

# **Tourism Statistics in the Pacific - An Assessment**

## **Background and Introduction**

Tourism plays a vital role in the economies of the Pacific ACP countries (PACPs) and in most countries is the major driver of economic growth and foreign exchange earnings. The Pacific Tourism Ministers Vision<sup>1</sup> is that "Tourism will inspire sustainable economic growth and empower the Pacific people".

Tourism is also a major contributor to the Pacific Plan - Pillar One - Economic Growth, and the sector has been identified as a key development opportunity in the EDF10 Regional Strategy Paper 2008-2013 for the Pacific.

At the Pacific Islands Forum Summit in Tonga in October 2007, the FIC Leaders recognized the vital importance of the tourism sector and agreed "to increase their current levels of support to their tourism industries through human resource development; to prioritize development of infrastructure and transport links in their countries to foster sustainable tourism; to encourage foreign investment in their tourism industries; and to encourage development of regional and sub-regional marketing strategies and brands for major international markets."2

The South Pacific Tourism Organisation (SPTO) is the mandated regional agency responsible for 'marketing and developing tourism' in the region. SPTO has 14 Pacific member countries and approximately 200 private sector members from across the region. SPTO is the only CROP (Council of Regional Organisations of the Pacific) agency whose core funding is provided by its members and is one of only two (with Pacific Islands Private Sector Organisation - PIPSO), that has significant private sector representation (at Board and individual membership level).

The tourism sector is an industry which is common to all Pacific countries, and is a major source of foreign exchange for many countries. For example, in the Cook Islands, tourism produces 90% of foreign exchange earnings and 50% of GDP. For Samoa, Fiji

<sup>&</sup>lt;sup>1</sup> SPTO Business Plan – 2010 - 2012

<sup>&</sup>lt;sup>2</sup> Forum Communiqué, Tonga, October 2007

and Vanuatu tourism has now passed all other export industries to become the leading income earner, while in the Solomon Islands it is becoming increasingly important as the country recovers from years of civil unrest. In Papua New Guinea, tourism is increasingly important in providing employment in many regions which accommodate few other commercially viable activities.

The major markets for the region are Australia and New Zealand which account for over 50% of total arrivals in 2008. North America and Europe account for a further 30%, whilst Japan and Asia account for 9%, with the Pacific (intra-regional) and other countries accounting for the remainder.

The Pacific tourist industry is overwhelmingly made up of SME operators, with few multinational operators and/or investors compared to other regions. It is overall, a small scale industry with limited capacity to compete globally and, whilst growing, has considerable scope for future expansion. The sector is commonly dependent on the National Tourism Organisations to provide marketing support and guidance and on the intermediaries such as SPTO, to provide broader regional promotion and support.

The Pacific Regional Tourism Capacity Building Programme ('the Project') focuses on further development of sustainable tourism in PACPs by supporting a more conducive enabling environment for regional growth through enhanced policy and capacity development as well as increased productive capacity and market access for tourism SMEs.

This focus is directly aligned with the Millennium Development Goals (MDGs) for poverty alleviation; Article 20 (1) (a) of the Cotonou Partnership Agreement 2005 (promoting rapid and sustained job creation, economic growth; and improving access to productive economic activities and resources) and the first pillar of the Pacific Plan – economic growth. Furthermore, it directly responds to the demands of the PACP leaders' Vava'u Declaration which called for increased support for the tourism sector to achieve sustainable growth, as well as the Vision of the region's Tourism Ministers that "Tourism will inspire sustainable economic growth and empower the Pacific people."

The Project engages stakeholders in the industry at two levels; by supporting coordination between the relevant regional institutions (SPTO, USP, SPC, PIFS and PIPSO) and at a national level with the national tourism institutions and private sector intermediary organisations, particularly the relevant national tourism industry associations.

# Objective of PRTCBP

The PRTCBP is a component of the "Strengthening Economic Integration through Trade (SPEITT) programme and shares its overall objective. Thus the overall objective of the Pacific Regional Tourism Capacity Building Programme is "to improve PACP economic integration through strengthened national systems and institutional frameworks to develop trade capacity, increase private sector competitiveness and increase international market access in the tourism sector". The purpose of the PRTCBP is 'to strengthen PACPs productive capacity in the development of a sustainable tourism sector'.

