list-style-type: none"> <li>➤ Training need assessment for tour and travel industry in coordination with HPKVN</li> <li>➤ Provide skill upgradation trainings through provision of advance courses in adventure sports activities, sustainability, communication, hospitality, etc.</li> <li>➤ Conduct an Entrepreneur Development Programme for aspiring entrepreneurs</li> <li>➤ Promote sustainable tourism by blending it in the school and other institutional curricula</li> </ul>	<ul style="list-style-type: none"> <li>➤ Prepare a Human Resource Development (HRD) Plan for the tourism sector</li> <li>➤ Professional Certification of every group of tourism service providers be made mandatory through certified training programmes</li> </ul>	<ul style="list-style-type: none"> <li>➤ Execution of recommendations of the HRD Plan</li> </ul>
<b>Objective 5: To provide safe, secure and unique “Tourism for All”</b>			
Strategy 1: Ensuring safety and security of tourists at all destinations	<ul style="list-style-type: none"> <li>➤ Develop HP trekkers app to facilitate their safety</li> <li>➤ Provide trained liaison officer at all district tourism offices for coordination with all disaster management agencies</li> <li>➤ Strengthen HP Aero-sports Rules (2004), HP River Rafting Rules (2005) by integrating safety standards</li> <li>➤ Establish operational guidelines for new and upcoming adventure sports activities like snow adventure activities, accommodation guidelines for tented accommodations, etc.</li> <li>➤ Mandatory Formal certification programs for management of high-risk adventure sports</li> <li>➤ Developing disaster resilient tourism infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>➤ In collaboration with the State Disaster Management Authority and state emergency response support system, tourism department shall ensure that advance alerts about disasters that may be foreseen are disseminated to tourists en-route to destinations.</li> <li>➤ Establish Standard Operating Procedures (SOPs) to reduce adverse effects of disaster on tourists</li> <li>➤ Tourist safety enhancement through tourist police at priority areas with a special focus on female tourists</li> <li>➤ Induction programmes for the tourism police force with a special focus on their behavioural skills</li> </ul>	
<b>Strategy 2: Development of Trekking Tourism Master Plan</b>			
Strategy 3: Promoting tangible and intangible cultural products of the State	<ul style="list-style-type: none"> <li>➤ Organize light and sound shows to promote culture of the State</li> <li>➤ Assist in promotion of indigenous and scarce art, music, craft, folk dance and cuisine of Himachal Pradesh</li> <li>➤ Conservation of heritage buildings and hill architecture</li> </ul>	<ul style="list-style-type: none"> <li>➤ Identify and develop artist villages based on the cultural background and art</li> </ul>	
Strategy 4: Improving accessibility and creating/enabling	<ul style="list-style-type: none"> <li>➤ Pilot infrastructure upgradation in key destinations for specially-abled children, women and the elderly to make destinations barrier-free</li> <li>➤ Incorporate tailored information for differently-abled tourists on the</li> </ul>	<ul style="list-style-type: none"> <li>➤ Promote “Accessible for All” tourism products and services'</li> <li>➤ Create and promote access or mobility maps, travel guides for</li> </ul>	

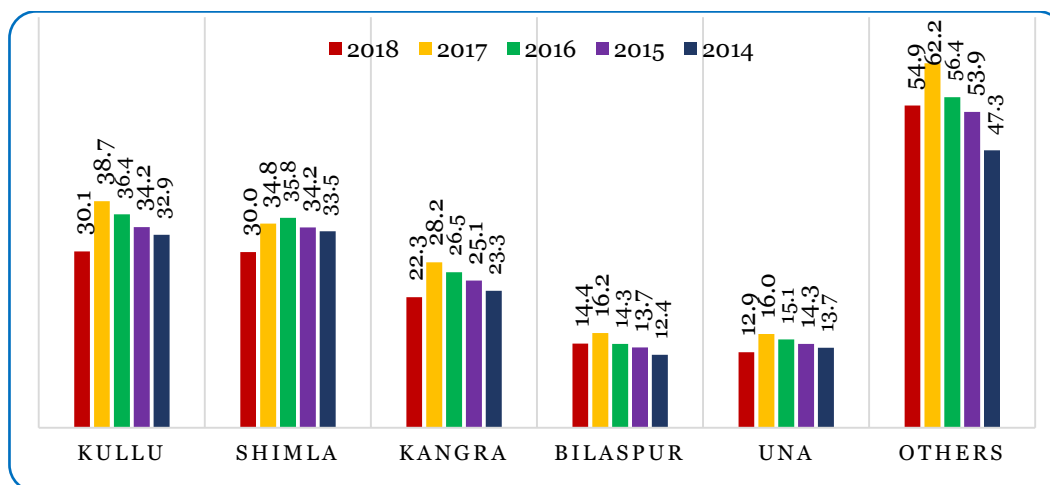
Strategies	Action Plans		
	Short Term	Mid Term	Long Term
infrastructure for barrier free tourism	Himachal Tourism website	wheelchair users and online access guides	
Strategy 5: Integrating ICT in the tourism industry for tourism management and quality experience	<ul style="list-style-type: none"> <li>➤ Develop ICT-enabled Tourist Information Centres at Shimla, Manali, Dharamshala, and Dalhousie</li> <li>➤ Develop pilot tourist smart guide apps</li> </ul>	<ul style="list-style-type: none"> <li>➤ Replicate successful smart guide apps in other important and upcoming tourist destinations</li> <li>➤ Encourage use of Radio Frequency Identification (RFID) tags for traffic management, monitoring and safety measures</li> </ul>	<ul style="list-style-type: none"> <li>➤ Develop an application for all State-level transportation systems</li> </ul>
<b>Objective 6: To create an enabling environment for investments for sustainable tourism</b>			
Strategy 1: Fostering PPP-based development projects	<ul style="list-style-type: none"> <li>➤ Sign MoUs with potential and reputable investors</li> <li>➤ Create State-wide updated land bank</li> <li>➤ Create a bucket list of ready-to-invest projects in the State</li> </ul>	<ul style="list-style-type: none"> <li>➤ Organise investors meet every 5 years</li> <li>➤ Land bank information to be uploaded online</li> </ul>	<ul style="list-style-type: none"> <li>➤ Approach international hospitality majors for FDI in tourism ventures</li> </ul>
Strategy 2: Facilitating private investments through provision of a single window system	<ul style="list-style-type: none"> <li>➤ Simplify permit regimes by establishing a Single Window Clearance System for all tourism and civil aviation projects</li> <li>➤ All the processes shall be time-bound and paperless</li> </ul>	<ul style="list-style-type: none"> <li>➤ Create a tourism facilitation and investment cell with thematic experts</li> </ul>	

Source: Himachal Pradesh Tourism Policy, 2019

### III.2. Tourist Arrivals in Himachal Pradesh

The State of Himachal Pradesh has a large tourist inflow all round the year. The total number of tourist arrivals in the State stood at 164.5 lakhs in 2018. Figure III.1 shows the total tourist arrivals in the State over the five-year period between 2014 and 2018. The top five districts catering to about 66 per cent of the total tourist arrivals in the State in 2018 are Kullu, Shimla, Kangra, Bilaspur, and Una.

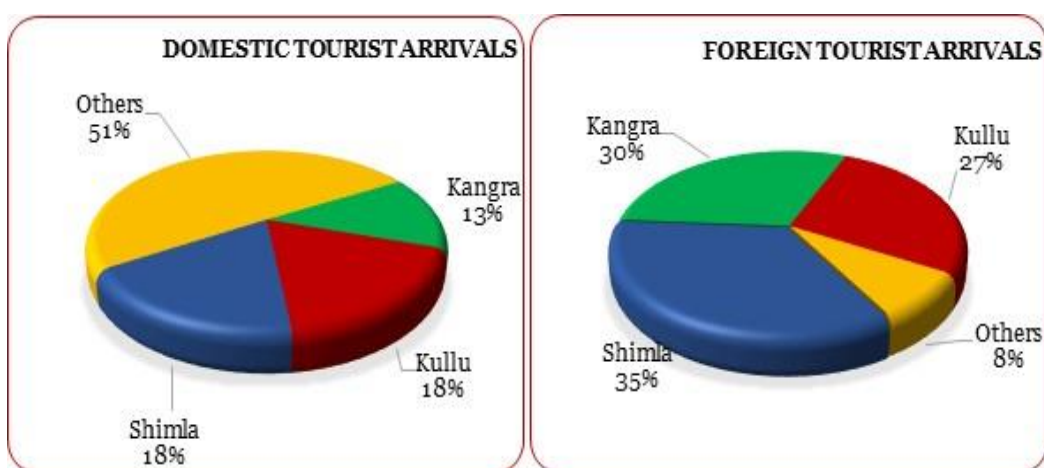
**Figure III.1: District-wise Total Tourist Arrivals (in lakh numbers)**



Source: Based on data from DES, Himachal Pradesh.

The number of domestic tourist arrivals in Himachal Pradesh for the year 2018 stood at 160.9 lakhs while the number of foreign tourist arrivals stood at 3.5 lakhs for the same year. Figure III.2 shows that in both the cases, the districts of Kullu, Shimla, and Kangra remained popular amongst the tourists, as these districts accounted for 50 per cent of the total domestic tourists and about 92 per cent of the total foreign tourists in 2018.

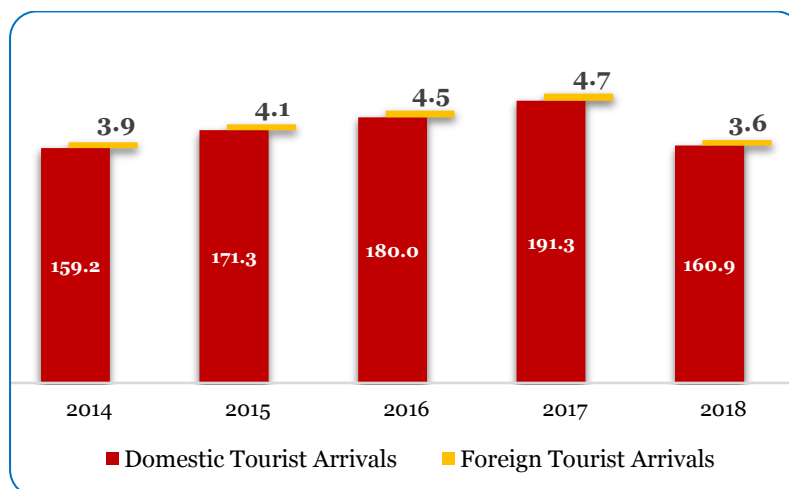
**Figure III.2: District-wise Distribution of Tourist Arrivals**



Source: Based on data from DES, Himachal Pradesh.

Figure III.3 presents the time series of the total number of domestic tourist arrivals and total number of foreign tourist arrivals in the State over the last five years.

**Figure III.3: Tourist Arrivals in Himachal Pradesh (in Lakhs)**



Source: Based on data from DES, Himachal Pradesh.

### III.3. Tourists' Characteristics

Himachal Pradesh is a popular tourism destination among all age groups and across gender. This is because of its variety of offering for tourists visiting the State for various purposes. While one section of people visit the State for holiday purposes, others visit it for religious purposes, and yet others for health-related reasons, and so on.

Tables III.3 and III.4 present the percentage distribution of tourists by visitors' purposes across age groups, including children (up to 15 years of age), youth (16 to 29 years), middle-aged persons (30 to 58 years) and older people (above 58 years). The distribution is presented for both male and female tourists visiting the State.

Table III.3 presents the distribution of trips by visitors' purposes for the trips undertaken with the leading purposes of holiday, medical, or shopping during the last 365 days whereas Table III.4 provides the distribution of trips by visitors' purposes for the trips undertaken with the leading purposes of business, social, religious, educations or others during the last 30 days.

It should be noted that the leading purpose refers to the purpose in the absence of which the trip is not likely to take place. Clearly, the leading purpose of a trip is the same for all the members who undertake that trip. Hence, it is a characteristic of a trip. On the other hand, visitor's purpose is the characteristic of the tourist or of all the members who undertake a trip, irrespective of the leading purpose of the trip.



**TABLE III.3: PERCENTAGE DISTRIBUTION OF TRIPS BY VISITOR'S PURPOSE (FOR THE TRIPS WITH LEADING PURPOSE OF HOLIDAY, MEDICAL OR SHOPPING) ACROSS AGE GROUPS**

Sl. No.		Up to 15	16 to 29	30 to 58	59 & above	Total
		1	2	3	4	5
		Male				
1	Business	0.0	0.2	0.0	0.0	0.0
2	Holidaying, Leisure	53.4	18.3	12.0	6.1	17.3
3	Social	0.2	2.0	2.2	0.0	1.5
4	Religious	1.4	0.0	0.1	0.0	0.2
5	Education and Training	0.0	0.0	0.0	0.0	0.0
6	Health and Medical	34.7	26.8	44.3	78.8	46.6
7	Shopping	0.5	0.1	0.2	0.4	0.2
8	Others	9.9	52.5	41.4	14.6	34.1
9	Total (Sum 1 to 8)	100.0	100.0	100.0	100.0	100.0
		Female				
1	Business	0.0	0.0	0.0	0.0	0.0
2	Holidaying, Leisure	64.9	20.0	18.2	5.3	22.5
3	Social	0.3	0.0	0.5	0.2	0.3
4	Religious	1.7	0.0	0.5	0.0	0.4
5	Education and Training	0.0	0.0	0.0	0.0	0.0
6	Health and Medical	24.5	62.4	40.5	69.0	47.8
7	Shopping	0.0	0.0	0.3	0.3	0.2
8	Others	8.6	17.5	40.0	25.1	28.8
9	Total (Sum 1 to 8)	100.0	100.0	100.0	100.0	100.0

Source: Domestic Tourism in India, 2014-15.

**TABLE III.4: PERCENTAGE DISTRIBUTION OF TRIPS BY VISITOR'S PURPOSE (FOR THE TRIPS WITH LEADING PURPOSES OTHER THAN HOLIDAY, MEDICAL OR SHOPPING) ACROSS AGE GROUPS**

Sl. No.		Up to 15	16 to 29	30 to 58	59 & above	Total
		1	2	3	4	5
		Male				
1	Business	0.0	7.2	3.3	0.0	2.9
2	Holidaying, Leisure	2.4	0.0	0.3	0.0	0.9
3	Social	96.9	80.4	90.4	91.7	90.3
4	Religious	0.0	4.3	4.1	5.2	2.9
5	Education and Training	0.5	1.2	0.6	2.6	0.9
6	Health and Medical	0.0	0.0	0.1	0.0	0.0
7	Shopping	0.0	0.0	0.0	0.0	0.0
8	Others	0.2	6.9	1.2	0.4	2.1
9	Total (Sum 1 to 8)	100.0	100.0	100.0	100.0	100.0
		Female				
1	Business	0.0	0.5	0.5	0.0	0.4
2	Holidaying, Leisure	0.0	0.0	0.0	0.0	0.0
3	Social	99.5	98.0	97.3	96.5	97.9
4	Religious	0.1	1.0	1.9	3.5	1.4
5	Education and Training	0.0	0.0	0.0	0.0	0.0
6	Health and Medical	0.2	0.0	0.3	0.0	0.2
7	Shopping	0.0	0.0	0.0	0.0	0.0
8	Others	0.2	0.4	0.0	0.0	0.2

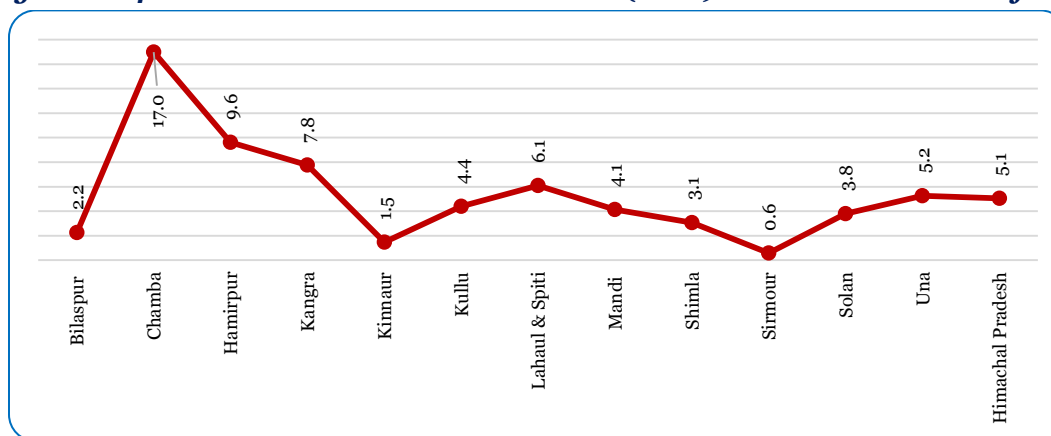
Source: Domestic Tourism in India, 2014-15.



### III.4. Tourism-related Employment in Himachal Pradesh

The direct jobs created in the tourism sector include jobs for those employed as travel agents and travel guides, and those working in the accommodation service providing sectors (such as hotels, guest houses, and homestays) as well as photographers. A Cumulative Annual Growth Rate (CAGR) of 5.1 per cent has been recorded for Himachal Pradesh with respect to employment in the tourism sector. Figure III.4 shows the district-wise CAGR in employment for the year 2018 (refer to Appendix Table A1 for district-wise data on employment).

**Figure III.4: Cumulative Annual Growth Rate (2018) across the Districts of HP**



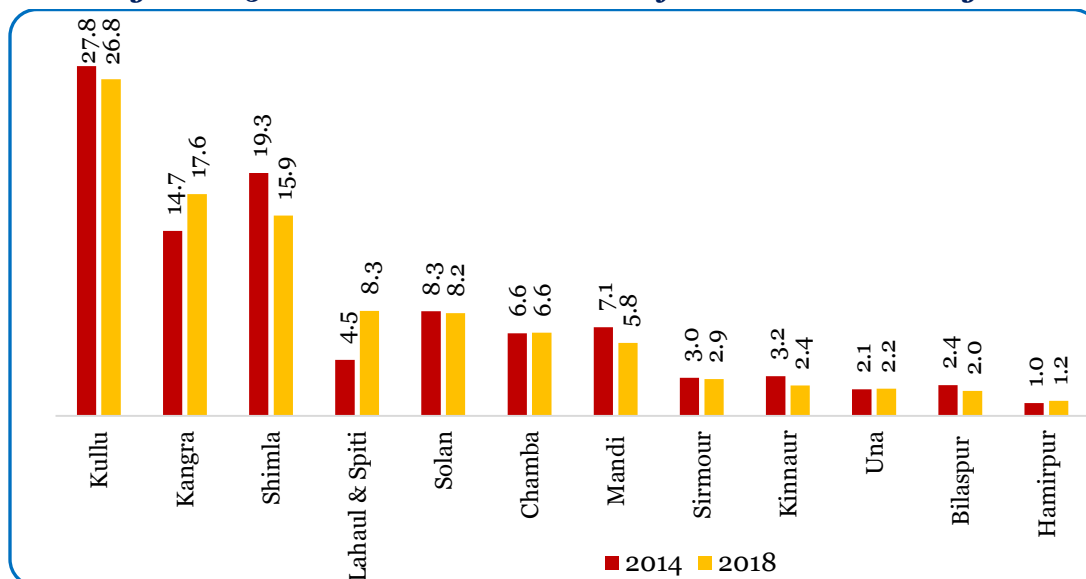
Source: Based on data from DES, Himachal Pradesh.

### III.5. Hotels and Restaurants in the State

According to 2018 estimates, the State has a total of 4,986 hotels and homestays (Source: DES, HP), of which more than 60 per cent are located in the three districts of Kullu, Kangra, and Shimla. The district-wise distribution has not changed much since 2014 (Figure III.5). However, the total number of hotels and homestays increased by 62 per cent between 2014 and 2018 (Figure III.6). The greatest increase of more than 200 per cent is seen in the least densely populated district of both India and the State, Lahaul and Spiti, which is fast becoming a popular tourist destination because of its natural scenic beauty. Notably, the number of hotels and homestays rose from 137 in 2014 to 416 in 2018.

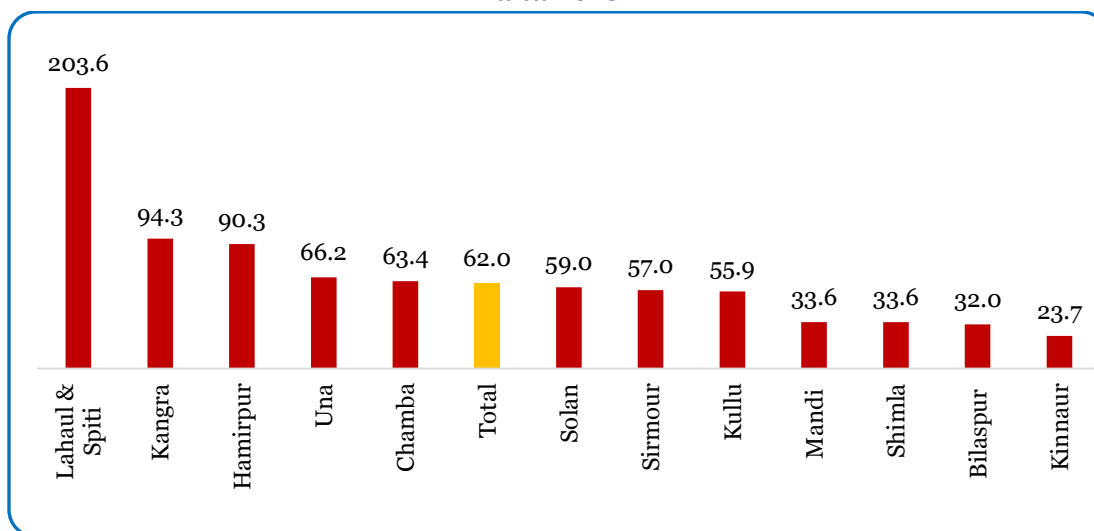
This is followed by Kangra, which posted a growth of 94.3 per cent in the number of hotels and homestays during the same period. Besides these two districts, Hamirpur, Una, and Chamba also saw a notable percentage increase in the number of hotels and homestays, which was higher than the State average (Refer to Appendix Table A2 for data on Hotels and Homestays).

**Figure III.5: District-wise Distribution of Hotels and Homestays**



Source: Based on data from DES, Himachal Pradesh.

**Figure III.6: Percentage Increase in the Number of Hotels and Homestays during 2014 and 2018**



Source: Based on data from DES, Himachal Pradesh.

## IV. Methodology

As mentioned in Chapter 1, two main types of approaches are followed to prepare the regional TSAs—regionalisation or the top-bottom approach and regional estimation or the bottom-up approach. For India, based on the availability of data and the feasibility of these approaches, the TSA at the State-level can be prepared using the regionalisation approach but refining it further by using the State tourism and other consumption characteristics.

