UNWTO Special Workshop on Tourism Statistics
20-21 November 2014, Nara

SUMMARY OF THE WORKSHOP

The Japan Tourism Agency, the Nara Prefecture, and the World Tourism Organisation (UNWTO) have co-organised a Special Workshop on Tourism Statistics, on 20-21 November 2014 in Nara, Japan.

UNWTO is committed to developing tourism measurement for furthering knowledge of the sector, promoting results-focused management, and highlighting strategic issues for policy objectives. UNWTO supports statistical strengthening in countries through trainings, workshops and capacity building all over the world.

This Special Workshop focused on measurement of tourism for policy purposes, measurement for sustainable tourism, and institutional and technical requirements for TSA implementation. All presentations are available on the website of the Nara Tourism Statistics Week;
http://naratourismstatisticsweek.visitors.jp/index.html

The opening session included addresses from Mr. **Daishiro Michimori**, Director-General for Policy Planning, Ministry of Land, Infrastructure, Transport and Tourism, Mr. **Shogo Arai,** Governor, Nara Prefecture and Dr. **Oliver Herrmann,** Director for Statistics and Tourism Satellite Account Programme, UNWTO.

Day 1

The first day of the UNWTO Special Workshop on Tourism Statistics included one keynote speech by Professor **Douglas Frechtling** and eight presentations organized in two different sessions.

The morning session, chaired by Mr. **Hiroyuki Kamiyama**, focused on the measurement of tourism for policy purposes. This session included four papers, one from Argentina, and three from Japan.

The first paper by Mr. **Juan Tarelli et al.** from the National Ministry of Tourism in Argentina presented their findings of the Household Travel and Tourism Survey, which measures the travel behavior of Argentinean residents living in large urban areas. The survey allows various characteristics of trips and socio-demographic aspects not only for people travelling abroad, but also to destinations located within the country. In their study the authors pooled the data for almost three years and presented their findings using some very interesting compound indicators. For example, the authors introduced a "Tourism Gini Coefficient" for measuring the distribution of tourism activities in their country. In economics, the gini coefficient is a very well known indicator for analyzing the statistical dispersion of income. In tourism research, it is also frequently used for measuring seasonality or for identifying guest mix problems. The application proposed by our Argentinean colleagues was very innovative and could be used as an example for similar studies in the future. In their presentation the authors also presented other – more qualitative – indicators for measuring a population's tourism inequality.

The other three papers in this session allowed international participants at this conference to understand the situation and development of tourism in Japan better. The first paper by Prof. **Kiyohito Utsunomiya**, Kansai

University, presented results from a significant accommodation survey which has been regularly conducted since 2007. This guest survey includes time series data about foreign visitors by regions, which also shows that the quality of data at prefecture level has become more problematic in recent years. The author reports that there is an increasing need for estimating missing information and in his paper he presents a cross-sectional regression model with period fixed effects for that purpose. Natural environment, entertainment facilities, and transportation conditions were identified as the main drivers for foreign visitor travel flows to regions in Japan. Argument about cause-effect relationship between variables was done in the following discussion.

The third paper by Mr. **Kazuyuki Tsuchiya**, Mitsubishi Research Institute, discussed the analysis of the economic ripple effect of tourism in Japan. The author distinguishes between direct effect and ripple one of induced domestic production, added value and employment. Various data sources like the I-O tables published by the Ministry of Internal Affairs and Communications and all prefectures, as well as data from the National Tourism Survey and the Consumption Trend Survey for Foreigners Visiting Japan published by the Japan Tourism Agency are combined for estimating the economic effect of tourism events. The author presents two case studies which demonstrate the power of the model they had developed. The first example is an attempt for measuring the economic effect of the 1300th anniversary celebration of Nara Heijo-kyo Capital celebrations; the second is an estimation model for measuring the effect of the meetings industry at Pacifico Yokohama in 2012. Of course, empirical proof of the findings is difficult; however, the findings compared to similar studies appear very plausible and justify further testing the model. The author has therefore invited all participants at the Nara Tourism Statistics Week to participate in a survey which would allow them to apply their model for estimating the economic ripple effect for this event. The survey link is available on the website of our conference.

The last paper in the first session includes an important discussion on the importance and limitations of inbound tourism spending surveys, particularly when the objectives are to provide data at regional level. In his paper **"Economic impact of inbound tourism on regional destinations in Japan"**, Mr. **Takeshi Kurihara**, describes the design and methodology of the "Consumption trend survey for foreigners visiting Japan" conducted by the Japan Tourism Agency since 2010. The survey which has been conducted at the main air and sea ports is limited in terms of sample at regional level. To overcome this limitation an additional survey focusing on inbound tourism spending at regional level was conducted by the author. The presentation showed the pros and cons of border and on-site consumption surveys and demonstrates a model for combining both for generating estimates for direct economic effects on local levels. The presentation also included a case study for the Mount Fuji five lakes region and Takayama city. Some concerns related to the sample size were raised in the following discussion.

