

TWINNING CONTRACT

**Support to the State and Entity Statistical
Institutions, phase V**

Bosnia-Herzegovina



MISSION REPORT

on

Tourism Statistics

Component no. 1.5.5 activity

Mission carried out by

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List of Abbreviations

BiH	Bosnia-Herzegovina
BHAS	Agency for Statistics of Bosnia and Herzegovina
FIS	Institute for Statistics of Federation of Bosnia and Herzegovina
KAU	Kind of Activity Unit
LKAU	Local Kind of Activity Unit
RS	Republika Srpska
RSIS	Institute for Statistics of Republika Srpska
SBR	Statistical Business Register
ToR	Terms of Reference

Executive Summary

The purpose of this mission was to adopt and finalize the draft version of the methodological document for the demand and the supply side statistics. Furthermore, the purpose of this mission was to make recommendations for a future work plan for the accommodation statistics as well as discussing a development plan for future demand side surveys.

FIS, RSIS and Brcko have carried out the pilot survey for the demand side statistics. The survey results still have to be analyzed in more detail with statistical applications as well as imputation and weighting procedures. The initial analysis of the response rate was promising with response rates ranging from 62 to 83 per cent at entity level. It has not yet been clarified in detail how and when a regular survey will be initiated due to pending issues regarding funding and appropriate sample frame.

The mission also entailed a more elaborate and concluding discussion on the pilot survey questionnaire for the demand side statistics. Minor revisions such as semantic simplifications and adjustments of the order of the questions were suggested and agreed upon. This was followed by a methodological discussion on the different techniques for analyzing and handling the pilot survey results as well as regular survey results in the future.

The draft version of a methodological manual for supply and demand side statistics was reviewed in detail and represents a good basis for preparation of the final manual after a few revisions regarding definitions and formulations. Finally, future plans for both statistics were discussed.

The following was discussed and elaborated on during the mission:

- SUPPLY SIDE:

- The draft methodological manual for supply side statistics was discussed and reviewed in detail. There were some minor changes in regards to simplifying and making the manual as concrete and understandable as possible by adding more examples. The objective is to cover the legal requirements from the EU-Regulation but at the same time to have a manual that is simple, minimizes discrepancies and any doubts about definitions and also covers the internal needs for documentation of the methodologies and classifications being used. The substance of the drafted manual for the accommodation statistics was adopted and agreed upon during the mission.
- The statistical agencies agreed upon a plan for the future work that needs to be done in relation to the accommodation statistics.
- There is still a lack of coherence between star and category-classifications for the accommodation establishments. This is however a national matter and thus not relevant regarding compliance with the EU. The issue will be resolved at a later stage.
- NUTS 2-classification needs to be implemented in order to comply with the Regulation from EU. There are working groups in BHAS and the entities dedicated to working on the NUTS 2-classification. The census conducted in 2013 has to be processed before a NUTS 2-classification can be implemented, which is not foreseen until 2016.
- A common IT-application for the accommodation statistics will be developed by the end of 2014.
- The statistical institutions maintain regular contact with stakeholders. Wishes to have more contact were uttered, but the resources to increase and formalize contact via meetings and similar are scarce.

- DEMAND SIDE:

- The pilot survey was conducted in December 2013 and the agencies were invited to elaborate and discuss their experiences. The response rate ranged from 62 to 83 per cent from a sample frame of 848 households and it was satisfactory for all three entities having in mind that it was conducted after the census and PES, but some issues regarding the interviewing process could still be improved. Some of the more predominant issues were the existence of a memory bias because the respondents were asked for trips 12 months back in time as well as the issue of refusal to answer questions. Some respondents were not willing to let the interviewers in or were during the interview refusing to answer questions on especially personal information such as quarterly income. It was suggested that the respondents in future surveys will be notified prior to the interviews taking place.
- There were hired new interviewers for the pilot survey and the overall experience with these interviewers was good.
- The content of the questionnaire for the pilot survey was reviewed and discussed before adoption in this mission. It was suggested that question 1 in Module B was simplified and changed from a YES/NO-question to a question of how many trips. Further semantic simplifications such as shortening sentences, layouting the questionnaire vertically instead of horizontally, changing the order of questions and putting the most important questions first were suggested and agreed upon. The expenditure questions were modified and specified. The

questionnaire will be revised and redistributed by BHAS upon dissemination of the detailed mission report and prior to the initiation of a regular survey.