*The set of tables and accounts that make up the standard Tourism Satellite Account are the key for estimating the economic contribution of tourism to the economy, through the compilation of demand-side and supply-side information of tourism-specific goods and services. At the national level, there are ten such tables, which are prepared in a standard format, as recommended by UNWTO in the TSA: RMF 2008, with each country having the flexibility to decide on the most adequate format for taking into account its tourism reality and the scope of available data. These ten tables are listed in Table IV.1.*

**TABLE IV.1: STANDARD TSA TABLES**

Sl. No.	TSA Table	Brief Description
1.	Inbound Tourism Expenditure	Expenditure incurred by a non-resident visitor within the economy of reference
2.	Domestic Tourism Expenditure	Expenditure incurred by resident visitors on tourism-related products within the economy.
3.	Outbound Pre-trip Tourism Expenditure	Expenditure incurred by resident visitors, who plan to travel abroad, on tourism-related products within the economy of reference and expenditure incurred before arriving at the international port of exit and after returning to the international port of entry
4.	Total Internal Tourism Consumption	Sum of inbound, domestic, and outbound pre-trip expenditure, along with the components of imputed tourism consumption like social transfers, vacations homes, etc.
5.	Production Account of Tourism Industries	Supply-side information in the Supply and Use Table (SUT) framework
6.	Supply and Internal Tourism Consumption	Confrontation of demand and supply to arrive at the Tourism Product and Tourism Industry Ratios
7.	Tourism Employment	Number of jobs associated with tourism
8.	Tourism Gross Fixed Capital Formation	Total value of a producer's acquisitions, less disposals, of fixed assets during the accounting period
9.	Tourism Collective Consumption	Part of Government Final Consumption Expenditure, which is meant for the community as a whole, for providing services related to tourism
10.	Non-monetary Tourism Indicators	All non-monetary tourism-related indicators

*However, at the State level, it is not possible to compile all the ten tables, due to data limitations. Based on the information that is available at the State level in India, TSA Tables 1 to 5 and 7 can be compiled without much difficulty, though some assumptions are made for this. However, Tables 8 and 9 on Tourism Gross Fixed Capital Formation and Tourism Collective Consumption, respectively, cannot be included due to the non-availability of these data at the State level.*

*At the State level, the recommended framework is adopted to the extent possible. Essentially, the preparation of a State TSA requires the following:*

- Statistics on expenditure made by visitors on different products and services within the State;
- Statistics on supplies from the domestic production and imports (which include supplies/imports from other States) to meet these purchases of tourists;
- Confrontation of the two sets of statistics in the national accounting framework through the supply and use tables so that supplies from domestic production and imports match the expenditures made by tourists and tourism ratios can be developed; and
- Estimation of the value added out of the domestic production that is involved in supplying the products to tourists' purchases.

*For the present study on Himachal Pradesh, the methodology involved in preparing the TSA Tables is described in the following sections. However, before presenting the description of the State TSA Tables, it is important to mention that TSA: RMF 2008 recommends a certain set of activities and products to be included while compiling the TSA. Each table presents the desired information for a set of goods and services, identified as tourism-specific products, which are further classified as follows:*

**Tourism-characteristic Products:** *These are products that would cease to exist in meaningful quantity, or the sales of which would be significantly reduced, in the absence of tourism. Under the international TSA standards, the core lists of tourism-characteristic products, based on the significance of their link to tourism in the worldwide context, are recommended for implementation to facilitate international comparison. The international TSA standards also recommend identification of country-specific tourism-characteristic products.*

**Tourism-connected Products:** *These are products which are consumed by visitors but are not considered as tourism-characteristic products. While some of the activities have been specified distinctly, some are recommended to be country-specific. Accordingly, a comprehensive set of activities and products were identified in the compilation of the national as well as State TSAs. Both the recommended and the adopted classifications for products and activities are shown separately in Table IV.2.*

**TABLE IV.2: PRODUCTS RECOMMENDED IN TSA: RMF 2008 VS. PRODUCTS INCLUDED IN THE STATE TSA, 2018-19**

<b>Sl. No</b>	<b>Products Recommended in the TSA: RMF 2008</b>	<b>Products Used for the State TSA in India</b>
1	Accommodation services for visitors	Hotels
2	Food and beverage serving services	Restaurants
3	Railway passenger transport services	Railway passenger transport services
4	Road passenger transport services	Land passenger transport including via pipeline
5	Water passenger transport services	Water passenger transport
6	Air passenger transport services	Air passenger transport
7	Transport equipment rental services	Renting of transport equipment
8	Travel agencies and other reservation services	Tourism-related supporting and auxiliary transport activities
9	Cultural services	Cultural and religious services
10	Sports and recreational services	Sporting and recreational services
11	Country-specific tourism characteristic goods	Medical and health
12	Country-specific tourism-characteristic services	Processed food products
		Beverages
		Tobacco products
		Readymade garments
		Printing and publishing
		Leather footwear
		Travel-related consumer goods
		Soaps and cosmetics
		Gems and jewellery

*Source: NCAER compilation.*

## **IV.1. Data Sources**

The data for the demand-side information were obtained from the latest tourism expenditure surveys commissioned by the Ministry of Tourism, Government of India. These include the Domestic Tourism Survey, conducted by NSSO during 2014-15, and the International Passenger Survey (IPS), conducted by the Indian Statistical Institute (ISI), Kolkata, during 2015-16. These data were updated for the reference year of 2018-19 for this study, using the retail inflation for each item of tourism expenditure.

Further, the production accounts were obtained from the GSDP statements of the State. The State's latest Supply and Use Table (SUT) for 2015-16 was used for the study, as the structure of the economy and its transactions are assumed to remain the same for few years. However, the SUT for 2015-16 was updated to 2018-19 for this study.

The latest data on tourist arrivals in the State for 2018-19, were obtained from the Tourist Statistics, Government of Himachal Pradesh.

Each of these TSA Tables is described in detail in the following sections.

## **IV.2. Inbound Tourism Expenditure**

TSA Table 1 focuses on inbound tourism or tourism activity undertaken by non-resident visitors in the economy of reference and presents the tourism expenditure incurred by these visitors within the economy of reference on tourism-characteristic and tourism-connected products and services. An inbound tourism trip to a country refers to the travel of a visitor from the time of arriving in the country to the time of leaving that country.

However, at the regional or State level, inbound tourism expenditure comprises expenditure incurred by visitors from other countries as well as by those from other States of the same country. These expenditures are incurred within the State of reference on tourism-characteristic and tourism-connected products and services.

The TSA: RMF 2008 recommends that the inbound tourism expenditure should be obtained through surveys conducted at the exit points. However, some of their subsets may also be available from the balance of payments statistics and national accounts statistics. In the case of countries where administrative controls do not exist at the borders and where surveys of travellers cannot be implemented at the border, it is recommended that surveys of travellers at places of accommodation be used in parallel with other sources (for example, surveys at popular tourism sites or other destinations).

As mentioned above, in order to prepare this table for the TSA for Himachal Pradesh, the data on Inbound Tourism Expenditure were obtained from the IPS, 2015-16, conducted by ISI, Kolkata (Box IV.1). The survey collected details of the expenditure incurred by an inbound tourist within the geographical territory of India but did not identify the States where the expenditures were incurred. But, for the State-level estimates, it is important to capture data on the expenditure incurred in the State of destination by an inbound tourist visiting that State. It may also be noted that the inbound tourist may have travelled to one or more number of States. The survey data does not capture the expenses incurred in each of these States of destination, separately.

Nonetheless, the survey does ask the respondent to give the name of the Last Place of Night Halt (LPNH). In addition to the expenditure incurred during the entire trip to India, detailed information on item-wise expenses incurred at the LPNH was also collected.

#### Box IV.1: International Passenger Survey

The International Passenger Survey (IPS) was carried out during 2015-16, for the purpose of capturing the inbound tourism expenditure at the country level. The survey targeted the following three categories of international tourists:

- Foreign nationals visiting India;
- Non-Resident Indians visiting India; and
- Indian residents travelling abroad.

A multi-stage sampling design was adopted to conduct the survey at each of the selected airports and land check posts. At the first stage, six airports, namely Bangalore, Chennai, Dabolim (Goa), Delhi, Kolkata, and Mumbai were selected purposely keeping in mind the different geographical zones of India. Among the remaining international airports, four airports, namely, Amritsar, Cochin, Hyderabad, and Pune, were selected using a sampling scheme with probability proportional to foreigners' departure as its size measure.

*Among the land posts, the survey was conducted at Haridaspur, Changrabandha, and Mahadipur.*

Hence, the inbound tourism expenditure is equivalent to the imputed value obtained from the expenditure incurred by the international tourists at these LPNHs. The respondents were asked to name these places, which are located in the various States. These LPNHs were mapped with the States they are located in. For Himachal Pradesh, the following locations were identified as LPNHs by the respondents:

- |                  |                    |
|------------------|--------------------|
| • Chail          | • Lahaul and Spiti |
| • Chamba         | • Manali           |
| • Dalhousie      | • Mandi            |
| • Dharamshala    | • McLeodganj       |
| • Joginder Nagar | • Palampur         |
| • Kangra         | • Rewalsar         |
| • Kasauli        | • Shimla           |
| • Kinnaur        | • Rohtang          |
| • Kullu          |                    |

An aggregation of the expenditure incurred, by each item separately and by each type of tourist, in all the places located in a particular State was used to determine the expenditure pattern in that State. The number of tourists reporting these expenditures, by type of tourists, was also obtained.

These expenditure data were adjusted to account for the package component and for the amount paid or reimbursed by government or others. Since package and reimbursed components could

not be obtained by states, the national level factor was used to inflate them. The per-tourist expenditure by types of tourists obtained from these data were applied on the actual number of tourist arrivals in the state (in 2018-19), to derive the total inbound tourism expenditure incurred by foreign tourists in Himachal Pradesh.

Besides, the price change between 2015-16 (the IPS reference year) and 2018-19 is also accounted for. The item-wise values of expenditure were inflated using the State retail inflation of the corresponding items (Appendix Table A3). The imputed State-level Inbound Tourism Expenditure incurred by tourists arriving from other countries has been obtained for Himachal Pradesh and presented in TSA Table 1A.

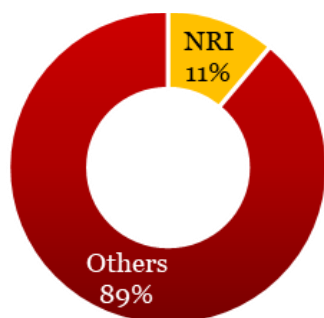
**TSA TABLE 1A: INBOUND TOURISM EXPENDITURE INCURRED BY INTERNATIONAL TOURISTS**

(Rs. Lakh)						
Sl. No.	Item	NRI	PIO	OCI	Others	Total
		1	2	3	4	5
	<b>A.1 Tourism-characteristic Products/Services (1 to 11)</b>					
1	Accommodation services	600	0	0	47,228	47,829
2	Food and beverage serving services	188	0	0	25,481	25,669
3	Railway passenger transport services	0	0	0	111	111
4	Road passenger transport services	1365	0	0	39,539	40,904
5	Water passenger transport services	0	0	0	0	0
6	Air passenger transport services	396	0	0	2082	2478
7	Transport equipment rental services	0	0	0	6672	6672
8	Travel agencies and other reservation services	0	0	0	5838	5838
9	Cultural and religious services	0	0	0	8881	8881
10	Sports and other recreational services	746	0	0	20,722	21,467
11	Health and medical related services	0	0	0	19,419	19,419
	<b>A.2 Tourism-connected Products (12 to 19)</b>					
12	Readymade garments	1423	0	0	93,334	94,757
13	Processed food	0	0	0	1956	1956
14	Alcohol and tobacco products	238	0	0	8773	9011
15	Travel-related consumer goods	0	0	0	355	355
16	Footwear	0	0	0	1363	1363
17	Soaps, cosmetics, and glycerine	0	0	0	131	131
18	Gems and jewellery	135	0	0	40,956	41,091
19	Books, journals, magazines, stationery, etc.	109	0	0	5726	5834
20	Total expenditure (A.1 + A.2)	5200	0	0	3,28,567	3,33,767
21	Estimated number of tourists 2018-19	39,421	0	0	3,17,147	3,56,568
22	<b>Per-tourist Expenditure (Rs.)</b>	13191			1,03,601	93,605

Source: NCAER computation.



**Figure IV.1: Percent distribution of International inbound tourists**

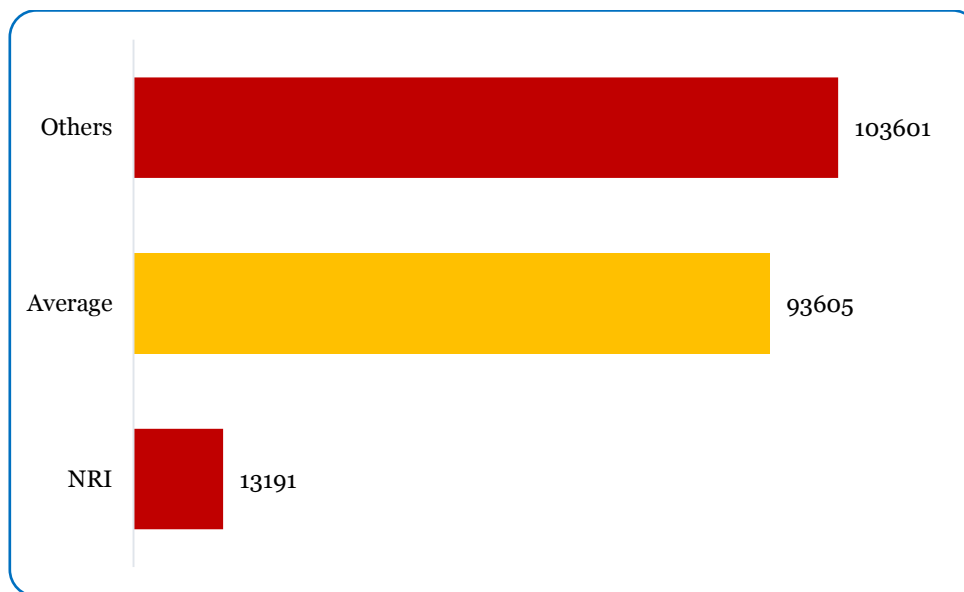


As per the Ministry of Tourism's India Tourism Statistics, 2019, it is estimated that about 3.56 lakh international tourists travelled to Himachal Pradesh in 2018-19. Of these, 89 per cent of the inbound international tourists visiting the State belonged to the category, "Other than NRIs", that is, foreign nationals.

Source: NCAER Computation

The average per tourist expenditure incurred by an inbound international tourist, including NRIs and Other Foreign Nationals, visiting the State of Himachal Pradesh is presented in Figure IV.2. The average per tourist expenditure is estimated to be Rs. 93,605.

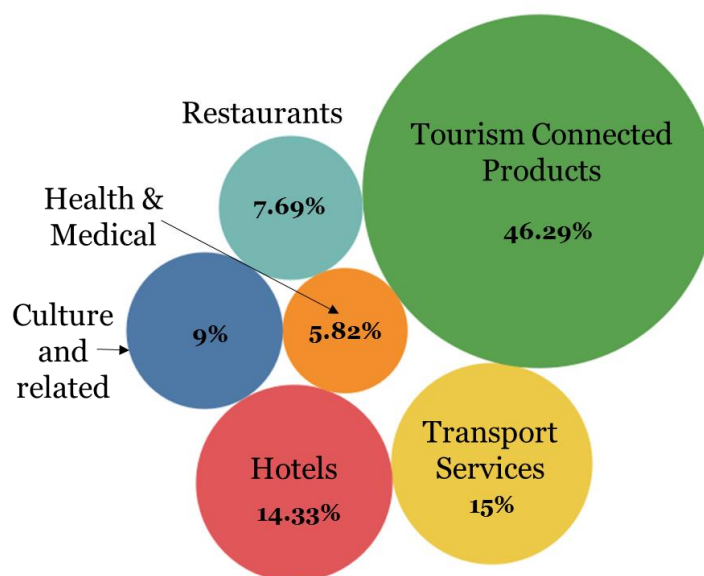
**Figure IV.2: Average Per-tourist Expenditure (Rs.) Incurred by International Tourists in Himachal Pradesh**



Source: NCAER computation.

Figure IV.3 shows the percentage distribution of expenditure by major items of consumption, which consist of tourism-characteristic products and services and tourism-connected products. About 46.3 per cent of the total expenditure was incurred on tourism-connected products, followed by 15.0 per cent on transportation services, and 14.3 per cent on hotels for accommodation purposes.

**Figure IV.3: Percentage Distribution of International Inbound Tourism Expenditure (Incurred by International Tourists) by Products and Services**



Source: NCAER computation.

### IV.3. Inbound Tourism Expenditure Incurred by Tourists Arriving from Other States

The inbound tourism at the State level also includes the tourism-related activities of the visitors from the other States of the country to the State of reference. These data were collected in the Domestic Tourism Survey (DTS) conducted by NSSO in 2014-15. This survey captured the tourism expenditures incurred by the domestic tourists (Box IV.2). The survey collected comprehensive information on the expenditure incurred by tourists on a detailed set of items, which were mapped with the tourism-characteristic and tourism-connected (together called tourism-specific) products and services. The information on the place of destination was also collected and categorised as follows:

- Within the same district;
- Outside the district but within the State;
- Outside the State; and
- Outside the country.

The data on item-wise expenditure incurred during the overnight trips originating from any State (other than the State of reference) and for which main destination was the State of reference, were collected to arrive at this component of inbound tourism expenditure. These expenditures were estimated by the leading purpose of the trip that is, business, leisure, social,

#### **Box IV. 2: Domestic Tourism Survey**

The first Domestic Tourism Survey (DTS) was conducted by NCAER in 2003-04 which was used by NCAER in the preparation of first National TSA. The National Sample Survey Organization (NSSO) conducted its first comprehensive survey on domestic tourism in 2008-09. This was an all-India household survey and was carried out as part of NSSO's 65th Round of sample surveys. NSSO then carried out the similar survey on Domestic Tourism, in its 72nd round of survey. The purpose of the survey was primarily to provide requisite tourism related estimates for preparing the national as well as state-level TSAs.

Focus of DTS was on capturing the details of domestic overnight trips. A stratified multi-stage design was adopted for this survey. A total of 8001 villages in rural India and 6061 urban blocks in urban India were surveyed after selecting by Probability Proportional to Size with Replacement (PPSWR). In all, 79497 households from rural and 60191 from urban India were surveyed.

The households selected for the survey were those who met at least one of the following criteria:

- Have at least one member who performed overnight trip during last 365 days for the following leading purposes:
  - Health & medical
  - Holidaying, leisure & recreation
  - Shopping
- Have at least one member who performed overnight trip during last 30 days for the following leading purposes:
  - Business
  - Social
  - Religious & pilgrimage
  - Education & training
  - Others

It may be noted that information on trips are collected differently for different leading purposes of trips, that is, reference period for some trips is 365 days and for others is 30 days. Hence, survey captures all the trip characteristics for two sets of trips – one with 365 days reference period and other with 30 days reference period. Even the total number of trips is presented separately for these two sets of trips.

religious, educational, medical, shopping, and others. The package component of the expenditure and the amount paid or reimbursed by the government or others is also added

The item-wise expenditures have been adjusted for the under-estimation observed in such data when it is collected through household surveys. The inability of the respondent to recall the expenses and in some cases, reluctance to report the actual expenses, leads to such under-estimations. The under-estimation is established when data on the household consumption expenditure collected through the survey is compared with the Private Final Consumption Expenditure (PFCE) given in the National Accounts Statistics. The factors for adjusting this under-estimation at the State level are assumed to be the same as those at the all-India level. The item-wise adjustment factors are presented in Table IV.3.

**TABLE IV.3: CONSUMPTION EXPENDITURE ADJUSTMENT FACTORS**

Sl. No.	Tourism-specific Products/Services	Adjustment Factors
<b>A.1 Tourism-characteristic Products/Services</b>		
1	Accommodation services	3.15
2	Food and beverage serving services	3.15
3	Railway passenger transport services	1
4	Road passenger transport services	5.68
5	Water passenger transport services	11.93
6	Air passenger transport services	6.81
7	Transport equipment rental services	1
8	Travel agencies and other reservation services	5.1
9	Cultural and religious services	0.1
10	Sports and other recreational services	1.5
11	Health and medical related services	1.21
<b>A.2 Tourism-connected Products</b>		
12	Readymade garments	1.81
13	Processed food	1.32
14	Alcohol and tobacco products	3.24
15	Travel-related consumer goods	1.74
16	Footwear	2.49
17	Soaps, cosmetics, and glycerine	0.82
18	Gems and jewellery	1.45
19	Books, journals, magazines, stationery, etc.	0.53

Source: NCAER computation.

Further, since the reference period for the TSA Himachal Pradesh is 2018-19, we have imputed the number of trips by purposes, using the growth seen in the number of domestic tourist visits in 2018-19 over 2014-15.

Also, the item-wise price adjustment has been done by taking into account the price change over years. The item-wise inflation factors are presented in Appendix A1.

As mentioned earlier, the survey provides the estimated number of trips and the estimated tourism expenditure for two different reference periods—the last 365 days and the last 30 days. While the NSS does not provide any estimate or methodology for estimating the total number of trips for a uniform reference period, the same has been estimated for the purpose of constructing the TSA.

For this, the purpose-wise ratio of the number of trips with a 30-day reference period to the number of trips with a 365-days reference period was derived, using data from the DTS 2008–09. These purpose-wise ratios were applied on the corresponding purpose-wise number of trips with a 30-day reference period, obtained from the DTS 2014–15.

Hence, the estimated number of trips for the 365-day reference period has been taken as it is. For the 30-day reference period, the estimated number of trips has been imputed by applying the ratio of the 365-day to 30-day trips as found in DTS, 2008-09 on it.

The table on inbound tourism expenditure incurred by tourists from other States to Himachal Pradesh is presented as TSA Table 1B.

**TSA TABLE 1B: INBOUND TOURISM EXPENDITURE INCURRED BY TOURISTS FROM OTHER STATES BY PRODUCTS AND BY LEADING PURPOSES**

(Rs. Lakh)										
Sl. No.	Item	Business	Holiday, leisure and recreation	Social	Religious	Education and training	Health and medical	Shopping	Other	Total
	1	2	3	4	5	6	7	8	9	10
	<b>A.1 Tourism-characteristic Products/Services (1 to 11)</b>									
1	Accommodation services	3017	54909	43927	8243	7266	1423	0	1148	119932
2	Food and beverage serving services	2486	37747	28861	12001	4009	735	0	760	86600
3	Railway passenger transport services	79	200	201	305	164	79	0	66	1094
4	Road passenger transport services	6548	80851	97537	38067	27752	1096	1	1935	253786
5	Water passenger transport services	0	95	48	10	0	14	0	0	166
6	Air passenger transport services	0	6363	0	0	0	0	0	0	6363
7	Transport equipment rental services	83	5056	2794	1024	13	33	0	0	9002
8	Travel agencies and other reservation services	182	3572	1763	212	0	1	0	0	5730
9	Cultural and religious services	0	25	76	11	0	0	0	0	112
10	Sports and other recreational services	21	2624	1459	164	0	0	0	0	4267
11	Health and medical-related services	0	1033	148	219	0	6139	0	0	7539
	<b>A.2 Tourism-connected Products (12 to 19)</b>									
12	Readymade garments	0	11690	17520	3325	186	103	4	210	33039
13	Processed food	231	1507	922	1164	0	72	0	44	3939
14	Alcohol and tobacco products	0	583	289	1	0	2	0	0	876
15	Travel-related consumer goods	0	709	64	129	88	0	0	0	990
16	Footwear	0	3401	2676	122	0	16	1	1	6216
17	Soaps, cosmetics, and glycerine	9	194	70	75	17	14	0	0	378
18	Gems and jewellery	0	518	5714	73	0	1	0	86	6392
19	Books, journals, magazines, stationery, etc.	5	511	557	103	455	0	0	31	1661
20	Total expenditure (1 to 19)	12661	211587	204624	65248	39950	9727	5	4280	548083
21	Estimated number of trips 2018-19	57441	30241 2	134166 1	76792 3	17696 6	3405 6	33	5841 1	273890 3
22	Per-trip expenditure	2204 1	69967	15252	8497	22575	28561	1666 2	7328	20011

Source: NCAER computation.

