



## ‘MEASURING TOURISM’S IMPACT’

PWC, TRAVEL FOUNDATION & TUI GROUP, UK

As the largest service sector in the world, there's no doubting tourism's potential to impact on society and the environment. But finding out just what that impact is, and how good (or bad) it might be, is much more difficult. With so many different factors involved it takes a significant investment of time, skills and resources to really make an assessment at any meaningful scale.

However, by combining its own sustainable

tourism expertise with the global accounting and consulting experience of PwC, and working with the world's largest travel company, TUI Group, the Travel Foundation's ground-breaking pilot scheme in Cyprus may have created a path forward for others to follow.

Seeking to put a monetary value to the economic, tax, environmental and social impacts of tourism on the Mediterranean island, the Travel Foundation

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applied PwC's "Total Impact Measurement & Management" (TIMM) methodology to TUI Group's operations across eight hotels in Cyprus in 2013. Taking into account the visits of 60,000 guests, this was the first time that the overall impacts of a large tour operator in a mainstream holiday destination had been assessed at this scale.

The central - and very positive - finding was that the positive economic and tax benefits for the region were by far the greatest impact - amounting to €84 (approx. US\$91) per guest per night. These far exceeded the negative environmental and social costs, which represented -€4 (ca. US\$4.3). On the other hand, the most significant social benefit was found to be 'on the job' experience, with an upper estimate of it being valued at €6.2 (ca. US\$6.7) per guest night. This finding alone showcases the important role tourism can play in developing skills for young Cypriots, all the more important considering unemployment has been rising on the island in

recent years, particularly among young people.

The study also showed how the complex nature of tourism's supply chain means much of its total impact is indirect. For example, the supply chains and other services used by tourists were found to generate almost 14 times as much waste as the hotels themselves. Just 1.8kg of rubbish was created per customer per night from the hotels, compared with 25kg per customer per night from the supply chain.

Although the study focussed on TUI's operations and customers, the methodology and the lessons learned can be applied to other destinations and companies. To facilitate this, the findings and methodology have all been published and made freely available online, with the findings report having already been downloaded over 500 times.

