

**UNWTO & UNSD
International Workshop on Tourism Statistics
July 17 – 20, 2006**

**A strategic alliance between the Central Statistics Office
and the National Tourism Agencies for compiling
tourism statistics in Ireland?**

**Steve MacFeely
Central Statistics Office**

Introduction

The Central Statistics Office (CSO) has a long history of co-operation with the national tourism agencies in Ireland but whether a strategic alliance has been formed or not is still a moot point. Without question though, the relationship between the CSO and the national tourism agencies (Fáilte Ireland and Tourism Ireland) and critically, the Department of Arts, Sports and Tourism has changed and improved in recent years. These changes and improvements cannot be ascribed to a single cause, but rather to a series of mutually reinforcing developments. While a few of these developments were internal within CSO, many were external.

I have divided this short paper into 4 parts. Part 1 gives a very quick outline of responsibilities within the "Irish System". Part 2 is an overview of how events, both domestic and international coincided to create a set of circumstances which led to a strategic alliance. Part 3 describes, from the CSO perspective, the benefits of this alliance. Part 4 details where the future lies for Irish tourism and travel statistics.

Part 1 - The Alliance

The strategic alliance in Ireland is perhaps atypical in that it involves organisations or authorities from two distinct economic and political jurisdictions: The Republic of Ireland and Northern Ireland. So before going any further, it is worthwhile saying a few words about some of the key members in the alliance, so that readers can get some appreciation of the organisational structures and division of responsibilities in Ireland (North and South):

The *Central Statistics Office* (CSO) is the national statistical agency, mandated by the 1993 Statistics Act to collect, compile, extract and disseminate for statistical purposes, information relating to economic, social and general activities and conditions in the State. It is also responsible for co-ordinating official statistics of other public authorities and for developing the statistical potential of administrative records. The CSO is unusual in that it is directly responsible for the compilation of the National Accounts, Balance of Payments and official Tourism statistics. While, what exactly is meant by official tourism statistics has never been well defined over the years, in practice it has meant, that CSO should compile sufficient tourism data to meet European Union Council Directive 95/57/EC.

The *Department of Arts, Sports and Tourism* (DAST) is responsible for national tourism policy. It is mandated to facilitate the development of the tourism industry, in an economically and environmentally sustainable way. It is also

responsible for the formulation and monitoring of a range of policies and programmes, in particular, within the framework of the National Development Plan and North-South Co-operation.

Fáilte Ireland is the National Tourism Development Authority. It works in a strategic partnership with tourism interests to support, develop and sustain Ireland as a high-quality and competitive tourist destination.

Tourism Ireland was established as one of 'six areas of co-operation' under the framework of the Belfast Agreement of Good Friday, April 1998. This Agreement put in place structures designed to bring a permanent end to the conflict in Northern Ireland. Tourism Ireland's role is to provide strategic leadership for marketing the island of Ireland (North and South) internationally as a tourist destination. It represents tourism industry interests, North and South, and one of its key functions is to help Northern Ireland, whose Tourism sector is far less developed than the south, to realise its tourism potential.

The *Northern Ireland Tourism Board* (NITB) is the official body responsible for the development, promotion and marketing of Northern Ireland within the island of Ireland. It is also mandated to compile tourism statistics for Northern Ireland. Although a Northern Ireland agency, the NITB is increasingly an important consideration when strategic decisions are being made regarding the development of tourism statistics in Ireland.

Part 2 – An unanticipated “Peace dividend”

It is difficult to identify a clear starting point for the chain reaction that led to a more strategic approach to tourism statistics being adopted in Ireland, as a number of developments are central to the jigsaw puzzle. However, without doubt, the Peace Process in Northern Ireland has played a critically important and direct role. Other events or shocks, such as the September 11 atrocity in 2001 and the outbreak of Foot and Mouth disease earlier in the same year have also played an indirect but important role by reminding everyone, but in particular the tourism industry, just how fragile the global economy can be.