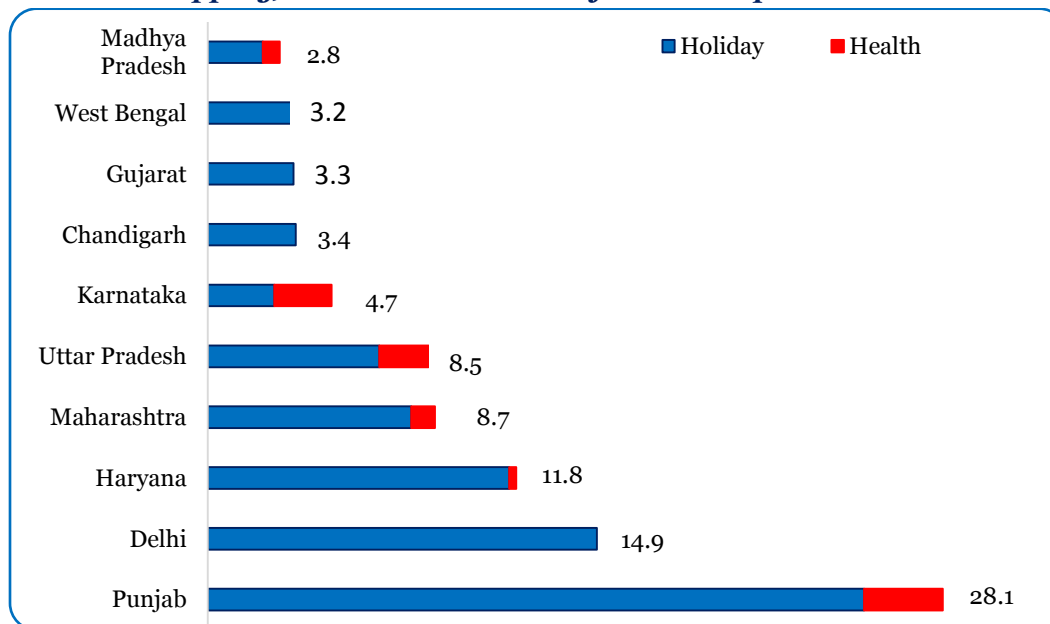
It is estimated that during 2018-19, about 27.4 lakh trips were made to the State of Himachal Pradesh by tourists from the other States of India visiting Himachal Pradesh for various purposes, as listed in TSA Table 1B. Of these, 49 per cent of the inbound tourist trips from other States were made for social purposes, followed by 28 per cent of the trips that were made for religious purposes to the State of reference

The DTS survey also provides data on the States from where the tourists arrive to each State of destination. For Himachal Pradesh, most of the tourists arrive from the northern states of Punjab, Delhi, and Haryana, if the purpose of travel is holiday, medical, or shopping, for which reference period is the last 365 days. Notably, most of the trips undertaken from these States were for leisure or holiday purposes.

For other purposes and for the reference period of the last 30 days, the States of origin for most tourists are Punjab, Madhya Pradesh, and Uttar Pradesh, together accounting for over 75 per cent of the total trips. The trips originating from Punjab included both social and religious trips in almost equal proportion. Almost all the trips originating from Madhya Pradesh were social trips. From Kerala, 97 per cent of the trips were educational trips.

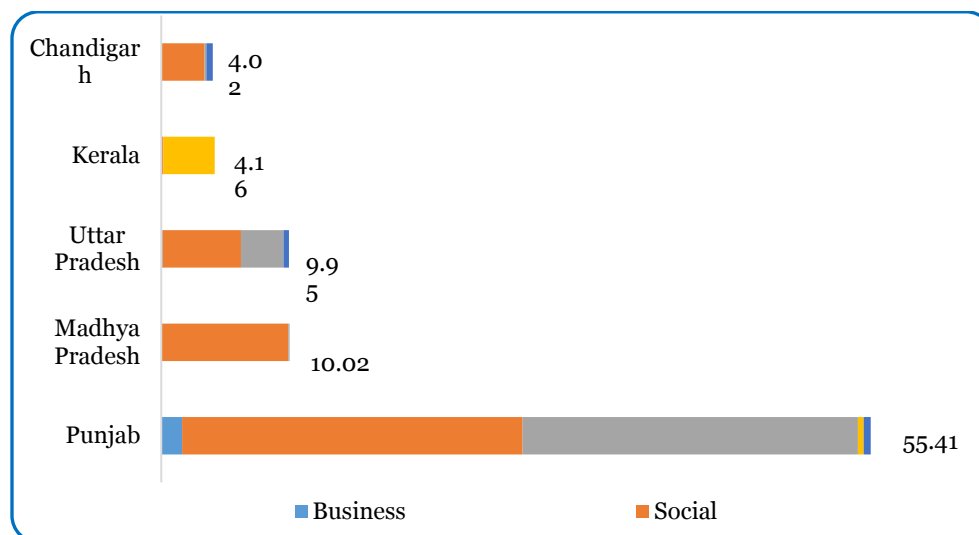
Figure IV.4 provides the percentage distribution of trips to Himachal Pradesh, with the leading purposes being holiday, medical, and shopping by the top ten States of origin. Figure III.5 presents the corresponding figures for the rest of the leading purposes.

**Figure IV.4: Percentage Distribution of Trips (with leading purposes Holiday, Medical and Shopping) to Himachal Pradesh from the Top 10 Other States**



Source: Regional Tourism Satellite Accounts, 2015-16, Himachal Pradesh.

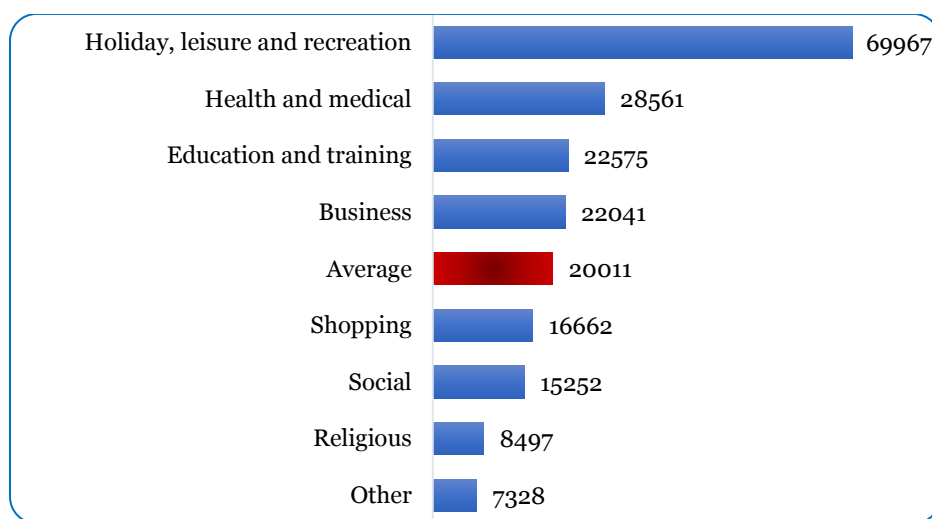
**Figure IV.5: Percentage Distribution of Trips (with leading purposes other than Holiday, Medical and Shopping) to Himachal Pradesh from the Top 5 Other States**



Source: Regional Tourism Satellite Accounts, 2015-16, Himachal Pradesh.

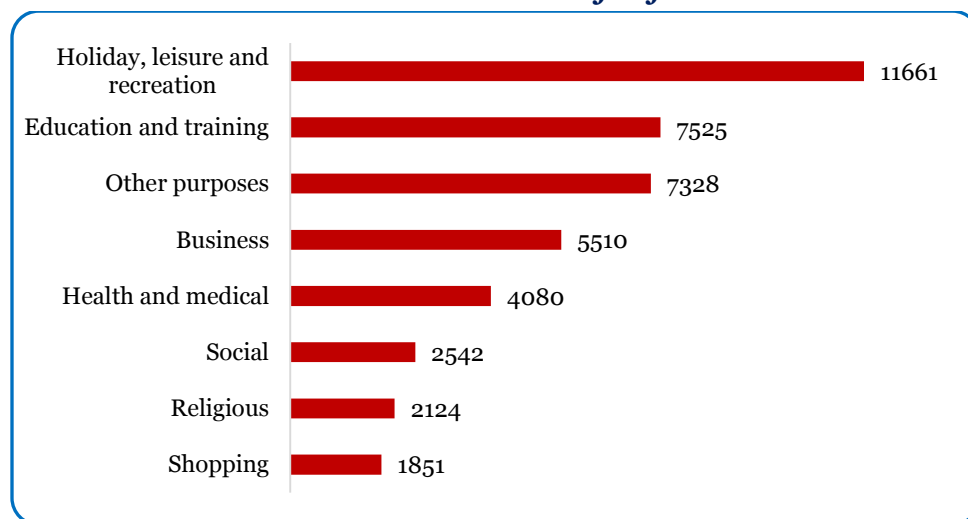
The average per-tourist expenditure incurred by an inbound tourist from another State visiting the State of Himachal Pradesh is presented in Figure IV.6. Taking into account the expenditure incurred for various purposes to visit Himachal Pradesh, the average per-tourist expenditure is estimated to be Rs. 20,011. In addition, the average per-day per-tourist expenditure has also been derived and is presented in Figure IV.7.

**Figure IV.6: Average Per-tourist Expenditure (Rs.) Incurred by Tourists from Other States to the State of Reference**



Source: NCAER computation.

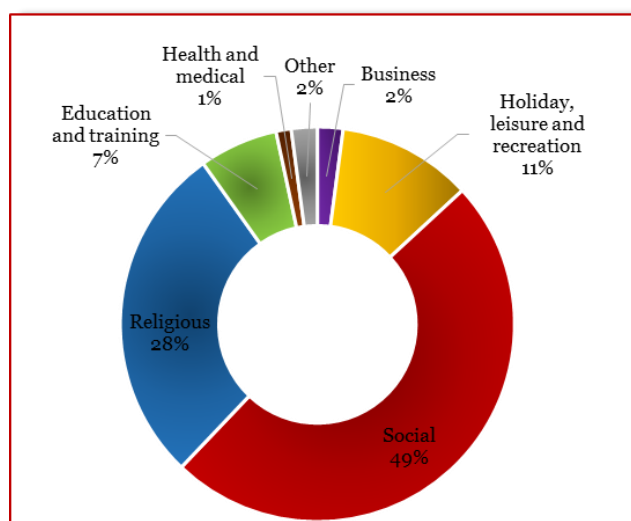
**Figure IV.7: Average Per-day Per-tourist Expenditure (Rs.) Incurred by Tourists from Other States to the State of Reference**



Source: NCAER computation.

Further, the Figure IV.8 shows the percentage distribution of inbound tourists from other states to the state of reference by leading purpose of travel. Figure IV.9 presents the percentage distribution of tourism expenditure by major products and services. The figure indicates that 49.34 per cent of the total expenditure was incurred on transport services, followed by 21.88 per cent on hotels for accommodation.

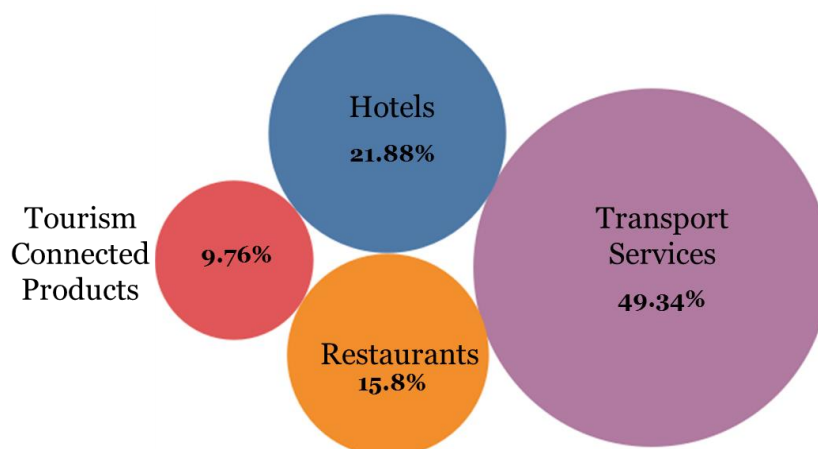
**Figure IV.8: Percentage Distribution of Inbound Tourists from Other States to the State Of Reference by Leading Purposes of Travel**



Source: DTS, 72nd Round, NSSO.



**Figure IV.9: Percentage Distribution of Inbound Tourism Expenditure (Incurred by Tourists from Other States) by Products and Services**



Source: NCAER computation.

#### IV.4. Domestic Tourism Expenditure

TSA Table 2 focuses on domestic tourism by products and by purposes of travel. It presents the Domestic Tourism Expenditure, which is the expenditure of a resident visitor from within the economy of reference. At the State level, this table refers to tourists from within the State, that is, tourists living in the State of reference, travelling to another place within the same State of reference.

According to the TSA: RMF 2008 recommendations, household surveys should be conducted to collect information on domestic tourism expenditure. According to IRTS 2008, “Because there are no international borders to cross, the observation of the flows of domestic tourism requires the use of different statistical procedures. As far as overnight tourism is concerned, accommodation statistics are an important statistical source of information on domestic and inbound visitors. Measurement challenges nonetheless arise with these statistics in terms of separating out visitors from other travellers, and domestic from inbound visitors. Information can also be obtained from household surveys by interviewing people about trips undertaken in a specified period”.

The domestic tourism expenditure has been derived from the DTS, conducted by the NSSO during 2008-09. The detailed information was collected on the expenditure incurred by tourists on a detailed set of items, which were mapped with the tourism-characteristic and tourism-connected (together called tourism-specific) products and services.

For the State-level TSAs, the domestic tourism expenditure incurred by tourists originating from a State and visiting another place in the same State is taken under consideration.

The methodology used for estimation of expenditure is the same as that used for estimating the inbound tourism expenditure incurred by tourists from other States to the State of reference. The table on Domestic Tourism expenditure incurred by tourists from within the state of Himachal Pradesh is presented as TSA Table 2.

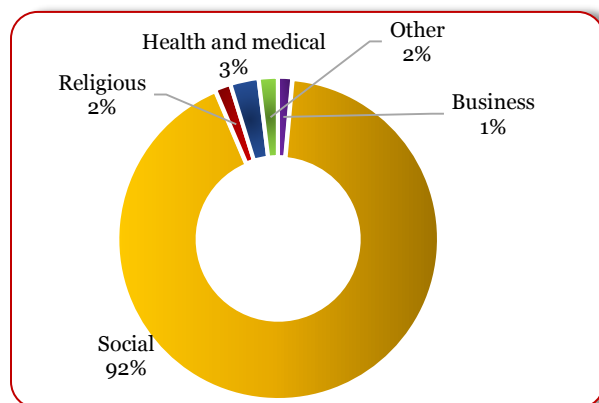
**TSA TABLE 2: DOMESTIC TOURISM EXPENDITURE INCURRED BY TOURISTS FROM WITHIN THE STATE**

(Rs. Lakh)

Sl. No.	Item	Business	Holiday, leisure and recreation	Social	Religious	Education and training	Health and medical	Shopping	Other	Total
1		2	3	4	5	6	7	8	9	10
<b>A.1 Tourism-characteristic Products/Services (1 to 11)</b>										
	Accommodation services	1521	605	425	1665	212	3017	31	2701	10,176
2	Food and beverage serving services	3877	1350	33,067	2337	479	9180	18	5775	56,082
3	Railway passenger transport services	0	6	164	0	0	0	0	0	170
4	Road passenger transport services	3726	1670	99,904	3902	662	3839	52	2411	1,16,164
5	Water passenger transport services	0	0	0	0	0	0	0	0	0
6	Air passenger transport services	0	0	0	0	0	5	0	0	5
7	Transport equipment rental services	5045	86	3522	56	0	1555	0	44	10,308
8	Travel agencies and other reservation services	0	2	781	0	0	17	0	0	800
9	Cultural and religious services	0	2	15	6	0	0	0	0	23
10	Sports and other recreational services	0	26	204	103	0	0	0	0	333
11	Health and medical-related services	0	17	2587	1	17	31,061	0	53	33,735
<b>A.2 Tourism-connected Products (12 to 19)</b>										
12	Readymade garments	1265	634	58,733	1251	0	1114	137	0	63,134
13	Processed food	176	86	12,405	84	7	176	4	40	12,977
14	Alcohol and tobacco products	0	18	1793	6	0	15	0	0	1832
15	Travel-related consumer goods	10	15	718	1	0	47	0	0	791
16	Footwear	0	247	14158	815	0	237	12	0	15468
17	Soaps, cosmetics, and glycerine	0	13	51	42	0	87	0	0	193
18	Gems and jewellery	0	18	2909	0	0	4	0	0	2931
19	Books, journals, magazines, stationery, etc.	0	18	353	99	26	4	0	0	500
19	Total expenditure (1 to 19)	15,619	4813	2,31,788	10,366	1403	50,358	253	11,024	3,25,624
20	Estimated number of trips 2018-19	1,26,183	46,051	80,94,957	1,41,106	54,424	2,51,365	581	1,69,224	88,83,890
21	<b>Per-trip expenditure</b>	12,378	10,451	2863	7346	2578	20,034	43,516	6514	3665

Source: NCAER computation.

**Figure IV.10: Percentage Distribution of Domestic Tourists by Leading Purposes of Travel**

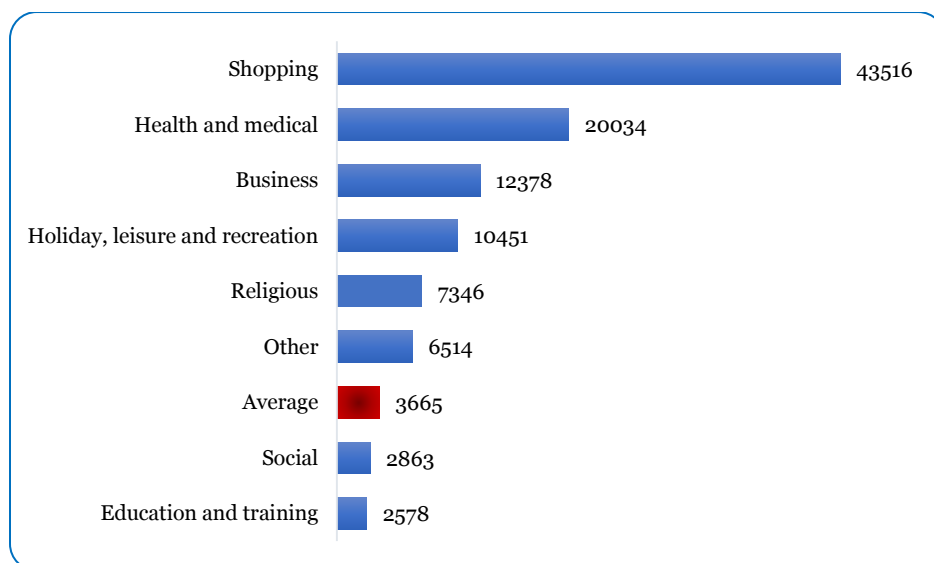


Source: NCAER computation.

It is estimated that during 2018-19, about 88.83 lakh trips were made to the State of Himachal Pradesh by domestic tourists from within the State for the leading purposes, as indicated in TSA Table 2. Of these, 92 per cent of the domestic tourist trips from within Himachal Pradesh were made for social purposes (Figure IV.10).

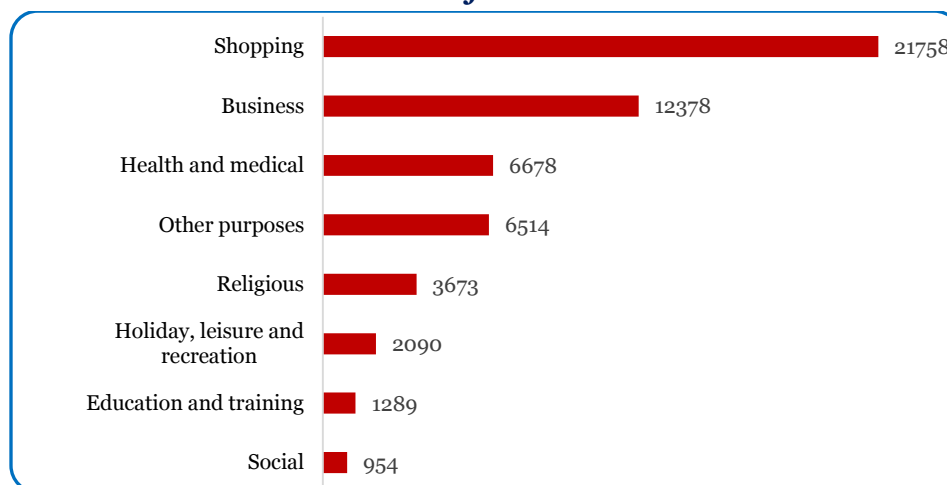
The average per-tourist expenditure incurred by a domestic tourist from within the State is presented in Figure IV.11. Taking into account the expenditure made for various leading purposes to visit Himachal Pradesh, the average per-trip expenditure is estimated to be Rs. 3,665. Figure IV.12 presents the average per-day per-tourist expenditure incurred by a domestic tourist travelling within the State.

**Figure IV.11: Average Per-tourist Expenditure (Rs.) Incurred by Tourists from within the State of Himachal Pradesh**



Source: NCAER computation.

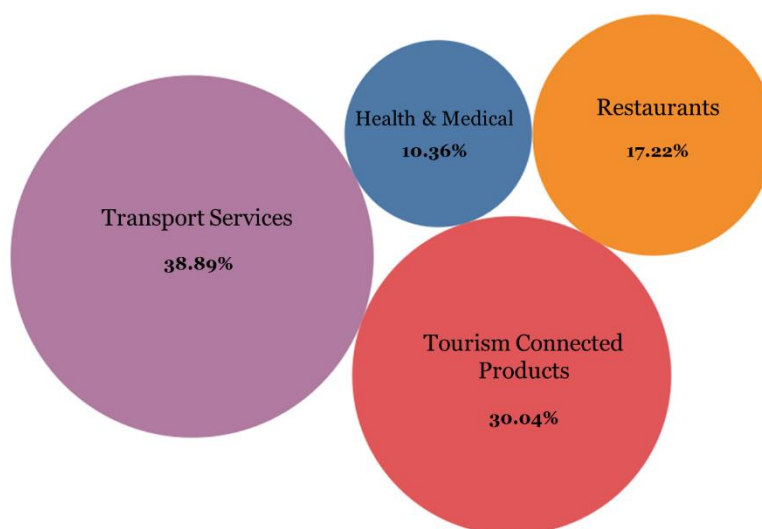
**Figure IV.12: Average Per-day Per-tourist Expenditure (Rs.) Incurred by Tourists from within the State of Himachal Pradesh**



Source: NCAER computation.

