

THE ECONOMIC IMPACT OF AIRBNB IN THE REPUBLIC OF KOREA

A REPORT FOR AIRBNB BY OXFORD ECONOMICS

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GLOSSARY OF TERMS

Airbnb guest: An individual who stays at least one night in an Airbnb accommodation.

Airbnb host: An individual or business that lists an accommodation unit, whether private or shared space, for rent on the Airbnb platform.

Gross booking value: The value paid by guests for their Airbnb accommodation, inclusive of taxes.

Guest spending: The amount spent by Airbnb guests during their trip to a country or region. This comprises their spending on the rental of Airbnb accommodation (including the hosts' earnings and Airbnb's revenue, but excluding sales and/or accommodation taxes), their in-destination spending (at local restaurants, shops, local transport, and other activities), plus a portion of the estimated cost of airfares to get to and from the destination country.

Host earnings: The portion of guest spending on the rental of Airbnb accommodation that is received by the Host (individual or business renting the unit).

Travel and tourism (also simply referred to as tourism): The activity of persons travelling to and staying in places outside their usual environment for not more than one consecutive year of leisure, business, and other purposes not remunerated from within the place visited.



SECTION 1: INTRODUCTION

Airbnb's unique platform connects hosts in the Republic of Korea with tourists and travellers from all over the world. Every time a guest stays at an Airbnb listing it creates an economic impact in the local economy.

The Airbnb platform facilitates a flexible supply of accommodation in the Republic of Korea's destinations, attracting travellers to visit and spend money on goods and services.

Each Airbnb booking creates two distinct spending impacts:

Guest spending on ancillary goods and services:

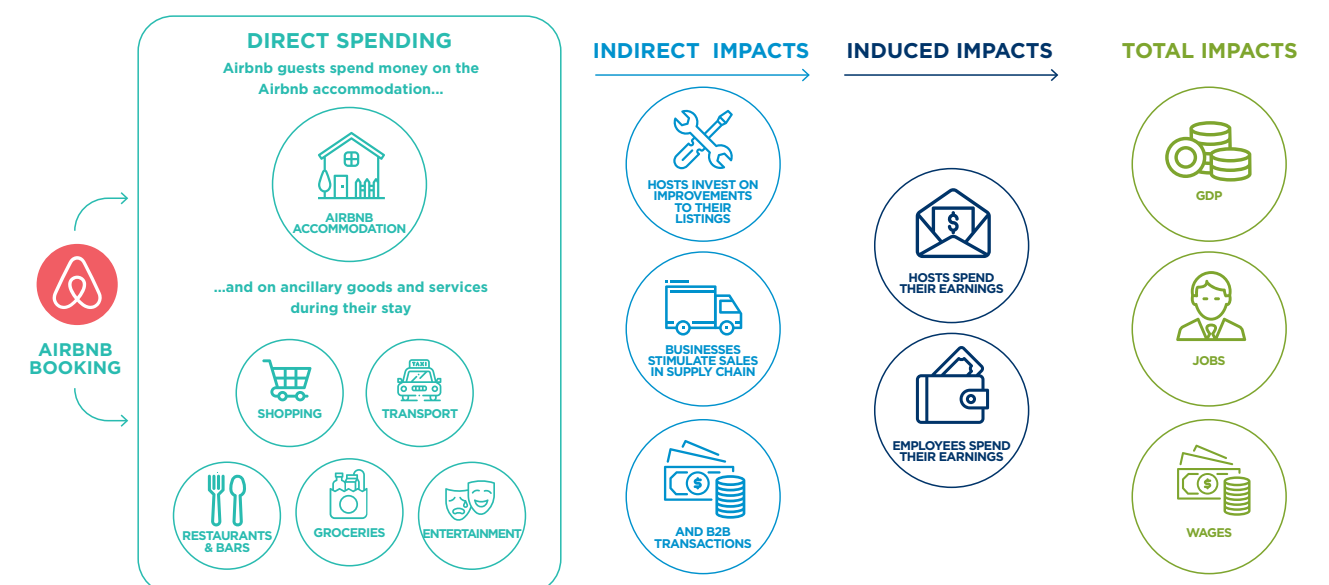
Airbnb guests spend money on transport to and from their destination. They also spend on restaurants, retail, groceries, and arts and entertainment whilst at their destination.

Host spending: Airbnb hosts receive income from each booking, which funds spending on the upkeep of their property, including regular services such as cleaning. Hosts also spend their Airbnb income on goods and services to support their livelihoods.

These spending impacts create further ripples through the economy as hosts and tourism-facing businesses purchase goods and services from local suppliers, and the employees within these supply chains spend their income in the local economy.

Airbnb commissioned Oxford Economics to analyse these impacts as part of an assessment of its total economic footprint in the Republic of Korea. To conduct the analysis, we combined primary data on Airbnb guest spending and Oxford Economics' tourism data with our Global Sustainability Model, which includes proprietary models of the Korean economy.

Fig. 1: Schematic of Airbnb's contribution to the Korean economy



Source: Oxford Economics



EXPLAINER: CALCULATING THE TOTAL ECONOMIC IMPACT OF AIRBNB

To quantify the impact of Airbnb on a local economy, we use a globally recognised, standard means of analysis known as an economic impact assessment. This involves quantifying the total expenditure made by Airbnb guests and hosts in the destination economy, and estimating three types of economic activity it stimulates (also summarised in Fig. 1).

Direct impact relates to the value added by the businesses that facilitate Airbnb guests' stays, including the value added by hosts.

Indirect impact is the economic activity and employment stimulated along the supply chain that supports those "front-line" businesses.

Induced impact comprises the wider economic benefits that arise from the spending of wages provided to those employees of businesses serving Airbnb guests, and other businesses in their supply chain. It also includes the share of Airbnb host income that is spent in the local economy. In our analysis, we extend our assessment to include the economic activity stimulated in the supply chains of retail, leisure, and other outlets.

The sum of these tiers amounts to the total economic impact of Airbnb, and the results are presented on a gross basis. They therefore do not take into account any displacement of activity from Airbnb's competitors, nor what the second most productive use of those resources would have been. Airbnb's economic contribution is measured using three metrics:

Gross domestic product (GDP) or more specifically, the gross value added (GVA) contribution to GDP.¹ This is defined as the value of the output produced, minus the expenditure on inputs of bought-in goods and services used up in the production of that output.

Employment measured on a headcount basis.