So where to begin? The signing of the Good Friday Agreement in 1998 is arguably where our journey begins. Tourism figured under two strands of this Agreement. It was, as already mentioned, identified under Strand Two of the Agreement, as an "area of co-operation" between north and south. Also under Strand Three of the Agreement, the British-Irish Council (BIC) was established, to promote mutually beneficial development across the various jurisdictions within Britain and Ireland¹. Critically, one of the key areas that the BIC was mandated to develop was tourism co-operation amongst the various BIC jurisdictions. The result of these developments is that, tourism had been placed at the coalface of the primary political project on the island of Ireland.

Meanwhile, in the UK, concerns over the quality of UK tourism statistics had been voiced as far back as the 1990s. But following 9/11 and the Foot and Mouth shocks, the joint Tourism Society and CBI² working group published a paper 'Better Data for British Tourism – A Call for Urgent Action – September 2002'. This and other events led to a Tourism Reform commencing in April 2003 and the UK Department of Culture, Media and Sport (DCMS) launching the Tourism Statistics Improvement Initiative. This in turn led to the Allnut Review of

¹ Ireland, England, Northern Ireland, Scotland, Wales, Isle of Man, Jersey and Guernsey

² Confederation of British Industry in the UK

Tourism Statistics being published in 2004. These events in the UK fed into discussions in the newly established BIC Tourism Group, which had targeted Tourism Data as one of its key areas of focus.

When DG Enterprise³ made funding available for the development of Tourism Satellite Accounts (TSA), the BIC took the initiative and suggested a joint tender be submitted. Part of this tender would involve the development of a pilot Republic of Ireland TSA and a Northern Ireland TSA. The creation of Tourism Ireland resulted in the need to develop a comprehensive model for all-Ireland and cross-border tourism statistics. With this in mind, a separate pilot all-Ireland TSA was also proposed. From an Irish perspective, this was a critically important initiative as it brought the CSO, the tourism agencies and DAST together with the NITB and academia to develop a framework.

The importance of this project for the development of Irish tourism statistics can not be overstated. Not least, the "First Steps" TSA project helped identify gaps in Irish Tourism Statistics, which was a very welcome development in the absence of any formal review of Irish tourism statistics. More importantly, it placed tourism statistics in context by emphasising the links to the National Accounts and Balance of Payments. Finally, and most importantly, it forced the CSO to question its own role in the compilation of tourism statistics and tourism satellite accounts.

The Allnutt Review of UK Tourism Statistics was published in 2004 as was the "First Steps" TSA report. That same year, the Minister for Arts, Sport and Tourism in Ireland established a Tourism Action Plan Implementation Group. In its first report (August 2004) the Group noted the importance of tourism information, research and intelligence and specifically noted the "First Steps TSA project" as making an important contribution.

In 2004, the CSO also commenced the second strand of the National Statistics Board *SPAR* project (Statistical Potential of Administrative Records) which focused on maximising the use of existing data held by Government departments and agencies. As part of this exercise, Departmental and Agency data needs and deficits were also examined. From a tourism statistics perspective, the timing couldn't have been better, as the UK Allnutt Review and the "First Steps" TSA project had already begun a process of reflection.

Part 3 – Benefits of a strategic alliance: The CSO perspective

As noted at the beginning of the paper, it is still debatable whether anything as grandiose as a strategic alliance has been formed between the Central Statistics Office (CSO) and the national tourism agencies in Ireland. Without doubt however, the relationship between CSO, DAST and the agencies has evolved and continues to evolve from a simple working alliance to something more strategic in nature. Although only in its infancy, the benefits of this improved relationship are already becoming clear.

One of the most important benefits arising from the improved liaison with our tourism partners is that it has helped lift tourism statistics above the radar. As noted above, the Tourism Action Plan Implementation Group has acknowledged the importance of tourism statistics. This achievement should not be understated! All too often the benefits of better statistics are not as obvious as we would wish and consequently, are often overlooked. Even when statistics are

³ The European Commission Directorate General for Enterprise

acknowledged as important, securing adequate resources can still pose a major challenge. The elevation of tourism to a higher political level in Ireland, and in particular, its emergence as one of the leading areas of practical North-South Co-operation, has in turn elevated the importance of tourism statistics.