Prof. **Douglas Frechtling**, George Washington University provided the keynote on **"From Tourism Statistics to Tourism Policy and Back Again"**. Prof. **Frechtling**'s speech reminded participants of the importance of the Policy Development Process and the need for evidence based research in tourism. His circular diagram of seven steps in the Policy Development Process clearly visualized and explained the issue. In addition, the Policy Development Process was also perfectly illustrated by an example from the US, the Travel Promotion Act 2009 which led to the Brand USA campaign and very controversial return on marketing discussion.

One of the most remarkable findings is that less than 10 studies which were specifically looking at public policy strategies in tourism were published among more than 4,000 research articles in approximate 100 tourism journals in the last two years. Prof. **Frechtling** did not give any particular reason for this lack of research in this field, but it might be assumed that academia drifted away from actual policy makers during

the last 25 years. This might be a consequence of the inadequate evaluation and promotion systems which were introduced at almost all universities around the world.

Session #2 of the first day focused on the measurement of sustainable development of tourism. This session was chaired by Mr. **Ulf Sonntag**, from the Institute of Tourism Research in Northern Europe, based in Germany.

Development of tourism may not only have a positive effect on the environment but also a negative impact. Therefore, despite the technical difficulties, the creation of clear indicators is required for being able to measure and manage the sustainable development of tourism. The objective of the session #2 was to raise awareness of policy makers on the importance of the measurement of sustainable development, as well as to provide a strategy for making some progress related to this objective.

There were three papers presented in this session. First, Mr. **Oliver Herrmann**, Director of Statistics and TSA Program at UNWTO, presented a review of the indicators of sustainable development currently used by the tourism sector. Analysis of Corporate Social Responsibility reports of 10 major global hotel chains distinguished between basic, management, and technology related indicators and its use for estimating CO_2, energy, water and waste emissions among these accommodation suppliers. The outcome of this study raises many issues related to the definition and methodology of sustainable development indicators and a number of recommendations for improvement and standardization.

In the second presentation, the case of sustainable development indicators created at regional level in Andalusia, Spain, was introduced by Ms. **Ana Moniche Bermejo**. The concept for Andalusia includes almost 350 indicators and was tested in a pilot study in 2012. A comparison with the European Tourism Indicator System (ETIS) revealed some strengths and weaknesses of the selected approach. Probably one important conclusion which can be drawn from this study is that the development of sustainability indicators has to involve various stakeholders and provide them with valuable and immediate feedback to create the necessary empathy.

Finally, sustainable development indicators that correspond to the agenda for economic growth were introduced by Mr. **Karoly Kovacs**, Head of Statistics of International Trade in Services Section of the United Nations Statistics Division. This presentation reminded us that all our activities towards sustainable development indicators for tourism add to a much wider common vision of the United Nations: The development of the future we want. Mr. **Kovacs** presented the recommendations of the UN system task team and the post-2015 development agenda which calls for an integrated policy approach to ensure inclusive economic, social, and environmental development. He also presented the results of an open working group with a final list of 17 sustainable development goals, where goal #12, the promotion of sustainable consumption and production patterns, has particular relevance for the future development of tourism statistics.

Mr. **Karl Wöber**, MODUL University Vienna, summarised the findings and presentations of day 1 of the UNWTO Special Workshop on Tourism Statistics. He highlighted that the problem of availability, relevance and accuracy in tourism statistics is of high relevance. The discussions support better measurement of tourism and better policies not only on governmental level but also for the industry. The implications of better tourism statistics are significant.

<u>**Day2**</u>

The second day highlighted as main topic of the UNWTO Special Workshop on Tourism Statistics **"Institutional and Technical Requirements for successful Tourism Satellite Account (TSA) Implementation (Session 3)"**. This session dealt with 2 main topics – **"Issues of Developing TSA in Selected Countries" (Session 3-A)** and **"The Examples on Developing TSA" (Session 3-B)**.
In all contributions one could find a more or less distinct red line as follows:
For TSA building, structured demand and supply statistic based on an input-output structure and a SNA-connection are necessary. To realize this statistical system,
- the development of the tourism statistic needs leadership as well as a political willingness, so all players should be engaged (build partnerships, co-operations and relationships, develop a common perspective) and the funding should be appropriate and secure;
- the data collection process should be integrated into the institutional context;
- an appropriate human capacity should be available and the institutions involved should act objective oriented in a strong way;
- the macro-economic context and the structure of the given statistical framework should be considered.

Session 3-A was chaired by Prof. **Mikio Suga** from Hosei University.