Figure IV.13 shows the percentage distribution of expenditure by major items of expenditure, which consist of tourism-characteristic products and services and tourism-connected products. The figure indicates that 38.9 per cent of the total expenditure was incurred on transport services, followed by 30.4 per cent on tourism-connected products by domestic tourists in Himachal Pradesh.

**Figure IV.13: Percentage Distribution of Domestic Tourism Expenditure (Incurred by Tourists from within the State) by Products and Services**



Source: NCAER computation.

## **IV.5. Outbound Pre-trip Tourism Expenditure**

TSA Table 3 focuses on outbound tourism, that is, tourism activity undertaken by a resident visitor outside the country of reference. However, since the TSA covers the entire expenditure incurred within the geographical boundary of the country of reference, TSA Table 3 presents only the pre-trip expenditure incurred by outbound tourists, covering the expenses incurred in preparation of the outbound trip. For example, this may include the shopping expenses or travel expenses incurred by a tourist from the place of residence to the final port of departure or any other expenses incurred within the geographical boundary of the country of reference.

At the State level, an outbound trip refers to the trip undertaken by the resident of the State of reference outside the country and also that undertaken in another State of the country. The expenditure, which is taken into account in both the cases, is the pre-trip expenditure, that is, the expenditure undertaken within the State of reference before the actual trip starts.

The data on outbound tourism pre-trip expenditure incurred by residents travelling abroad were collected by administering a separate questionnaire in the survey conducted by the ISI, Kolkata, which was a part of IPS. However, the data on expenditure incurred by the resident visitors travelling to the other States of India was beyond the scope of either survey, the DTS or IPS.

The pre-trip expenditure incurred by outbound tourists was recorded for a detailed set of items and was mapped with the tourism-characteristic and tourism connected products and services. The mapping of consumption items with the tourism-specific products and services is the same as that in the case of inbound tourism expenditure (TSA Table 1a). The methodology used to derive the estimated outbound pre-trip expenditure is also the same as in the case of TSA Table 1a. The total item-wise expenditure incurred by outbound tourists within the State is presented in TSA Table 3.

**TSA TABLE 3: PRE-TRIP OUTBOUND TOURISM EXPENDITURE INCURRED BY TOURISTS TRAVELLING ABROAD**

(Rs. Lakh)

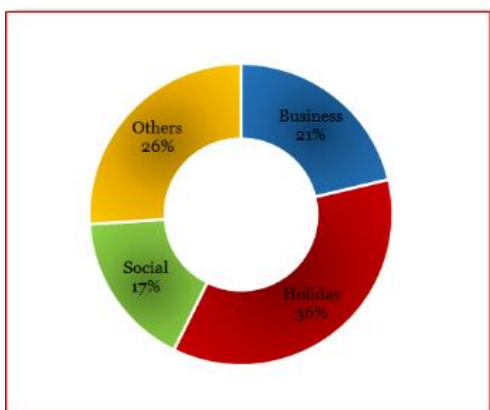
Sl. No.	Item	Business	Holiday	Social	Religious	Education/ training	Medical	Others	Total
1		2	3	4	5	6	7	8	9
<b>A.1 Tourism-characteristic Products/Services</b>									
1	Accommodation services	104	577	65	10	0	38	130	924
2	Food and beverage serving services	42	577	60	25	0	0	102	806
3	Railway passenger transport services	0	0	0	0	0	2	0	2
4	Road passenger transport services	65	571	146	5	0	44	24	855
5	Water passenger transport services	0	0	0	0	0	0	0	0
6	Air passenger transport services	19	0	0	0	0	0	0	19
7	Transport equipment rental services	3	0	0	0	0	3	105	110
8	Travel agencies and other reservation services	15	0	0	0	0	0	0	15
9	Cultural and religious services	0	0	0	0	0	0	0	0
10	Sports and other recreational services	0	0	0	0	0	0	0	0
11	Health and medical related services	1	33	12	0	0	7	0	53
<b>A.2 Tourism-connected Products</b>									
12	Readymade garments	183	994	8	58	0	0	353	1597
13	Processed food	43	212	23	0	0	0	75	353
14	Alcohol and tobacco products	0	121	0	10	0	0	0	131
15	Travel-related consumer goods	0	480	0	0	0	0	0	480
16	Footwear	0	56	24	0	0	0	145	225
17	Soaps, cosmetics, and glycerine	4	541	0	0	0	0	18	563
18	Gems and jewellery	0	0	50	0	0	0	0	50
19	Books, journals, magazines, stationery, etc.	0	0	0	2	0	0	15	17
20	Total expenditure	478	4162	388	111	0	93	967	6201
21	Estimated number of tourists—2015-16	9728	16,465	7630	368	0	737	11,894	46,822
22	Per-tourist Expenditure (Rs.)	4919	25,281	5086	30,228		12,640	8131	13,243

Source: NCAER computation.

The estimated number of outbound tourists from the State of Himachal Pradesh, for the year 2018-19, is derived from the estimated corresponding number for 2015-16, as obtained from the

IPS. The national-level growth in the number of outbound tourists departing from India is used as a proxy to determine the growth in the number of outbound tourists from Himachal Pradesh between 2015-16 and 2018-19.

**Figure IV.14: Percentage Distribution of Outbound Tourists by Leading Purposes of Travel**

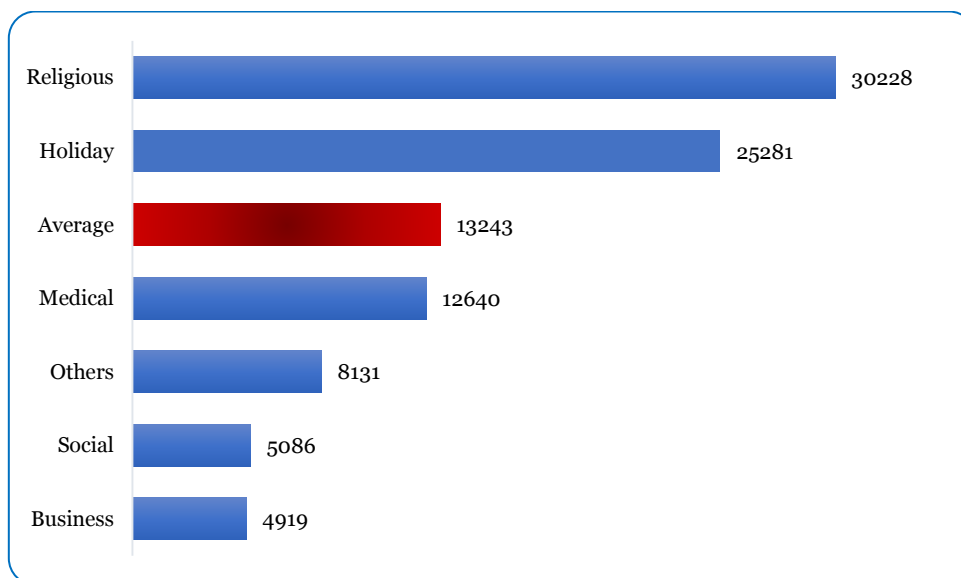


Source: NCAER computation.

A total of 46,822 residents of the State of Himachal Pradesh have been estimated to have travelled outside the country as outbound tourists during 2018-19. Of these, 36 per cent of the residents travelled abroad for holidaying while about 21 per cent of the residents travelled outside the country with business as their leading purpose (Figure IV.14).

The average per-tourist expenditure incurred by the outbound tourists originating from Himachal Pradesh is presented in Figure IV.15. Taking into account the expenditure made for various leading purposes to travel outside the country, the average per-trip expenditure is estimated at Rs. 13,243.

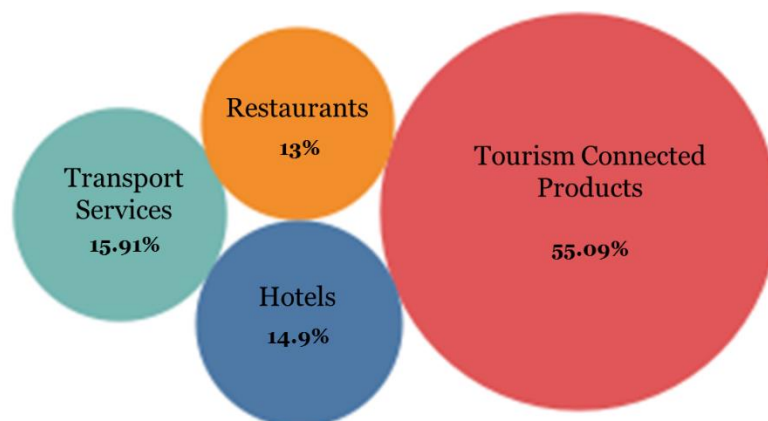
**Figure IV.15: Average Per-tourist Expenditure (Rs.) Incurred by Outbound Tourists in Himachal Pradesh**



Source: NCAER computation.

Figure IV.16 shows the percentage distribution of the pre-trip expenditure by major items of consumption, which consist of tourism-characteristic products and services and tourism-connected products. The figure indicates that 55 per cent of the total expenditure was incurred on tourism-connected products, which represent the shopping items purchased in preparation of the trip.

**Figure IV.16: Percentage Distribution of Outbound Tourism Expenditure by Products and Services**



Source: NCAER computation.

## IV.6. Total Internal Tourism Consumption

TSA Table 4 presents the total internal tourism consumption, which is the sum of the total internal tourism expenditure and the imputed tourism consumption. The total internal tourism expenditure is the sum total of the total Inbound, Domestic, and Outbound pre-trip tourism expenditure, presented in TSA Tables 1a, 1b, 2, and 3. Hence, it refers to the expenditure incurred by all tourists within the State of reference. In addition, the components of imputed consumption are given in separate rows, to make up the total internal tourism consumption.<sup>10</sup> Since these components are not directly available from any data source, they have been derived using certain plausible assumptions. These items of imputed tourism consumption, along with their description and assumptions for deriving their values, are presented below.

In the previous State-level TSAs prepared for 2009-10 and 2015-16, the assumptions for the States' imputed tourism consumption figures were the same for all the States and for the all-India level. However, since the present study is a focused study for Himachal Pradesh, these assumptions have been modified based on the larger extent of tourism activity in this State.

<sup>10</sup> The TSA: RMF 2008 recommends that the imputed consumption may be shown against a separate column, but since most of these items fall under non-tourism products, they are shown against supplementary rows under domestic tourism.



### **Imputed Consumption on Services Associated with Vacation Homes on Own Account:**

While the expenditure incurred by tourists on vacation homes or homestays is included in the expenditure incurred on accommodation services, the imputed consumption refers to the services associated with these vacation homes. This also includes the imputed expenditure incurred by dwelling owners in hosting their household members who stay away and for whom the household is no longer a 'usual environment'. This is assumed to be equivalent to 5 per cent of the owner-occupied dwelling services or the value of output for "Ownership of dwellings". This also takes into account the imputed expenditure incurred by dwelling owners in hosting their household members who stay away and for whom the household is no longer a 'usual environment'.

### **Imputed Consumption towards Tourism Social Transfers in Kind (Except Refunds)**

This is derived from the component of "social transfer in kind" against "Recreation and Culture" in the Classification of Individual Consumption Expenditure of Households (COICOP). Household consumption on any item of consumption comprises the individual consumption expenditure and social transfers in kind (paid by the government). While the individual consumption expenditure is the Private Final Consumption Expenditure (PFCE), the social transfers in kind refers to the value of the non-market services provided by governments and Non-Profit Institutions Serving Households (NPISH).

Such data on government expenditure is not directly available for the State. Hence, it is assumed that the State's share of Government Final Consumption Expenditure on Recreation and Culture in its GVA against "Public Administration and Defence" is the same as that at the national level. The imputed consumption towards social transfers in kind against "Recreation and Culture" is the component that benefits visitors and exceeds the values paid by the visitors themselves, including the costs of museums, performing arts, short-term education, and short-term health services provided in special establishments. Since the data on the shares of these transfers that goes to the tourists and to non-tourists are not available, at the national level, it is assumed to be 50 per cent each. However, given the higher tourism intensity in the State, this share is assumed to be 75 per cent for tourists and 25 per cent for non-tourists.

### **Imputed Value of Financial Intermediation Services (FISIM) Availed of by Visitors**

The Financial Intermediation Services Indirectly Measured (FISIM) value on purchases related to tourism trips is obtained by using the share of FISIM in PFCE (at the national level) and applying it to the total internal tourism consumption expenditure of the State. This is based on the assumption that the share of FISIM in household consumption expenditure is the same as the share of FISIM in internal tourism consumption expenditure. Also, since the demand-side

data are not available for the State, it is also assumed that these shares at the national level are the same as those at the State level.

### **Imputed Costs for Producers (Businesses, Governments and NPISHs) on Expenditures by Employees on Business Trips**

This refers to the imputed consumption of services rendered by vacation residences provided by producers for the benefit of their employees, that is, the cost borne by the companies (mostly private corporates) on the services that they provide in their guest houses for the benefit of employees. This is assumed to be about 1 per cent of the total output of the organised private corporate sector. The value of output of the organised private corporate sector for 2018-19 is obtained by assuming that the share of the state private sector output to the national private sector output for 2018-19 is the same as this share in 2015-16 (as given in the Himachal Pradesh TSA for 2015-16).

### **Imputed Costs for Hosts of Receiving Visitors in Terms of Expenditure on Food, Utilities, Invitations, Presents, etc., or the Net Costs of Hosts**

While the accommodation cost is recommended to be excluded from tourism consumption when the tourists stay at their friends'/relatives' places during a trip, the expense incurred on food is taken as one of the components of the imputed tourism consumption. At the national level, this is obtained by multiplying the average per-day expenditure of food (obtained from PFCE, NAS) with the number of days spent at the friends'/relatives' places during all the tourist trips undertaken in a reference year. This value is available for 2015-16, as per the previous TSA for the State. The same is escalated using the growth in the number of tourists between 2015-16 and 2018-19, and the value is also inflated because of the price change.

As mentioned earlier, TSA Table 4 is the sum total of TSA Tables 1a, 1b, 2, 3, and the value of imputed tourism consumption, discussed above. The table thus obtained, that is, TSA Table 4, is given below. This is followed by Table IV.5, which presents the percentage distribution of the imputed tourism consumption for each item of consumption, by different forms of tourism. Further, Table IV.6 presents the column distribution of different forms of tourism consumption by items.

**TSA TABLE 4: TOTAL INTERNAL TOURISM CONSUMPTION**

(Rs. Lakh)

Sl. No.	Item	Inbound from other countries	Inbound from other states	Domestic	Outbound	Total
	1	2	3	4	5	6
	<b>A.1 Tourism-characteristic Products/Services</b>					
1	Accommodation services	47,829	1,19,932	10,176	924	1,78,861
2	Food and beverage serving services	25,669	86,600	56,082	806	1,69,157
3	Railway passenger transport services	111	1094	170	2	1376
4	Road passenger transport services	40,904	2,53,786	1,16,164	855	4,11,710
5	Water passenger transport services	0	166	0	0	166
6	Air passenger transport services	2478	6363	5	19	8865
7	Transport equipment rental services	6672	9002	10,308	110	26,092
8	Travel agencies and other reservation services	5838	5730	800	15	12383
9	Cultural and religious services	8881	112	23	0	9016
10	Sports and other recreational services	21,467	4267	333	0	26,068
11	Health and medical-related services	19,419	7539	33,735	53	60,746
	<b>A.2 Tourism-connected Products</b>					
12	Readymade garments	94,757	33,039	63,134	1597	1,92,528
13	Processed food	1956	3939	12,977	353	19,226
14	Alcohol and tobacco products	9011	876	1832	131	11,850
15	Travel-related consumer goods	355	990	791	480	2616
16	Footwear	1363	6216	15,468	225	23,273
17	Soaps, cosmetics, and glycerine	131	378	193	563	1265
18	Gems and jewellery	41,091	6392	2931	50	50,463
19	Books, journals, magazines, stationery, etc.	5834	1661	500	17	8013
20	Total expenditure	3,33,767	5,48,083	3,25,624	6201	12,13,674
	<b>A.3 Other Imputed Connected Products</b>			3,04,904		3,04,904
21	Vacation homes			47,582		47,582
22	Social transfers in kind			6863		6863
23	FISIM			64,071		64,071
24	Producers' guest houses			1,68,102		1,68,102
25	Imputed expenditures of households on food for tourists staying with them			18,286		18,286
	<b>Total (Rs. Crore) (A.1 + A.2 + A.3)</b>	3,33,767	5,48,083	6,30,528	6201	15,18,578

Source: NCAER computation.

The total internal tourism expenditure for Himachal Pradesh is estimated at Rs. 12,136.74 crore for 2018-19. Of this, 27.5 per cent or Rs. 3337.67 crore was incurred by the international tourists visiting the State. The value of the imputed tourism consumption is estimated at Rs. 3049.04 crore. The value of internal tourism consumption is arrived at, which stood at Rs. 15,185.78 crore for 2018-19, by taking together the internal tourism expenditure and imputed consumption.

The percentage distribution of total internal tourism consumption by forms of tourism is presented in Table IV.4.

**TABLE IV.4: TOTAL INTERNAL TOURISM CONSUMPTION BY FORMS OF TOURISM (% DISTRIBUTION)**

Item	Inbound from other countries	Inbound from other states	Domestic	Outbound	Total
1	2	3	4	5	6
<b>A.1. Tourism-characteristic Products/Services</b>					
1. Accommodation services/Hotels	26.7	67.1	5.7	0.5	100.0
2 Food and beverage serving services/restaurants	15.2	51.2	33.2	0.5	100.0
3 Railway passenger transport services	8.0	79.5	12.4	0.1	100.0
4 Road passenger transport services	9.9	61.6	28.2	0.2	100.0
5 Water passenger transport services	0.0	100.0	0.0	0.0	100.0
6 Air passenger transport services	28.0	71.8	0.1	0.2	100.0
7 Transport equipment rental services	25.6	34.5	39.5	0.4	100.0
8 Travel agencies and other reservation services/supporting and auxiliary transport activities	47.1	46.3	6.5	0.1	100.0
9 Cultural and religious services	98.5	1.2	0.3	0.0	100.0
10 Sports and other recreational services	82.4	16.4	1.3	0.0	100.0
11 Health and medical-related services	32.0	12.4	55.5	0.1	100.0
<b>A.2. Tourism-connected Products</b>					
12 Readymade garments	49.2	17.2	32.8	0.8	100.0
13 Processed food	10.2	20.5	67.5	1.8	100.0
14 Alcohol and tobacco products	76.0	7.4	15.5	1.1	100.0
15 Travel-related consumer goods	13.6	37.8	30.2	18.4	100.0
16 Footwear	5.9	26.7	66.5	1.0	100.0
17 Soaps, cosmetics, and glycerine	10.3	29.9	15.3	44.5	100.0
18 Gems and jewellery	81.4	12.7	5.8	0.1	100.0
19 Books, journals, magazines, stationery, etc.	72.8	20.7	6.2	0.2	100.0
Total expenditure	27.5	45.2	26.8	0.5	100.0
<b>A.3 Other imputed connected products</b>	0.0	0.0	100.0	0.0	100.0
<b>Total (Rs. Crore)</b>	21.3	35.0	43.3	0.4	100.0

Source: NCAER computation using TSA Table 4.

Table IV.5 shows that the tourism economy in the State is mainly driven by tourism activities from within the country, whether undertaken in the State itself or from any other State. These account for about 78 per cent of the total internal tourism consumption in the State. The items for which the share of inbound tourism expenditure, incurred by international tourists, is significant are cultural and religious services (98.5 per cent); sports and recreational services (82.4 per cent) gems and jewellery (81.4 per cent); books and journals (72.8 per cent); air passenger transport services (28 per cent), and alcohol and tobacco products (76 per cent).

Table IV.5 presents the distribution of tourism expenditure by items of consumption.

**TABLE IV.5: INTERNAL TOURISM CONSUMPTION BY ITEMS OF CONSUMPTION (% DISTRIBUTION)**

Item	Inbound from other countries	Inbound from other states	Domestic	Outbound	Total
	1	2	3	4	5
<b>A.1. Tourism-characteristic Products/Services (1 to 11)</b>	<b>53.7</b>	<b>90.2</b>	<b>70.0</b>	<b>44.9</b>	<b>74.5</b>
1. Accommodation services/hotels	14.3	21.9	3.1	14.9	14.7
2 Food and beverage serving services/restaurants	7.7	15.8	17.2	13.0	13.9
3 Railway passenger transport services	0.0	0.2	0.1	0.0	0.1
4 Road passenger transport services	12.3	46.3	35.7	13.8	33.9
5 Water passenger transport services	0.0	0.0	0.0	0.0	0.0
6 Air passenger transport services	0.7	1.2	0.0	0.3	0.7
7 Transport equipment rental services	2.0	1.6	3.2	1.8	2.1
8 Travel agencies and other reservation services/ supporting and auxiliary transport activities	1.7	1.0	0.2	0.2	1.0
9 Cultural and religious services	2.7	0.0	0.0	0.0	0.7
10 Sports and other recreational services	6.4	0.8	0.1	0.0	2.1
11 Health and medical-related services	5.8	1.4	10.4	0.9	5.0
<b>A.2. Tourism-connected Products (12 to 19)</b>	<b>46.3</b>	<b>9.8</b>	<b>30.0</b>	<b>55.1</b>	<b>25.5</b>
12 Readymade garments	28.4	6.0	19.4	25.8	15.9
13 Processed food	0.6	0.7	4.0	5.7	1.6
14 Alcohol and tobacco products	2.7	0.2	0.6	2.1	1.0
15 Travel-related consumer goods	0.1	0.2	0.2	7.7	0.2
16 Footwear	0.4	1.1	4.8	3.6	1.9
17 Soaps, cosmetics, and glycerine	0.0	0.1	0.1	9.1	0.1
18 Gems and jewellery	12.3	1.2	0.9	0.8	4.2
19 Books, journals, magazines, stationery, etc.	1.7	0.3	0.2	0.3	0.7
<b>Total expenditure (A1 + A2)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: NCAER computation using TSA Table 4.

Among the tourism products and services, the tourism-characteristic products/services form a large part of the total tourism consumption (74.5 per cent). In the case of inbound tourists from other States, this share is much higher, at 90.2 per cent. On the other hand, in the case of outbound tourists, whose pre-trip expenses are taken into account, the share of tourism-connected products is 55.1 per cent, indicating that major expenses are incurred on shopping items.

Among tourism-characteristic products and services, the major expenses were incurred on passenger transport services across all the four forms of tourism. Similarly, among tourism-connected products, readymade garments constitutes the most popular item of expenditure by all types of tourists.

#### **IV.7. Production Account of Tourism Industries**

The production accounts of tourism industries and other industries in the economy of reference is presented in TSA Table 5. It conforms to the format established in the Systems of National Accounts (SNA) for production accounts.

The gross value added of all the tourism-characteristic and tourism-connected industries put together is referred to as Gross Value Added of Tourism Industries (GVATI). The GVATI, however, has a limited role as being a relevant indicator of the contribution of tourism to the economy. This is because not all the Gross Value Added figures of these industries are on account of tourism activity; part of the GVA is on account of non-tourism too.

