



ევროკავშირი  
საქართველოსთვის  
The European Union for Georgia



# Twinning Project

Contract: GE 16 ENI ST 06 18

## 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.B “Further discussion and preparation of prioritized subjects”

Mission carried out by  
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Mr. Zdeněk Lejsek, Czech Statistical Office

September 15th – September 23rd 2020

Version: Final



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## 1. General comments

The following mission report has been prepared within the EU Twinning Project "Strengthening the Capacity of Georgian Statistical System". This second mission within the sub-component 4.3: "Tourism Satellite Accounts (TSA)" was mainly devoted to the presentation and discussion on the improvements of data sources, questionnaires and the compilation process of tourism statistics in Georgia.

Due to many safety and health COVID-19 restrictions, Activity 4.3.B was conducted by a "Remote Session" concept, which substituted for the planned personal expert mission in Georgia. The Remote Session consists of three online meetings (by Zoom), of a duration of three hours each + the final De-briefing session for Geostat management:

1. Meeting: Tuesday 15th of September 11 am -2 pm (Georgian time)
2. Meeting: Friday 18th of September, 11 am - 2 pm (Georgian time)
3. Meeting: Wednesday 23rd of September, 11 am - 2 pm (Georgian time)
4. De-briefing: Friday 25<sup>th</sup> of September, 14 pm – 15 pm (Georgian time)

The purpose of the mission was to present, discuss and work on the below mentioned subjects:

- Review of a population frame for inbound statistics
- Proposals of the changes in the questionnaires (based on the Gap analysis of current Tourism Statistics in Georgia undertaken during the activity 4.3.A)
- Discussion on the methodology for the TSA tables 1 to 4
- Preparation of the first estimates of tourism expenditure/consumption for the TSA tables 1 to 4
- Detecting week points in an estimation process and finding ways for improvements

The consultants would like to express their gratitude to all persons who helped with organization of remote session and they thank for the kind support and valuable information, which they received during the meetings.

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 second mission was mainly devoted to further discussion and preparation of prioritized subjects concerning the compilation of the TSA demand side. All provided recommendations and best practices are in line with the EU regulations and the international standards.

The main thematic areas discussed were as follows:

- Discussion and feed-back on current situation (changes + news since October 2019)
- Revision of existing surveys
- Proposals and suggestions of changes in the questionnaires (based on the Gap analysis of current Tourism Statistics in Georgia undertaken during the activity 4.3.A)
- Methodological and conceptual questions in Tourism Statistics / TSA (visitors, time coverage, age groups, expenditures, products, package tours etc.)
- Identification of the main variables for the TSA demand side tables
- Discussion on the main results from Inbound/Domestic/Outbound Tourism surveys

**The following methodological questions have been treated during the mission:**

- ***Definition of tourism / travel***

Tourism is a subset of travel. All tourism includes some travel, but not all travel is tourism. A visitor is a traveller taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited. These trips taken by visitors qualify as tourism trips. Tourism refers to the activity of visitors.

- ***Classification of visitors / travellers***

Main categories of travellers (visitors) in line with IRTS 2008 are following: tourists (overnight visitors), same-day visitors (excursionist), transit visitors (sometimes included in same-day visitors group). From tourism are excluded: border workers, seasonal workers, other short and long-term workers, nomads, refugees, crews, long-term students and patients (more than 1 year), diplomats, consular staff, military personnel, armed forces etc.

- ***Crew members on public modes of transport***

They should be considered as persons acting within their usual environment and thus excluded from the category of visitors. Their travels are the main part of their job and therefore crews on public modes of transport (regular or irregular) should be excluded from tourism.

- ***Questions concerning children under 15***

It is recommended to ask a question on a travel party for which the respondent is going to report expenditure and place it right before the expenditure part. In case of questions related to finances, respondent indicates if he/she is going to talk only about the expenses for himself/herself or for more persons, e.g. family, friends, etc. If he/she is going to mention data for more persons, the total number of persons and the number of children under 15 years of age should be included in the total number and they should be surveyed in the questionnaire.

- ***Package tours***

Package tours are complex products offered to visitors. They consist of a mix of elementary tourism products such as transport, accommodation, food services, recreation, guide, etc. The components of a package tour might be pre-established or can result from an “à la carte” procedure where the visitor chooses from a pre-established list a combination of services he/she wishes to acquire. As it is recommended in the TSA-RMF 2008, the output of tour operators and travel agencies is valued „net“, i.e. only the „margin“ (commission) is considered as the tourism characteristic goods and services. Components of the package are defined as intermediate consumption within the NACE class 79.

