

CARIBBEAN

COMMUNITY

SECRETARIAT

**THIRTY FIRST MEETING
OF THE STANDING COMMITTEE
OF CARIBBEAN STATISTICIANS**

RESTRICTED

SCCS/2006/31/14

**Port of Spain, Trinidad and Tobago
6-8 November 2006**

7 November 2006

REPORT OF THE CARIBBEAN TOURISM ORGANIZATION

Section 1

***OVERVIEW OF CTO'S TOURISM STATISTICS ACTIVITIES AND PLANNED
COLLABORATION WITH REGIONAL AND INTERNATIONAL INSTITUTIONS***

(1) Introduction

The CTO Research and Information management Division has an ongoing programme where it assists its 32 member countries with the production and development of tourism statistics systems. Over the years it has worked with the official counterparts, namely the National Tourism Offices, sometimes in conjunction with the Statistical Offices, in efforts to enhance the prevailing tourism statistics endowments. To the extent that a significant portion of resources used by CTO is provided by the regional and international institutions, activities undertaken must be embarked upon collaboratively.

(2) Status of tourism statistics in the region

There is still a strong tendency on the part of most countries in the region to depend mainly, if not solely, on arrivals numbers as the measure of tourism's health and well-being. Even so, some countries continue to struggle to produce even these basic statistics on a reliable and timely basis. The need for ongoing capacity building in the relevant national offices is clearly recognized.

Greater attention is recently being paid to the measurement of economic contribution and impacts of tourism in the region. These exercises have been largely ad hoc and independent in their methodologies and approaches. CTO has also undertaken some of these projects in selected countries the past. However, an adequate system with accompanying appropriate standards does not currently exist.

CTO has also been performing a coordinating role in the production and dissemination of tourism statistics for the wider Caribbean region. Toward this end it has provided limited technical assistance to its members over the years. This assistance is accessed on request through the National Tourism Offices and is subject to the available human and financial resources jointly held by CTO and the requesting country offices.

(3) Current Tourism Statistics Related Services

A number of activities providing member services of a tourism statistics related nature are ongoing in the current work programme. These include the:

- (1) compilation of tourism statistics for the wider Caribbean region;
- (2) management and further improvement of the CTO websites and web base applications (Onecaribbean.com, doitCaribbean.org, including Business to Business (B2B) platform);
- (3) development of a new Management Information System for Tourism (MIST) computer programme;
- (4) tourism survey technical assistance for member countries on request.

(4) Planned Collaborative Activities

Attention will be focused on initiating some research on the social, cultural and other related impacts of tourism. This would involve gathering a wide range data on households and individuals. It is hoped some accommodation can be provided to facilitate this process in the way the regional population census is designed and analyzed.

A major activity planned for the coming year involves the coordination of a system of Tourism Satellite Accounts for the region. It is intended to work collaboratively with all the relevant agencies and stakeholders to reduce duplication and ensure consistency in the approach to be taken. Preliminary work has already started in this regard. It is hoped that over time all of our thirty-two members could participate in this exercise in some way.

Section II

CTO/CRSTDP COORDINATED TSA IMPLEMENTATION INITIATIVES

Introduction

Recognizing that, with a few exceptions, one of the biggest limitations in the regional tourism sector is the absence of a reliable, thorough and internationally uniform statistical database from which one could measure the full economic impact of tourism, TSA implementation in the Caribbean has become a topical issue with many initiatives aimed at facilitating that process now at various stages of conceptualization. A number of regional institutions and several governments in the region have acknowledged the necessity for more precise measurement of tourism through TSAs in order to provide policymakers with more reliable information on which to gauge the economic impact of the tourism sector. Indeed, a number of initiatives designed to facilitate the implementation of TSAs are ongoing with support from institutions such as the Caribbean Development Bank (CDB) and the Caribbean Community (CARICOM) Secretariat.

