



**Are National Statistical Offices TSA
Ready?
A Review of National Accounts in the
CARICOM Region**

**Regional Workshop on Tourism Satellite Accounts (TSA)
7 – 9 February, 2007
Grand Barbados Hotel**



OVERVIEW OF PRESENTATION

- Background to the developmental work on the TSA;
- Approach to TSA development work of 2006;
- The Status of National Accounts - Highlights;
- Are we TSA ready?
- Future Developments - Support Available/ Required.



BACKGROUND TO THE DEVELOPMENTAL WORK ON THE TSA

- In 2001/02 the CIDA-funded CARICOM Project on International Trade in Services recommended work on the TSA framework;
- In 2001 and 2002 CARICOM National Accounts Workshops featured the TSA methodology;
- In 2003 –Government of Spain funded initiative – CARICOM Workshop on the concepts and methods of the TSA and the links with National Accounts;
- In 2005 the Community Council of Ministers approved the Regional Statistical Workshop (RSWP) prepared by the Secretariat and the SCCS and this incorporates a thematic area on the TSA;



APPROACH TO THE DEVELOPMENTAL WORK IN 2006

- Arising out of the past experience, the approach of in-country technical assistance was utilised in 2006;
- A two-week pilot mission was held in Saint Lucia to explore the development of the TSA;
- Participants were invited from Barbados, Grenada and Dominica as observers;
- Relevant agencies within Saint Lucia participated in the process as well as the ECCB and the CTO;
- In August/September there was a follow-up mission in Saint Lucia and initial visits to Dominica, Grenada and Barbados.

APPROACH TO THE DEVELOPMENTAL WORK IN 2006

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- The technical assistance missions were funded by the Government of Spain providing an International Consultant and for Grenada and Dominica partial support was obtained from the CARICOM_Japan Friendship Agreement;
- Steps followed in the mission were:
 - To enable an **understanding of the TSA framework** as a tool used in assessing the importance, magnitude and impact of tourism in an economy grounded in the 1993 System of National Accounts;
 - To understand **the nature** of a country's tourism activity;
 - To undertake an **inventory** of a country's **System of Tourism Statistics (STS)**;
 - To obtain a notion of the status with respect to a country's **System of National Accounts** and related systems.

APPROACH TO THE DEVELOPMENTAL WORK IN 2006

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- There was a **vibrant inter-agency platform** in most of the countries;
- The follow-up visit to Saint Lucia served to **advance the process of the TSA compilation**- using 2002 as the pilot, the statistics department was able to improve its response for the accommodation establishments;
- In the interim, Saint Lucia also benefited with respect to technical assistance received from CARTAC on the **Supply and Use Tables**;
- It was clear that in the August mission there was advancement of the process in the case of Saint Lucia with **spill-over effects** of the TSA relative to the National Accounts training and a better understanding of the SUT.



APPROACH TO THE DEVELOPMENTAL WORK IN 2006

- It is anticipated that in the next technical assistance mission to Saint Lucia, the process of reconciling consumption by visitors with supply to visitors could commence;
- Further work on the VEMS was recommended in Saint Lucia as well as on the other tourism characteristic activities;
- There were also recommendations made in the other three countries relative to advancing the process;
- Barbados had a good understanding of the TSA process relative to the Tourism Sector of the National Accounts and also the work on the SUT showed good progress;
- There was substantive participation by the Immigration department in the case of Dominica, Barbados and Grenada;



APPROACH TO THE DEVELOPMENTAL WORK IN 2006

- Enthusiasm was displayed by key staff members from the tourism authorities/ministries and the statistics departments and the Hotel Associations in the respective countries;
- There was critical information gained in the case of Saint Lucia on the Advanced Passenger Information (API) system being introduced for most countries of the region and on its potential as a source of information for tourism statistics;
- This is an area to be noted by other Member States relative to the potential of information on tourism and possibly on Movement of Persons in general.



THE STATUS OF NATIONAL ACCOUNTS -HIGHLIGHTS

What is a TSA

A Tourism Satellite Account is a macroeconomic representation of the economic flows associated to Tourism that is consistent with that of other economic activities within the context of a national accounting framework ;

Statistical Description of the System of National Accounts and related systems

The system of national accounts, and particularly the Supply and Use table, provides a framework of consistency for the description of the flows of goods and services and the production process. The TSA has an intrinsic link to the Supply and Use table.

it is necessary to identify the details in the national accounts on the tourism characteristic activities as they relate to the consumption activity of visitors.