In TSA Table 5, which is presented in SUT format, shows products in rows and industries in columns. The output broken down by product for each industry is valued at basic prices and occupies a block of rows in the upper part of the table. Then intermediate consumption (also called intermediate inputs) valued at the purchasers' prices, if possible, broken down again by products for each industry, is presented in the second block of rows. The difference between these two values is the GVA at basic prices for the industries and is presented in the third block of rows.

In columns, the production accounts of the tourism-specific industries are presented and grouped according to the proposed classification. For each industry and for the total economy, the GVA at basic prices, that is the difference between the output at basic prices and intermediate consumption at purchasers' prices, has to be equal to the GVA of the economy as it appears in the national accounts.

As recommended, the production account for the TSA of the State has been prepared using the Supply and Use Table (SUT) framework. The latest SUT for tourism industries was prepared in

the previous TSA of Himachal Pradesh for 2015-16.<sup>11</sup> This has been updated for 2018-19 using the GSDP details of the State for 2018-19. These data form the control totals of all the rows and columns of both the Supply Table and the Use Table. The inter-industry transactions are derived using the SUT of 2015-16.

The production account is presented for 24 industries and 24 products. Of these, 19 industries are tourism-specific industries, for which the information on tourism consumption is available and presented in TSA Table 4; and the remaining 5 industries and products are tourism non-specific industries and products, which, however, would have linkages with tourism industries/products.

The 24 X 24 SUT for Himachal Pradesh, is presented as TSA Table 5.

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<sup>11</sup> India: Regional Tourism Satellite Accounts, 2015-16, Himachal Pradesh, Report 20191202 (35), December 2019, NCAER.

**TSA TABLE 5A: PRODUCTION ACCOUNT OF TOURISM INDUSTRIES— SUPPLY TABLE, 2018-19**

(Rs. Lakh)

S. No.	Industry	Agriculture and allied	Mining, other manufacturing, construction, electricity, gas and water supply	Trade	Transport freight services	All non-tourism specific services	Accommodation services/Hotels
		1	2	3	4	5	6
1	Agriculture and allied	24,38,545	0	0	0	0	0
2	Mining, other manufacturing, construction, electricity, gas and water supply	30,470	1,12,27,279	0	0	55,70,728	0
3	Trade	0	2,39,633	11,81,134	0	0	0
4	Transport freight services	0	0	0	4,47,838	0	0
5	All non-tourism specific services	0	14,195	12,143	0	61,67,675	0
6	Accommodation services/hotels	0	0	0	0	0	1,78,210
7	Food and beverage serving services/restaurants	0	0	0	0	0	6291
8	Railway passenger transport services	0	0	0	0	0	0
9	Road passenger transport services	0	0	0	28,155	0	0
10	Water passenger transport services	0	0	0	0	0	0
11	Air passenger transport services	0	0	0	0	0	0
12	Transport equipment rental services	0	0	0	0	0	0
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	0	0	0	0	0	0
14	Cultural and religious services	0	0	0	0	0	0
15	Sports and other recreational services	0	0	0	0	0	0
16	Health and medical-related services	0	0	0	0	0	0
17	Readymade garments	0	14,411	0	0	0	0
18	Processed food	0	93,753	0	0	0	0
19	Alcohol and tobacco products	0	3655	0	0	0	0
20	Travel-related consumer goods	0	20,370	0	0	0	0
21	Footwear	0	1128	0	0	0	0
22	Soaps, cosmetics, and glycerine	0	5,21,018	0	0	0	0
23	Gems and jewellery	0	4,13,518	0	0	0	0
24	Books, journals, magazines, stationery, etc.	0	16,076	0	0	0	0
25	Total value of output (Rs. lakh) (1 to 24)	24,69,015	1,25,65,035	1,193,277	4,75,993	1,17,38,403	1,84,501

Source: NCAER computations.



S. No.	Industry	Food and beverage serving services/ Restaurants	Railway passenger transport services	Road passenger transport services	Water passenger transport services	Air passenger transport services	Transport equipment rental services
		7	8	9	10	11	12
1	Agriculture and allied	0	0	0	0	0	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	0	0	0	0	0	0
3	Trade	0	0	0	0	0	0
4	Transport freight services	0	0	76,805	0	0	0
5	All non-tourism specific services	0	0	0	0	0	0
6	Accommodation services/hotels	14,090	0	0	0	0	0
7	Food and beverage serving services/restaurants	2,62,661	0	0	0	0	0
8	Railway passenger transport services	0	1467	0	0	0	0
9	Road passenger transport services	0	0	3,94,898	0	0	0
10	Water passenger transport services	0	0	0	0	0	0
11	Air passenger transport services	0	0	0	0	6967	0
12	Transport equipment rental services	0	0	0	0	0	26,879
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	0	0	0	0	0	0
14	Cultural and religious services	0	0	0	0	0	0
15	Sports and other recreational services	0	0	0	0	0	0
16	Health and medical-related services	0	0	0	0	0	0
17	Readymade garments	0	0	0	0	0	0
18	Processed food	0	0	0	0	0	0
19	Alcohol and tobacco products	0	0	0	0	0	0
20	Travel-related consumer goods	0	0	0	0	0	0
21	Footwear	0	0	0	0	0	0
22	Soaps, cosmetics, and glycerine	0	0	0	0	0	0
23	Gems and jewellery	0	0	0	0	0	0
24	Books, journals, magazines, stationery, etc.	0	0	0	0	0	0
25	Total value of output (Rs. lakh) (1 to 24)	2,76,751	1467	4,71,703	0	6967	26,879

Source: NCAER computations.

S. No.	Industry	Travel agencies and other reservation services/ Supporting and auxiliary transport activities	Cultural and religious services	Sports and other recreational services	Health and medical related services	Readymade garments	Processed Food
		13	14	15	16	17	18
1	Agriculture and allied	0	0	0	0	0	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	0	0	0	0	33,663	12,613
3	Trade	0	0	0	0	2510	32,982
4	Transport freight services	0	0	0	0	0	0
5	All non-tourism specific services	0	0	0	0	11	211
6	Accommodation services/hotels	0	0	0	0	0	0
7	Food and beverage serving services/restaurants	0	0	0	0	0	0
8	Railway passenger transport services	0	0	0	0	0	0
9	Road passenger transport services	0	0	0	0	0	0
10	Water passenger transport services	0	0	0	0	0	0
11	Air passenger transport services	0	0	0	0	0	0
12	Transport equipment rental services	0	0	0	0	0	0
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	11,293	0	0	0	0	0
14	Cultural and religious services	0	10,195	0	0	0	0
15	Sports and other recreational services	0	0	14,573	0	0	0
16	Health and medical-related services	0	0	0	3,32,991	0	0
17	Readymade garments	0	0	0	0	1,89,861	0
18	Processed food	0	0	0	0	0	15,44,284
19	Alcohol and tobacco products	0	0	0	0	0	5966
20	Travel-related consumer goods	0	0	0	0	2433	338
21	Footwear	0	0	0	0	0	0
22	Soaps, cosmetics, and glycerine	0	0	0	0	0	6231
23	Gems and jewellery	0	0	0	0	0	0
24	Books, journals, magazines, stationery, etc.	0	0	0	0	0	0
25	Total value of output (Rs. lakh) (1 to 24)	11,293	10,195	14,573	3,32,991	2,28,479	16,02,625

Source: NCAER computations.

S. No.	Industry	Alcohol & Tobacco products	Travel related consumer goods	Footwear	Soaps, cosmetics and glycerine	Gems and jewellery	Books, journals, magazines, stationery etc.
		19	20	21	22	23	24
1	Agriculture and allied	0	0	0	0	0	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	1626	27,910	26	4,82,830	15494	3,72,296
3	Trade	1568	2962	4	10,570	1249	3088
4	Transport freight services	0	0	0	0	0	0
5	All non-tourism specific services	242	1638	0	366	1806	152
6	Accommodation services/hotels	0	0	0	0	0	0
7	Food and beverage serving services/restaurants	0	0	0	0	0	0
8	Railway passenger transport services	0	0	0	0	0	0
9	Road passenger transport services	0	0	0	0	0	0
10	Water passenger transport services	0	0	0	0	0	0
11	Air passenger transport services	0	0	0	0	0	0
12	Transport equipment rental services	0	0	0	0	0	0
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	0	0	0	0	0	0
14	Cultural and religious services	0	0	0	0	0	0
15	Sports and other recreational services	0	0	0	0	0	0
16	Health and medical-related services	0	0	0	0	0	0
17	Readymade garments	0	0	0	0	0	0
18	Processed food	1575	0	0	11377	0	0
19	Alcohol and tobacco products	47,334	0	0	443	0	0
20	Travel-related consumer goods	0	33,030	67	471	888	502
21	Footwear	0	54,468	113	0	0	0
22	Soaps, cosmetics, and glycerine	1	0	0	59,158	0	0
23	Gems and jewellery	0	91,786	0	0	1,01,808	0
24	Books, journals, magazines, stationery, etc.	0	0	0	0	0	17,369
25	Total value of output (Rs. lakh) (1 to 24)	52,345	2,11,795	209	5,65,215	1,21,245	3,93,407

Source: NCAER computations.

S. No.	Industry	Total Domestic Supply at BP	Product taxes less Subsidies	Output at Producer price (OP)	Trade and Transport Margins (TTM)	Output at Purchaser's price (OP + TTM)	Total Domestic Supply at BP
1	Agriculture and allied	24,38,545	-1,54,134	22,84,412	3,06,898	2591,310	24,38,545
2	Mining, other manufacturing, construction, electricity, gas, and water supply	1,77,74,935	9,69,915	1,87,44,850	12,58,262	2,00,03,112	1,77,74,935
3	Trade	14,75,698	2092	14,77,790	-14,77,790	0	14,75,698
4	Transport freight services	5,24,643	14,310	5,38,953	-5,38,953	0	5,24,643
5	All non-tourism specific services	61,98,440	2,03,849	64,02,289	0	64,02,289	61,98,440
6	Accommodation services/hotels	1,92,300	567	1,92,867	0	1,92,867	1,92,300
7	Food and beverage serving services/restaurants	2,68,952	2661	2,71,613	0	2,71,613	2,68,952
8	Railway passenger transport services	1467	34	1501	0	1501	1467
9	Road passenger transport services	4,23,053	3054	4,26,107	0	4,26,107	4,23,053
10	Water passenger transport services	0	3965	3965	0	3965	0
11	Air passenger transport services	6967	1327	8294	0	8294	6967
12	Transport equipment rental services	26,879	7	26,886	0	26,886	26,879
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	11,293	902	12,195	0	12,195	11,293
14	Cultural and religious services	10,195	-5	10,190	0	10,190	10,195
15	Sports and other recreational services	14,573	15,105	29,678	0	29,678	14,573
16	Health and medical related services	3,32,991	-530	3,32,461	0	3,32,461	3,32,991
17	Readymade garments	2,04,272	11,653	2,15,925	15,424	2,31,349	2,04,272
18	Processed food	16,50,989	41,934	16,92,923	3,45,957	20,38,880	16,50,989
19	Alcohol and tobacco products	57,398	72,533	1,29,930	10,779	1,40,709	57,398
20	Travel-related consumer goods	58,099	4170	62,269	5627	67,896	58,099
21	Footwear	55,709	2703	58,412	4802	63,214	55,709
22	Soaps, cosmetics, and glycerine	5,86,409	16,010	6,02,419	52,951	6,55,370	5,86,409
23	Gems and jewellery	6,07,112	7788	6,14,900	12,927	6,27,827	6,07,112
24	Books, journals, magazines, stationery etc.	33,445	377	33,822	3116	36,938	33,445
25	Total value of output (Rs. lakh) (1 to 24)	3,29,54,363	12,20,285	3,41,74,648	0	3,41,74,648	3,29,54,363

Source: NCAER computations.

**TSA TABLE 5B: PRODUCTION ACCOUNT OF TOURISM INDUSTRIES— USE TABLE, 2018-19**

(Rs. Lakh)

S. No.	Industry	Industry as per the Serial No. Given in the First Column					
		1	2	3	4	5	6
1	Agriculture and allied	3,90,488	4,12,157	0	7887	1,66,423	59,712
2	Mining, other manufacturing, construction, electricity, gas, and water supply	1,18,882	78,27,262	1,84,076	1,70,319	34,95,852	11,294
3	Trade	0	0	0	0	0	0
4	Transport freight services	0	0	0	0	0	0
5	All non-tourism specific services	33,446	1,69,840	74,538	76,285	12,56,500	5583
6	Accommodation services/hotels	469	76	3952	931	18,194	18
7	Food and beverage serving services/restaurants	1987	354	18551	4369	85,397	85
8	Railway passenger transport services	0	1833	280	7	3336	2
9	Road passenger transport services	30,857	17,838	19,576	24	45,761	67
10	Water passenger transport services	0	0	493	2	4598	0
11	Air passenger transport services	0	5115	2547	78	52,975	17
12	Transport equipment rental services	3	1119	83	49	1216	1
13	Travel agencies and other reservation services/ supporting and auxiliary transport activities	0	0	4035	278	5524	74
14	Cultural and religious services	0	0	0	0	11	0
15	Sports and other recreational services	734	351	451	62	3316	313
16	Health and medical-related services	1	0	0	0	404	0
17	Readymade garments	1478	1326	1106	2228	22,960	143
18	Processed food	1,69,723	58,109	84	0	91,433	39,249
19	Alcohol and tobacco products	0	8253	0	0	3376	3676
20	Travel-related consumer goods	946	6071	602	333	9747	16
21	Footwear	0	0	0	0	205	0
22	Soaps, cosmetics, and glycerine	0	28,426	785	0	355	1287
23	Gems and jewellery	0	3,30,875	0	0	0	0
24	Books, journals, magazines, stationery, etc.	4366	6825	642	1397	23,951	8
25	Total IIUSE at PP (1 to 24)	7,53,380	88,75,830	3,11,799	2,64,248	52,91,533	1,21,543
26	Output at BP	24,69,015	1,25,65,035	11,93,277	4,75,993	1,17,38,403	1,84,501
27	GVA (26 minus 25)	17,15,635	36,89,205	8,81,478	2,11,745	64,46,870	62,958

Source: NCAER computations.

S. No.	Industry	Industry as per the Serial No. Given in the First Column					
		7	8	9	10	11	12
1	Agriculture and allied	89,568	0	7887	0	0	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	16,941	365	1,69,149	0	3468	4798
3	Trade	0	0	0	0	0	0
4	Transport freight services	0	0	0	0	0	0
5	All non-tourism specific services	8374	81	75,723	0	1332	2613
6	Accommodation services/hotels	27	2	923	0	21	13
7	Food and beverage serving services/restaurants	127	9	4332	0	99	61
8	Railway passenger transport services	3	0	6	0	1	0
9	Road passenger transport services	101	0	2	0	0	247
10	Water passenger transport services	1	0	1	0	0	0
11	Air passenger transport services	25	0	57	0	5	0
12	Transport equipment rental services	1	0	49	0	0	7
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	111	0	236	0	0	274
14	Cultural and religious services	0	0	0	0	0	0
15	Sports and other recreational services	470	3	55	0	15	145
16	Health and medical-related services	0	0	0	0	0	0
17	Readymade garments	214	15	2172	0	222	146
18	Processed food	58,874	0	0	0	0	0
19	Alcohol and tobacco products	5514	0	0	0	0	0
20	Travel-related consumer goods	24	2	328	0	19	66
21	Footwear	0	0	0	0	0	0
22	Soaps, cosmetics, and glycerine	1930	0	0	0	0	0
23	Gems and jewellery	0	0	0	0	0	0
24	Books, journals, magazines, stationery, etc.	12	18	1351	0	183	144
25	Total IIUSE at PP (1 to 24)	1,82,315	495	2,62,272	0	5365	8514
26	Output at BP	2,76,751	1467	4,71,703	0	6967	26,879
27	GVA (26 minus 25)	94,436	972	2,09,430	0	1602	18,366

Source: NCAER computations.

S. No.	Industry	Industry as per the Serial No. Given in the First Column					
		13	14	15	16	17	18
1	Agriculture and allied	0	0	0	0	0	1246975
2	Mining, other manufacturing, construction, electricity, gas, and water supply	3218	2903	1170	112113	135977	32729
3	Trade	0	0	0	0	0	0
4	Transport freight services	0	0	0	0	0	0
5	All non-tourism specific services	1927	315	4605	11751	4234	6483
6	Accommodation services/hotels	24	10	7	33	0	0
7	Food and beverage serving services/restaurants	111	46	34	154	0	0
8	Railway passenger transport services	5	11	18	0	100	176
9	Road passenger transport services	87	25	155	39	591	981
10	Water passenger transport services	2	2	4	23	0	0
11	Air passenger transport services	83	20	26	857	0	0
12	Transport equipment rental services	0	1	4	0	31	29
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	167	24	33	2	0	0
14	Cultural and religious services	0	0	1	0	0	0
15	Sports and other recreational services	16	9	156	176	0	0
16	Health and medical-related services	0	0	2	1085	0	0
17	Readymade garments	160	70	39	514	1770	0
18	Processed food	0	0	0	0	0	66,003
19	Alcohol and tobacco products	0	0	0	0	0	694
20	Travel-related consumer goods	14	38	11	10	10,418	17
21	Footwear	0	0	0	0	0	0
22	Soaps, cosmetics, and glycerine	0	0	0	0	46	0
23	Gems and jewellery	0	0	0	0	3	0
24	Books, journals, magazines, stationery, etc.	109	17	39	182	233	9
25	Total IUUSE at PP (1 to 24)	5923	3491	6303	1,26,940	1,53,402	13,54,096
26	Output at BP	11,293	10,195	14,573	3,32,991	2,28,479	16,02,625
27	GVA (26 minus 25)	5370	6704	8270	2,06,051	75,076	2,48,529

Source: NCAER computations.

S. No.	Industry	Industry as per the Serial No. Given in the First Column					
		19	20	21	22	23	24
1	Agriculture and allied	30,061	62,537	129	13,575	3	39,703
2	Mining, other manufacturing, construction, electricity, gas, and water supply	2179	30,268	12	4,16,575	26426	2,55,891
3	Trade	0	0	0	0	0	0
4	Transport freight services	0	0	0	0	0	0
5	All non-tourism specific services	152	678	1	5608	273	7746
6	Accommodation services/hotels	0	0	0	0	0	0
7	Food and beverage serving services/restaurants	0	0	0	0	0	0
8	Railway passenger transport services	7	22	0	69	1	143
9	Road passenger transport services	22	100	0	307	2	540
10	Water passenger transport services	0	0	0	0	0	0
11	Air passenger transport services	0	0	0	0	0	0
12	Transport equipment rental services	0	11	0	27	0	45
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	0	0	0	0	0	0
14	Cultural and religious services	0	0	0	0	0	0
15	Sports and other recreational services	0	0	0	7	0	0
16	Health and medical-related services	0	0	0	0	0	0
17	Readymade garments	0	44	0	0	0	8
18	Processed food	835	0	0	2570	0	0
19	Alcohol and tobacco products	841	0	0	277	0	0
20	Travel-related consumer goods	1	2919	6	35	133	110
21	Footwear	0	133	0	0	0	0
22	Soaps, cosmetics, and glycerine	0	0	0	3126	0	0
23	Gems and jewellery	0	74,491	0	0	82,624	0
24	Books, journals, magazines, stationery, etc.	2	3	0	63	0	1380
25	Total IIUSE at PP (1 to 24)	34,101	1,71,205	148	4,42,238	1,09,462	3,05,566
26	Output at BP	52,345	2,11,795	209	5,65,215	1,21,245	3,93,407
27	GVA (26 minus 25)	18,244	40,590	61	1,22,977	11,782	87,841

Source: NCAER computations.



S. No.	Industry	IIUSE	TFUSE	Total Use
1	Agriculture and allied	25,27,102	64,207	25,91,310
2	Mining, other manufacturing, construction, electricity, gas, and water supply	1,30,21,864	69,81,248	2,00,03,112
3	Trade	0	0	0
4	Transport freight services	0	0	0
5	All non-tourism specific services	17,48,085	46,54,204	64,02,289
6	Accommodation services/hotels	24,699	1,68,168	1,92,867
7	Food and beverage serving services/restaurants	1,15,717	1,55,896	2,71,613
8	Railway passenger transport services	6020	-4519	1501
9	Road passenger transport services	1,17,321	3,08,786	4,26,107
10	Water passenger transport services		-1162	3965
11	Air passenger transport services	61,805	-53,511	8294
12	Transport equipment rental services	2675	24,211	26,886
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	10,758	1437	12,195
14	Cultural and religious services	13	10,177	10,190
15	Sports and other recreational services	6279	23,398	29,678
16	Health and medical-related services	1492	3,30,969	3,32,461
17	Readymade garments	34,615	1,96,734	2,31,349
18	Processed food	4,86,880	15,52,001	20,38,880
19	Alcohol and tobacco products	22,632	1,18,077	1,40,709
20	Travel-related consumer goods	31,869	36,027	67,896
21	Footwear	338	62,876	63,214
22	Soaps, cosmetics, and glycerine	35,955	6,19,415	6,55,370
23	Gems and jewellery	48,79,93	1,39,834	6,27,827
24	Books, journals, magazines, stationery, etc.	40,932	-3994	36,938
25	Total IIUSE at PP (1 to 24)	1,87,90,169	1,53,84,480	3,41,74,648
26	Output at BP	3,29,54,363		
27	GVA (26 minus 25)	1,41,64,194		

Source: NCAER computations.

Table IV.6 summarises the production account, as given in TSA Table 5. This table shows that of the total GSVA of the State, at Rs. 1,41,641 crore, the GVA accounted by the tourism industries, that is GVATI, stood at Rs. 12,192 crore. This is equivalent to 8.61 per cent of the total GSVA. The State's non-tourism specific services accounted for the maximum, at 45.5 per cent. The industrial sector (excluding tourism-specific manufactured products) contributed 26 per cent to the GSVA. The third highest contributor is the agriculture and allied sector, accounting for 12 per cent of the GSVA.

TABLE IV.6: ECONOMIC AGGREGATES OF INDUSTRIES

S. No.	Industry	Gross Value of Output (Rs. Lakh)	GVA (Rs. Lakh)	Share in Total GVA (%)
	1	2	3	4
1	Agriculture and allied	24,69,015	17,15,635	12.1
2	Mining, other manufacturing, construction, electricity, gas and water supply	1,25,65,035	36,89,205	26.0
3	Trade	11,93,277	8,81,478	6.2
4	Transport freight services	4,75,993	2,11,745	1.5
5	All non-tourism specific services	1,17,38,403	64,46,870	45.5
6	Accommodation services/hotels	1,84,501	62,958	0.4
7	Food and beverage serving services/Restaurants	2,76,751	94,436	0.7
8	Railway passenger transport services	1467	972	0.0
9	Passenger transport services	4,71,703	2,09,430	1.5
10	Water passenger transport services	0	0	0.0
11	Air passenger transport services	6967	1602	0.0
12	Transport equipment rental services	26,879	18,366	0.1
13	Travel agencies and other reservation services/ Supporting and auxiliary transport activities	11,293	5370	0.0
14	Cultural and religious services	10,195	6704	0.0
15	Sports and other recreational services	14,573	8270	0.1
16	Health and medical-related services	3,32,991	2,06,051	1.5
17	Readymade garments	2,28,479	75,076	0.5
18	Processed food	16,02,625	2,48,529	1.8
19	Alcohol and tobacco products	52,345	18,244	0.1
20	Travel-related consumer goods	2,11,795	40,590	0.3
21	Footwear	209	61	0.0
22	Soaps, cosmetics, and glycerine	5,65,215	1,22,977	0.9
23	Gems and jewellery	1,21,245	11,782	0.1
24	Books, journals, magazines, stationery, etc.	3,93,407	87,841	0.6
25	Total – All Industries (1 to 24)	3,29,54,363	1,41,64,194	100
26	Total tourism-specific industries (Tourism-characteristic and tourism-connected) (6 to 24)	45,12,639	12,19,260	8.61

Source: NCAER computation using TSA Table 5.