- Data entering module with controls will be ready by the end of March 2014.
- The subject of weighting and imputation was discussed in detail and it was suggested to adopt a simple approach with focus on imputation based on average values. The sample design and estimation procedures will be similar to already existing procedures in the statistical units.
- It still needs to be clarified how a regular survey for demand side statistics is to be funded. It is not yet clear whether a survey will be conducted in 2015 or later. A regular survey is not foreseen for the next year.
- The original benchmark for conducting the pilot survey for the demand side statistics by March 2013 was moved to December 2013 where it was achieved. As a consequence of the census and the revised time table the original benchmark regarding analyzing relevant results from the pilot survey and planning a regular annual demand side survey by September 2013 was moved to July 2014. An internal report with the results from the pilot survey will be disseminated in October 2014.
- The draft methodological manual for the demand side statistics was developed and agreed upon by December 2013.

This mission was the last mission in component 1.5 and thus no further missions are planned.

1. General comments

This mission report was prepared within the Twinning Project „Support to the State and Entity Statistical Institutions, phase V”. It was the fifth mission within subcomponent 1.5 on tourism statistics of the project. This mission was aimed at discussing the pilot survey and the methodological document for the demand side statistics as well as preparing a development plan for any future demand side surveys according to EU-standards. Furthermore, this mission had the purpose of discussing the methodological document for the accommodation statistics and specifying a future work plan.

In the area of tourism the only statistical survey in BiH currently is the accommodation statistics. For the time being neither a demand side survey nor information from a boarder statistics are available. Concerning the accommodation statistics there are minor adjustments needed in order to make the statistics compliant with the legal requirements from the EU-regulation. A pending adjustment is the implementation of the NUTS 2-classification in order to obtain compliance with the legal requirements from the EU.

As regards statistical information on national tourism (participation in tourism or information on tourism trips and visitors making these trips) there is currently no statistical source available in BiH. As a consequence a pilot survey for the demand side statistics has been conducted in late 2013.

The concrete objectives of the mission were:

- Discussing and agreeing upon a draft version of the methodological document for the demand side survey and the accommodation statistics
- Discussing a revision of the questionnaire for the demand side survey
- Drafting future work and development plans for the accommodation statistics and the demand side statistics
- Discussing the possibilities of imputation and weighting for the pilot survey on the demand side

The consultant would like to express thanks to all officials and individuals met for the kind support and valuable information which we received during the stay in Bosnia-Herzegovina, 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 EU, BHAS / FIS / RSIS or Statistics Denmark.

2. Assessment and results

The main focus of this mission was to discuss the methodological document for the demand side survey and the accommodation statistics as well as discussing experiences of the recently conducted pilot survey for the demand side statistics. Furthermore, the main focus was on specifying and discussing future initiatives and what still needs to be done in regards the demand side survey and the accommodation statistics.

The following things were achieved in the fifth mission:

- A further elaboration on the questionnaire for the demand side survey
- A discussion on the drafted methodological document for the accommodation statistics and the demand side survey
- Discussion in more detail about the methods of imputation, weighting and phrasing of questions in the pilot survey for the demand side statistics
- Future plans for both statistics were discussed

2.1 Pilot survey on the demand side of tourism

The data collection for the pilot survey on the demand side was conducted at entity level at the end of November and the beginning of December and lasted 7 days. The net sample size was 848 households derived from a sample frame of the Household Budget Survey. The response rate varied from 62 per cent in FIS to 72 in RS and finally 83 per cent in Brcko. The Household Budget Survey sample frame was from 2009 and based on the old census and therefore in need of an update later on when the results from the new Census in 2013 are processed.