THE STATUS OF NATIONAL ACCOUNTS -HIGHLIGHTS

Some of the Challenges in National Accounts are:

- *Movement to the 1993 SNA* – Most countries of the region have been slow to adopt this framework;
- *Absence of/ incomplete SUT* – Best effort in pilot country was Barbados and the situation in Saint Lucia improved with intervention from the TSA Consultant and subsequently by CARTAC;
- *Lack of consistent and integrated development of National Accounting framework* – e.g. SUT should not be seen as a separate activity to national accounts development;
- *Sampling design issues* – resulting in inadequate data for estimation.



THE STATUS OF NATIONAL ACCOUNTS -HIGHLIGHTS

Some of the Challenges in National Accounts (continued):

- *Data Quality issues – estimation challenges, coverage issues such as informal activities, high non-response, outdated base years for constant price estimates etc.;*
- *Classifications – lack of harmonisation across the region relative to versions of ISIC also lack of knowledge in use of CPC;*
- Review of data collection instruments- activity relevance;



ARE WE TSA READY ?

Experience out of 2006-Framework and recommended initial conditions:

- *Framework utilised is that recommended by the UNWTO which allowed for defining the status of National Accounts*
- *Ideal situation should be well-articulated National Accounts and in particular a complete SUT;*

Results of Missions

- *Limitations existed in Member States relative to National Accounts and SUT;*
- The setting up of the TSA framework as specific as it is, has the capacity to enable important improvements in the statistical basis of the country;



ARE WE TSA READY ?

Results of Missions (continued):

- *The TSA facilitates a more thorough understanding and a proper elaboration of a consistent Supply and Use Table of the economy as part of the National Accounts framework;*
- *This elaboration and understanding is achieved as a consequence of the deeper study, inquiry and knowledge of all the activities that are significant to the supply of tourism products and in particular non-traditional services;*
- *The TSA enables the development of the System of Tourism Statistics through a deeper analysis of the concepts, the data, the data requirements, the data collection instruments, the sampling design;*
- *The use of the collaborating mechanism of the inter-institutional platform was critical in the development of the TSA and the STS;*



ARE WE TSA READY ?

Results of Missions (continued):

- *Development of the TSA* as an instrument has important implications, not only for the development of Statistics in the National Statistical Offices (NSOs) that has primarily responsibility for its elaboration, but for all the stakeholders in the development of tourism;
- There is clear usefulness of the TSA instrument to the national statistical system and its dependency on the statistical instruments of all agencies and on the knowledge of the sector leads to the discovery of new and emerging concerns and developments to be confronted;
- In effect one of the main outcomes the CSO cannot work in isolation in the elaboration of such instrument. It requires that all technical capabilities, information and knowledge be put together, and confronted so as to construct on that base a unique picture of tourism and its relationship with other activities;



ARE WE TSA READY ?

Are we TSA Ready?

- *Considering the initial conditions relative to the need for well-articulated national accounting, a complete SUT (there are other conditions not the subject of this presentation) – the answer should in fact be no?*
- *The experience of the developmental work gave rise to a novel approach of enabling the development of the TSA with the positive externalities as indicated.*
- So the answer is – Yes there is a way.

However, the following condition is critical:

- Investment of resources in the NSOs by Governments.



FUTURE DEVELOPMENTS -SUPPORT AVAILABLE/REQUIRED

Follow-up of TA of 2006 in progress;

- A proposal was submitted in 2006 for a three-year programme of work involving a continuation of the Technical Assistance in the countries in which work has already commenced with the possibility of including other countries;*
- CARICOM would be willing to play a leading role in the TSA development in Member States/Associate Members and will work closely with all organizations;*
- The funding mechanism of the Ninth EDF, potential support from UNSD should effectively aid development of National Accounts/Economic Statistics in general and support the TSA;*
- CARICOM would also like the support of the UNWTO relative to the 3-year programme of development of the TSA in building capacity of this instrument in MS.*

The logo for CARICOM is located in the top-left corner. It features a stylized 'C' composed of two overlapping squares, one light blue and one dark blue. Below the 'C' is the word 'CARICOM' in a bold, blue, sans-serif font. The logo is set against a white circular background that overlaps a teal and purple gradient background.

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THANK YOU FOR YOUR ATTENTION