UNWTO: Workshop „Travel“

BOP: Bank settlements and alternative methods of data collection

BOP vs Tourism Statistics

- Border workers and seasonal workers
  - Outside the scope of tourism statistics
  - Income of border workers is split into
    - Social Security contributions
    - Taxes
    - Cost of living abroad (included in travel)

- Students and medical patients
  - BOP-5: included - even if they stay longer than 1 year;
  - Tourism Statistics: Strict application of 1-yr residency rules;

- Items covered
  - BOP-5: All goods and services bought during the trip
    - Including valuables and consumer durables
    - excluding investment (houses, ships)
    - excluding goods for resale
Measuring the Travel Item for the BOP
EUROSTAT: Travel Task Force Report (G. Ortolani)

• Bank Reporting Systems
  – Basic Concept
  – Possible Extensions

• Survey Systems
  – Surveys of travellers
    • Frontier Surveys
    • Household Surveys
    • Accommodation Surveys
  – Surveys of enterprises

• Other sources
  – Estimates
  – Partner Country data
  – Administrative Sources

Bank Reporting System or ITRS

• In the late nineties majority of MS of the EU used this type of collection system
  – Except UK (Frontier Survey)

• Refers to typical „means of payments“ used for travel
  – Credit cards
  – Foreign currency
  – ATMs
  – Travellers cheques
  – Certain bank transfers

• Advantage
  – Coverage, timeliness, cost
### Components of the Standard ITRS-System

**CREDIT**
- **Bank transfers**
  - Receipts of hospitals, travel agents...
- **Foreign currency bought**
  - From non-banks
  - Assuming that foreigners buy local currency during their trip
- **Banknote shipments abroad**
  - Between banks
  - Tourist buy local currency in advance
  > Foreign banks need banknotes
- **Use of credit/ debit cards**
  - Foreigners in compiling country

**DEBIT**
- **Bank transfers**
  - Expenditure for hotels, theaters
- **Foreign currency sold at banks**
  - To non-banks
  - Assuming that residents buy it in advance and use it abroad
- **Banknotes returning from abroad**
  - Between banks
  - Residents sell local currency abroad
  > Banks return excess banknotes
- **Use of credit/ debit cards**
  - Residents abroad

### Bank Reporting System: Problems(1)

- **(Re)-exchange of foreign currency**
  - Banks buy USD not from a foreigner, but from a resident, who sells excess banknotes after the trip (overestimate)
  - Use of banknotes for other purposes than travel
- **Credit cards and debit cards**
  - Mail order sales / Internet (overestimate)
- **Banknote exchange abroad**
  - Shipments cover only a part of transactions (resale to travellers)
  - Circulation outside the banking sector (underestimation)
  - Use for other purposes than travel (remittances; compensation)
Bank Reporting System: Problems (2)

- No information available on
  - Purpose of the trip
  - Type of expenditure
  - Regional allocation below national level

- Geographical misallocation
  - Currency to country mismatch
  - Location of travel agents

- Not Feasible in Currency Unions

=> EUROSTAT: Task force TRAVEL
Frontier Surveys:

- Allows data collection for both
  - Travel credits
    - Non-residents leaving the country after their trip
  - Travel debits
    - Residents entering the reporting country after their trip

- Prerequisites
  - Border controls
  - Limited number of entry points
  - Information (counting or reliable estimate) of total number of residents/ non-residents crossing the border (sampling frame)

- Advantage
  - Any information of interest may be asked
  - E.g. satisfaction for marketing purposes

Frontier Surveys (2): Some problems

- Difficult for (small) countries with many border-points
  - Transit travel
  - Border workers
  - Cross-border shopping

- Almost impossible for Schengen-Countries
  - Disappearance of borders hampers interviewing
  - Interviews at gas stations / rest areas?

- Costly
  - Multi-lingual interviews
Household Surveys (1):

- For Travel debits (expenses) only
- Provides information on purpose/type of trip
  - Business/ private Education/ health/ shopping/ relatives
  - Length of trip, nights spent etc.
- Provides information on type of expenditure
  - Transportation
  - Accommodation
  - Purchase of goods

Household Surveys (2) - Problems:

- Volatility of results (Sampling error)
  - Depending on sample size
  - Increasing with required detail
- Volatility of results (Non-random error)
  - Depending on Survey design
  - Depending on Type of Interview (face to face – telephone)
- Problems of non-resonse
  - Possible bias towards less frequent travellers
  - Recall of details increase with time-lag and required detail
Comparing ITRS and Household Survey

Development over time: 12M moving sums

Comparing ITRS and Household Survey

Seasonal Pattern

Survey
BRS
Comparing ITRS and Household Survey

The regional structure

Accommodation Surveys:

- Equivalent to interviews at „points of interest“
- Useful for travel Credits
- Problems:
  - Planned instead of actual expenses
  - How to cover same-day visitors
  - How to cover business travellers
  - Visits to friends and relatives
  - Use of weekend and holiday homes
Surveys of Enterprises:

- Credit card companies
  - Regional detail for country breakdown
  - Breakdown by type of expenditure
  - Competition between settlement agencies

- Tourist intermediaries
  - Analysis of package tours
  - Service charge of travel agencies

- Tourist providers
  - Hotels
  - Restaurants

Other Sources:

- Administrative data
  - Nights spent by foreigners
  - Tax/ Social security for border workers
  - Students’ exchange programs

- Partner Country Information
  - For same day visitors
  - For checking purposes

- Estimates
  - Time series analysis for preliminary data
  - Structural models
Collection systems in the EU-27 (2007):

- 9 countries „Frontier surveys“ (at least inbound)
  - EE, EL, HU, IE, IT, LT, LV, PL, UK

- 8 countries „Hybrid system“ (household survey for debits)
  - AT, BE, DE, DK, FI, FR, LU, NL

- 5 countries Bank Reporting“ + surveys
  - CY, ES, MT, PT, CZ

- 4 countries Bank Reporting only
  - BG, RO, SI, SK