The TSA has rapidly become a topical issue with a great deal of enthusiasm by tourism officials for its implementation. However, the sometimes misinformed zeal for implementation needs to be injected with a dose of sobriety. We believe that the TSA must be properly introduced in a way that builds the overall technical and management capacity of the NSOs. There is some confusion between the two main approaches, viz [1] UNWTO (based on SNA '93) and which recommends the prior assessment of national tourism and general statistical systems and [2] the WTTC's estimation model which assumes an already developed rigorous national statistical system and is best suited to countries that have already developed a TSA. Development of TSA tables is a painstaking and quite complicated and involved process that requires high quality data and serious financial, technical and administrative commitment and it is simply not enough to desire a TSA without having that commitment. Otherwise, what would result would tantamount to no more than "telephone numbers" with no real purpose other than for esoteric value.

The CTO has been tasked by its Board of Directors to coordinate TSA implementation with a view to introducing a more dependable and accurate mechanism for capturing the contribution of tourism to economic growth and development. CTO has begun that task by coordinating a meeting of Caribbean agencies interested in the implementation of TSA systems in the region. That meeting, which took place on May 29th 2006, committed the various agencies, including the CARICOM Secretariat, Caribbean Technical Assistance Centre (CARTAC); CDB; CTO; Eastern Caribbean Central Bank (ECCB); Organisation of Eastern Caribbean States (OECS) and University of the West-Indies/Sir Arthur Lewis Institute of Social and Economic Research (UWI/SALISES), to streamlining the approach and methodology for implementation of TSAs throughout the region and to

work together on research, planning and related activities in respect of TSA implementation in the Caribbean.

The meeting covered the following main areas: -

- (1) Critical need for a regional system of TSAs
- (2) Regional TSA initiatives - past and present
- (3) Broad requirements for determining readiness for TSA implementation
- (4) Upcoming TSA workshop – CTO/CRSTDP
- (5) Joint approach and funding possibilities
- (6) Way forward – Towards sustainability

The need for a uniform system of TSAs adapted to the realities of the region was emphasized. It was noted that past initiatives have often been ad hoc and uncoordinated often employing models whose coefficients are imported from unrelated regions. Thus, the need for the implementation of TSA systems in the region that adhered to rigorous international standards yet were adapted to the peculiarities of the region and help to enhance the Caribbean's national income accounting and economic statistics management capacity was acknowledged as a priority issue.

CDB is currently financing a project on “the improvement of the system for the collection and compilation of Tourism Statistics” in St. Vincent and the Grenadines. This project seeks to expand and improve the existing National Accounts system in the country.

CARICOM/Spain Cooperation Agreement is funding a project called ‘development of Tourism Satellite Accounts in the CARICOM Region’. This provides for a series of TSAs on a pilot basis in four states, namely: Barbados, St. Lucia, Grenada and Dominica.

Three other countries: The Bahamas, Dominican Republic and Trinidad and Tobago have all embarked on some TSA activity in the past.

The meeting was unanimous in its agreement on the need for a regional coordinating unit with a multi-agency input. It was proposed that that the following activities be undertaken with some urgency:

- (1) Setting up a regional committee comprising the agencies present and CARICOM to plan and coordinate the TSA implementation activity in the region.
- (2) Drawing up a Memorandum of Understanding to delineate and formalize the parameters within which each agency in particular and the committee in general will work towards achieving the goal
- (3) Determination of data and other requirements of the various components of the TSA
- (4) Systematic evaluation of the state of readiness of the individual countries for TSA implementation

- (5) Sensitization of ministers, planners and other relevant individuals to the importance and implications of the TSA exercise
- (6) Identification and canvassing of other available funding agencies (e.g. Commonwealth Secretariat)
- (7) Agreeing on an approach and “road map” for implementation

It was highlighted that the TSA is a not simply a tourism sector issue but rather a subject area falling into the realm of the countries’ National Accounts and national statistical systems. This would therefore dictate that a holistic approach to establishing a sustainable system would be most appropriate.

While the National Tourism Offices (NTO) of the region are the official counterparts of the CTO and perhaps the main users of the TSA and tourism statistics generally, it is recognized that the National Statistical Offices are the official executing agencies for all national statistical exercises. For this reason it was recommended that the multi-agency committee seek to include the regional TSA implementation issue on the agenda of the annual meeting of the Standing Committee of Caribbean Statisticians scheduled for October/November 2006. Some special arrangement will have to be made to accommodate the non-CARICOM members of CTO.

