Twinning Project

Strengthening the Capacity of the Georgian Statistical System

Component 4: "Strengthening Social Statistics"

Sub-component 4.3: "Tourism Satellite Accounts (TSA)"

MISSION REPORT

**Activity: 4.3.A "Discussions on current situation on data sources
and best practices"**

Mission carried out by
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1. General comments

Following mission report has been prepared within the EU Twinning Project "Strengthening the Capacity of Georgian Statistical System". The first mission within the sub-component 4.3: "Tourism Satellite Accounts (TSA)" was mainly devoted to presentation and discussion on the current situation on data sources and the best practices of tourism statistics in Georgia.

The purpose of the mission was to discuss the current situation and outline a work plan and thereby;
- ➢ Get a brief overview of existing sources including surveys in order to define future tasks
- ➢ Discuss the best European practice of TSA table production
- ➢ Prepare the Gap analysis of current Tourism Statistics in Georgia
- ➢ Get an overview of new and existing data sources needed to compile the TSA
- ➢ Prioritize the tables to be compiled

The consultants would like to express their gratitude to all officials and individuals met for the kind support and valuable information which they received during the stay in Georgia and which highly facilitated the work of the consultants.

The views and observations stated in this report are those of the consultants and do not necessarily correspond to the views of the European Union, Geostat, Statistics Denmark, Czech Statistical Office or other statistical institutions involved in the implementation of the project.

2. Assessment and results

The main objective of the activity 4.3.A was to review and assess the current situation of tourism statistics in Georgia and to discuss recommendations and best practices in line with EU regulations and international standards.

Tourism Statistics Division was founded in Geostat in 2014 and since this year is fully responsible for modern tourism statistics in Georgia. The quality of the work was strengthened by cooperation with international institutions – Statistics Sweden (2014) and by the project "Private Sector Development South Caucasus" (undertaken by Mr. Peter Laimer, 2015). The tourism division consists of 6 persons in 2019.

Following surveys and data sources were discussed during the mission:

INBOUND TOURISM SURVEY

- Geostat started to conduct inbound tourism survey in 2014 with quarterly periodicity. A systematic random sampling method is being applied with the total number of 12,000 interviews per a year (2,700 respondents in 1Q, 2Q and 4Q + 3,900 respondents in 3Q). Ten border points (3 international airports and 7 land border crossings) have been selected.
- The total number of arrivals and departures of all foreign travellers is provided by the Ministry of Internal Affairs (border police) on a monthly basis. Data of the population frame is provided broken down by age, gender, citizenship and type of visit.
- Based on data from border police and the results from inbound tourism survey, information on total population its characteristics as well as on expenditures of inbound tourism in Georgia can be provided.
- Methodology, definitions and concepts (especially concepts of travellers and visitors) are fully in line with international recommendation and guidelines in particular with IRTS 2008 (International Recommendation on Tourism Statistics by UNWTO).

OUTBOUND TOURISM SURVEY

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- Outbound Tourism Survey is being conducted by Geostat since 2019.
- Main characteristics of the survey is the same as in the case of the inbound tourism survey:
  o CAPI method is being used
  o Methodology, definitions and concepts comply with international standards
  o Systematic Random Sampling is being used as sampling method
- Sample size equals 1,000 respondents per month.
- Weights are designed on the basis of information from border crossings provided by the Ministry of Internal Affairs.
- The results for the total population including expenditure are extrapolated using data from border authority and data from outbound tourism survey.
- First results for 2019 will be published in 2020.

DOMESTIC TOURISM SURVEY

- Geostat started conducting the domestic tourism survey in July 2014 on quarterly basis.
- All tourism trips of visitors with age 15 and more outside the municipality where respondent lives are collected.
- Frequency rule of a maximum 1 trip per 2 weeks is applied. It means that trips of the same pattern (regularly repeated trips) with higher frequency are not considered as tourism trips.
- There are 90 interviewers in regional offices of Geostat (including supervisors) who collect data.
- There are two types of questionnaires - personal and demographic with different sample size being 3,275 respondents for the demographic questionnaire per month and 811 respondents for personal questionnaire.
- Data is weighted and census data being used as a population frame.