The first paper presented from Dr. **Peter Laimer** (Statistic Austria) dealt with **"Experiences from the Austrian TSA"**, especially with the governance of tourism (statistics) in Austria, the state of the art in TSA building and the implementation. He pointed out that the Austrian TSA considers in an extended view beside the direct value added effects, the indirect value added effects and the non-touristic consumption of the inhabitants (consumption in the usual environment) as well as the employment effects of tourism consumption. Further, he highlighted the importance of co-operations and a detailed documentation of data sources.

The paper of the second speaker – Dr. **Tadayuki Hara** –**Introduction to TSA** was focused on the facts that for building and understanding a TSA the Input-Output-Analysis is an important and necessary tool. In that framework he showed the inter-linkages between demand and supply side and the fact that in the TSA-view tourism is measured by the demand side. For the dissemination of the TSA knowledge he uses MOOC (massive, open, online course) to teach tourism as an industry.

The third paper by Dr. **Kozo Miyagawa** ("**A Comparative Study on the compilation Methods of TSA for Asian Countries**") clarified how the TSA is compiled in Asian countries:
- which primary tourism statistics are used in the compilation;
- how are SNA and I/O-tables are applied for the compilation;
- which organizations are responsible for compiling the TSA.
The survey showed that almost all countries involved have developed Table 1 and many countries have developed the Tables 1-4, some countries have developed statistics about the accommodation guests and use SNA- and I/O-Tables. For the TSA building mostly the National Tourism Organization and the National Statistical Organization are in charge.

The fourth paper by Mr. **Kepa Aranburu** (**"Statistical Governance in the STS and TSA Development: Experiences from the Southern Cone countries and the Particular Situation in the Small Island States"**) analyzed the harmonization of the STS on the supranational level, the development of the STS on the national and sub-national level. He pointed out that for the realization, governance, organization, the political framework, the political willingness and leadership, resources, training and education are important necessities. Small states try to learn from the developments in the other countries. These small states are more focused on resource management than on the development of economic accounts.

In session 3-B the fifth paper was given by Mr. **Christophe Demunter** (**"Tourism Satellite Accounts in Europe: State of Affairs"**). This paper was focused on the TSA governance in the European Union (the legal framework for the TSA, the decision level about compiling the TSA), the TSA initiatives (grants for TSA development, project about the methodological work on TSA, transmission of TSA indicators) and a TSA survey. The survey showed that TSA building in the EU is already much progressed. Only 25% of the countries agreed with the fact that the TSA is used properly and at its full potential. More than 75% indicate that TSA should be a priority area for financial support.

The sixth paper by Ms. **Rebecca Burson** (**"Experiences from the New Zealand TSA"**) focused on the TSA building and the difficulties to get reliable estimations for the domestic household travel expenditure. The key lessons from NZ TSA are:

- Statistic New Zealand is best qualified to produce the TSA;
- with contributing data sourced from multiple agencies, formal agreements that clearly outline expectations are critical;
- administrative data can be used in place of more traditional measures of tourist consumption.

Ms. **Demi Kotsovos** (**"Relationships: The Canadian Tourism Satellite Account Experience"**) pointed out the importance of the different relationships between the different institutions such as Users, Statistics Canada, regional governments, tourism ministries, other government departments, the tourism industry, Canadian Tourism Commission, airport authorities and the Canadian border services agency. The most important lesson learned is – co-operation is a key element for success.

The last paper by Mr. **Rolando Canizal** (**"Setting up the TSA: A Tool for Tourism Policy Development and Planning for the Philippines"**) focuses the development of the Philippine TSA, institutional arrangements, data support, the use of PTSA for policy and planning as well as challenges and future directions. The development of the PTSA started in 1988, first TSA estimates for 1999-2001 were available in 2006. Official release of the PTSA with results for 2000-2011 was revealed in 2011. At present, Table 1-7 and Table 10 are finished. An Inter-agency committee on tourism statistics is the base for the co-operation of the institutions involved. The data support is related to structured demand and supply statistics in connection with SNA- and I/O-tables. The PTSA results are used for policy and planning questions; important indicators for the macro-economic interpretation of the PTSA-results are collected in the so called Table 11.

Mr. **Egon Smeral**, Austrian Institute of Economic Research, summarised the findings and presentations of day 2 of the UNWTO Special Workshop on Tourism Statistics**.** He underlined the challenges in establishing a sound system of tourism statistics that eventually can be used to set up a Tourism Satellite Account. The exchange of information helped participants to better assess the situation of tourism statistics in their own country.

Mr. **Daishiro Michimori**, Director-General for Policy Planning, Ministry of Land, Infrastructure, Transport and Tourism, Mr. **Tsutomu Maeda,** Vice Governor, Nara Prefecture and Dr. **Oliver Herrmann,** Director for Statistics and Tourism Satellite Account Programme, UNWTO, provided concluding remarks.