The entities were in general satisfied with the interviewers carrying out the face-to-face interviews but some issues regarding the interview form were mentioned. Firstly, the problem of non-response was mainly predominant in the cities and particular Sarajevo which may have caused an underestimation of travels. Respondents in some cases refused to let the interviewers in. Secondly, the questionnaire and especially the question concerning quarterly income made the response rate lower. Some respondents refused to answer financial questions due to privacy reasons. In the future it is however foreseen that the question on income will be excluded and replaced by register data for household incomes. Thirdly, some respondents were not at home or difficult to meet. It was suggested, that the respondents receive for example a postal notification in advance in order to increase the chances of the respondents being at home and being willing to let the interviewers in.

The experiences on the pilot survey lead to a discussion on whether to include all the household members or just the individual respondent as the reporting unit. One member of the household answered on behalf of the whole household in the pilot survey. The EU wants the data on individual level. However, individual data is more difficult and time-consuming to collect when dealing with a household survey. Individual expenditure and similar can be calculated and estimated as long as the number of household members is known. The methodological manual from the EU states:

“For each reported trip, the tourism expenditure of the individual visitor who made the trip shall be transmitted to Eurostat, not the expenditure of the entire travel party or household. The Regulation foresees that Member States transmit the individual expenditure for each reported trip. In the data collection, the individual expenditure can be asked directly, or the respondent can be asked for the expenditure of the travel party (e.g. household). In the latter case, the compilers at the statistical office will need to estimate the individual expenditure. The most simple approach is to divide the total expenditure by the number of persons. However, it is recommended to take into account the size of the travel party and on the composition of the travel party (with or without presence of children)”.

The data from the pilot survey still needs to be processed and published in an internal report. This will take place before July and October 2014 accordingly.

Questions on expenditure were to be modified in the questionnaire and in the methodological manual.

The data on tourism trips will in the future perhaps be used by the National Accounts for their Balance of Payments. A more formalized cooperation is not yet implemented.

Comments for the final questionnaire for the demand side survey

The entities were advised to avoid dichotomies such as YES/NO-questions. The incentive to answer for the respondent is lessened when confronted with YES/NO-questions whereas questions such “How many trips did you make during the last 12 months” increases the incentive to remember trips and answer. Furthermore, it was suggested that entities put voluntary questions such as information on household income last in the questionnaire. They are not as important as the mandatory questions for the EU and may decrease the respondent’s willingness to answer.

There was also a discussion on the layout of the questionnaire and it was agreed upon that the questionnaire should be presented vertically instead of horizontally in order to help the interviewers and simplifying the interviewing process. In addition, it was recommended that some questions such as questions on expenditure should be rephrased as well as a general simplification of the questions could take place.

The memory bias was also observed during the pilot survey. Respondents had difficulties remembering the details on trips due to the fact that the entities only ask the respondents once a year for the trips made during the last 12 months. It was recommended, that interviewer needs to help and guide the respondents more proactively by steering and helping them remember their trips by asking specific questions on different types of possible trips.

It was also recommended to start the questionnaire with the simplest questions first because it increases the respondent incentive to finish the interview. Missing values in the questionnaire can be imputed by using the average values of similar respondents.

In section C of the questionnaire, the order of questions was changed. The questions 1 to 3 are the simple questions regarding the whole reference year and these needs to be answered before going into detail with the specific trips. An extra category was added to question 5. Section C should have a code that tells which respondent is answering the questions. Question 6 was revised in order to make it clear that children are defined as 0 to 14 years.

Comments regarding the methodological manual for accommodation and demand side statistics

Questions regarding expenditure during the trip was revised in order to make it clear that it is all expenditure in connection with the trip and not only during, i.e. pre-booked plane tickets, hotels, sightseeing, transport, restaurants etc.

Often households will visit other families and therefore have no expenditure in connection with the trip because the host families pay the stay. In regards business trips, the respondent is asked to give an estimate on expenditure if the employer has pre-paid the plane ticket, hotel etc.

There was a discussion on what trips with overnight stays entails. It was concluded that all stays including visiting friends and family were to be regarded as tourism trips. In sum, all trips are in principle to be included. There are some problems with distinctions with usual environment. If a person goes often to a place and considers it a usual environment – the point is that the interviewer lets the respondent decide whether it is tourism or not in cases of doubt.

