

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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Group of Negotiations on Services

Working Group on Tourism Services

CLASSIFICATION OF TOURISM-RELATED SERVICES

Note by the Secretariat

1. This background note has been drafted in response to a request at the first meeting of the working group on tourism services (see MTN.GNS/TOUR/1, paragraph 8) that the secretariat, in collaboration with the World Tourism Organization (WTO), develop a list of tourism related services, based on appendix 1 in the secretariat reference list (MTN.GNS/W/50), which might facilitate discussions on what should be included as being within the tourism sector.

2. It will be recalled that the appendix in the above-mentioned reference list of sectors contained a non-exhaustive list of the likely components of the tourism sector. In addition, the secretariat background paper on Trade in Tourism Services (MTN.GNS/W/61) acknowledged that tourism is not a clearly defined services sector but rather brings together different services for those travelling abroad and spending money. Major components include transport, meals, accommodation and recreation; the supply and packaging of such components itself constitutes a service provided by tour operators and travel agents.

3. Regarding the possibility of some kind of weighting of tourism related services according to their economic importance, the WTO is of the view that the main items of tourist expenditure worldwide are: accommodation, meals, local transport, entertainment and shopping, which thus might be considered to constitute the "core" or primary tourism products and services. Furthermore, work is being carried out by the WTO on the draft Standard International Classification of Tourism Activities (SICTA) in order to distinguish between primary and secondary tourism activities, or those "dedicated" to tourism and those "partly involved" in tourism. Generally, the core activities have a high percentage of sales explicitly from tourism (defined as being over sixty percent of industry receipts).

4. The remaining part of this background note is based on the work that has been carried out on the draft SICTA and lists the "core" tourism services broken down by major components of tourism services as appended to the secretariat's reference list. Where available, a more detailed

description of the activities¹ involved have been reproduced from the explanatory notes to SICTA list¹.

5. This list does not purport to provide a complete classification of primary tourism activities but attempts to summarize, in an illustrative fashion, the relevant research which has taken place in the context of the draft SICTA. Thus, for example, activities relating to restaurants, cafés and other food and beverages serving enterprises, as well as those relating to recreational, cultural, sporting and other entertainment facilities are not mentioned in the following list. This does not mean that such activities are not important in the provision of tourism services, but rather that, according to the SICTA tourism designation criteria, they constitute sub-categories "partly involved" in tourism and not "dedicated" to it.

¹See in particular the explanatory notes for the draft Standard International Classification of Tourism Activities. Paper of the World Tourism Organization, Madrid, September 1989.

Core tourism activities according to the draft
Standard International Classification of Tourism Activities
(SICTA)

ILLUSTRATIVE

Retail trade services

- Specialized outlets
 - . Luggage
 - . Travel wear and accessories
 - . Scuba gear, diving equipment
 - . Skiing equipment
 - . Camping, hiking equipment
- Souvenir shops

Hotels, camping sites and other commercial accommodations

- Hotels and motels: includes units whose exclusive or main activity consists of providing short-term lodging on a fee basis with or without meals to the general public, including hotels, motor hotels, motels, auto courts, inns and seasonal hotels.
- Resort hotels: includes units whose exclusive or main activity consists of providing transient lodging and food service to the general public, as well as recreational activities primarily for rest and relaxation.
- Casino hotels: includes units whose exclusive or main activity consists of providing transient lodging to the general public and gaming/gambling activities.
- Sporting lodges, ranches, summer camps: includes units whose exclusive or main activity consists of providing transient lodging to the general public and recreational activities such as hunting, fishing, horseback riding, swimming and boating, including sports instructional camps and youth camps, during the summer or year-round.
- Recreational vehicle parks, campgrounds: includes units whose exclusive or main activity consists of providing overnight or short-term sites for recreational vehicles, trailers, campers or tents.

Transport services

- Land
 - . Long distance tour buses: includes units whose exclusive or main activity consists of providing long distance tour bus operations,

typically providing scenic guided travel, over large areas and even across national borders.

- Water

- . Cruise ships: includes units whose exclusive or main activity consists of providing vessels designed to accommodate large numbers of passengers in a resort setting designed for travel to and through places of scenic interest, where emphasis is placed on the enjoyment of events on-board rather than on speed of arrival at the destination.
- . Inland water passenger transport with accommodations: includes units whose exclusive or main activity consists of providing waterborne travel on inland waterways, lakes and seas, providing facilities for overnight sleeping accommodations.
- . Inland water local tours: includes units whose exclusive or main activity consists of providing local tour services in boats in and around metropolitan harbours or local scenic water areas.

- Land

- . Scheduled passengers air transport
- . Non-scheduled passengers air transport

Travel agents, tour operators and guides

- Tour operators, packagers and wholesalers: includes units whose exclusive or main activity consists of providing the service of designing tours, organizing and arranging them for sale to travellers and tourists through agents. Also those managing tours providing tour services directly to travellers and tourists are included.
- Travel agents: includes units whose exclusive or main activity consists of providing services to travellers and tourists furnishing travel information, advice and planning, arranging tours, accommodation and transportation including furnishing tickets.
- Ticket offices not a part of transport companies: includes units whose exclusive or main activity consists of providing independent ticket offices arranging passage and seating for travellers on air, bus, rail and ships.
- Guides: includes units whose exclusive or main activity consists of providing tourist guide services to travellers and tourists.

Financial intermediation

- Travellers' cheques sales and services: includes units whose exclusive or main activity consists of selling international redeemable drafts

valid only with the holder's own endorsement against his original signature.

- Vacation, travel loans: includes units whose exclusive or main activity consists of extending loans to tourist either in advance of or following the trip.
- Travel insurance: includes units whose exclusive or main activity consists of selling to the general public insurance covering accidental death while travelling away from home.

Tourism-related business activities

- Rental/lease of tourist property: includes units whose exclusive or main activity consists of renting or leasing furnished apartments, rooms, houses, condominiums, cabins and cottages to tourists.
- Arrangement of rental/leases of tourist property: includes units whose exclusive or main activity consists of arranging renting or leasing of tourist residences.
- Tourist property management: includes units whose exclusive or main activity consists of managing residences leased or rented to tourists on behalf of the owners.
- Auto, motorcycle rental: includes units whose exclusive or main activity consists of daily and short-term rental of automobiles, light trucks and motorcycles, all without drivers.
- Recreational vehicle, camper, caravan rental: includes units whose exclusive or main activity consists of daily and short-term rental of campers, trailers and recreational vehicles, all without drivers.
- Rental of watercraft and related: includes units whose exclusive or main activity consists of daily or short-term rental of boats and docking facilities to the general public.
- Tourism research: includes units whose exclusive or main activity consists of economic, sociological, cultural, environment and geographic research on tourism.
- Tourism business and management consultancy services: includes units whose exclusive or main activity consists of expert and professional advice and counselling on the management of tourism businesses.
- Tourism advertizing: includes units whose exclusive or main activity consists of preparing and placing advertizing in print, broadcast and outdoor media for tourism businesses on a contract or fee basis.