Saint Lucia Tourism Satellite Account Documentation

1. **Background**

From 2016 – 2020 the Statistics Canada Project for the Regional Advancement of Statistics in the Caribbean (PRASC) has collaborated with the Caribbean Regional Technical Assistance Centre (CARTAC) and the National Statistics Office of Saint Lucia (NSO) to produce a fully balanced 2016 reference year Supply and Use table for the economy of Saint Lucia. This project incorporates the full suite of data available including updated and revised import and export data, the 2016 Household Expenditure Survey that has been quality adjusted for prices and own account production, corporate T2 data, National Insurance Scheme data along with a significant number of other data sources to produce a high quality Supply and Use table. This Supply and Use table was created to incorporate these data and was created by CARTAC to be reproducible by the NSO. Statistics Canada provided a template that incorporated the data in an internationally accepted framework.

This output was used to rebase the Gross Domestic Products tables of Saint Lucia to a new level that was based in an internationally recognised benchmark. This will allow Saint Lucia GDP numbers to be compared internationally with other countries GDP estimates complying with SNA 2008 standards. An extension of this would be to produce a Tourism Satellite Account that will identify the impact of tourism on the Saint Lucia economy.

The Tourism Satellite Account follows a set of internationally recognised guidelines that identify products that are related to tourism. Using source data from Saint Lucia, and guidelines from the Canadian Tourism Satellite Account a series of ‘tourist ratios’ were identified for products within the Saint Lucia 2016 SUT. These ratios are applied across the Supply side of the table and then balanced through the Export portion of the Use side. This is due to the nature of tourist, international non-residents visit the island and all their purchases are considered to be exports of the economy. While internal tourism is possible, the international standard requires travel over 40km within the country. Due to the geographic size of Saint Lucia it was assumed there was no internal tourism.

1. **Tourism Satellite Account International Comparisons and Preliminary Results**

The preliminary results from the draft TSA for Saint Lucia, based on the 2016 Supply and Use table benchmark found that tourism activities represent 34% of total GDP, or about $1.7 Billion ECD. This amount and the methodology used to estimate it are subject to review by the National Statistics Office of Saint Lucia. In terms of exports this represents 76% of total exports from Saint Lucia, or $1.8 Billion dollars. The majority of this activity is found in Accommodation and Food Services but other notable areas include Recreational Activities, Tour Guide Services and Transport Services. Ratios were taken from the Canadian Tourism Satellite Account where available but were also incorporated for the Saint Lucian experience where applicable.

In terms of international comparisons, typically countries with larger economies rely less on tourism (although there are exceptions such as some European countries) as well as countries without large, dominant industries (such as oil and gas). Saint Lucia is found on the higher end of the scale but there are other countries that are even more reliant on tourism. Attached in the following three figures are the 2004 United Nations World Tourism Organization (UNWTO) results, the 2019 Eurostat TSA result and the 2019 UNWTO tourism dashboard indicators. For the first two sources the proportions are tourism GDP as a share of overall GDP, while the last is another commonly used indicator of tourism exports as a share of total exports.

Figure 1 – 2004 UN World Tourism Organization Results

This result highlights that is isn’t just large economies that are less reliant on tourism, countries less diversified economies seem to rely on tourism less as well.

Figure 2 – 2019 Eurostat TSA Report

Note here the more homogenous scale, the most tourism dependent country generates about 10% of its overall GDP from tourism, but the majority of the countries hover around the Eurozone average of 3.4%, rather than having significant outliers. Countries with slightly higher tourism contributions are typically the destination-centric countries of France, Spain, Italy and the United Kingdom. While these countries have large, diversified economies, they are also home to major world travel destinations in terms of their cities and historical sites.

Figure 3 – UN World Tourism Organization 2019 Data Visualization tool

While Tourism Satellite Accounts are typically not available in the Caribbean region due to data comparability and benchmarking issues, the UNWTO does publish data on tourism related exports as a proportion of total exports, available for most UN countries. Focusing on island economies there is still a fair amount of variation across economies in terms of the impact of tourism on overall exports. This is for the 2019 reference year, which is why the total for Saint Lucia differs from the preliminary reported amount, which is for the 2016 reference year. While Saint Lucia has a higher proportion of tourism exports than most, it is in the same cluster as comparable island economies.

1. **Conclusion**

By utilizing the newly balanced 2016 Supply and Use table developed by the Saint Lucia NSO, CARTAC and Statistics Canada, which has already benchmarked the published GDP table, a Tourism Satellite Account can be developed as an extension. This account highlights the impact of tourism on the Saint Lucia economy, and can be extended as part of the SUT every time it is updated. This will provide a reliable time series measuring the development of the tourism economy in Saint Lucia.