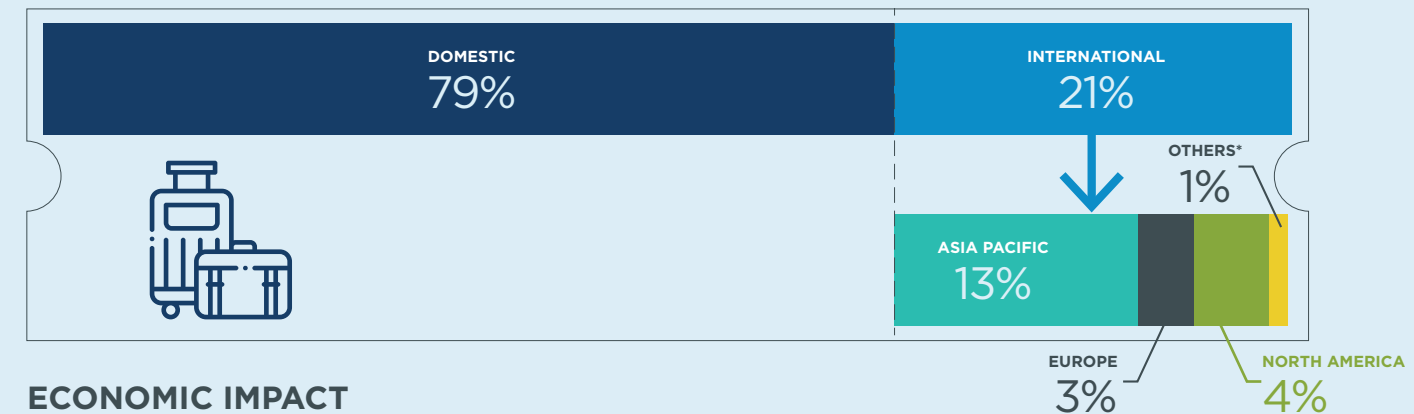
Wages earned by those employees over the course of the year.

A more detailed explanation of our methodology is included in the Technical Appendix of this report.

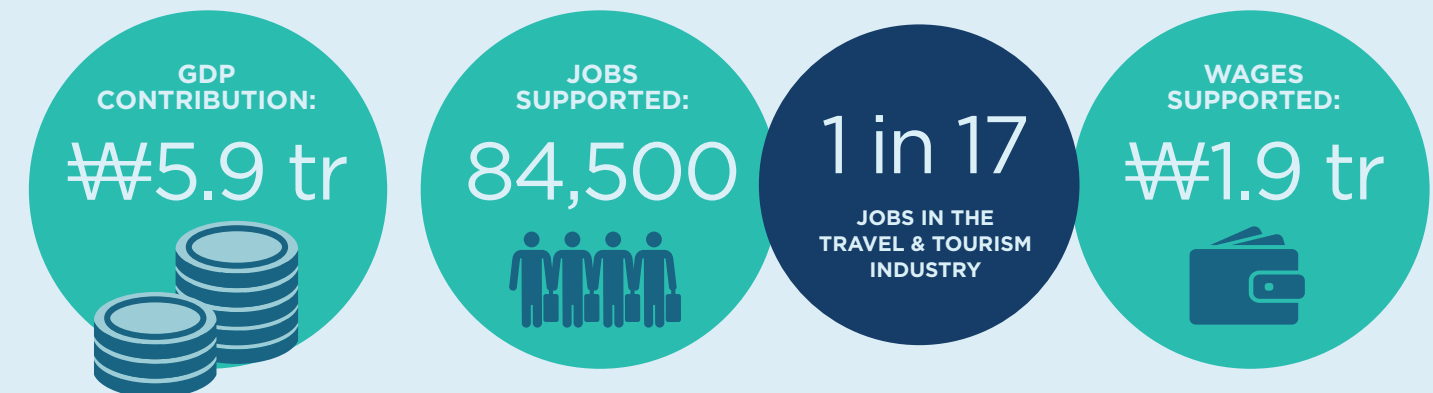
¹ GDP equals the sum of GVA and taxes minus subsidies on production

AIRBNB IN THE REPUBLIC OF KOREA

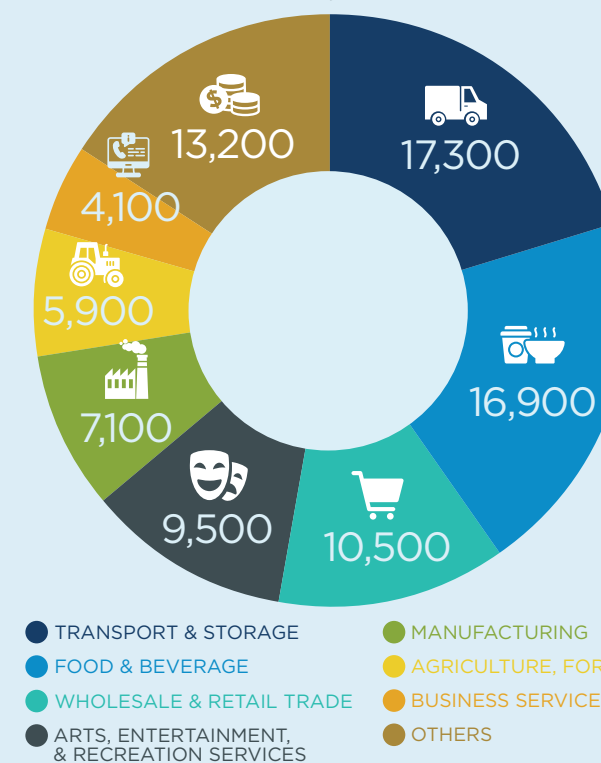
AIRBNB TOURISM FLOWS IN 2024



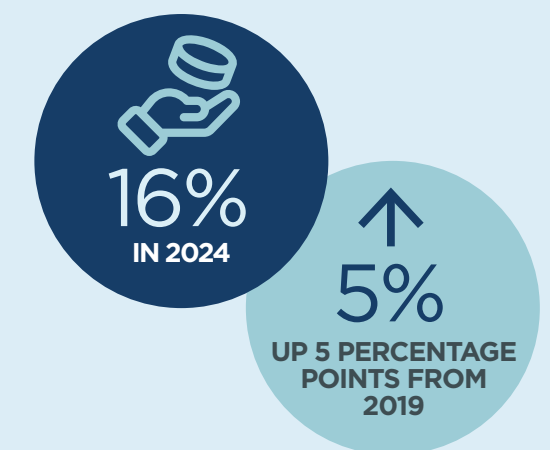
ECONOMIC IMPACT



JOBS SUPPORTED, BY INDUSTRY



NON-URBAN SHARE OF ACCOMMODATION SPENDING



All ₩ figures in 2024 prices. Figures may not sum due to rounding.
*Others refers to Latin America, Africa, Middle East or other regions.