#### **IV.8. Tourism Industry Ratios and TDGVA**

The most crucial table in a TSA is TSA Table 6, which is the core of the TSA system as it is where the confrontation and reconciliation between the domestic supply and internal tourism consumption takes place. In this table, the total supply of goods and services in the economy of reference by products, which includes domestic production (production by resident industries) and imports, (including valuation adjustments), is compared to internal tourism consumption that is derived in TSA Table 4.

Using the results of TSA Table 6, estimates can be derived regarding the GVA attributable to tourism for each of the domestic industries that serve visitors. This provides the basic information required for the computation of tourism ratios for products and industries, TDGVA (Tourism Direct Gross Value Added (TDGVA)) and Tourism Direct Gross Domestic Product (TDGDP), and their components. The table, together with the associated Use Table, provides a basis for compiling the input-output tables and input-output models that facilitate estimation of the indirect contribution of tourism to the economy.

The TPRs are derived for each of the 24 product categories based on comparison between the demand-side and supply-side data. By definition, the TPR is that proportion of the total supply of a product which is consumed by tourists or is on account of tourism activity.

These TPRs, when applied to each industry column of the supply table, yield the Tourism Industry Ratios (TIRs) for each of the 24 industry categories. Using these ratios, the estimates can be derived regarding the GVA attributable to tourism for each of the domestic industries that serve visitors.

However, due to the non-availability of State-level trade data, the State Supply Table presents only domestic supply. In order to derive the total supply (inclusive of imports), the share of the State domestic supply in India's domestic supply is applied on India's total supply. This is based on the assumption that the share of a State in India's total supply is the same as its share in India's domestic supply.

In the case of the Use Table, the final demand is kept as a single aggregate column vector. In this way, the TPRs for all the products are derived by comparing the total supply of each product with the total tourism consumption of that product. These TPRs are applied on each industry column to derive the TIRs. These ratios bring out the tourism component from each industry's GVA, thus helping to determine the Total Tourism Direct GVA (TDGVA). The share of TDGVA to the total State GVA is the contribution of tourism to the State's economy.

TSA Table 6 is presented below.

**TSA TABLE 6: DOMESTIC SUPPLY AND INTERNAL TOURISM CONSUMPTION (RS. LAKH)**

S. No.	Industry	Agriculture and allied	TS*	Mining, other manufacturing, construction, electricity, gas and water supply	TS*	Trade	TS*
		1		2		3	
1	Agriculture and allied	24,38,545	0	0	0	0	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	30,470	0	1,12,27,279	0	0	0
3	Trade	0	0	2,39,633	0	11,81,134	13,308
4	Transport freight services	0	0	0	0	0	0
5	All non-tourism specific services	0	0	14,195	603	12,143	515
6	Accommodation services/hotels	0	0	0	0	0	0
7	Food and beverage serving services/restaurants	0	0	0	0	0	0
8	Railway passenger transport services	0	0	0	0	0	0
9	Road passenger transport services	0	0	0	0	0	0
10	Water passenger transport services	0	0	0	0	0	0
11	Air passenger transport services	0	0	0	0	0	0
12	Transport equipment rental services	0	0	0	0	0	0
13	Travel agencies and other reservation services/ Supporting and auxiliary transport activities	0	0	0	0	0	0
14	Cultural and religious services	0	0	0	0	0	0
15	Sports and other recreational services	0	0	0	0	0	0
16	Health and medical-related services	0	0	0	0	0	0
17	Readymade garments	0	0	14,411	0	0	0
18	Processed food	0	0	93,753	0	0	0
19	Alcohol and tobacco products	0	0	3655	0	0	0
20	Travel-related consumer goods	0	0	20,370	0	0	0
21	Footwear	0	0	1128	0	0	0
22	Soaps, cosmetics, and glycerine	0	0	5,21,018	0	0	0
23	Gems and jewellery	0	0	4,13,518	0	0	0
24	Books, journals, magazines, stationery, etc.	0	0	16,076	0	0	0
25	Total value of output (Rs. lakh)	24,69,015	0	1,25,65,035	603	11,93,277	13,823
26	Intermediate consumption (Rs. lakh)	7,53,380	0	8875830	426	3,11,799	3612
27	GVA (Rs. lakh) (26 minus 25)	17,15,635	0	36,89,205	177	8,81,478	10,211
28	Tourism Industry Ratios (%)		0		0.0047		1.158

Note: TS\*: Tourism Share.

S. No.	Industry	Transport freight services	TS*	All non-tourism specific services	TS*	Accommodation services/Hotels	TS*
		4		5		6	
1	Agriculture and allied	0	0	0	0	0	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	0	0	55,70,728	0	0	0
3	Trade	0	0	0	0	0	0
4	Transport freight services	4,47,838	0	0	0	0	0
5	All non-tourism specific services	0	0	61,67,675	2,61,792	0	0
6	Accommodation services/hotels	0	0	0	0	1,78,210	1,47,298
7	Food and beverage serving services/restaurants	0	0	0	0	6291	3492
8	Railway passenger transport services	0	0	0	0	0	0
9	Road passenger transport services	28,155	24,246	0	0	0	0
10	Water passenger transport services	0	0	0	0	0	0
11	Air passenger transport services	0	0	0	0	0	0
12	Transport equipment rental services	0	0	0	0	0	0
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	0	0	0	0	0	0
14	Cultural and religious services	0	0	0	0	0	0
15	Sports and other recreational services	0	0	0	0	0	0
16	Health and medical-related services	0	0	0	0	0	0
17	Readymade garments	0	0	0	0	0	0
18	Processed food	0	0	0	0	0	0
19	Alcohol and tobacco products	0	0	0	0	0	0
20	Travel-related consumer goods	0	0	0	0	0	0
21	Footwear	0	0	0	0	0	0
22	Soaps, cosmetics, and glycerine	0	0	0	0	0	0
23	Gems and jewellery	0	0	0	0	0	0
24	Books, journals, magazines, stationery, etc.	0	0	0	0	0	0
25	Total value of output (Rs. lakh)	4,75,993	24,246	1,17,38,403	2,61,792	1,84,501	1,50,789
26	Intermediate consumption (Rs. lakh)	2,64,248	13,460	52,91,533	1,18,013	1,21,543	99,335
27	GVA (Rs. lakh) (26 minus 25)	2,11,745	10,786	64,46,870	1,43,779	62,958	51,454
28	Tourism Industry Ratios (%)		5.09		2.23		81.73

Note: TS\*: Tourism Share.

S. No.	Industry	Food and beverage serving services/Restaurants	TS*	Railway passenger transport services	TS*	Road passenger transport services	TS*
		7		8		9	
1	Agriculture and allied	0	0	0	0	0	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	0	0	0	0	0	0
3	Trade	0	0	0	0	0	0
4	Transport freight services	0	0	0	0	76,805	0
5	All non-tourism specific services	0	0	0	0	0	0
6	Accommodation services/hotels	14,090	11,646	0	0	0	0
7	Food and beverage serving services/restaurants	2,62,661	1,45,795	0	0	0	0
8	Railway passenger transport services	0	0	1467	1199	0	0
9	Road passenger transport services	0	0	0	0	3,94,898	3,40,067
10	Water passenger transport services	0	0	0	0	0	0
11	Air passenger transport services	0	0	0	0	0	0
12	Transport equipment rental services	0	0	0	0	0	0
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	0	0	0	0	0	0
14	Cultural and religious services	0	0	0	0	0	0
15	Sports and other recreational services	0	0	0	0	0	0
16	Health and medical-related services	0	0	0	0	0	0
17	Readymade garments	0	0	0	0	0	0
18	Processed food	0	0	0	0	0	0
19	Alcohol and tobacco products	0	0	0	0	0	0
20	Travel-related consumer goods	0	0	0	0	0	0
21	Footwear	0	0	0	0	0	0
22	Soaps, cosmetics, and glycerine	0	0	0	0	0	0
23	Gems and jewellery	0	0	0	0	0	0
24	Books, journals, magazines, stationery, etc.	0	0	0	0	0	0
25	Total value of output (Rs. lakh)	2,76,751	1,57,441	1467	1199	4,71,703	3,40,067
26	Intermediate consumption (Rs. lakh)	1,82,315	1,03,717	495	405	2,62,272	1,89,081
27	GVA (Rs. lakh) (26 minus 25)	94,436	53,724	972	795	2,09,430	1,50,986
28	Tourism Industry Ratios (%)		56.89		81.75		72.09

*Note: TS\*: Tourism Share.*

S. No.	Industry	Water passenger transport services	TS*	Air passenger transport services	TS*	Transport equipment rental services	TS*
		10		11		12	
1	Agriculture and allied	0	0	0	0	0	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	0	0	0	0	0	0
3	Trade	0	0	0	0	0	0
4	Transport freight services	0	0	0	0	0	0
5	All non-tourism specific services	0	0	0	0	0	0
6	Accommodation services/hotels	0	0	0	0	0	0
7	Food and beverage serving services/restaurants	0	0	0	0	0	0
8	Railway passenger transport services	0	0	0	0	0	0
9	Road passenger transport services	0	0	0	0	0	0
10	Water passenger transport services	0	0	0	0	0	0
11	Air passenger transport services	0	0	6967	6637	0	0
12	Transport equipment rental services	0	0	0	0	26,879	23,249
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	0	0	0	0	0	0
14	Cultural and religious services	0	0	0	0	0	0
15	Sports and other recreational services	0	0	0	0	0	0
16	Health and medical related services	0	0	0	0	0	0
17	Readymade garments	0	0	0	0	0	0
18	Processed food	0	0	0	0	0	0
19	Alcohol and tobacco products	0	0	0	0	0	0
20	Travel-related consumer goods	0	0	0	0	0	0
21	Footwear	0	0	0	0	0	0
22	Soaps, cosmetics, and glycerine	0	0	0	0	0	0
23	Gems and jewellery	0	0	0	0	0	0
24	Books, journals, magazines, stationery, etc.	0	0	0	0	0	0
25	Total value of output (Rs. lakh)	0	0	6967	6637	26,879	23,249
26	Intermediate consumption (Rs. lakh)	0	0	5365	5111	8514	7364
27	GVA (Rs. lakh) (26 minus 25)	0	0	1602	1526	18,366	15,886
28	Tourism Industry Ratios (%)		0.00		95.26		86.50

*Note: TS\*: Tourism Share.*

S. No.	Industry	Travel agencies and other reservation services/ Supporting and auxiliary transport activities	TS*	Cultural and religious services	TS*	Sports and other recreational services	TS*
		13		14		15	
1	Agriculture and allied	0	0	0	0	0	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	0	0	0	0	0	0
3	Trade	0	0	0	0	0	0
4	Transport freight services	0	0	0	0	0	0
5	All non-tourism specific services	0	0	0	0	0	0
6	Accommodation services/hotels	0	0	0	0	0	0
7	Food and beverage serving services/restaurants	0	0	0	0	0	0
8	Railway passenger transport services	0	0	0	0	0	0
9	Road passenger transport services	0	0	0	0	0	0
10	Water passenger transport services	0	0	0	0	0	0
11	Air passenger transport services	0	0	0	0	0	0
12	Transport equipment rental services	0	0	0	0	0	0
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	11,293	10,220	0	0	0	0
14	Cultural and religious services	0	0	10195	8039	0	0
15	Sports and other recreational services	0	0	0	0	14,573	11,408
16	Health and medical-related services	0	0	0	0	0	0
17	Readymade garments	0	0	0	0	0	0
18	Processed food	0	0	0	0	0	0
19	Alcohol and tobacco products	0	0	0	0	0	0
20	Travel-related consumer goods	0	0	0	0	0	0
21	Footwear	0	0	0	0	0	0
22	Soaps, cosmetics, and glycerine	0	0	0	0	0	0
23	Gems and jewellery	0	0	0	0	0	0
24	Books, journals, magazines, stationery, etc.	0	0	0	0	0	0
25	Total value of output (Rs. lakh)	11,293	10,220	10,195	8039	14,573	11,408
26	Intermediate consumption (Rs. lakh)	5923	5360	3491	2753	6303	4934
27	GVA (Rs. lakh) (26 minus 25)	5370	4860	6704	5287	8270	6474
28	Tourism Industry Ratios (%)		90.50		78.86		78.29

Note: TS\*: Tourism Share.



S. No.	Industry	Health and medical related services	TS*	Readymade garments	TS*	Processed Food	TS*
		16		17		18	
1	Agriculture and allied	0	0	0	0	0	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	0	0	33,663	0	12,613	0
3	Trade	0	0	2510	0	32,982	0
4	Transport freight services	0	0	0	0	0	0
5	All non-tourism specific services	0	0	11	0	211	9
6	Accommodation services/hotels	0	0	0	0	0	0
7	Food and beverage serving services/restaurants	0	0	0	0	0	0
8	Railway passenger transport services	0	0	0	0	0	0
9	Road passenger transport services	0	0	0	0	0	0
10	Water passenger transport services	0	0	0	0	0	0
11	Air passenger transport services	0	0	0	0	0	0
12	Transport equipment rental services	0	0	0	0	0	0
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	0	0	0	0	0	0
14	Cultural and religious services	0	0	0	0	0	0
15	Sports and other recreational services	0	0	0	0	0	0
16	Health and medical-related services	3,32,991	54,227	0	0	0	0
17	Readymade garments	0	0	1,89,861	0	0	0
18	Processed food	0	0	0	0	15,44,284	0
19	Alcohol and tobacco products	0	0	0	0	5966	0
20	Travel-related consumer goods	0	0	2433	0	338	0
21	Footwear	0	0	0	0	0	0
22	Soaps, cosmetics, and glycerine	0	0	0	0	6231	0
23	Gems and jewellery	0	0	0	0	0	0
24	Books, journals, magazines, stationery, etc.	0	0	0	0	0	0
25	Total value of output (Rs. lakh)	3,32,991	54,227	2,28,479	0	16,02,625	9
26	Intermediate consumption (Rs. lakh)	1,26,940	20,672	1,53,402	0	13,54,096	8
27	GVA (Rs. lakh) (26 minus 25)	2,06,051	33,555	75,076	0	2,48,529	1
28	Tourism Industry Ratios (%)		16.28		0.00		0.00

*Note: TS\*: Tourism Share.*

S. No.	Industry	Alcohol & Tobacco products	TS*	Travel related consumer goods	TS*	Footwear	TS*
		19		20		21	
1	Agriculture and allied	0	0	0	0	0	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	1626	0	27,910	0	26	0
3	Trade	1568	0	2962	0	4	0
4	Transport freight services	0	0	0	0	0	0
5	All non-tourism specific services	242	10	1638	70	0	0
6	Accommodation services/hotels	0	0	0	0	0	0
7	Food and beverage serving services/restaurants	0	0	0	0	0	0
8	Railway passenger transport services	0	0	0	0	0	0
9	Road passenger transport services	0	0	0	0	0	0
10	Water passenger transport services	0	0	0	0	0	0
11	Air passenger transport services	0	0	0	0	0	0
12	Transport equipment rental services	0	0	0	0	0	0
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	0	0	0	0	0	0
14	Cultural and religious services	0	0	0	0	0	0
15	Sports and other recreational services	0	0	0	0	0	0
16	Health and medical-related services	0	0	0	0	0	0
17	Readymade garments	0	0	0	0	0	0
18	Processed food	1575	0	0	0	0	0
19	Alcohol and tobacco products	47,334	0	0	0	0	0
20	Travel-related consumer goods	0	0	33,030	0	67	0
21	Footwear	0	0	54,468	0	113	0
22	Soaps, cosmetics, and glycerine	1	0	0	0	0	0
23	Gems and jewellery	0	0	91,786	0	0	0
24	Books, journals, magazines, stationery, etc.	0	0	0	0	0	0
25	Total value of output (Rs. lakh)	52,345	10	2,11,795	70	209	0
26	Intermediate consumption (Rs. lakh)	34,101	7	1,71,205	56	148	0
27	GVA (Rs. lakh) (26 minus 25)	18,244	4	40,590	13	61	0
28	Tourism Industry Ratios (%)		0.02		0.03		0.00

*Note: TS\*: Tourism Share.*

S. No.	Industry	Soaps, cosmetics, and glycerine	TS*	Gems and jewellery	TS*	Books, journals, magazines, stationery etc.	TS*
		22		23		24	
1	Agriculture and allied	0	0	0	0	0	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	4,82,830	0	15,494	0	3,72,296	0
3	Trade	10,570	0	1249	0	3088	0
4	Transport freight services	0	0	0	0	0	0
5	All non-tourism specific services	366	16	1806	77	152	6
6	Accommodation services/hotels	0	0	0	0	0	0
7	Food and beverage serving services/restaurants	0	0	0	0	0	0
8	Railway passenger transport services	0	0	0	0	0	0
9	Road passenger transport services	0	0	0	0	0	0
10	Water passenger transport services	0	0	0	0	0	0
11	Air passenger transport services	0	0	0	0	0	0
12	Transport equipment rental services	0	0	0	0	0	0
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	0	0	0	0	0	0
14	Cultural and religious services	0	0	0	0	0	0
15	Sports and other recreational services	0	0	0	0	0	0
16	Health and medical-related services	0	0	0	0	0	0
17	Readymade garments	0	0	0	0	0	0
18	Processed food	11,377	0	0	0	0	0
19	Alcohol and tobacco products	443	0	0	0	0	0
20	Travel-related consumer goods	471	0	888	0	502	0
21	Footwear	0	0	0	0	0	0
22	Soaps, cosmetics, and glycerine	59,158	0	0	0	0	0
23	Gems and jewellery	0	0	1,01,808	0	0	0
24	Books, journals, magazines, stationery, etc.	0	0	0	0	17,369	0
25	Total value of output (Rs. lakh)	5,65,215	16	1,21,245	77	3,93,407	6
26	Intermediate consumption (Rs. lakh)	4,42,238	12	1,09,462	69	3,05,566	5
27	GVA (Rs. lakh) (26 minus 25)	1,22,977	3	11,782	7	87,841	1
28	Tourism Industry Ratios (%)		0.00		0.06		0.00

*Note: TS\*: Tourism Share.*

S. No.	Industry	Total Domestic Supply at BP	TS*	Product taxes less Subsidies	TS*	Output at Producer price (OP)	TS*
1	Agriculture and allied	24,38,545	0	-1,54,134	0	22,84,412	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	1,77,74,935	0	9,69,915	0	1,87,44,850	0
3	Trade	14,75,698	13,308	2092	0	14,77,790	13,308
4	Transport freight services	5,24,643	0	14,310	0	5,38,953	0
5	All non-tourism specific services	61,98,440	2,63,098	2,03,849	8653	64,02,289	2,71,750
6	Accommodation services/hotels	1,92,300	1,58,944	567	469	1,92,867	1,59,412
7	Food and beverage serving services/restaurants	2,68,952	1,49,287	2661	1477	2,71,613	1,50,764
8	Railway passenger transport services	1467	1199	34	28	1501	1227
9	Road passenger transport services	4,23,053	3,64,313	3054	2630	4,26,107	3,66,943
10	Water passenger transport services	0.00	0.00	3964.67	148.19	3964.67	148.19
11	Air passenger transport services	6967	6637	1327	1264	8294	7901
12	Transport equipment rental services	26,879	23,249	7	6	26,886	23255
13	Travel agencies and other reservation services/ supporting and auxiliary transport activities	11,293	10,220	902	816	12,195	11,037
14	Cultural and religious services	10,195	8039	-5	-4	10,190	8036
15	Sports and other recreational services	14,573	11408	15,105	11,825	29,678	23,233
16	Health and medical-related services	3,32,991	54,227	-530	-86	3,32,461	54,141
17	Readymade garments	2,04,272	0	11,653	8643	2,15,925	8643
18	Processed food	16,50,989	0	41,934	352	16,92,923	352
19	Alcohol and tobacco products	57,398	0	72,533	5444	1,29,930	5444
20	Travel-related consumer goods	58,099	0	4170	143	62,269	143
21	Footwear	55,709	0	2703	887	58,412	887
22	Soaps, cosmetics, and glycerine	5,86,409	0	16,010	28	6,02,419	28
23	Gems and jewellery	6,07,112	0	7788	558	6,14,900	558
24	Books, journals, magazines, stationery, etc.	33,445	0	377	73	33,822	73
25	Total value of output (Rs. lakh)	3,29,54,363	10,63,929	12,20,285	43,353	3,41,74,648	11,07,283
26	Intermediate consumption (Rs. lakh)	1,87,90,169	5,74,400				
27	GVA (Rs. lakh) (26 minus 25)	1,41,64,194	4,89,530				
28	Tourism Industry Ratios (%)		3.46				

Note: TS\*: Tourism Share.

S. No.	Industry	Trade and Transport Margins (TTM)	TS*	Output at Purchaser's price (OP + TTM)	TS*
1	Agriculture and allied	3,06,898	0	25,91,310	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	12,58,262	0	2,00,03,112	0
3	Trade	-14,77,790	-13,308	0	0
4	Transport freight services	-5,38,953	0	0	0
5	All non-tourism specific services	0	0	64,02,289	2,71,750
6	Accommodation services/hotels	0	0	1,92,867	1,59,412
7	Food and beverage serving services/restaurants	0	0	2,71,613	1,50,764
8	Railway passenger transport services	0	0	1501	1227
9	Road passenger transport services	0	0	4,26,107	3,66,943
10	Water passenger transport services	0.00	0.00	3964.67	148.19
11	Air passenger transport services	0	0	8294	7901
12	Transport equipment rental services	0	0	26,886	23,255
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	0	0	12,195	11,037
14	Cultural and religious services	0	0	10,190	8036
15	Sports and other recreational services	0	0	29,678	23,233
16	Health and medical-related services	0	0	3,32,461	54,141
17	Readymade garments	15,424	3481	2,31,349	12,124
18	Processed food	3,45,957	2589	20,38,880	2941
19	Alcohol and tobacco products	10,779	2019	1,40,709	7463
20	Travel-related consumer goods	5627	340	67,896	483
21	Footwear	4802	2932	63,214	3819
22	Soaps, cosmetics, and glycerine	52,951	212	6,55,370	240
23	Gems and jewellery	12,927	923	6,27,827	1481
24	Books, journals, magazines, stationery, etc.	3116	812	36,938	884
25	Total value of output (Rs. lakh)	0	0	3,41,74,648	11,07,283
26	Intermediate consumption (Rs. lakh)				
27	GVA (Rs. lakh) (26 minus 25)				
28	Tourism Industry Ratios (%)				

Source: NCAER computations.