#### A SUMMARY OF TOURISM STATISTICS REVIEW

Most, if not all, of the P-15<sup>3</sup> countries have basic understanding of tourism statistics, although air tourist arrivals appear to be the only statistic widely collected. However, by providing destinations with a structured database and guidelines for collecting a broader range of tourism statistics, it is expected that considerable progress could be made in generating a more comprehensive set of tourism data for the region. This will be achieved through the implementation of an on-line Regional Tourism Resource Centre soon to be launched at SPTO towards end of the month and the development of the tourism statistics toolkit.

Most of the P-15 countries collect air arrivals statistics through their Immigration Entry/Departure cards on the basis of broadly defined international standards and definitions of tourism statistics. However, there are several cases where variables collected would require timely publication. This is the most immediate improvement needed regarding air visitor arrivals statistics - compilation and publication of data within three months of it being collected.

Cruise arrivals are only measured and published by six of the P-15 countries (Federated States of Micronesia, Fiji, Kiribati, Niue, Palau and Vanuatu). Overall, there is considerably less interest in measuring cruise arrivals than air arrivals despite them being significant in some countries. Measuring these arrivals should become a mandatory part of the national system of tourism statistics in many of P-15 countries.

Whilst around one half of the P-15 countries have undertaken an air visitor survey during the last four years, most of these have been part of an aid-funded study, and therefore are not being conducted on a periodic basis. Only three countries (Fiji, Kiribati

<sup>&</sup>lt;sup>3</sup> P-15 are Pacific ACP Countries and includes Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Kiribati, Marshall Islands, Nauru, Niue, Papua New Guinea, Samoa, Solomon Islands, Timor Leste, Tonga, Tuvalu and Vanuatu

and Papua New Guinea) have on-going air visitor surveys. The main issues that prevent the implementation of regular air visitor surveys appear to be lack of funding and technical skills. Air visitor surveys are critical for collecting expenditure data, and visitor and trip characteristics. The to-be on-line Regional Tourism Resource Centre and tourism statistics toolkits should provide a platform that will enable more countries to undertake these surveys as part of their country's on-going national statistical system.

Cruise visitor surveys are rare, with only Vanuatu currently undertaking one, and Tonga will conduct one in the later part of 2013 with support from SPTO. Tonga has conducted one in 2012 and Vanuatu having undertaken one during the last four years. Consequently, little is known about the value of regional cruise tourism, or the activities of cruise visitors and their opinions on the facilities and services being offered by the destination. These surveys should be implemented where cruise arrivals are significant (over 10,000 arrivals per annum), and the RTRC and tourism statistics toolkits will (as with the air surveys) provide a platform for their easier implementation.

Accommodation Utilization surveys are only being undertaken by three countries (Cook Islands, Fiji and Samoa), however in all cases the authorities responsible for such data collection struggled to maintain a sample that is representative of the sector.

Surveys of tourism businesses, in particular to measure employment, are almost non-existent. Whilst these are difficult surveys to implement due to low response rates, they should be attempted in those countries with the strongest systems of tourism statistics (Cook Islands, Fiji, Papua New Guinea, Samoa, Tonga, Vanuatu).

#### **TOURISM STATISTICS**

# Background

Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some which imply tourism expenditure.

As such, tourism has implications on the economy, on the natural and built environment, on the local population at the destination and on the tourists themselves. Due to these multiple impacts, the wide range and variety of production factors required to produce those goods and services acquired by visitors, and the wide spectrum of stakeholders involved of affected by tourism, there is a need for a holistic approach to tourism development, management and monitoring. This approach is strongly recommended in order to formulate and implement national and local tourism policies as well as the necessary international agreements or other processes in respect of tourism – UNWTO IRTS, 2008.

