

# **Assessing the Contribution of Tourism to European Economies: Status Quo and Pandemic Evaluation**

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## **Abstract**

The measurement of the economic contribution of tourism in national and regional economies is often left to superficial back-of-the-envelope calculations or is constrained to simply assessing the amount of tourist expenses or tourism employment. Recent research has instead called for a more in-depth analysis of the role of the tourism industry, in particular with regard to its extensive production links with many non-tourism industries. To this aim, this paper aims to analyse the economic contribution of tourism to production, income and employment for a fairly large sample of European countries, by making use of standardized economic reporting tools such as the tourism satellite accounts (TSA) and input-output tables (IOTs). Connecting expense data from TSA to the inter-industry dependencies structure imposed by the IOTs allows us to evaluate the indirect contribution of tourism to the economy by computing production, income and employment multipliers. Multiplicative effects can then be computed also by industry, to evaluate which non-related industries are most influenced by tourism expenditure. We apply our TSA-IOT computation procedure to both pre-COVID tourism data and to (estimates of) pandemic expenditures, in order to assess the extent of income and employment losses, and where these losses are located in terms of tourism and non-tourism industries, in order to guide policymakers in both pre-emptive and ex-post (compensative) policies.

## **Keywords**

Economic impact; Tourism Satellite Accounts; Input-Output; European Union; Tourism Statistics; COVID