SECTION 2: SPENDING ASSOCIATED WITH AIRBNB IN THE REPUBLIC OF KOREA

In 2024, Airbnb guests spent a total of KRW 6.3 trillion on accommodation and non-accommodation expenses in the Republic of Korea.

2.1 AIRBNB TOURISM FLOWS

In 2024, the majority of Airbnb guests staying in the Republic of Korea were domestic visitors, accounting for 79% of total guests.² This proportion has increased from 2019, prior to the Covid-19 pandemic, when domestic guests accounted for 72% of all Airbnb guests in the country. The Asia Pacific region accounted for over half of international Airbnb guests to the Republic of Korea in 2024, a share that has fallen since 2019 when they accounted for over two thirds of international visitors.

The largest inbound source market for Airbnb guests was the United States, which accounted for 17% of all international guests. This was followed closely by China, which accounted for 16% of international guests. China accounted for a smaller proportion of international guests in 2024 than it did in 2019, when it was the largest origin market, accounting for 22% of international Airbnb guests.

Fig. 2: Airbnb guests staying in the Republic of Korea, by origin, 2019 to 2024

Origin	2019	2020	2021	2022	2023	2024
Domestic	72%	93%	97%	92%	83%	79%
International	28%	7%	3%	8%	17%	21%
Asia Pacific	20%	4%	1%	3%	10%	13%
Europe	3%	1%	1%	2%	3%	3%
North America	5%	2%	2%	3%	4%	4%

Source: Airbnb, Oxford Economics. Figures may not sum due to rounding.

Fig. 3: Top 10 origin markets of Airbnb guests staying in the Republic of Korea, 2019 to 2024

Rank	Origin	2019	2020	2021	2022	2023	2024
1	United States	15%	25%	48%	30%	20%	17%
2	China ³	22%	18%	9%	4%	11%	16%
3	Taiwan	7%	6%	1%	2%	7%	10%
4	Singapore	7%	3%	3%	16%	11%	9%
5	Hong Kong SAR	7%	6%	1%	3%	5%	6%
6	Japan	6%	8%	3%	3%	5%	5%
7	France	2%	3%	5%	6%	5%	4%
8	Australia	3%	4%	1%	4%	5%	4%
9	Malaysia	6%	5%	1%	2%	4%	3%
10	Germany	2%	2%	5%	4%	3%	3%

Source: Airbnb, Oxford Economics

² Unless otherwise specified, all year references in this report pertain to calendar years.
³ For the purpose of this report, this refers to Mainland China, and does not include Hong Kong (SAR), Macau (SAR) and Taiwan.

2.2 AIRBNB GUEST SPENDING

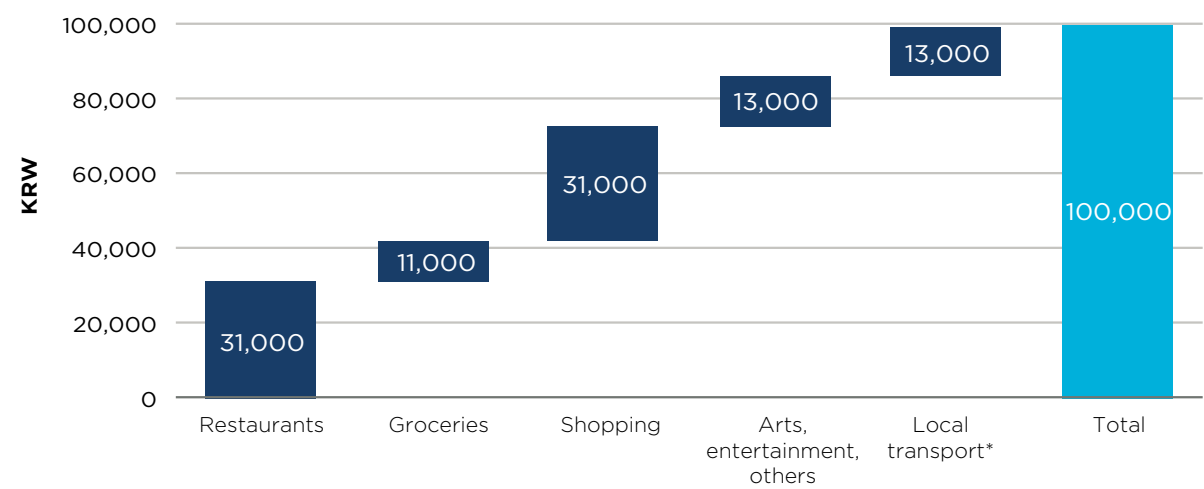
In 2024, Airbnb guests spent a total of KRW 6.3 trillion on accommodation and non-accommodation expenses in the Republic of Korea—with the majority going towards the latter.

The typical Airbnb guest in the Republic of Korea stayed for an average of two days in their Airbnb accommodation and spent an average of KRW 290,000 per day on non-accommodation spending, such as purchases in restaurants, retail stores, and on transport.⁴

We analysed Airbnb guest spending patterns to understand what sort of tourism-facing businesses were recipients of this spending.

Restaurants and shopping were the largest in-destination spend categories, each accounting for around one third of total non-accommodation expenses. Arts and entertainment, local transport, and groceries accounted for KRW 13,000, KRW 13,000, and KRW 11,000 of every KRW 100,000 spent, respectively.

Fig. 4: Distribution of Airbnb in-destination guest spending by category, the Republic of Korea, 2024



Source: Airbnb, Oxford Economics. Figures may not sum due to rounding.
* This excludes airfares.

4 The spending per day figure refers to specifically the spending by Airbnb guests for each guest night. The average length of stay refers to the average (mean) number of nights that guests stay in Airbnb accommodations in the local destination.



2.3 AIRBNB HOST SPENDING

The combined spending of Airbnb guests and hosts stimulates a large and far-reaching chain of additional activity in the Korean economy.

While guest spending accounts for most of the spending associated with Airbnb in the Republic of Korea, Airbnb hosts themselves also generate a considerable spending impact in their local communities. Some of the earnings received by Airbnb hosts were used to maintain and improve their properties. This may involve purchases of goods and services from businesses in the local economy, for example operational expenses on cleaning services and utilities, or capital expenses with local construction firms or tradespeople to upgrade and maintain properties. The earnings received by Airbnb hosts may also be used for discretionary purchases to support their livelihoods.