It is a well-known fact that tourism is a very complex and difficult phenomenon to define. This stems from general factors, including the mobility of the population and the reasons for taking trips which are themselves difficult to define and involve a vast number of social, political, economic, cultural and legal implications.

The development of international standards relating to the concept and definition of tourism, and the main variables that characterizes it, has a long history. However, briefly, in 1993 the 27th session of the United Nations Statistical Committee (UNSC) approved the United Nations World Tourism Organization (UNWTO) 1993 Recommendations on Tourism Statistics. These represent the first international standards addressed to set up the basic foundations of a System of Tourism Statistics in terms of concepts, definitions, classifications and indicators. These were subsequently revised in 2008 in the International Recommendations of Tourism Statistics (IRTS).

The IRTS made some significant amendments to the 1993 recommendations; essentially to ensure the system of tourism statistics, including the relevant definitions, concepts and classifications, are in line with Tourism Satellite Account (TSA) recommendations.

# Definition of Tourism for Measurement Purposes

For the purposes of compilation of tourist arrivals statistics, UNWTO defines 'tourist' as a visitor (domestic, inbound and outbound) if his/her trip includes an overnight stay. For statistical purposes a tourist is defined as a visitor who spends at least one night, and

not more than 12 months, in a place outside his/her usual place of residence. On the contrary, same-day visitors (or *excursionists* as they are sometimes called) refers to visitors that do not stay over-night in the place visited.

Tourism is clearly a more than the movement of persons for the purposes of leisure and holidays. It covers all types of trips. Some countries support specific purpose-of-visit categories such as Kuwait that thrives on business tourism and Singapore on transit tourism while Saudi Arabia on religious tourism. The countries of the Pacific tend to be predominantly leisure tourism destinations.

Tourism is also broader than the arrival of residents from other countries. It covers travel of residents of a country within the same country – this is known as domestic tourism. There are three types of tourism: domestic, inbound and outbound, with definitions as follows:

- Domestic Tourism: residents of a country travelling (as visitors) only within that country.
- Inbound Tourism: non-residents of a country travelling (as visitors) to that country.
- Outbound Tourism: residents of a country travelling (as visitors) to other countries.

Having established the definition of tourism, it is important to establish some key definitions to guide understanding and measurement of travellers, visitors, tourists and day visitors.

• Travellers are persons migrating (or moving) from one place to another, whether it be domestically or internationally. When measuring inbound tourism, every arrival into a country (by air, land or sea) is a traveller. However, not all of these travellers are visitors.

A traveller qualifies as a **Visitor** if the following criteria are satisfied:

The place of destination visited is outside the traveller's usual environment.
The stay, or intention of stay, should last no more than twelve months beyond
which the place visited would become part of his/her usual environment; this
criterion is to be applied without exceptions and also covers long-term students
and patients, even though their stay might be interrupted by short stays in their
country of origin (in the case of international visitors) or elsewhere.

The main purpose of the trip is other than being employed in the country (in the
case of international visitors - note that employment implies providing the
employee with a long-term contract).

☐ The traveller does not belong to armed forces on maneuver.

A **Tourist** is a visitor who stays at least one night away from their place of usual residence on a trip.

A **Day-Visitor** is a visitor who does not spend a night away from their place of usual residence on a trip.

#### Therefore: VISITORS = TOURISTS + DAY VISITORS

Note that the key parameter for determining whether a traveller is a visitor is not their purpose of visit, but rather the environment they are travelling in. A visitor can be travelling for any purpose of visit: leisure, to visit friends/relatives, for business, transit, even for medical treatment; however, they no longer classify as being a tourist if they are said to be travelling within their *usual environment*.

The usual environment of a traveller is not clearly defined by the UNWTO, due to the different levels of mobility in different countries. For example, in Africa, a 10-mile radius around the residence of a person may be a reasonable usual environment, whilst in Europe a distance of around 50 miles may be more appropriate due to the high mobility of the population.

The *usual environment* also has a *frequency* dimension as well as a distance one. Irrespective of the *distance* involved. If a person travels regularly to a destination, then that is also said to be within their usual environment. What constitutes a "regular visit" is also not defined by the UNWTO; however, most countries define it as somewhere that is visited at least four times a month.