Note: TS\*: Tourism Share.

Table IV.7 summarises the TSA Table 7 and presents the share of TDGVA in the State's total GVA.

**TABLE IV.7: TOTAL SUPPLY, TOURISM CONSUMPTION AND TDGVA**

Sl. No.	Industry	Total Supply (Rs. Lakh)	Adjusted Tourism Consumption (Rs. Lakh)	Tourism Product Ratio (%)	Tourism Industry Ratio (%)	GVA (Rs. Lakh)	TDGVA (Rs. Lakh)
		1	2	3	4	5	6
1	Agriculture and allied	29,07,451	0	0.0	0.00	17,15,635	0
2	Mining, other manufacturing, construction, electricity, gas, and water supply	2,24,43,507	0	0.0	0.00	36,89,205	177
3	Trade	0	0	0.0	1.16	8,81,478	10,211
4	Transport freight services	0	0	0.0	5.09	2,11,745	10,786
5	All non-tourism specific services	71,83,373	3,04,904	4.2	2.23	64,46,870	1,43,779
6	Accommodation services/hotels	2,16,397	1,78,861	82.7	81.73	62,958	51,454
7	Food and beverage serving services/restaurants	3,04,750	1,69,157	55.5	56.89	94,436	53,724
8	Railway passenger transport services	1684	1376	81.8	81.75	972	795
9	Road passenger transport services	4,78,092	4,11,710	86.1	72.09	2,09,430	1,50,986
10	Water passenger transport services	4448	166	3.7	0.00	0	0
11	Air passenger transport services	9306	8865	95.3	95.26	1602	1526
12	Transport equipment rental services	30,166	26,092	86.5	86.50	18,366	15,886
13	Travel agencies and other reservation services/supporting and auxiliary transport activities	13,683	12,383	90.5	90.50	5370	4860
14	Cultural and religious services	11,433	9016	78.9	78.86	6704	5287
15	Sports and other recreational services	33,298	26,068	78.3	78.29	8270	6474
16	Health and medical-related services	3,73,021	60,746	16.3	16.28	2,06,051	33,555
17	Readymade garments	2,59,574	1,92,528	74.2	0.00	75,076	0
18	Processed food	22,87,625	19,226	0.8	0.00	2,48,529	1
19	Alcohol and tobacco products	1,57,876	11,850	7.5	0.02	18,244	4
20	Travel-related consumer goods	76,179	2616	3.4	0.03	40,590	13
21	Footwear	70,926	23,273	32.8	0.00	61	0
22	Soaps, cosmetics, and glycerine	7,35,325	1265	0.2	0.00	1,22,977	3
23	Gems and jewellery	7,04,422	50,463	7.2	0.06	11,782	7
24	Books, journals, magazines, stationery, etc.	41,445	8013	19.3	0.00	87,841	1
	Total	3,83,43,982	15,18,578	4.0	<b>3.46</b>	1,41,64,194	4,89,530

Source: NCAER computations using TSA Table 6.

The key outcome of TSA Table 6 are the tourism ratios. The TPR is the highest for air passenger transport services, at 95.3 per cent. This means that out of the total output of this service, 95.3 per cent is consumed by tourists and is thus on account of tourism activities. Other goods and services which are highly dependent on tourism activities are travel agents and reservation services, transport equipment and rental services, and road passenger transport services. This is the reason why all these fall under tourism-characteristic goods and services. Among tourism-connected goods, the TPR is notably high for readymade garments and is estimated at 74.2 per cent.

For these goods and services, the TIRs are also significantly high. However, in the case of tourism-connected industries, only the activity by which they are made available to visitors generates tourism direct value added. Hence, only the associated retail trade margin generates a share. As a consequence, in the case of goods, the values of tourism shares are very small, as compared to the total supply. Hence, in such cases, the TIRs are very small and almost equal to zero.

The summation of tourism components extracted from each industry, through TIRs, form the TDGVA. The TDGVA for the Himachal Pradesh economy is estimated at Rs. 4895.30 crore, which translates into 3.46 per cent of the total GSVA. This is the direct share of tourism in the State GVA.

Since tourism is largely a component of service industries like accommodation and passenger transport, it is worthwhile to compare its share to the shares of these industries, as given in the GSVA statement. According to the 2018-19 GSDP statement, as available on the MoSPI website, the values of these two sectors, along with the percentage share in GSVA, are given in Table IV.8.

**TABLE IV.8: SHARE OF KEY TOURISM-SPECIFIC INDUSTRIES IN GSVA**

Sl. No.	Key Tourism Industries	GSVA (Rs. Lakh)	% Share
	1	2	3
1	Hotels and restaurants	1,56,555	1.12
2	Railways	2058	0.01
3	Road transport	4,17,703	2.98
4	Air transport	810	0.01
5	Services incidental to transport	6151	0.04
6	Total GSVA	1,41,64,194	4.17

*Source: GSDP statement, Ministry of Statistics and Programme Implementation*

Hence, these two sectors, put together, constitute 4.17 per cent of the total GSVA. Tourism, as mentioned before, is a component of these sectors. It should also be noted that for the purpose

of calculating the TSA, each of the transport sectors is divided into “passenger” and “freight”, and only the “passenger” component is taken into account.

Further, only a part of “passenger transport” is on account of tourism and the rest is on account of non-tourism. Apart from the “hotels and restaurants” and “transport” sectors, there are other economic sectors within which the Tourism GVA is embedded. This is shown in Table IV.7. If all the tourism components are put together, its share works out to be 3.46 per cent of the overall GSVA.

#### **IV.9. Tourism Employment**

TSA Table 7 presents the employment situation in tourism industries in the economy of reference. According to TSA: RMF 2008, “seasonality, high variability in the working conditions, flexibility, and the informality of jobs in several small units are the major challenges in collecting data on employment in tourism industries”.

Further, labour is a factor of production and is generally associated with an establishment wherein various products are produced. Therefore, relating employment to a specific product or group of products of a given establishment is a complex issue in measuring tourism direct employment.

For this reason, tourism employment, referring to the employment strictly related to the tourism-characteristic, tourism-connected, and other goods and services acquired by visitors and produced by either tourism industries or other industries cannot be assessed directly.

Hence, it is recommended to consider only employment in tourism-characteristic industries as direct tourism employment. For TSAs for India and its States, TSA Table 7 presents the total number of jobs (one employed person can take up more than one job, with the second being of a subsidiary nature). The table also categorises jobs in tourism industries by nature of employment, that is, the self-employed and employees.

The data on employment, for 2018-19, have been sourced from the Periodic Labour-force survey (PLFS), conducted by NSSO. The PLFS is conducted on an annual basis and, so far, two rounds of PLFS have been conducted. The primary objective of PLFS is to estimate the key employment and unemployment indicators, viz., the Worker Population Ratio, the Labour Force Participation Rate, and the Unemployment Rate, for rural and urban areas.

As regards the sample size of the nationally conducted PLFS, out of the total number of 12,800 First Stage Units (PSUs), including 7,024 villages and 5,776 Urban Frame Survey (UFS) blocks, allotted for the survey at the all-India level during the period July 2018 to June 2019, a total of 12,720 FSUs, including 6,983 villages and 5,737 urban blocks, were surveyed for canvassing the PLFS schedule. The total number of households surveyed was 1,01,579, including 55,812 in



rural areas and 45,767 in urban areas, and the number of persons surveyed was 4,20,757, including 2,39,817 in rural areas and 1,80,940 in urban areas.

In order to estimate the tourism employment for Himachal Pradesh, the data on the number of jobs by 5-digit NIC codes were extracted from the PLFS unit-level data. These NIC codes were mapped with the tourism-characteristic industries and the corresponding number of jobs was obtained by aggregating values against each NIC code.

Given the under-estimation of the population and the estimated number of jobs in the NSS surveys, the derived employment was adjusted for the actual projected population for the State. The TSA Table 7, which was thus obtained, is presented below.

**TSA TABLE 7: TOURISM DIRECT EMPLOYMENT BY WORK STATUS**

	Number of Jobs		
	Self-employed	Employees	Total
	1	2	3
1. Accommodation services/hotels	8295	15,122	23,417
2. Food and beverage serving services/restaurants	18,654	7633	26,287
3. Railway passenger transport services	0	610	610
4. Road passenger transport services	21,786	38,565	60,351
5. Water passenger transport services	0	0	0
6. Air passenger transport services	0	0	0
7. Transport equipment rental services	0	15,484	15,484
8. Travel agencies and other reservation services/supporting and auxiliary transport activities	1492	1854	3346
9. Cultural and religious services	0	1934	1934
10. Sports and other recreational services	2970	160	3130
11. Health and medical-related services	4276	47,429	51,705
12.Total jobs in tourism-characteristic industries or tourism employment (1 to 11)	57,473	128,791	1,86,264
13.Total number of jobs in the State	31,34,163	16,53,693	47,87,856
14. Share of tourism in the total (12 as % to 13)	1.83	7.79	3.89

Source: NCAER computation.

The number of jobs in tourism characteristic industries in the state is estimated at 1.86 lakh in 2018-19. The total number of jobs in the state are 47.88 lakh. Hence, the direct share of tourism employment to total employment works out to be 3.89 percent. This share is 1.83 percent in the case of self-employed status of work and is much higher at 7.79 percent in the case of employees, which include casual workers and salaried or regular wage-earners.

#### **IV.10. Indirect Contribution of Tourism**

The indirect benefits of tourism result due to the inter-linkages of tourism-specific industries with other industries of the economy. Besides, these result when the money spent by the tourists in an area is re-circulated and re-spent in the local economy, thereby generating extra income and output. The actual economic benefit to the area is, therefore, greater than the original amount spent by the tourists.

The TSA: RMF 2008 does not give any standard methodology to derive the indirect benefits of tourism but it gives importance to the estimation of these benefits using appropriate economic modelling techniques. Input–Output (I-O) models are one of these techniques. For India, I-O models have been used to quantify the indirect benefits of tourism to the economy. The model generates the output, GVA, and employment multipliers, which are the measures of the indirect benefits of a sector to the economy’s output, GVA/GDP, and employment, respectively.

The basic requirement of an I-O model is the I-O table, which is prepared using the Supply and Use Table (SUT). The SUT for the State is presented in TSA Table 5. This SUT is converted into an I-O table for deriving the required multipliers for the tourism sector. However, the SUT of 24 industries and products does not list tourism as a separate sector, which is embedded within the tourism-characteristic and tourism-connected industries and products. Thus, in order to segregate the tourism component from these industries and products, the TIRs and TPRs are applied on each industry column and product row, respectively.

The indirect benefits due to the inter-linkages of the tourism industry with other industries are obtained in the Leontief Inverse matrix, simply called the “inverse” matrix, and subsequently through the multipliers. The multipliers represent a quantitative expression of the extent to which some initial, “exogenous” force or change is expected to generate additional effects through the interdependencies associated with some assumed and/or empirically established “endogenous” linkage system.

To be specific, if a sector increases its output, more inputs are required, including more intermediates from other sectors. Such an interconnection of a particular sector to another sectors is termed as a “backward linkage” and is represented by an “output multiplier”. This is the column sum of the inverse matrix. The higher the multipliers, the larger are the effects on the input–output system of the economy.

The employment multiplier is the ratio of the employment linkage coefficient to the employment direct coefficient. The direct coefficient is the employment to output ratio and the employment linkage coefficient is obtained by multiplying the row vector of the employment direct coefficient with the inverse matrix. It may be noted that employment refers to the number of jobs in an industry, so as to be in conformity with the TSA Table on Employment.

The tourism output multiplier, GVA multiplier and employment multiplier are presented in Table IV.9.

**TABLE IV.9: VALUES OF MULTIPLIERS**

<b>Sl. No.</b>		<b>Values</b>
1	Output Multiplier	2.1819
2	GVA Multiplier	2.1791
3	Employment Multiplier	3.7075

*Source: NCAER computations.*

The value of output (and GVA) multiplier at 2.1819 (and 2.1791) indicate that if the final demand of the tourism sector increases by one unit, then the overall output (and GVA) of the entire economy is estimated to increase by 2.1819 (and 2.1791) units, owing to the inter-linkages among the sectors of the economy. Similarly, an employment multiplier of 3.7075 signifies that with one additional job created in the tourism sector, a total of 3.7075 jobs are created in the entire economy.



## **V. Summary of Findings**

The TSA is a measure of the economic value of the tourism sector in an economy. This economic value is presented as the contribution that the tourism sector makes to the Gross Value Added and Employment of the economy of reference. Its direct contribution is derived through the UNWTO's recommended methodology while the indirect contribution is estimated through the Input-Output models and derivation of multipliers.

The key highlights of the Himachal Pradesh TSA are as follows:

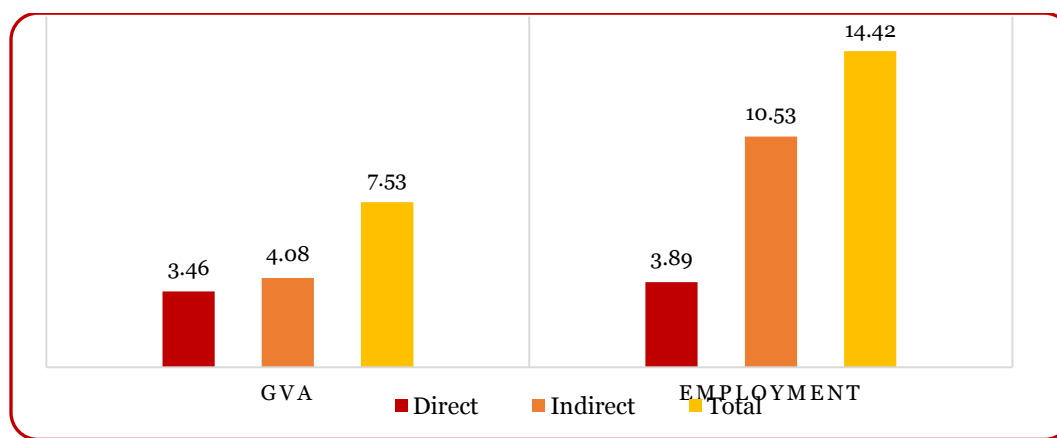
- As per the latest data available for 2018, the number of international tourists arriving in the State of Himachal Pradesh from abroad is recorded at 3.56 lakh. Besides, as many as 27.4 lakh tourists are estimated to have visited the State from other states of India. Both of these figures put together constitute the total inbound tourist arrivals in the State.
- Meanwhile, a much higher number of tourists are estimated to have undertaken a trip within the State of Himachal Pradesh, accounting for the intra-state movement or domestic tourism in the State. This number is estimated at 88.83 lakh.
- The number of outbound tourists or tourists who are the residents of the state and have travelled abroad are estimated at 46,822.
- The total inbound tourism expenditure incurred by the tourists visiting the State from other countries is estimated at Rs. 3337.67 crore, with the average per-tourist expenditure being Rs. 93,605.
- The total inbound tourism expenditure incurred by tourists from other States is estimated at Rs. 5480.83 crore, with the average per-trip expenditure being Rs. 20,011.
- The domestic tourism expenditure incurred by tourists from within the State is estimated at Rs. 3256.24 crore, with the average per-trip expenditure being Rs. 3665.
- The outbound pre-trip tourism expenditure is estimated at Rs. 62.01 crore and on an average, an outbound tourist spends Rs. 13,243 in the preparation of the international trip, before leaving the country.
- All the above-mentioned tourism expenditures incurred by all types of tourists within the State, put together, constitute the Total Internal Tourism Expenditure. This works out to be Rs. 12136.74 crore for 2018-19. The shares of inbound tourism expenditure incurred by tourists from other countries; expenditure incurred by tourists from other States; expenditure incurred by tourists from within the State; and the outbound pre-trip expenditure stand at 27.5 per cent, 45.2 per cent, 26.8 per cent and 0.5 per cent, respectively.
- On addition of the values of the imputed tourism consumption, the total Internal Tourism Consumption works out to be Rs. 15,185.78 crore for 2018-19.

- This represents the total demand of goods and services generated by the tourism sector, by different tourism-characteristic and tourism-connected products and services. The total supply of these products and services is obtained from the State's Supply and Use Table (SUT). The ratio of the value of demand to the value of supply for each product and service is termed as the Tourism Product Ratio (TPR).
- The TPR is the highest for air passenger service, at 95.3 per cent. This means that out of the total output of this service, 95.3 per cent is consumed by tourists and is hence on account of tourism activities.
- This is followed by travel agents and other reservation services, with the TPR at 90.5 per cent. Other goods and services that are highly dependent on tourism activities are transport equipment rental services, road passenger transport services, accommodation services, and railway passenger services.
- Among tourism-connected goods, the TPR is notably high for readymade garments and is estimated at 74.2 per cent.
- Further, the Tourism Industry Ratios (TIR) are derived by applying the TPRs on each industry column in the SUT framework. For all the above-mentioned goods and services,
- However, in the case of tourism-connected industries, only the activity by which they are made available to visitors generates the tourism direct value added. Hence, only the associated retail trade margin generates a share. Consequently, in the case of goods, the values of tourism shares are very small, as compared to the total supply. Hence, in such cases, the TIRs are very small and almost equal to zero.
- The summation of the tourism components extracted from each industry, through the TIRs, forms the Tourism Direct Gross Value Added (TDGVA). The TDGVA for the Himachal Pradesh economy is estimated at Rs. 4895.30 crore, which translates into 3.46 per cent of the total GSVA. This is the direct share of tourism in the State's GVA.
- As regards employment, tourism employment refers to the number of jobs in tourism-characteristic industries in the State. This is estimated at 1.86 lakh for 2018-19. The total number of jobs in the State is 47.88 lakh. Hence, the direct share of tourism employment to the total employment works out to be 3.89 per cent.
- This share is 1.83 per cent in the case of the self-employed status of work and is much higher at 7.79 per cent in the case of employees, which include casual workers and salaried or regular wage-earners.
- The indirect impact of tourism is also assessed in this study. This is captured through the input-output model. The model has helped generate the output, GVA, and employment multipliers. These multipliers, when multiplied with the direct impact or direct shares, give the total impact or share, including the indirect impact.

- Consequently, the total share of tourism in the State GVA is estimated at 7.53 per cent and the total share in the number of jobs in the State is estimated at 14.42 per cent.

Figure V.1 presents the direct, indirect, and total shares of tourism in the State economy. This is followed by Table IV.1, which presents the comparison between the contribution of tourism to the economy of Himachal Pradesh with the same in other tourism-intensive states of India, like Goa and Kerala.

**Figure V.1: Shares of Tourism in GVA and Employment of the State**



Source: NCAER computation.

**TABLE V.1: CONTRIBUTION OF TOURISM TO THE ECONOMIES OF DIFFERENT STATES**

	States (with TSA Reference Years)	Share of TDGVA in GVA		Share of Tourism Employment to Total State Employment	
		Direct (%)	Direct and Indirect (%)	Direct (%)	Direct and Indirect (%)
1	Himachal Pradesh - 2015-16	3.94	9.12	2.68	14.27
2	Uttarakhand - 2015-16	4.07	9.68	3.42	17.10
3	Goa - 2015-16	7.39	16.86	15.86	32.77
4	Kerala - 2015-16	4.68	9.52	9.88	23.52
5	All-India - 2015-16	2.78	5.35	5.40	12.38
6	Himachal Pradesh - 2018-19	3.46	7.53	3.89	14.42
7	Uttarakhand - 2018-19	2.96	6.59	11.77	26.87
8	All-India - 2018-19	2.72	5.24	6.48	14.87

Source: India: Regional Tourism Satellite Accounts, 2015-16, NCAER; Tourism Satellite Account for Uttarakhand, 2018-19, NCAER; current study on Tourism Satellite Account for Himachal Pradesh, 2018-19, NCAER.





## Appendix Tables

**TABLE A1: DISTRICT-WISE TOURISM RELATED EMPLOYMENT**

	2014	2015	2016	2017	2018	CAGR, % (2018 over 2014)
Bilaspur	504	496	528	552	602	4.5
Chamba	924	1077	2873	3002	3242	36.9
Hamirpur	282	445	486	515	588	20.2
Kangra	3201	3855	4360	4923	5823	16.1
Kinnaur	558	563	570	577	627	3.0
Kullu	9304	9912	10628	11503	13118	9.0
Lahaul & Spiti	514	527	353	868	825	12.6
Mandi	1218	1241	1315	1520	1685	8.5
Shimla	5566	6122	6283	6587	7082	6.2
Sirmour	1208	1232	1493	1108	1266	1.2
Solan	2447	2454	2591	2885	3295	7.7
Una	429	473	511	561	646	10.8
Total	26155	28397	31991	34601	38799	10.4

Source: DES, Himachal Pradesh.

**TABLE A2: DISTRICT-WISE NUMBER OF HOTELS AND HOMESTAYS**

	Number		% distribution		% growth in 2018 over 2014
	2014	2018	2014	2018	
Bilaspur	75	99	2.4	2.0	32.0
Chamba	202	330	6.6	6.6	63.4
Hamirpur	31	59	1.0	1.2	90.3
Kangra	453	880	14.7	17.6	94.3
Kinnaur	97	120	3.2	2.4	23.7
Kullu	857	1336	27.8	26.8	55.9
Lahaul & Spiti	137	416	4.5	8.3	203.6
Mandi	217	290	7.1	5.8	33.6
Shimla	595	795	19.3	15.9	33.6
Sirmour	93	146	3.0	2.9	57.0
Solan	256	407	8.3	8.2	59.0
Una	65	108	2.1	2.2	66.2
Total	3078	4986	100.0	100.0	62.0

Source: DES, Himachal Pradesh.

**TABLE A3: ITEM-WISE RATE OF INFLATION (2018-19 OVER 2015-16)**

Sl. No.	Tourism-specific Products/Services	Inflation in 2018-19 over 2015-16
<b>A.1. Tourism-characteristic Products/Services</b>		
1	Accommodation services	14.64
2	Food and beverage serving services	15.65
3	Railway passenger transport services	14.41
4	Road passenger transport services	14.41
5	Water passenger transport services	14.41
6	Air passenger transport services	14.41
7	Transport equipment rental services	14.41
8	Travel agencies and other reservation services	14.64
9	Cultural and religious services	12.91
10	Sports and other recreational services	12.91
11	Health and medical-related services	12.34
<b>A.2. Tourism-connected Products</b>		
12	Readymade garments	11.05
13	Processed food	4.75
14	Alcohol and tobacco products	16.1
15	Travel-related consumer goods	9.99
16	Footwear	6.64
17	Soaps, cosmetics, and glycerine	12.57
18	Gems and jewellery	12.57
19	Books, journals, magazines, stationery, etc.	9.99

Source: NCAER computation.

## **Glossary**

### ***Basic Price***

The basic price is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, on that unit as a consequence of its production or sale; it excludes any transport charges invoiced separately by the producer.

### ***Direct Tourism Gross Domestic Product***

This is equal to the Direct Tourism Gross Value Added (DTGVA) plus net taxes on products that are attributable to the tourism industry (tourism net taxes on products). The direct tourism GDP will generally have a higher value than direct tourism Value Added. Direct tourism GDP is a satellite account construct to enable a direct comparison with the most widely recognised national accounting aggregate, GDP. While it is useful in this context, the direct tourism Gross Value Added measure should be used when making comparisons with other industries or between countries. See also Direct Tourism Gross Value Added and Tourism Net Taxes on Products.