“
The best way
to experience
Seoul, is through
its flavours and
craftsmanship.
”

HOST SPOTLIGHT: SOYEON, SEOUL

In the heart of Seoul, Soyeon had transformed a traditional Hanok home into a beautiful Airbnb listing, blending history with modern hospitality. With its elegant wooden beams and tiled roof, her Hanok offers visitors a unique glimpse into Korea's rich culture. But Soyeon sees her role as a host as more than just providing a place to stay; she aims to immerse her guests in the local community.

Soyeon's commitment to promoting local products is evident in every corner of her home. She proudly showcases handmade ceramics from nearby artisans, inviting guests to appreciate local Korean craftsmanship. In the kitchen, she provides locally sourced snacks and drinks, encouraging her guests to explore nearby markets. “The best way to experience Seoul,” she often told them, “is through its flavours and craftsmanship.”

Beyond her warm hospitality, Soyeon's investment in quality furnishings and decor has a ripple effect on the local economy. She sources beautiful, traditional Korean textiles from local shops, ensuring that her Hanok is not only comfortable but also a celebration of local artistry. Each purchase supports craftsmen and businesses, creating a sustainable cycle of growth within her community.

The impact of Soyeon's efforts is unmistakable. Visitors not only enjoy the authentic experience of staying in a hanok but also contribute to the local economy by dining at nearby restaurants and shopping at local boutiques. Soyeon feels proud knowing that her small business is a connector—bridging the past with the present while uplifting her community, one guest at a time.

SECTION 3: AIRBNB'S ECONOMIC IMPACT

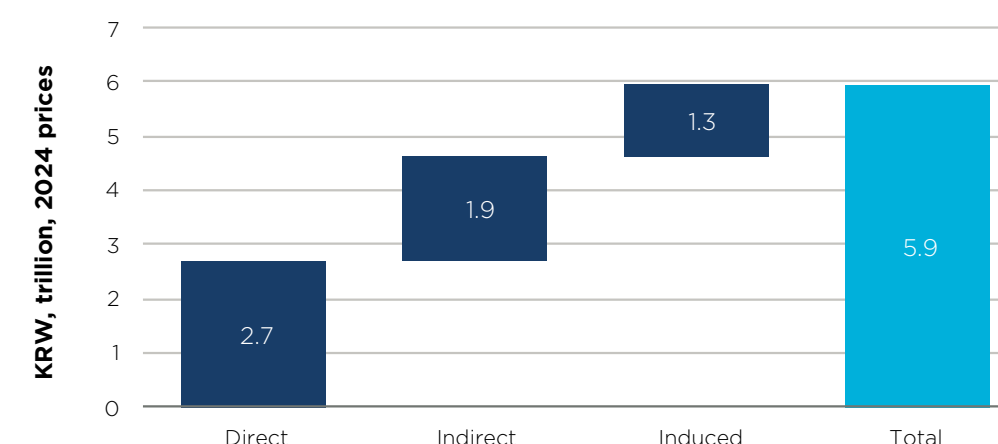
In 2024, the spending associated with Airbnb led to an estimated KRW 5.9 trillion contribution to the Korean economy.

3.1 TOTAL AIRBNB IMPACT IN THE REPUBLIC OF KOREA

In 2024, the spending associated with Airbnb led to an estimated KRW 5.9 trillion contribution to the Korean economy, equivalent to 0.2% of national GDP. Through the economic activity stimulated by Airbnb, a total of 84,500 jobs were supported, which was equivalent to 0.3% of total national employment.⁵ An estimated KRW 1.9 trillion was paid in wages and salaries for these supported jobs.

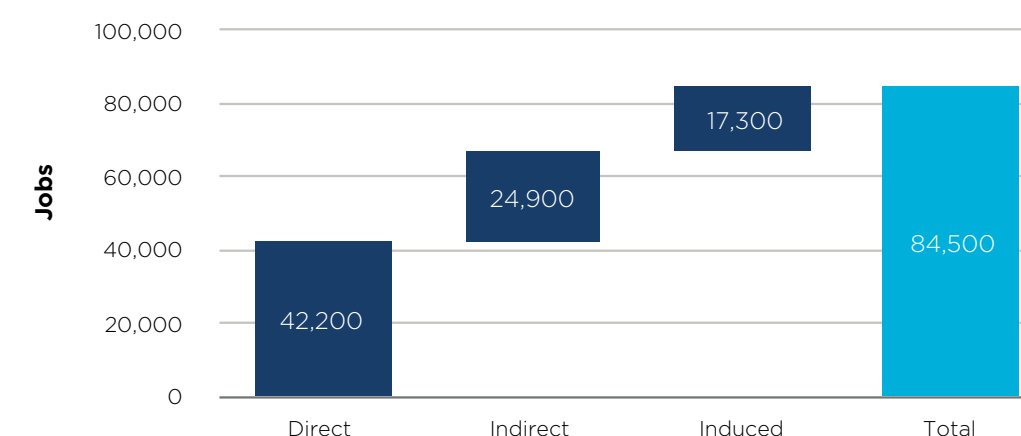
We analysed the scale of Airbnb's economic impact in the Republic of Korea in relation to the total economic footprint of travel and tourism in the country, based on World Travel and Tourism Council (WTTC) estimates. Our analysis suggests that Airbnb was responsible for 6% of the broader travel and tourism sector's GDP and 6% of its total employment in the country. This means that one in every 17 jobs supported by the travel and tourism industry was associated with Airbnb in 2024.

Fig. 5: Airbnb's economic impact in the Republic of Korea, 2024



Source: Airbnb, Oxford Economics

Fig. 6: Jobs supported by Airbnb in the Republic of Korea, 2024



Source: Airbnb, Oxford Economics

⁵ Economic footprint analysis captures the gross economic impacts of Airbnb activity, as opposed to its net impacts. Our estimates therefore make no net adjustment for jobs that might have been supported by other sources of demand in the absence of Airbnb. As a gross measure, we refer to jobs "supported" by Airbnb activity, not created by it. Please see the Technical Appendix for further details.