The definition of the *usual environment* is not of considerable importance in most Pacific countries. For inbound visitors, all persons are likely to be travelling outside of their usual environment, as there are few countries with land borders (Papua New Guinea and Timor Leste) between which there is a regular flow of travellers. However, the definition is more important when domestic tourism is measured (although some countries are so small that domestic tourism does not apply).



Photo: Nauru Airport

#### ASSESSMENT OF PACIFIC SYSTEMS OF TOURISM STATISTICS

This section provides a detailed review of the systems of tourism statistics that are currently in place in the P-15 countries covered by this project, as well as French Polynesia, New Caledonia, and American Samoa. Details of the last three countries are presented in slightly less detail as they fall outside the jurisdiction of the project.

### **Visitor Arrivals**

Throughout the world, one of the most simple and best recognized sources of tourism arrivals statistics is the embarkation and disembarkation card completed by international travellers at their point of entry into, and departure from, the country visited, popularly known as the E/D card.

These cards provide a convenient and normally already existing source of information that tourism authorities can use to provide information of relevance for the planning, marketing and monitoring of tourism. Thus it is normally possible to retrieve from the E/D card such statistics as the actual number of foreign tourist arrivals, a breakdown of tourist arrivals by country of usual residence and purpose of visit, as well as data on the

intended or actual duration of stay of the tourist, their sex, age, mode of travel, and any

multiple cross-tabulations of these.

Obviously, such information can only be retrieved and utilized confidently by the public and private tourism sectors if the immigration E/D card system is properly established and effectively operated by means of computer processing. This includes:

- Complete and reliable registration of all travellers passing through each of a country's points of entry/exit, be it by means of air, road or sea.
- Regular and timely collection of the cards from all border posts.
- Reliable computer processing of the collected data.
- Timely publication and dissemination of standard statistical tables on arrival statistics.



The information captured by an E/D card varies considerably around the world, and most information is only of interest to the immigration authorities. For tourism, the *Key 5 Visitor Attributes* are, in order of importance:

	Purpose of Visit
	Country of Usual Residence
	Length of Stay
	Age
П	Gender

The mode of transport is also an important attribute, however the border post used by the traveller tends to define this (i.e. air arrivals arrive at an airport, sea arrivals arrive at a port/wharf, etc), and consequently this information does not necessarily have to appear on the E/D card itself.

The classification of Purpose of Visit is the most important characteristic measured regarding inbound travellers, as it helps determine whether or not each individual arrival is a visitor. (Note that visitors and non-visitors are usually asked to select their purpose of visit from separate lists. For non-visitors these are likely to include Returning Resident, Seeking Employment, etc).

The Country of Usual Residence variable is more important than Nationality as it provides the authorities with important information on where the visitor lives, and consequently assists with marketing and identifying transport/accessibility issues.

Length of Stay is particularly important for calculating total visitor expenditure in a destination, and to enable understand which visitors stay the longest. Age and gender are useful demographic attributes. Males and females need different facilities at a destination, and their activities differ. The same can be said for different age groups.

#### **Cruise Arrivals**

Whilst cruise arrivals sometimes complete an E/D card, it is more common for countries to simply receive a passenger manifest from the cruise line that lists the passenger names and their nationalities (and sometimes date of birth) on board the vessel. Therefore to measure cruise arrivals, only the total number of arrivals is typically present. However, this is usually sufficient to track the sector as all arrivals tend to be travelling for the same purpose of visit (holiday/vacation), their length of stay tends to be one day (or can be determined by the length of time the vessel is berthed), and if their nationalities and dates of birth are provided, country of usual residence can be assumed to be the same as nationality (which of course is not always the case) and age can be calculated from the date of birth.

### **Immigration ED Card**

Evident amongst Pacific region are considerable differences between all E/D cards inspected. Figure 1 below shows the different purposes of visit that are offered to visitors as options on the E/D cards in the P-15 countries.