- ***Expenditure paid before / during trip***

It is recommended to distinguish expenses paid before and during the trip for a purpose of a proper allocation of money flows. Expenditures could be reported as “group expenses” (e.g. whole family) or “1 person expenses”. In the first case, it is important to know the number of children in a travel group but children’s expenses do not need to be reported separately since respondent will hardly know/remember what part of expenditure belongs to children.

- ***Expenditure on fuel***

It is recommended to separate expenditures spent on fuel from the “transport” item. Generally: transport = kind of service, fuel = kind of product (good). Expenditure on fuel can be an important part of total tourism expenditure and fuel purchased by visitors is in the National Accounts recorded under the retail trade NACE class 47.3 (and not in transport-related NACE classes). For the reconciliation of tourism demand and supply within the TSA, there need to be the same groups of products on both sides meaning the demand and the supply.

- ***Structure of visitors expenditure***

Experts provided information about an ad-hoc survey concerning detailed structure of visitors’ expenditure. The more detail data about visitors’ consumer basket is available, the better estimates would be done by the TSA compilers. It will help to provide better reconciliation between the demand and the supply.

- ***Health purpose of tourism***

Health and medical care can be one of the main tourism purposes for some countries. This category includes only short-term treatments because long-term treatments of one year or more are not a part of tourism. Generally, it is not necessary to separate this category in the TSA (it is not specific item in the TSA tables). On the other hand, it can be good to know a volume (number of visitors, overnight stays, expenses) of this kind of tourism. It is important for tourism boards, DMO’s or ministries. These visitors have very often specific behaviour - longer stays (length of stay is higher than average), higher expenditures etc.

**Overview of data needed for a TSA compilation (requirements for output data from surveys) has been discussed too:**

Two key indicators are essential for the creation of the TSA (T1, T2, T3) Tables:

A) Number of visits by groups (i.e. type of visits):

- Tourists
- One-day visitors
- (Transit)

B) Expenditures (or better consumption) and their structure by groups of visits:

- Tourists
- One-day visitors
- (Transit)

For detailed analysis and other verification procedures, it is also appropriate to know the related characteristics of visits:

- Type of transport
- Place/State of permanent (usual place) of residence
- Frequency of visit
- Main purpose of visit
- Organization of trip
- Places visited in Georgia
- Type of accommodation (in case of tourists)
- Average length of stay (in case of tourists)

In the case of expenses, in addition to the total amount, it is necessary to know the structure according to the items (products) of the consumer basket. It is also necessary to divide the expenses according to the place of

realization, i.e. into expenses paid *before the trip* and expenses paid in Georgia *during the trip* (necessary for the proper allocation within the resident / non-resident economy). It is also important to have an indication of the average expenditure per person per day.

For verification - it is good to know the combination of different indicators, e.g. to know the average length of stay by place visited and by type of accommodation, average expenses by country of residence or average expenses per day by main purpose of the trip etc.

#### Time aspect (periodicity):

- Annual data (necessary to have)
- Quarterly data (at least the number of visits – it better describes a seasonality of tourism)

#### Spatial aspect:

The basic required spatial data is for the entire territory of Georgia. For possible regional outputs of the TSA, it is important to know all the above-mentioned indicators in regional details (e.g. in EU by NUTS 3 regions).

### **3. Conclusions and follow up**

The second mission had been carried out almost one year after the first mission. In order to recall important issues and lessons already learnt, a sufficient time had been devoted to overview of existing surveys that Geostat conducts in the field of tourism statistics. Then, experts' attention was focused on improvements and changes that had been introduced in the surveys from the last mission and data that is available for domestic, inbound and outbound tourism.

After that, indicators, which will have to be calculated as planned in the outcomes of this component, have been introduced and required data for them to be designed mentioned. Experts consider Geostat tourism statistics in a good state and to be ready to turn our focus on the TSA tables of the demand side and an estimation of tourism consumption for Georgia.

- Following tasks have been proposed as to be done after the second mission:
  - Preparation of templates for the TSA tables T1 to T4 in Georgian language
  - Proposed changes in the questionnaires to be incorporated in line with the TSA needs
    - expenditure before/during trips, coverage of expenditure of children
  - Review of the population frame for transit visitors (inbound tourism survey)
    - verification of the procedure/methodology of monitoring these persons with the Ministry
- There are some tasks from previous mission to be taken consideration too:
  - Revision of outputs and disseminated results – It was recommended to 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 – After translation of the chapter 4 of the TSA:RMF Manual into Georgian language and getting familiar with the TSA methodology, it is recommended to continue further in this direction (if resources for translation would enable this).