3.2 SECTORAL IMPACTS

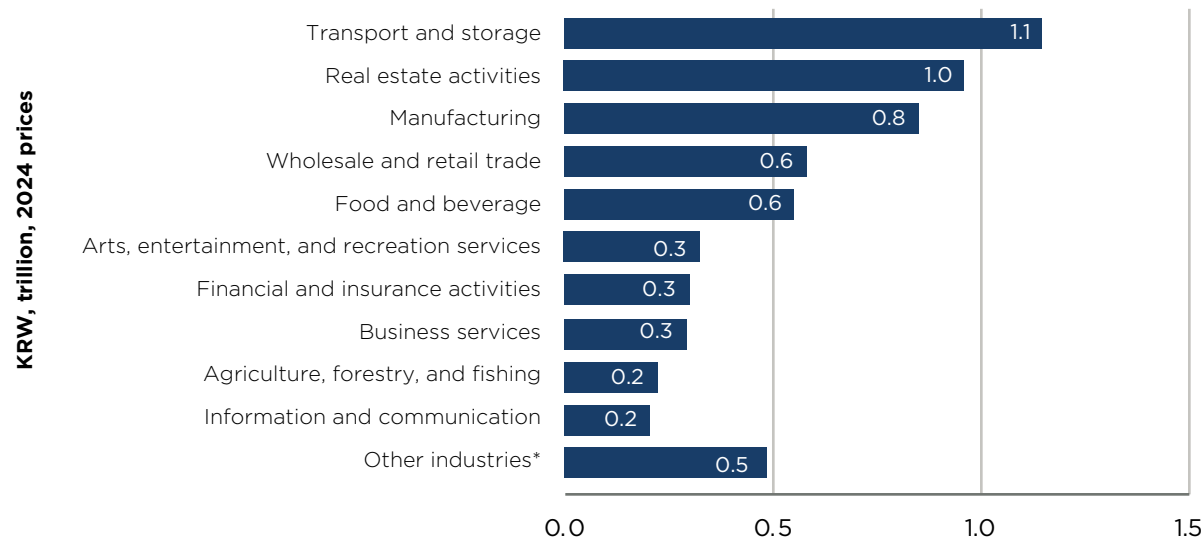
The sectors of the economy that received the majority of direct guest spending in Korea also registered the highest GDP contributions from Airbnb-related activity. This includes the transport and storage⁶ (KRW 1.1 trillion), real estate⁷ (KRW 1.0 trillion) and manufacturing sectors (KRW 0.8 trillion).

The majority of the GDP impact in the transport and storage sector results from the spending of Airbnb guests on local transport and airfares (82%). The majority of the GDP impact in the real estate sector results from the guest spending on

their Airbnb accommodation, while the remainder is mostly stimulated through induced spending of workers supported by Airbnb activities who spend a proportion of their wages on housing.

The GDP impact in the manufacturing sector was largely a result of the supply chain spending of tourism-facing businesses that received Airbnb guest spending such as retail and grocery stores. This sector provides intermediate goods such as food products and garments that are sold by the retail, grocery and hospitality businesses that serve Airbnb guests.

Fig. 7: Airbnb’s economic impact in the Republic of Korea, by sector, 2024



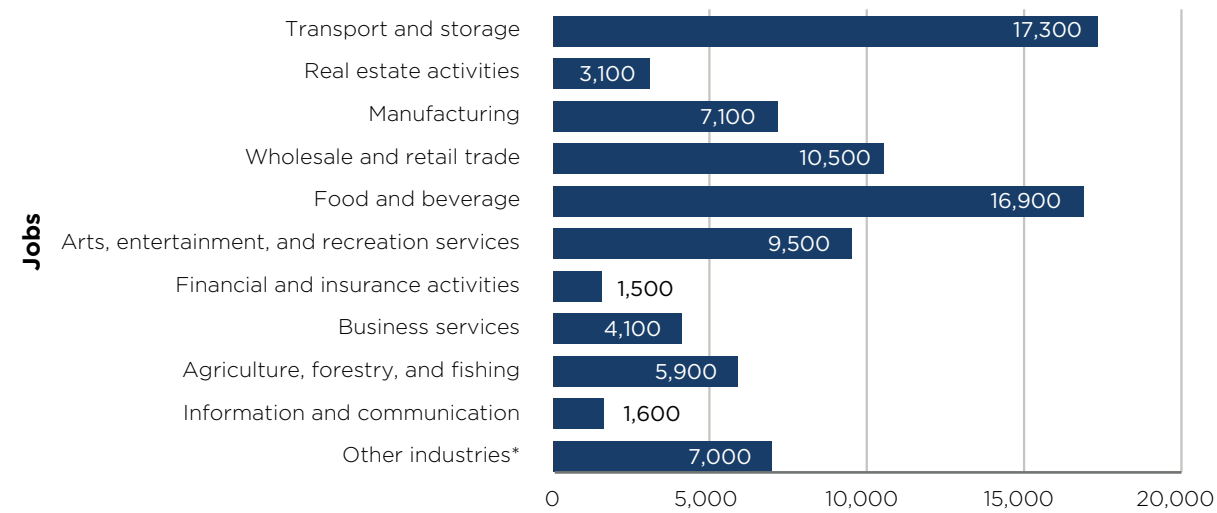
Source: Airbnb, Oxford Economics
* Includes human health and social services, electricity, gas and water supply etc

The sectors that were the largest direct recipients of Airbnb guest spending saw the highest impact in terms of jobs supported.⁸ This includes the transport sector, in which roughly 17,300 jobs were supported by Airbnb, and the food and beverage services sector, in which 16,900 jobs were supported. The direct impact resulting from Airbnb guest spending on transport and dining

experiences contributed to around 80% of total jobs supported in these two sectors.

The impacts of Airbnb can also be observed in the supply chain of these tourism-facing sectors, with 7,100 jobs supported in manufacturing and 5,900 jobs supported in agriculture, forestry and fishing.