Figure 1 - E/D Card Purposes of Visit in the P-15 Countries

Purpose of Visit	С	F S	F J	K B	M	N A	N U	P U	P N	S		T G	T L	T U	V U
	•	M	3		•				G	^	•	0	_	U	·
Holiday/Vacation/Tourism															
Visiting Friends/Relatives															
Wedding/Honeymoon															
Business															
Business: Film/Cinema															
Business: Government															
Business: Investment															
Church/Missionary															
Conference/Seminar															
Dependent															
Education/Training															
Employment															
Exhibition															
Sports															
Transit														·	
Other															

Notes: Countries with grey shading - No E/D Card has been obtained (Nauru and Tuvalu); Timor Leste has an open question for Purpose of Visit (not a selection of categories)

Key: CI - Cook Islands, FSM - Federated States of Micronesia, FJ - Fiji, KB - Kiribati, MI - Marshall Islands, NA - Nauru, NU - Niue, PU - Palau, PNG - Papua New Guinea, SA - Samoa, SI - Solomon Islands, TG - Tonga, TL - Timor Leste, TU - Tuvalu, VU - Vanuatu

Holiday, Vacation or Tourism appears on all the cards, as does Other. Visiting Friends and Relatives appears on all the cards except for FSM and Palau. Business (including Conference/Seninar) appears on all the cards in some format except for FSM.

Overall, the E/D cards currently being used in the South Pacific are sufficient to measure tourism, and collect the key attributes required (with the exception of FSM being the weakest).

There is considerably less interest in measuring cruise visitor arrivals, and many countries are not collecting this data at all on a regular basis.

Arrivals by yacht are generally small in the Pacific islands, as distances between countries are large. In most countries it appears that visitors arriving by yacht are requested to complete E/D cards. Analysis of the arrivals procedure for yachts has not been included in this section as a result, although it is documented in the individual Country Tourism Statistics Profiles accessible to SPTO.

## **Visitor Surveys**

Visitor surveys are the only reliable measure of tourist expenditure as well as better understanding of trips and visitor characteristics. Such sample surveys are usually conducted by intercepting visitors at a single point of departure from a country, so that a systematic approach to survey enumeration and coverage is observed and enable visitors to report all aspects of their trip. Visitors departing by air are usually the easiest to intercept, as they tend to have time to spare in responding to enumerators in the departure lounge of an airport.

Those departing by land tend to have less time, as do those departing by sea, although this latter group can be intercepted reasonably well at the wharf before boarding their vessel.

Traditionally, visitor surveys are undertaken utilizing the face-to-face enumeration method (the best method) by use of enumerators who intercepts visitors, asks the questions and records the answers before moving to the next selected interviewee. A slightly less expensive option is to request visitors to complete the survey Questionnaires themselves. However, this method often leads to unanswered questions and/or misunderstood/misinterpreted questions. There is a gradual trend towards online-surveys, where an email address is collected from the visitor on departure, and the visitor is sent a link to an online survey to complete upon returning home. This method works well in certain situations (typically where visitor's purpose of visit is leisure, and there exists a procedure in place to capture their email address), and with the high level of Internet connectivity in most countries, there is no longer any significant bias using this method of data collection.

In the Pacific countries there is a good mix of methodologies currently in use, including enumerator-assisted, self-completion, and online surveys. However, unfortunately most of the surveys that are currently in place are ad-hoc (that is one-off surveys), typically implemented as part of aid-funded projects.

Six of the P-15 countries (Cook Islands, Fiji, Kiribati, Papua New Guinea, Samoa, and Vanuatu) are currently undertaking a visitor survey, or have done so in the last four years, and have published their findings. Of these, Fiji, Kiribati and Papua New Guinea have plans to continue data collection (i.e. maintain an on-going survey). Tonga is collecting data but has yet to publish any findings.

Cruise surveys (within the P-15 countries) are considerably more scarce, with only Vanuatu currently undertaking one with support from SPTO, and looks at conducting another such survey in Tonga in the later part of this year. Fiji maintains an on-going

cruise survey implemented by its Ministry of Tourism but has not analyzed any of the data collected.