SURVEY OF HOTELS AND HOTEL TYPE ENTERPRISES

- In the period of 2007-2018 data was collected by Business Statistics Division; Tourism Statistics Section is responsible for this survey since 2019.
- The survey covers all registered hotels and hotel type enterprises which provide short-term accommodation (max. 12 months) on a commercial basis.
- Geostat builds up a register of accommodation establishments. Sources for the register are Statistical Business Register, data from Georgian National Tourism Administration and Georgia Revenue Service. The activity of an enterprise is double-checked by phone or email by Geostat.
- The survey is conducted by online questionnaire and PAPI method. Additionally, there are 160 interviewers in Geostat who check received questionnaires, treat non-response units and helps respondents with filling the questionnaires.
- Surveyed units provide following information:
  o The number of accommodation establishments (local units)
  o The number of rooms
  o The number of visitors by country and purpose (business, leisure, treatment and other)
  o The total floorage in square meters
  o The number of employed persons

All surveys and output tables meet quality requirements which are imposed on official statistics and methodology is in compliance with international guidelines in particular with the International Recommendations of Tourism Statistics (IRTS 2008).

3. Conclusions and follow up

Following suggestions have been proposed during the Activity 4.3.A:

- **Review of the quality of population frame for inbound and outbound tourism survey**

Geostat will check with the Ministry of Internal Affaires the counting procedure for collecting data on visitors/visits (scanning all passports or other estimation) since a good quality population frame is essential for reliable results of border surveys.

- **Proposed changes in the questionnaires**

Minor changes in the questionnaires have been discussed in order to be in line with TSA needs:

- Better coverage of trips and expenditure of kids – Consider changes in the questionnaire that will help to identify travel behaviour of children including their expenditure
- Information about "travel groups" – A question on travel group (people traveling together and sharing their expenditure) might be included in the questionnaire and composition of the group should be surveyed, at least number of children (<15) and adults (15+).
- Expenditure for travel group rather than for individual person – Consider the possibility of collection expenditure indicators for all members of travel group which shared expenses together (e.g. for family instead of only one person/respondent).
- Expenditures on fuel should be collected separately – Expenditure paid on fuel is considered from the TSA point of view as retail trade consumption (not transport consumption) and since it is an important item of tourism expenditure (especially in domestic tourism) it should be collected separately (not in transport expenditure).
- Time coverage and indicators in the Hotel Survey – Consider collecting data on overnight stays and quarterly data on annual basis (e.g. by adding a new column and/or a short table on the number of guests broken down by residents/non-residents and quarters).

- **Methodological aspects**

The key aim of the TSA compilation is a proper allocation of monetary transfers inside/outside an economy of reference. Detailed analysis of expenditure needs to be discussed and tested during the next mission in this respect (e.g. estimation of domestic part of outbound trips expenditures which belong to the economy of Georgia).

Next, the unbundling of package tour costs is the prerequisite for proper distribution of expenses according to the TSA concept and needs.

- **Revision of outputs and disseminated results**

The details and structure of disseminated tables have been discussed. It was recommended to analyse/check the output tables and redesign them if necessary (i.e. reduce the length and/or publish time coverage in rows instead of in columns).

- **TSA guidelines and methodology**

Translation of the TSA:RMF Manual (if possible) into Georgian language and getting familiar with the TSA methodology is recommended since it is essential starting point for TSA compilation process.

Actions needed for moving forward:

Action	Deadline	Responsible person
Meeting with the Ministry of Internal Affairs – Discussion on procedures of collecting border statistics	March 2020	GEOSTAT
Translation of the TSA:RMF manual – At least the chapters concerning tourism demand (TSA tables 1 – 4)	April 2020	GEOSTAT
Review of existing tourism questionnaires of Geostat	April 2020	CZSO

Annex 1. Terms of Reference

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Terms of Reference

EU Twinning Project GE 16 ENI ST 06 18

October 21st – October 24th 2019

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Component 4: Strengthening Social Statistics

Sub-component 4.3: Tourism Satellite Accounts (TSA)

Mandatory results and benchmarks for sub-component 4.3
- Strengthening Social Statistics

Indicators of Achievement (baseline and targets):
- Availability of Satellite Accounts tables
  - **Baseline:** 2019 – The Tourism Satellite Accounts (TSA) are NOT produced
  - **Target:** January 2021 – the first 4 TSA tables compiled as test calculations

Activity 4.3.A: Discussions on current situation on data sources and best practices

1. Purpose of the activity

To present, discuss and work on the below mentioned subjects:

- Brief overview of existing sources including surveys in order to define future tasks
- Discussions on best European practice of TSA table production
- Preparation of Gap analysis of current Tourism Statistics in Georgia
- Overview of new and existing data sources needed to compile TSA.
- Prioritization of tables to be compiled.

2. Expected output of the activity

- Overview of existing sources achieved
- Best European practice of TSA table production discussed
- Gap analysis of current Tourism Statistics in Georgia prepared
- Tables to be compiled are prioritized
- Work plan for sub component 4.3 outlined
- Mission report written
- ToR for next mission completed

Annex 2. Persons met

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Mr. Gogita Todradze, Executive Director
Ms. Mariam Kavelashvili, Deputy Head of Strategic Planning, Coordination and Communication Department
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