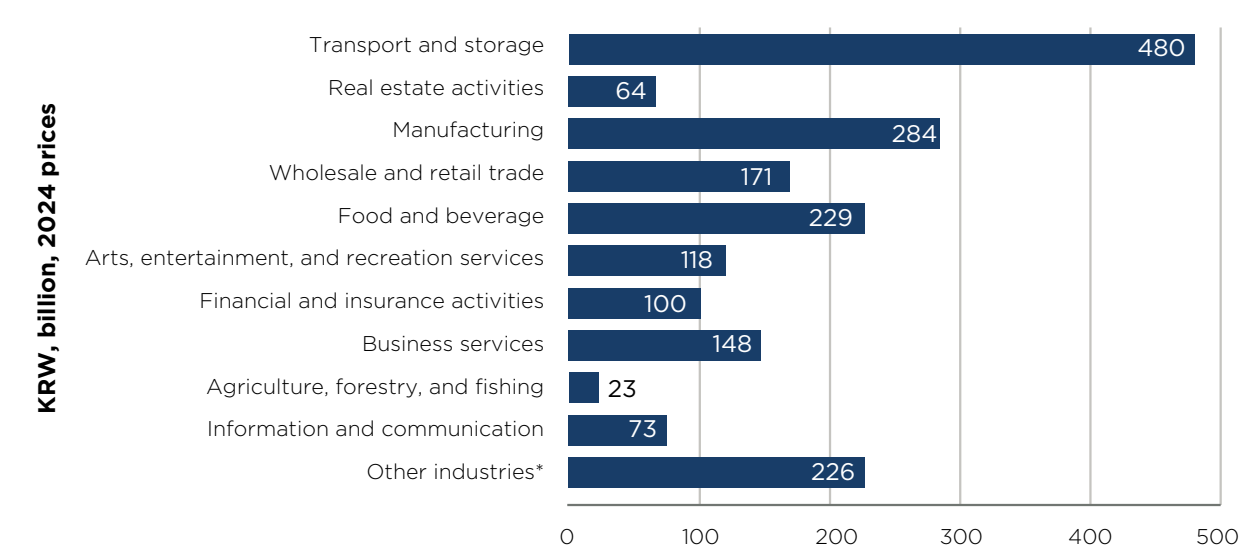
Fig. 8: Jobs supported by Airbnb in the Republic of Korea, by sector, 2024



Source: Airbnb, Oxford Economics
* Includes human health and social services, electricity, gas and water supply etc

The breakdown of wage impacts by sector broadly aligns with the sectoral distribution of jobs. The transport and storage sector enjoyed the largest wage impacts of any sector with KRW 480 billion supported by Airbnb-related activity, followed by manufacturing (KRW 284 billion), and food and beverage services (KRW 229 billion).

Fig. 9: Wages supported by Airbnb in the Republic of Korea, by sector, 2024



Source: Airbnb, Oxford Economics
* Includes human health and social services, electricity, gas and water supply etc

6 This sector includes services such as land, air, and water transport, as well as warehousing and storage facilities.
7 This sector includes services such as the renting or leasing of residential and commercial properties, services of property agents, and imputed rent for owner-occupied housing.
8 Sectors which saw the largest share of employment could differ from the sectors which contributed most to the Korean GDP, due to varying productivity levels across sectors.

SECTION 4: AIRBNB'S IMPACT IN KOREA'S CITIES & REGIONS

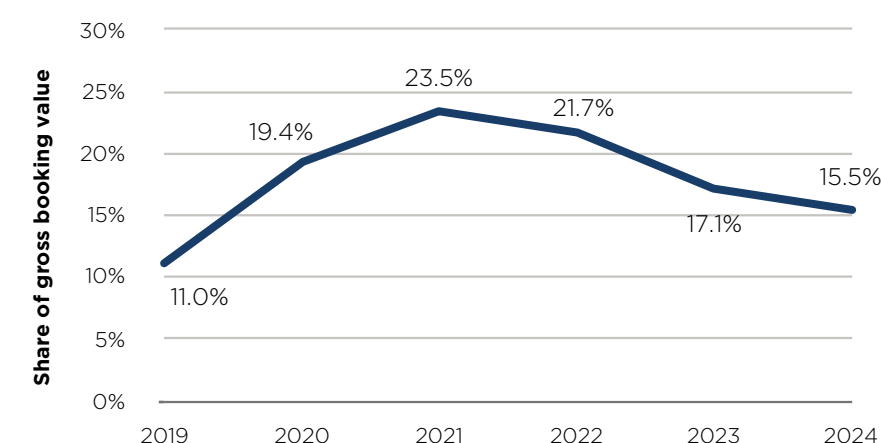
The non-urban share of Airbnb gross booking value was 16% in 2024, up five percentage points from 2019.

4.1 DISTRIBUTION OF AIRBNB GUEST SPENDING IN NON-URBAN DESTINATIONS

During the Covid-19 pandemic there was a clear shift in Airbnb guest preferences in the Republic of Korea towards non-urban destinations. This shift in preferences may have been driven by health and safety considerations, as well as a greater desire from domestic tourists to explore areas outside of the Republic of Korea's major cities.

The non-urban share of Airbnb gross booking value (GBV) was 16% in 2024 - a decline from the 2021 high-point of 24%, but still significantly above the 11% share of 2019. The surge in non-urban stays during the pandemic era was partially unwound by the resumption of international travel, but the non-urban share has remained consistently higher than the pre-pandemic norm, suggesting a shift in traveller preferences.

Fig. 10: Non-urban share of gross booking value in the Republic of Korea, 2019 to 2024



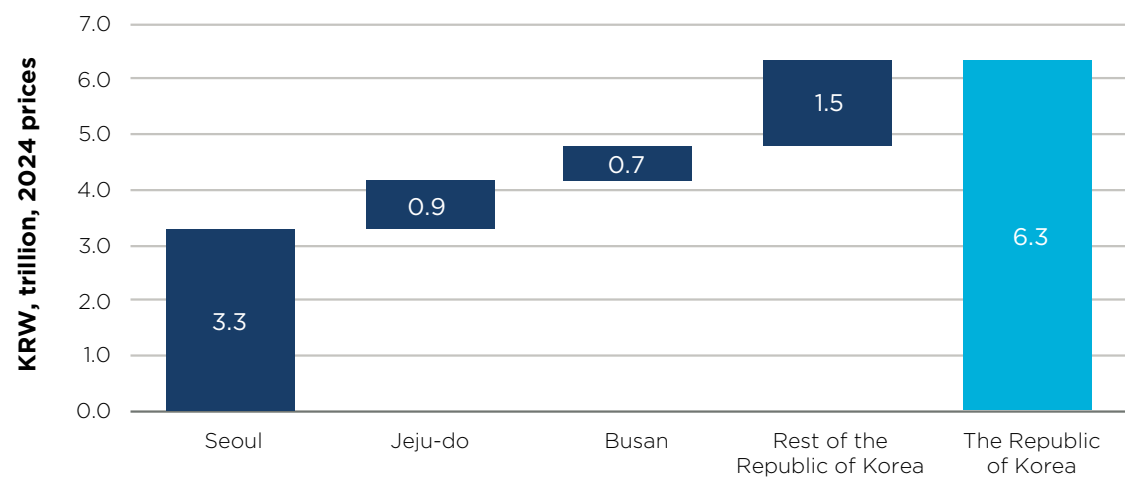
Source: Airbnb, Oxford Economics

4.2 GUEST SPENDING AT THE SUB-NATIONAL LEVEL

Airbnb guest spending was distributed across various cities and regions in the Republic of Korea. Our analysis focuses on the tourism hotspots of Seoul, Busan, and Jeju-do. Seoul was the primary recipient of Airbnb guest spending, with KRW 3.3 trillion spent or 52% of total Airbnb guest spending in the country.