### **Accommodation Utilization**

The measurement of accommodation utilization - the number of rooms and beds sold is one of the few tourism statistics that provides an indication of supply and demand in each destination. Occupancy rates for both rooms and beds are calculated by dividing the number of rooms and beds sold (respectively) into the number of rooms and beds available. This data has considerable value for tourism authorities as it provides them with an insight into whether or not there is sufficient accommodation. Consequently, monthly (or daily) accommodation utilization surveys are rarely being conducted. The difficulty in implementing these, however, is convincingly understandable as establishments (hotels, motels, resorts, guest houses, etc) are required to reveal their operations data. The countries (around the world) that most successfully collect accommodation statistics tend to have the requirement of submitting data built into some legal structure (tourism law, licensing, etc).

When assessing each Pacific country regarding data collection on accommodation utilization, at the very least the capture of rooms sold (and therefore the calculation of room occupancy rate) it was discovered that only three P-15 countries collects accommodation utilization statistics (Cook Islands, Fiji and Samoa). In each case, the response rate is low, and affects the usefulness of the findings.

#### **Tourism Businesses**

In developing an inventory of tourism businesses (typically accommodation, restaurants and other food and drink-serving establishments, transport operators, tour operators, travel agents, recreation and cultural centres) is useful for the tourism authorities when developing tourists directories, and providing an understanding of the destinational facilities and services, and lack thereof. Such an inventory provides a useful sample frame for undertaking establishment surveys (such as employment or economic impact surveys).

All P-15 countries maintain some form of directory of tourism businesses, even though many such directories appear to be incomplete, and would require updating if used for any statistical purposes. For assessment purposes of the level of knowledge and data collection activities regarding tourism businesses, at the very least the authorities must be collecting information on employment, with this being, arguably, the most important indicator.

Only two of the P-15 countries conduct tourism business surveys: Fiji and Vanuatu. Vanuatu conducted a one-off survey in 2010 as part of an M&E component of an aid-

funded project, whilst Fiji maintains an on-going survey but with a questionable response rate. Kiribati and Samoa have recently implemented some form of such business surveys but knowledge of their success unknown.

## **Country Summary Tables**

Whilst the full findings from the review of each country's system of tourism statistics is not believed to be of benefit to this forum, a summary of these is provided in Figure 2 below. This table summarizes the statistical situation in each of the P-15 countries, and including French Polynesia, New Caledonia and American Samoa. No data has been received from Timor Leste and it has not been included in the summary table.

In the individual country tables, text shown in amber indicates a "warning", meaning the data collected is inadequate or insufficient, and action is required. Where no data is present at all, a red block showing "Not Collected" is displayed

Figure 2: Summary of System of Tourism Statistics

Type of Information Collected	С	F	F	K	М	N	N	Р	Р	S	S	Т	Т	Т	٧	F	N	Α
	ı	S	J	В	I	Α	U	U	N	Α	I	G	L	U	U	Р	С	S
		M							G									
International Air Visitor Arrivals																		
International Cruise Visitor Arrivals																		
International Yacht Visitor Arrivals																		
Air Visitor Survey																		
Cruise Visitor Survey																		
Accommodation Utilization Survey																		
Tourism Businesses																		

**Key:** Blue - Data has been collected and published in 2008 (or more recent); Amber - Data has been collected in 2008 (or more recent) but has not been analysed or published; or published data is older than 2008; Red - No data collection and publishing

CI - Cook Islands FSM - Federated States of Micronesia

FJ - Fiji KB - Kiribati
MI - Marshall Islands NA - Nauru
NU - Niue PU - Palau
PNG - Papua New Guinea SA - Samoa
SI - Solomon Islands TG - Tonga
TL - Timor Leste TU - Tuvalu

VU - Vanuatu FP - French Polynesia NC - New Caledonia AS - American Samoa

Notes: TG has also undertaken a Yacht Visitor Survey (ad-hoc survey linked to an aid-funded project) VU has also undertaken a Yacht Visitor Survey and a Domestic Visitor Survey (both surveys ad-hoc, linked to an aid-funded project)