The experts conclude that the second mission, which was held as a remote session, was very fruitful, and they are satisfied by the progress on this sub-component and believe that the target and expectations will be fulfilled.

### Schedule and plans

- Work plan for the sub-component 4.3 has been outlined and next mission date has been proposed (19 November – 26 November 2020)
- Activity 4.3.C substitutes planned „Study visit“ in the Czech Republic

### Plan of Sub-component 4.3 as of September 30th, 2020

Project Quarter	Q3			Q4			Q5			Q6			Q7			Q8			Q9			Q10	
Project Month	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	
Calendar Month	2019M10	2019M11	2019M12	2020M01	2020M02	2020M03	2020M04	2020M05	2020M06	2020M07	2020M08	2020M09	2020M10	2020M11	2020M12	2021M01	2021M02	2021M03	2021M04	2021M05	2021M06	2021M07	
Kick off & Closure																							
Steering Committee Meetings							SC4			SC5			SC6			SC7			SC8			SC9	
Project Activities																							
3: Development of Business Statistics																							
3.1 Short term business statistics indicators developed				3.1.B						3.1.D (RS)			3.1.C	3.1.SV		3.1.D		3.1.E		3.1.F		3.1.G	
3.2 Statistical business register (SBR) improved				3.2.B								3.2.C	3.2.SV			3.2.D			3.2.E				
4: Strengthening Social Statistics																							
4.1 Improved Labour Force Methodologies and indicators												4.1.C				4.1.B				4.1.D			
4.2 Household Income and Expenditure survey methodology and data collection tools Improved	4.2.A											4.2.B (RS)	4.2.SV			4.2.B	4.2.C			4.2.D			
4.3 Tourism Satellite Accounts (TSA) developed	4.3.A													4.3.B		4.3.C			4.3.SV		4.3.D		

Actions needed for moving forward:

Action	Deadline	Responsible person
Providing the templates for the TSA tables T1 to T4 in English (xls files)	October 2020	CZSO
Preparation/Translation of templates for the TSA tables T1 to T4 in Georgian language	November 2020	GEOSTAT
Proposed changes in questionnaires will be incorporated in line with TSA needs	November 2020	GEOSTAT
Review of the population frame for transit visitors (inbound tourism survey) - Verification of the procedure/methodology of monitoring these persons with the Ministry of Internal Affairs	November 2020	GEOSTAT

## Annex 1. Terms of Reference

**EU Twinning Project GE 16 ENI ST 06 18**

**September 15th – 23rd 2020**

### **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:** March 2021 – the first 4 TSA tables compiled as test calculations

##### **Activity 4.3.B: Further discussion and preparation of prioritized subjects**

###### **1. Purpose of the activity**

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

- Review of population frame for inbound statistics
- Proposals of the changes in the questionnaires (based on the Gap analysis of current Tourism Statistics in Georgia undertaken during the activity 4.3.A)
- Discussion on the methodology for the TSA tables 1 to 4
- Preparation of the first estimates of tourism expenditure/consumption for the TSA tables 1 to 4
- Detecting weak points in estimation process and finding ways for improvement.

###### **2. Expected output of the activity**

- Preparation of templates for TSA tables 1 to 4
- Recommendations for further improvement of TSA demand side tables
- Evaluation of the feasibility of producing additional TSA tables
- Identification of other prioritized subject matters
- Work plan on sub-component 4.3 updated
- Mission report written
- ToR for next mission completed



## Annex 2. Persons met

### Geostat

Mr. Gogita Todradze, Executive Director  
Mr. David Kupatadze, Head of Business Statistics Department,  
Mr. Badri Kvachadze, Head of Tourism Statistics Division,  
Mr. Irakli Jimshitashvili, Chief Specialist of Tourism Statistics Division,  
Mr. Mamuka Tsiskarauli, Senior Specialist of Tourism Statistics Division,  
Ms. Ekaterine Nozadze, Senior Specialist of Tourism Statistics Division,  
Mr. Pavle Maghradze, Specialist of Tourism Statistics Division,  
Mr. Beka Shukakidze, Specialist of Tourism Statistics Division,  
Ms. Gvantsa Gogoladze, Contracted Specialist at Tourism Statistics Division

### RTA Twinning Team

Mr. Steen Bielefeldt Pedersen, Resident Twinning Advisor  
Ms. Eka Lobzanidze, Resident Twinning Adviser Assistant  
Ms. Nino Grdzlishvili, Resident Twinning Adviser Translator