Busan and Jeju-do received KRW 0.7 trillion (11%) and KRW 0.9 trillion (14%) of Airbnb guest spending in 2024, respectively. These three subnational regions collectively accounted for 76% of total Airbnb guest spending, the other 24% of Airbnb guest spending was in regions outside of these major tourism hotspots.

Fig. 11: Airbnb guest spending in Korea's cities and regions, 2024



Source: Airbnb, Oxford Economics.
Totals may not sum due to rounding.

4.3 ECONOMIC IMPACT AT THE SUB-NATIONAL LEVEL

We constructed sub-national economic impact models at the city and regional level in the Republic of Korea to assess how Airbnb's footprint is distributed across the country. As expected, Seoul saw the largest economic impact, with Airbnb contributing KRW 2.8 trillion to GDP, whilst supporting 36,300 jobs and KRW 1.0 trillion in wages. Jeju-do followed with a GDP contribution of KRW 0.6 trillion, 8,100 jobs and KRW 0.2 trillion in wages, while Busan accounted

for a GDP contribution of KRW 0.5 trillion, 8,300 jobs and KRW 0.2 trillion in wages.

Airbnb's impact also extended beyond these tourism hotspots, contributing KRW 2.0 trillion to GDP, and supporting 31,800 jobs, plus KRW 0.6 trillion in wages, in other regions. This means that 34% of Airbnb's GDP contribution in the Republic of Korea landed outside the major tourism hotspots.

Fig. 12: Airbnb's economic contributions in Korea's cities and regions, 2024⁵

Region	GDP (KRW trillion)			Total	Employment	Wages (KRW trillion)
	Direct	Indirect	Induced			
Seoul	1.4	0.8	0.6	2.8	36,300	1.0
Jeju-do	0.4	0.1	0.1	0.6	8,100	0.2
Busan	0.3	0.1	0.1	0.5	8,300	0.2
Rest of the Republic of Korea	0.7	0.8	0.5	2.0	31,800	0.6

Source: Airbnb, Oxford Economics

5 2024 prices



TECHNICAL APPENDIX

DATA SOURCES

Our analysis drew on detailed data from Airbnb, WTTC, UNWTO, national tourism agencies, third party providers (e.g., hotel and industry associations), and Oxford Economics databanks.

AIRBNB

Data provided by Airbnb included the volume of Airbnb guest activity (guests and accommodation revenue) and the number of Airbnb listings. This data covered each geography for 2024. Additional data covered the number of guests travelling to each destination by origin market.

Airbnb also provided guest spending results based on guest surveys it has conducted annually using a randomised sample of guest accounts in each country or region. The survey is administered through Qualtrics and sent via email. No payment or other incentive is provided in exchange for completing the survey.

WTTC AND OXFORD ECONOMICS GLOBAL ANALYSIS OF THE ECONOMIC IMPORTANCE OF TRAVEL AND TOURISM

Oxford Economics has been working for over 30 years with the World Travel and Tourism Council (WTTC) to produce annual economic impact studies for 185 countries and regions, quantifying the socio-economic benefits that travel and tourism brings to the world economy on a global, regional, country, and city level. These figures were incorporated into our analysis.

WTTC is the only global organisation that studies and publishes research on the sector’s direct, indirect, and induced impact at a national, regional, and global level on jobs, GDP, and trade and investment. These can be found at <https://www.wttc.org/economic-impact/>. Oxford Economics has recently undertaken further work to benchmark tourism’s economic impact versus other sectors, as well as analyse issues such as youth and female tourism employment patterns.

OXFORD ECONOMICS

Oxford Economics, through its Tourism Economics subsidiary, maintains a global database on travel and tourism activity across 185 countries and regions. Data used in this Airbnb study included transport expenditures per international visitor, distances between origin and destinations, and an analysis of selected tourism satellite accounts.

GUEST SPENDING ANALYSIS

We quantified total Airbnb guest expenditures based on a database we developed containing detailed information on Airbnb guest activity, surveys of Airbnb guest spending patterns, and transport costs estimated by each source market. This analysis leveraged highly detailed transaction-based data provided by Airbnb across 10 APAC countries and regions, and Oxford Economics’ proprietary databases and research.

The key components to Airbnb guest expenditures are 1) accommodation spending (i.e., gross booking value based on Airbnb data), 2) in-destination guest spending outside of Airbnb, and 3) portion of airfare revenues that goes to each market.

Gross booking value (GBV) is sourced directly from Airbnb and reviewed by Oxford Economics to check for consistency in terms of GBV per guest and international versus domestic breakdowns. GBV is attributed to host earning and revenue on the night of stay, thus it excludes cancelled bookings. The GBV figures reported are different to those used in the 2023 study which included the total GBV on the Airbnb platform, of which a proportion may have been cancelled bookings. There may be slight variations in the historical non-urban share of GBV in this study compared to the previous study, due to revisions in the GBV data. GBV data was provided with a breakdown by “urban” versus “non-urban”, the latter referring to listings in locations that do not appear to be urbanised based on satellite imagery data.

In-destination spending by guests covers their purchases of goods and services in the local economy. To estimate non-accommodation guest spending such as on restaurants, shopping, and activities, we modelled guest spending by category using the Airbnb guest survey data. We also use Oxford Economics’ data on country-level and city-level travel flows and spending to guide our estimates. These are informed by data from the UNWTO, national tourism agencies, third-party providers (e.g., hotel and industry associations), balance of payments data and OE’s own estimates.

Airfares including the travel to and from the Airbnb destination, is a sum of three components. We estimated **inbound and outbound transport spending of international travellers** based on the estimated distance travelled between origin and destination for each country/region pair, and transport spending ratios from tourism satellite accounts and balance of payments data. We adjusted transport cost estimates to reflect only that portion of expenditures with an impact on the origin and destination countries and regions of analysis. For **domestic guests**, we calculated the total airfare revenue by taking the residual from total local transport spending (including airfares) compared to Airbnb’s survey data on in-destination local transport spending of domestic guests. At the subnational level, we estimate using each smaller regions’ share of corresponding country’s air traffic, based on airport locations and third-party data on air travel.