The meeting also noted that the use of TSAs to inform policy-making was not clear to many public sector entities in the region, hence the need to bring clarity of the benefits, requirements and implications of a TSA to those entities. Given the relatively weak national statistical capacities in the region, particularly as it relates to national income accounting, it was agreed that one would not wish to further burden those capacity constraints with a narrow focus on TSA development. Accordingly, the regional TSA implementation process may benefit from incorporation into a more holistic strategy for general statistical development.

Agencies identified some broad areas in which their contribution to the process may be forthcoming, namely:

- OECS - advocacy among their ministers and planners
 - seek sources of financial and technical resources
- CDB - seek to secure funding based on a project proposal
- ECCB - membership coordination
 - assessment of membership readiness
- UWI - assessment of membership readiness
 - training and development of relevant methodologies

CARICOM - assessment of membership readiness (ongoing)
- secure financial and technical resources (ongoing)
- training (ongoing)

CARTAC - seek to fund basic tourism statistics and national accounts training (including tourism related)

CTO - convene TSA committee meetings
- prepare standardize procedures for assessment of membership readiness
- mount technical workshops
- provide technical support
- general coordination

Readiness Assessment and Implementation plan

There are differences in mandates associated with each of the participating agencies as well as differences in their technical and financial endowments. In addition, their jurisdictions are specific. Only CTO encompasses the entire Caribbean in its membership. For this reason CTO will naturally have to perform the role of coordinator of the overall activity.

In that regard the CTO has already secured funding under the EU funded Caribbean Regional Sustainable Tourism Development Programme (CRSTDP) to conduct a workshop/symposium targeting Directors of Tourism and Directors of Statistics. This activity would aim to, among other things, forge agreement on the specifics of TSA implementation and is tentatively scheduled for February 2007 with Directors of Statistics and senior tourism officials from all interested CTO member countries as the targeted participants. The workshop/symposium would, among other issues, review the various statistical and national income accounting systems in the region, discuss the best approach and methodology for TSA development in the region, assess implementation readiness including training and statistical systems development, share TSA development experiences where already done in the region, and examine the requirements for customization, reliability and sustainability of the implementation process.

This would be preceded however by a readiness assessment and implementation plan study, which will be conducted by a short-term consultant under the CRSTDP from November 2006 to February 2007. The study is designed to facilitate the TSA implementation process through the conduct of a needs assessment and implementation plan. This would entail (a) reviewing the various TSA methodologies with a view to determining a most appropriate model for the Caribbean, (b) conducting a readiness assessment of relevant countries for TSA implementation, and (c) recommending an approach and implementation plan for TSA development in the region.

Once the readiness assessment and implementation plan is completed, the training workshop would be next. It would be targeted at persons identified by the NSOs as being critical to the TSA development/implementation process in each CTO member country but would also include relevant personnel from the research & statistics departments of the NTOs. Funding has been secured under the CRSTDP for covering the participation of one (1) person from each of the fifteen (15) CARIFORUM member states. Other participants would have to meet their own costs. Details of the workshop will be developed in consultation with the TSA readiness assessment consultant and would be communicated to all member countries and relevant regional/international institutions early in 2007.

The next step would then see the continuation of the TSA building process and in some cases actual implementation. The agreed first task is to identify the areas in the UNWTO recommendations to be earmarked for special consideration and review given the peculiarities of the region and the need to consider appropriate and relevant adaptations. A primary goal therefore is to arrive at an agreed position by March 2007 on an appropriately customized TSA manual within the UNWTO framework but reflective of the realities and special circumstances of the Caribbean.

The assistance and collaboration of all NSOs is therefore solicited and we look forward to working with you, not only towards the eventual implementation of appropriate TSAs for the region but just as well for assisting you where required in highlighting to your various governments the crucial importance of reliable statistics to national and regional development. Hopefully, by so doing the NSOs will finally be treated with the respect and high regard that they deserve and would therefore attract the requisite resources to facilitate the responsibilities that they have been tasked with.

We also call upon the various donor institutions to begin to consider how they could assist the region in its TSA development quests as they would require significant developmental resources during the implementation phase.