It was mentioned that there will always be missing values. Hence, the target is to make the survey as simple as possible, help the respondents and afterwards impute the missing values.

There were some doubts about how to categorize school trips. It was agreed, that if the students pay the trip themselves it should be categorized under “Private - Others” in question 4. In question 3 it should be called the “main destination” instead of “final destination”. “Main” can be determined by duration and length in kilometers. In question 9 visits to monasteries are to be categorized as “Other than leased – Others”.

It was also mentioned that the term service provider means the direct provider of tourism related services, i.e. the airplane company or the hotel etc., not the travel agent. Furthermore, it was clarified that booking over the Internet does not include e-mails to service providers, only automatized web sites as hotels.com etc. are to be put in this category.

There was a discussion of an example where the occupancy rate of bed places exceeded 100 per cent. Consequently, there were some doubts whether to exclude extra beds in the capacity or occupancy measures. The Eurostat manual states the following:

“The number of bed places in a tourist accommodation establishment is determined by the number of persons who can stay overnight in the beds set up in the establishment, ignoring any extra beds that may be set up upon customer request. The term bed place applies to a single bed; a double bed is counted as two bed places. The unit serves to measure the capacity of any type of accommodation. Extra beds are nevertheless taking into account for counting the number of nights spent (and as a consequence also in the nominator for the occupancy rate of bed places, but not in the denominator”.

It was clarified that the extra beds should only be included in the occupancy measure and not in the capacity measure.

Finally, plans for the future work on the statistics were discussed and drafted as listed below.

Draft development plan for the demand side survey:

1. Questionnaire discussed and revised during this mission.
2. Budget for pilot survey
3. Sample frame and design: Regular survey is not foreseen for the next year. The timing depends on the funds available. Analysis of the pilot survey will be conducted in July 2014.
4. Whether to hire new interviewers or to keep the same interviewers as for the Household Budget Survey still needs to be discussed and determined.
5. IT-support: If the IT-support gets all the input on time the application can be ready by the end of March 2014
6. Data editing and processing by July 2014
7. Analysis by July 2014
8. Preparation of the regular survey depends on results and funding. The entities need to consult their directors.
9. Documentation has been done.
10. Internal dissemination of results by October 2014.

Future work plan for the supply side statistics:

1. Lack of coherence between star/category-classifications (national matter, not relevant regarding EU)
2. NUTS 2-classification needs to be implemented. There is a unit in the agency and the entities working on the classification. The census has to be processed before a NUTS 2-classification can be implemented. The Implementation is not foreseen until 2016.
3. Methodology has been elaborated in the draft methodological manual
4. Best practice examples: Writing more examples in the manual.
5. Sample frame: The issue of the register is still pending.
6. IT: Application should be developed by the end of January 2014.
7. Stakeholders: Regular contact with stakeholders via telephone. Wishes to have more contact, but no resources to follow up on it.

3. Conclusions and recommendations

The statistical agencies will have to examine the possibilities and agree upon how to fund a regular demand side survey. Furthermore, the data from the pilot survey on demand side statistics needs to be processed before July 2014. On the more long-term scale, the statistical agencies need to agree upon whether the demand side survey should be integrated into the Household Budget Survey as a module or be carried out as an independent survey and what specific methodological approach to take on regarding the imputation and weighting procedures.

For the accommodation statistics the NUTS 2-classification still needs to be implemented in order to comply fully with the EU-regulation. This issue will be elaborated further in 2015 and 2016.

Actions needed for preparing and conducting the surveys

Action	Deadline
NUTS 2-classification needs to be implemented. Awaiting working groups who are discussing this issue	2016
Lack of coherence between star/category-classifications (national matter, not relevant regarding EU)	Not known
Common IT-application for accommodation statistics for all three statistical institutions should be ready by the end of 2014	Ultimo 2014
Questionnaire for pilot survey needs to be revised and suggestions from the missions will be adopted	December 2013
It needs to be clarified how funding for future regular surveys will take place. A regular survey is not foreseen before 2015	2014
IT-support will develop a validation application for the pilot survey by the end of March 2014	March 2014
Data editing and processing will be done by July 2014	July 2014
The analysis of data will be done by July 2014	July 2014
Methodological draft manual is done by December 2013	December 2013
Internal dissemination of results of the pilot survey by October 2014	October 2014
Development plan for future demand side surveys	December 2013