The results provide a detailed platform for quantifying the scope and scale of Airbnb guest spending and support a detailed assessment of the corresponding economic impacts.

ECONOMIC IMPACT METHODOLOGY

In this report, we have designed an economic impact framework with a focus on the way in which Airbnb supports local tourism businesses. The bulk of the calculated economic benefits are from non-accommodation spending within the destination.

However, we also consider some of the economic impact supported by the total accommodation income a host receives. We estimate a) the economic impact generated by the host's procurement of intermediate inputs to maintain the property, such as cleaning services, and the onward supply chain that supports this, b) the economic impact of the boost to host spending that is induced from accommodation incomes, after accounting for costs and savings, and c) the economic impact created as employees in the hosts' supply chains spend out of their own earnings. We also consider Airbnb's own activity in the destination economy

The tiers of impact

When assessing the economic contribution of Airbnb's presence in APAC countries and regions, we considered three main tiers of impact:

- At the centre of any economic impact assessment is the **direct impact**. This is the impact generated by the direct recipients of the spending associated with Airbnb's presence in a given country or region. In this framework, the primary driver of the direct impact is the guest spending on goods and services, stimulating activity in tourist-facing industries. It also includes hosts' and Airbnb's own activity in the destination economy.
- The second tier of impact focuses on the supply chain that is required to support the direct purchases. This **indirect impact** represents the activity created in other parts of the economy from the procurement of inputs in the form of goods and services. Examples include the manufacturing of goods that travellers buy and sourcing of raw food inputs through agriculture and fishing. It also includes support services for Airbnb accommodations such as cleaning and maintenance providers, as well as operating expenses for the upkeep of the online Airbnb platform such as spending on info-communications providers and other business services.
- The final tier of impact is known as the **induced impact**. This captures the activity stimulated by the consumer spending of people employed through the direct and indirect activity associated with Airbnb. It also captures the additional demand sustained along the domestic supply chain from those transactions. In addition, it includes the proportion of income of hosts that is spent in the local economy, after adjusting for business costs and deductions. In this framework, the economic footprint of host earnings is captured primarily through the induced impact, recognised as a boost to host spending power.

Brought together, these three tiers present a complete picture of **total economic impact** of Airbnb, as it ripples from the direct effect out through the rest of the economy.

To effectively quantify Airbnb's economic impact, it is necessary to evaluate the contribution it makes in the same terms used to measure the size of the economy. As such, impact assessments typically focus on two different metrics: gross value added (GVA) contribution to gross domestic product (GDP) and employment.

The first of these metrics—GVA contribution to GDP—is a measure of net output. Three different approaches are available to calculate the GVA contribution to GDP of a business: the production (or output) approach, income approach, and expenditure approach. United Nations Statistics Division (UNSD) clearly defines the different methodologies:

“The production approach [...] measures GDP as the difference between the value of output less the value of goods and services used in producing these outputs in an accounting period”.

“The income approach measures GDP as the sum of the factor incomes generated to the economy [wages, salaries and bonuses payable to employees, taxes on production, and operating surplus for the producers]”.

“The expenditure approach measures the final uses of the produced output as the sum of final consumption, gross capital formation and exports less imports”.

Whichever approach is used, gross value added measures the contribution to the economy of each individual producer. When aggregated across all firms in a national economy, GVA sums to GDP. GDP is one of the main summary indicators of a country or region's economic performance. References to economic growth (or when the economy enters recession) typically relate to the rate of change of GDP.

Employment is the second metric by which the economic contribution of a firm can be measured. It can be defined in three ways: headcount, full-time equivalent, or job-years. A headcount employment measure corresponds to the number of people employed, irrespective of whether employment is full or part time. An adjustment was made to agriculture employment estimates to account for the presence of subsistence farming. This is a portion of the agriculture workforce that essentially does not take part in the market economy and therefore has been removed from the employment estimates.

Gross versus net economic impact studies

The total core contribution of any given entity to the economy is the sum of its direct, indirect, and induced impacts. In line with standard practices, we present Airbnb's impact on a gross rather than a net basis. This means that in measuring the value of Airbnb's contribution, we estimate the total value added by businesses and wage earners in supporting Airbnb's economic activity, but we do not deduct for how those resources might otherwise have been used in the absence of that activity, i.e., their next most productive use. A net approach to such an assessment is more complex and controversial, as it requires many assumptions about counterfactual scenarios.

MEASURING AIRBNB'S CORE IMPACT

An I-O model is a detailed representation of an economy, showing the major interactions and spending flows between different industries, households, government, and the external sector. An I-O model is a table which shows who buys what, and from whom, in the economy. The global I-O model used in this study offered a platform to analyse all countries and regions through the same structure, ensuring that our analysis of each country and region was completely comparable.

Direct impact

Understanding the direct impact involves analysing the industries that are direct beneficiaries of the expenditure related to Airbnb accommodations. This includes:

- Revenue for tourism-facing businesses receiving Airbnb guest spending
- Revenue for Airbnb from platform commission
- Revenue for Airbnb hosts.

These revenue figures represent the total direct gross output. The I-O tables were then used to analyse the direct impact by quantifying the share of revenues that should be considered part of their direct GVA contribution to GDP, calculated as the sum of their costs of employment, operating surplus, and taxes on production (i.e., using the income approach).

Airbnb's direct employment footprint was estimated based on the relationship between the GVA contributions and employment of different industries within each country or region. Source data were gathered from a range of national statistics agencies and Oxford Economics estimates.

Indirect and induced economic impact

We estimated the structure of intermediate purchases of goods and services that flowed from our direct impacts, using I-O tables. We traced the entire supply chain that supported this spending, accounting for wages, profit margins, taxes, and imports along the way. From this, the GVA contribution to GDP from the indirect effect was estimated. The employment that those impacts support were analysed using the same methodology described above, for direct impacts.

The induced impact considers the value accrued in the economy as wage earners spend the wages they derive via the direct and indirect impacts, and as Airbnb hosts, and employees of businesses along the supply chain, spend their incomes. Employee wage spending was adjusted to account for the value of household spending as a share of total earnings, in order to account for taxes and savings. We also adjusted for savings and the tax wedge to the earnings of hosts, based on OECD data. The value of this spending was distributed across different industry sectors based on the structure of household spending in each country or region, sourced from the I-O tables, and we traced the impact that this had through the economy. The employment impacts were derived from this estimate, as explained above.

Rounding convention

Note that employment figures are rounded to the nearest hundred. All other reported statistics are rounded to the nearest integer, while values containing decimals are rounded to one decimal place.



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