### ***Direct Tourism Gross Value Added***

The value of direct tourism output at basic prices, less the value of the inputs used in producing these tourism products. This measure is directly comparable with the value added of 'conventional' industries such as mining and manufacturing, and should also be used for comparisons across countries. See also Direct Tourism Output and Direct Tourism GDP.

### ***Direct Tourism Output***

The value of goods and services, at basic prices, which are consumed by visitors and produced in the economy by industries in a direct relationship with visitors.

### ***Domestic Output***

Domestic output is the output produced by resident enterprises.

### ***Domestic Tourism***

The travel of domestic visitors is called domestic tourism. It comprises the activities of a resident visitor within the country of reference either as part of a domestic tourism trip or as part of an outbound tourism trip.

### ***Domestic Tourism Consumption***

Consists of the tourism consumption by resident visitors on tourism-related products within the economy.

### ***Domestic Travel***

Travel within a country by residents is called domestic travel.

***Domestic Travellers***

Those who undertake domestic travel are domestic travellers.

***Domestic Trip***

A domestic trip is one with a main destination within the country of residence of the visitor.

***Domestic Visitor***

A domestic traveller qualifies as a domestic visitor if: (a) he/she is on a tourism trip, and (b) he/she is a resident travelling in the country of reference.

Domestic visitors are those who travel within the country to a place other than their usual place of residence and stay at hotels or other accommodation establishments run on a commercial basis or in dharamshalas/sarais/musafirkhanas/agrashalas/choultries, etc., for a duration of not less than 24 hours or one night and for not more than 12 months at a time.

***Economic Activity***

Any activity resulting in the production of goods and services that add value to the national product is considered as an economic activity. Such activities include the production of all goods and services for market (market activities), that is, production for pay or profit, and, among the non-market activities, the production of goods and household services with paid domestic employees and owner-occupied dwellings for own consumption and own account production of fixed assets.

***Employed Persons***

The number of persons usually employed in the principal and subsidiary statuses.

***Employed as per Principal Activity Status***

Those in the labour force pursuing some economic activity for a major time during the reference period of 365 days.

***Employed as per Subsidiary Activity Status***

Those in the labour force pursuing some economic activity for a relatively shorter time (minor time) during the reference period of 365 days.

***Enterprise***

An enterprise is an institutional unit in its capacity as a producer of goods and services; an enterprise may be a corporation, a quasi-corporation, a non-profit institution, or an unincorporated enterprise.

***Final Demand***

Transactions that involve purchases of produced goods and services for final uses are presented in the final demand table. The “final” use for a good or service is that it is not used up entirely in the reference year as an intermediate input in the production of some other good or service. Transactions for goods and services that are completely used to produce other goods and services are shown in the

***Final Output***

intermediate input (or use) table of the accounts.

This is that part of the total output of each industry sold either for final consumption by households, general government or for investment (including additions to inventories) and for export. In short, it represents the total output sold to final buyers. For the whole economy, the total final output is equal to the value of goods and services (both domestically produced and imported) available for consumption, investment, and export.

***Final Consumption***

Final consumption consists of goods and services used up by individual households or the community to satisfy their individual or collective needs or wants.

***Final Consumption  
Expenditure of Government***

Government's final consumption expenditure consists of expenditure, including imputed expenditure, incurred by the general government on both the individual consumption goods and services and collective consumption services.

***Final Consumption  
Expenditure of Households***

Household final consumption expenditure consists of the expenditure, including imputed expenditure, incurred by resident households on individual consumption goods and services, including those sold at prices that are not economically significant.

***GDP***

GDP is the total market value of goods and services produced in the economy within a given period after deducting the cost of goods and services used up in the process of production but before deducting allowances for the consumption of fixed capital. Thus, Gross Domestic Product, as defined here, is 'at market prices'.

***Gross Domestic Product -  
Output Based***

Output-based Gross Domestic Product is the sum of the Gross Values Added of all resident producers at basic prices, plus all taxes less subsidies on products. Output-based GDP is the sum of the Gross Values Added of all resident producers at producers' prices, plus taxes less subsidies on imports, plus all non-deductible VAT (or similar taxes).

***Gross Margin***

The Gross Margin of a provider of reservation services is the difference between the value at which the intermediated service is sold and the value accrued to the provider of reservation services for this intermediated service.

***Gross Value Added***

Gross Value Added is the value of output less the value of intermediate consumption; it is a measure of the contribution to GDP made by an individual producer,

***Gross Value Added at Basic Prices***

industry or sector; Gross Value Added is the source from which the primary incomes of the SNA are generated and is, therefore, carried forward into the primary distribution of the income account.

Gross Value Added at Basic Prices is the output valued at basic prices less intermediate consumption valued at purchasers' prices.

***Gross Value Added of the Tourism Industries (GVATI)***

Gross Value Added of the Tourism Industries is the total Gross Value Added of all establishments belonging to tourism industries, regardless of whether all their output is provided to visitors and of the degree of specialisation of their production process.

***Household Tourism Consumption***

This consists of the tourism consumption by resident households on tourism-related products within the economy.

***Imputed Tourism Consumption***

This consists of imputations made for the consumption by visitors of certain goods and services for which they do not make a payment. Imputation is confined to a small number of cases where a reasonably satisfactory basis for the valuation of the implied transaction is available, and where their inclusion is consistent with the production boundary in the core national accounts.

***Inbound Travel***

Travel to a country by non-residents is called inbound travel.

***Inbound Trip***

An inbound trip is one with a main destination outside the country of residence of the visitor.

***Inbound Tourism***

The travel of inbound visitors is called inbound tourism. It comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip.

***Inbound Tourism Consumption***

Inbound tourism consumption is the tourism consumption of a non-resident visitor within the economy of reference.

***Input-Output Model***

This model provides a detailed breakdown of economic activity among business industries and a detailed breakdown of their inputs and outputs by commodity associated with some arbitrarily fixed exogenous demand. It also provides supply requirements from other sources such as imports and government production of goods and services. The input-output model is a structural model dealing primarily with resource allocation in the economy

***Input-Output Tables***

corresponding to an exogenously given demand.

Input-Output Tables are derived from the Supply and Use Tables, which show the process of flows of goods and services through the economic system between producers and consumers. The transactors involved in the production process are individuals (persons or households), establishments (production units of businesses and governments), non-business entities such as non-profit institutions, and governments. An input-output table presents a detailed analysis of the process of production and the use of goods and services (products) and the income generated in that production; they can be either in the form of (a) supply and use tables, or (b) symmetric input-output tables. These tables include the Imports Use and Domestic Use matrices, industry by industry and product by product matrices plus the Leontief inverse, multipliers, and other analyses of their structure.

***Intermediate Consumption***

Intermediate consumption consists of the value of the goods and services consumed as inputs by a process of production, excluding fixed assets whose consumption is recorded as the consumption of fixed capital; the goods or services may be either transformed or used up by the production process.

***Intermediate Output***

This refers to that part of the total output of each industry consumed by other industries in the production process.

***Internal Tourism***

This comprises domestic tourism and inbound tourism, that is, the activities of resident and non-resident visitors within the country of reference as part of domestic or international tourism trips.

***Internal Tourism Consumption***

Internal tourism consumption is the tourism consumption of both resident and non-resident visitors within the economy of reference. It is the sum of domestic tourism consumption and inbound tourism consumption.

***International Tourism***

This comprises inbound tourism and outbound tourism, that is, the activities of resident visitors outside the country of reference, either as part of domestic or outbound tourism trips and the activities of non-resident visitors within the country of reference on inbound tourism trips.

***International Tourism Consumption***

This is also referred to as internal tourism consumption by international visitors. It consists of the tourism consumption within the economy by non-residents on tourism-related products.



<b><i>International Travellers</i></b>	Those who undertake international travel are considered as international travellers.
<b><i>International Visitor</i></b>	An international traveller qualifies as an international visitor with respect to the country of reference if: (a) he/she is on a tourism trip, and (b) he/she is a non-resident travelling in the country of reference or a resident travelling outside of it.
<b><i>Leontief Inverse (Input-Output) Table</i></b>	The columns of the Leontief Inverse (Input-Output) Table show the input requirements, both direct and indirect, on all other producers, generated by one unit of output.
<b><i>Main Destination</i></b>	The main destination of a tourism trip is defined as the place visited that is central to the decision to take the trip.
<b><i>Main Purpose of a Trip</i></b>	The main purpose of a trip is defined as the purpose in the absence of which the trip would not have taken place. The main purpose of a trip is one of the criteria used to determine whether the trip qualifies as a tourism trip and the traveller qualifies as a visitor. If the main purpose is to be employed and earn income (compensation for the labour input provided), then the trip cannot be a tourism trip and the individual taking the trip cannot be considered as a visitor (even though it is outside his/her usual environment and for less than 12 months), but is seen as an “other traveller”.
<b><i>Margin</i></b>	This is the difference between the resale price of a good and the cost to the retailer or wholesaler of the good sold. A transport margin consists of the transport charges invoiced separately by the producer in the delivery of a good.
<b><i>Margin (Trade)</i></b>	A trade margin is the difference between the actual or imputed price realised on a good purchased for resale (either wholesale or retail) and the price that would have to be paid by the distributor to replace the good at the time it is sold or otherwise disposed of.
<b><i>Margin (Transport)</i></b>	A transport margin consists of those transport charges paid separately by the purchaser in taking delivery of the goods at the required time and place.
<b><i>Multipliers</i></b>	An I-O multiplier is a quantitative measure created by a particular I-O based economic model. It is an analytical answer to a hypothetical question about how a certain expenditure is expected to impact the economy. The multipliers allow users to make estimates of the whole economy impacts of small changes in the economy.



***National Tourism***

This comprises domestic tourism and outbound tourism, that is, the activities of resident visitors within and outside the country of reference, either as part of domestic or outbound tourism trips.

***National Tourism Consumption***

National tourism consumption is the tourism consumption of resident visitors, within and outside the economy of reference. It is the sum of domestic tourism consumption and outbound tourism consumption.

***Net Taxes on Products***

This is also referred to as taxes less subsidies on products. A tax or subsidy on a product is payable per unit of a good or service. The tax or subsidy may be a specific amount of money per unit of quantity of a good or service (quantity being measured either in terms of discrete units or continuous physical variables such as volume, weight, strength, distance, time, etc.), or it may be calculated ad valorem as a specified percentage of the price per unit or value of the goods or services transacted. A tax or subsidy on a product usually becomes payable when the product is produced, sold, or imported, but it may also become payable in other circumstances, such as when a good is exported, leased, transferred, delivered, or used for own consumption or own capital formation. See also Other Taxes on Production and Taxes Less Subsidies on Production and Imports.

***Other Taxes on Production***

These consist of all taxes that enterprises incur as a result of engaging in production, except taxes on products. Other taxes on production include: taxes related to the payroll or workforce numbers excluding compulsory social security contributions paid by employers and any taxes paid by the employees themselves out of their wages or salaries; recurrent taxes on land, buildings or other structures; some business and professional licences where no service is provided by the Government in return; taxes on the use of fixed assets or other activities; stamp duties; taxes on pollution; and taxes on international transactions. See also Taxes Less Subsidies on Production and Imports.

***Outbound Tourism***

The travel of outbound visitors is called outbound tourism. It comprises the activities of a resident visitor outside the country of reference, either as part of an outbound tourism trip or as part of a domestic tourism trip.

***Outbound Tourism Consumption***

Outbound tourism consumption is the tourism consumption of a resident visitor outside the economy of reference. It is also referred to as tourism imports. It consists of the tourism consumption by resident visitors

***Outbound Trip***

outside of the economy while on an international trip.

An outbound trip is one with a main destination outside the country of residence of the visitor.

***Outbound Travel***

Travel outside a country by residents is called outbound travel.

***Output***

Output consists of those goods or services that are produced within an establishment that become available for use outside that establishment, plus any goods and services produced for own final use.

***Output Multiplier***

Output multiplier for a particular industry is defined to be the total of all outputs from each domestic industry required in order to produce one additional unit of output: that is, the column sums ( $\Sigma_i$ ) from Leontief inverse matrix ( $L_{ij}$ ).

***Principal Activity***

The principal activity of a producer is the activity whose value added exceeds that of any other activity carried out within the same unit. The output of the principal activity must consist of goods or services that are capable of being delivered to other units even though they may be used for own consumption or own capital formation.

***Principal Usual Activity  
Status of Persons***

This is the activity status of a person during the reference period of 365 days preceding the date of survey, which is determined on the basis of a person spending a relatively longer time (that is, major time criterion). Based on this, a person is categorised as those (a) belonging to the labour force, and (b) not belonging to the labour force ('neither working nor available for work'). Within the labour force, the criteria of (i) 'working' and (ii) 'not working but seeking and/or available for work' is again based on the major time criterion. The principal status workers are from (i) whereas the subsidiary status workers can be from either or both (i) and (ii).

***Production***

Production is an activity, carried out under the responsibility, control, and management of an institutional unit that uses inputs of labour, capital, and goods and services to produce outputs of other goods and services.

***Production Account***

The production account records the activity of producing goods and services as defined within the SNA; its balancing item, Gross Value Added, is a measure of the contribution to GDP made by an individual producer, industry, or sector.

***Products***

Products, also called “goods and services”, are the result of production; they are exchanged and used for various purposes: as inputs in the production of other goods and services, as final consumption, or for investment.

***Purchaser’s Price***

The purchaser’s price is the amount paid by the purchaser, excluding any deductible VAT or similar deductible tax, in order to take delivery of a unit of a good or service at the time and place required by the purchaser; the purchaser’s price of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place.

***Social Transfers in Kind***

Social transfers in kind consist of social security and social assistance benefits in kind together with goods and services provided to individual household outside any social insurance scheme by non-market producers owned by government units or non-profit institutions (NPIS).

***Subsidies***

Subsidies are current unrequited payments that government units, including non-resident government units, make to enterprises on the basis of the levels of their production activities or the quantities or values of the goods or services which they produce, sell, or import. They include the financing of deficits on public trading services deliberately run at a loss. There are two types, see subsidies on production and subsidies on products.

***Subsidy on a Product***

A subsidy on a product is a subsidy payable per unit of a good or service produced, either as a specific amount of money per unit of quantity of a good or service or as a specified percentage of the price per unit; it may also be calculated as the difference between a specified target price and the market price actually paid by a buyer. These are subsidies based on a quantity or value of goods or services sold.

***Supply***

The supply of a good or service is the sum of the values of its domestic output (from all sectors), plus imports, c.i.f. when measured at basic prices. At purchasers’ prices, trade and transport margins and net taxes on products are also added.

***Supply Table***

The main body of the Supply Table shows estimates of domestic industries’ output by type of product at basic prices. The columns represent the supplying industries and the rows represent the products supplied. Additional columns covering imports of goods and services, distributors’ trading margins and taxes (less subsidies) on products are added to show the supply of all goods and

***Supply and Use Tables***

services at purchasers' prices.

Supply and use tables are in the form of matrices that record how supplies of different kinds of goods and services originate from domestic industries and imports, and how those supplies are allocated between various intermediate or final uses, including exports.

***Tax on a Product***

A tax on a product is a tax that is payable per unit of some good or service, either as a specified amount of money per unit of quantity or as a specified percentage of the price per unit or value of the good or service transacted.

***Taxes on Production and Imports***

Taxes on production and imports consist of taxes payable on goods and services when they are produced, delivered, sold, transferred, or otherwise disposed of by their producers plus taxes and duties on imports that become payable when goods enter the economic territory by crossing the frontier or when services are delivered to resident units by non-resident units; they also include other taxes on production, which consist mainly of taxes on the ownership or use of land, buildings or other assets used in production or on the labour employed, or compensation of employees paid.

***Total Final Expenditure***

This is the sum total of final consumption, gross capital formation, and exports of goods and services. Total final expenditure is the same as total demand by final buyers and is equal to the total final output.

***Total Intermediate Consumption***

The total intermediate consumption of each industry is the industry's total purchases of the outputs of other industries as well as purchases of imports of goods and services and intra-industry purchases for use in its production process. This is adjusted for the change in inventories of materials and fuels, and excludes primary inputs.

***Total Tourism Internal Demand***

Total tourism internal demand is the sum of internal tourism consumption, tourism gross fixed capital formation, and tourism collective consumption. It does not include outbound tourism consumption.

***Total Output***

The total output of an industry is the aggregate value of the goods and services together with the work-in-progress produced by the industry. It is equal to the value of the industry's sales plus any increase (and less any decrease) in the value of its inventories of finished products and work-in-progress. Output is thus measured after deducting holding gains. The outputs of the distribution and service trades

***Taxes Less Subsidies on  
Production and Imports***

industries are measured on a 'gross margin' basis.

These are defined as 'taxes on products' plus 'other taxes on production' less 'subsidies on products' less 'other subsidies on production'. The taxes do not include any taxes on the profits or other income received by an enterprise. They are payable irrespective of the profitability of the production process. They may be payable on the land, fixed assets or labour employed in the production process, or on certain activities or transactions.

***Tourism***

This comprises the activities of visitors.

***Tourism Characteristic  
Industries***

These are industries that would either cease to exist in their present form, producing their present product(s), or would be significantly affected if tourism were to cease. Under the international TSA standards, the core lists of tourism-characteristic industries, based on the significance of their link to tourism in the worldwide context, are recommended for implementation to facilitate international comparison. Some countries use the criterion that at least 25 per cent of an industry's output must be consumed by visitors to be a country-specific tourism-characteristic industry.

***Tourism-characteristic  
Products***

These are defined in the international TSA standards as products which would cease to exist in meaningful quantity, or for which sales would be significantly reduced, in the absence of tourism. Under the international TSA standards, the core lists of tourism-characteristic products, based on the significance of their link to tourism in the worldwide context, are recommended for implementation to facilitate international comparison. It is also recommended in the international TSA standards that country-specific tourism-characteristic products should be identified.

***Tourism Connected  
Industries***

These are industries, other than tourism-characteristic industries, for which a tourism related

product is directly identifiable (primary) to, and where the products are consumed by visitors in volumes which are significant for the visitor and/or the producer. All other industries are classified as non-tourism industries, though some of their products may be consumed by visitors and are included in the calculation of Direct Tourism Gross Value Added and Direct Tourism GDP.

***Tourism-connected  
Products***

These are products that are consumed by visitors but are not considered as tourism-characteristic products. All other products in the supply and use table not consumed by visitors are classified as 'all other goods and services' in the

	TSA.
<b><i>Tourism Consumption</i></b>	Tourism consumption has the same formal definition as tourism expenditure. Nevertheless, the concept of tourism consumption used in the TSA goes beyond that of tourism expenditure. Actually, besides “the amount paid for the acquisition of consumption goods and services, as well as valuables for own use or to give away, for and during tourism trips” that corresponds to monetary transactions (the focus of tourism expenditure), it also includes services associated with vacation accommodation on own account, tourism social transfers in kind, and other imputed consumption. These transactions need to be estimated by using sources different from information collected directly from the visitors such as reports on home exchanges, estimations of rents associated to vacation homes, calculations of FISIM, etc.
<b><i>Tourism Demand</i></b>	This refers to expenditure made by, or on behalf of, the visitor before, during, and after the trip, and expenditure which is related to that trip and which trip is undertaken outside the usual environment of the visitor.
<b><i>Tourism Direct Gross Domestic Product (TDGDP)</i></b>	Tourism Direct Gross Domestic Product is the sum of the part of Gross Value Added (at basic prices) generated by all industries in response to internal tourism consumption plus the amount of net taxes on products and imports included within the value of this expenditure at purchasers’ prices.
<b><i>Tourism Direct Gross Value Added (TDGVA)</i></b>	Tourism Direct Gross Value Added is the part of Gross Value Added generated by tourism industries and other industries of the economy that serve visitors directly in response to internal tourism consumption.
<b><i>Tourism Expenditure</i></b>	The amount paid for the acquisition of consumption goods and services as well as valuables, for own use or to give away, for and during tourism trips is known as tourism expenditure. It includes expenditures by visitors themselves as well as expenses that are paid for or reimbursed by others.
<b><i>Tourism Industry Ratio</i></b>	This is the proportion of the total value added of an industry which is related to tourism.
<b><i>Total Tourism Internal Demand</i></b>	This is computed by adding tourism internal consumption (domestic and inbound tourism consumption) with other components of internal demand, such as tourism collective consumption and tourism gross fixed capital formation.



<b><i>Tourism Product Ratio</i></b>	This is the proportion of the total supply of a product which is consumed by visitors.
<b><i>Tourism Share</i></b>	Tourism share is the share of the corresponding fraction of internal tourism consumption to each component of supply. For each industry, the tourism share of output (in value) is the sum of the tourism share corresponding to each product component of its output.
<b><i>Tourism Single Purpose Consumer Durable Goods</i></b>	Tourism Single-purpose Consumer Durables constitute a specific category of consumer durable goods, including durable goods that are used exclusively, or almost exclusively, by individuals while on tourism trips.
<b><i>Tourism Satellite Account</i></b>	Tourism Satellite Account entails analysing in detail all the aspects of demand for goods and services which might be associated with tourism, in establishing the actual interface with the supply of such goods and services within the economy of reference or outside it, and in describing how this supply (from domestic or imported origin) interacts with other economic activities, using the SUT as a reference.
<b><i>Tourist</i></b>	A visitor (domestic, inbound, or outbound) is classified as a tourist (or overnight visitor) if his/her trip includes an overnight stay.
<b><i>Tourism Trip</i></b>	This refers to a trip that is undertaken by visitors.
<b><i>Tourism Visit</i></b>	The term 'tourism visit' refers to a stay in a place visited during a tourism trip. However, while discussing the different forms of tourism (domestic, inbound, and outbound), the term 'visitor' is often used instead of tourism visit or tourism trip.
<b><i>Travel</i></b>	Travel refers to the activity of travellers.
<b><i>Trip</i></b>	A trip refers to the travel by a person from the time of departure from his usual residence until he/she returns to the same place: it thus refers to a round trip. A trip is made up of visits to different places. An inbound trip will correspond to the travel between arriving in a country and leaving, whereas a domestic trip or an outbound trip will correspond to the travel between leaving the place of residence and returning. A domestic trip has a main destination in the country of residence of the traveller, while an outbound trip has a main destination outside this country.

***TSA Aggregates***

The compilation of the following aggregates, which represent a set of relevant indicators of the size of tourism in an economy is recommended:

- Internal tourism expenditure;
- Internal tourism consumption;
- Gross Value Added of the Tourism Industries (GVATI);
- Tourism Direct Gross Value Added (TDGVA); and
- Tourism Direct Gross Domestic Product (TDGDP).

***Uses***

The term refers to transactions in the current accounts that reduce the amount of economic value of a unit or sector, for example, wages and salaries are a type of use for the unit or sector that must pay them. By convention, uses are on the left-hand side of SNA accounts.

***Usual Environment***

This refers to the geographical area (though not necessarily a contiguous one) within which an individual conducts his/her regular life routines. This is made up of one or more areas in which a person undertakes their regular activities such as their residence, place of work, place of study, and other places frequently visited. The usual environment criteria has two dimensions—frequency (places that are visited on a routine basis) and distance (locations close from home for overnight trips).

***Visitor***

A visitor is 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.

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