Annex 1. Terms of Reference

Tourism Statistics
9th - 13th December 2013
Terms of Reference - Activity 1.5.5.
EU Twinning Project BA 08-IB-FI-03
Agency for Statistics of BiH
Zelenih Beretki 26, Sarajevo

Component 1 Business Statistics

- 1.1. Statistical Business Register
- 1.2. Structural Business Statistics
- 1.3. Construction Statistics
- 1.4. Retail Trade Statistics

1.5. Tourism Statistics

Component 2 Extended Household Budget Survey

Component 3 Institutional Capacity

- 3.1. Long term strategy
- 3.2. Metadata and classification system development
- 3.3. Promotion of dissemination

Benchmarks
A) Plan for pilot survey on tourism statistics developed by the 2nd project quarter (March 2012). (Achieved)
B) Plan for modification of existing survey on tourism statistics developed by the 3rd project quarter (October 2012). (Achieved)
C) Detailed plan and preparation for regular production of tourism statistics by 4th project quarter (September 2012). (Achieved)
D) Pilot survey on tourism statistics conducted and existing surveys on tourism statistics modified by the 6th project quarter (March 2013). (Achieved).
E) Relevant results analyzed and plan for regular surveys in force by 8th project quarter (September 2013). (In process)
F) Methodologies developed and documented by 8th project quarter (September 2013). (In process)

1.5.5 Activity

Follow-up on the work done on tourism statistics

The expected activities are:

- **Demand** side statistics :
 - Discussion on current activities regarding development of pilot survey on demand side statistics.
 - Discussion on methodological document for demand side statistics.
 - Preparation of the development plan for the future demand surveys according to EU standards
- **Supply** side statistics :
 - Discussion on methodological document for accommodation survey.
- Specification of **future work plan**

Expected output

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| <ul style="list-style-type: none">- Mission report – summarised and detailed version completed- Draft version of methodological document for demand and supply side survey adopted- Draft development plan for future surveys of tourism statistics according to EU standards prepared |
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Explanation of the Expected output

In the field of demand tourism statistics it is expected that experts give a recommendation for final version of methodological document and development plan for the future demand surveys according to EU standards.

In the field of supply tourism statistics it is expected that experts give experts give a recommendation for final version of methodological document.

It is also expected to give suggestions and proposals for future work plan for tourism statistics.

Annex 2. Participants

Agency for Statistics of BiH

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Annex 3. Agenda

09 December (Monday) – 13 December (Friday)

Time	Event	Purpose / detail
09 - 12 December, 12:00-16:00	Discussion about demand side statistics	<p>a) Evaluation of the demand side pilot survey Analysis of the implementation of the plan adopted at the last mission: (changes of draft version of questionnaire and supporting documents: training of interviewers and controllers; fieldwork; collating records of interviewers and controllers ...) and clarification of outstanding issues. (Experts, Participants)</p> <p>b) Adaption of the methodology document Analysis of the draft methodology document according to recommendation for the structure given at the last mission. (Experts, Participants)</p> <p>c) Preparation of the development plan for the future demand surveys according to EU standards Analysis of the implementation of the plan for future work adopted at the last mission: (data control and data coding, defining controls, preparation of output tables, proposal of imputation methods, IT application for data entry and error checks developed and tested collating of data in database, data entry including editing and error checks, grossing-up procedures, weighting and analysis of weight data, evaluation of data quality ...) (Experts, Participants)</p>
12 December, 09:00 -16:00	Discussion about supply side statistics	<p>a) Adaption of the methodology document Analysis of the draft methodology document according to recommendation for the structure given at the last mission (Experts, Participants)</p>
	Specification of future work plan for tourism statistics	<p>1. Preparation of the list of activities to be done of future work (Experts, Participants)</p>
13 December, 09:00 -12:00	Debriefing	<p>Other issues and evaluation of the Mission (Experts, Participants)</p>