Now that tourism statistics are on the agenda – the next question to be addressed is what should we measure? An immediate benefit of recent developments is the improved mutual understanding between CSO, DAST and the agencies. Greater consultation has led to a better appreciation of respective needs and as a consequence surveys and outputs are being adapted in response to users' evolving needs. Crucially, it has obliged CSO to consider tourism statistics from a wider point of view than EU Council Directive 95/57/EC. Discussions with the national tourism agencies and with NITB have widened the CSO view of what tourism statistics means. The "First Steps" TSA project also had a significant impact on CSO thinking, in that it helped or has been instrumental in our trying to develop a more unified view of tourism statistics.

Rationalisation of tourism statistics has been a clear benefit and motive behind this more considered co-operation, as has greater harmonisation of concepts and methodologies and improved metadata. Historically CSO has shared the role of primary tourism statistics production with Fáilte Ireland. The introduction of the Household Travel Survey in 2003, which measures the international and domestic tourism behaviour of Irish residents allowed Fáilte Ireland to retire their long standing Irish Travel Survey and devote their resources elsewhere. It is anticipated that the planned development of the CSO frontier surveys will yield further benefits – not least improved regional tourism statistics.

Developments in Balance of Payments have also impacted on our thinking. In particular EU Council Regulation (EC) 184/2005, which along with other OECD and ECB requirements have made us consider more carefully the distinctions between travel and tourism, and work and business. As a consequence we are now firmly of the view that tourism should be understood as a subset of the National Accounts and an important contributor to the Balance of Payments rather than an isolated set of indicators on tourist activity.

For a time, the Lotto in Ireland used the motto "If you're not in, you can't win". Importantly from a CSO perspective, we are now "in" or "in the loop" in that we are now more likely to be consulted about developments within the world of tourism before they happen rather than afterwards. For example, the CSO is a member of the recently established Tourism Research Advisory and Co-ordination Group. CSO were also invited by DAST to address the BIC Tourism Official Working Group in 2006 and to become members of the UK and IRL Technical Workshop on the Implementation of National and Sub-National TSAs.

The data gaps highlighted in the "First Steps" TSA project also resulted in the NITB commissioning a review of their tourism statistics during 2005. One of the key results from this review is that CSO data for Republic of Ireland traffic into Northern Ireland has been adopted by NITB as the official data. This has had a number of practical benefits but not least, going forward it has highlighted the benefits of "mirror" statistics for cross-border flows. The NITB review also recommended further alignment with Republic of Ireland statistics and methodologies to ensure improved comparability. In turn, this has led to a new level of co-operation and awareness regarding tourism statistics North and South – any proposed methodological changes, North or South must keep a weather eye to possibilities in both jurisdictions.

Part 4 - Looking Forward

As noted above, the Peace Process in Northern Ireland has played a central role in our story. But from a CSO perspective however, it is fair to say, the real catalyst for change has been the "First Steps" TSA project. This project brought together the CSO, DAST, the tourism agencies and academia in a way that perhaps no other project could have. The outcome of this project, more importantly than the initial tables it produced, has been a convergence of views on what the road forward should be.

There is now a general agreement that the Central Statistics Office in Ireland should take a more active and central role in the compilation of travel and tourism statistics. There is also consensus of what the suite of statistics should be.

So what is the road forward? Firstly, the role of CSO should be to provide a coherent, comprehensive set of travel and tourism statistics (domestic, inbound and outbound) that covers visitor numbers etc. but also expenditure data. In our view, Tourism Satellite Accounts are key to any future development. The compilation of TSAs will fall within the remit of the CSO, as will most of the key inputs required. From a CSO perspective, the medium term focus will be on these inputs e.g. Same Day Visit data, Domestic portion of International trip data and improving the quality and breath of expenditure data. In cases where adequate data are not available from CSO, the agencies, but in particular NITB and Fáilte Ireland will play a key role in providing data.

Going forward, any developments in tourism statistics must consider the wider world of travel and not just tourism, so that a unified and complementary set of data can be provided for Balance of Payments and the tourism industry. In this respect, expenditure data are of vital importance and will become more central to our endeavours in the future. These are both requirements of the tourism users but also a demand from the Balance of Payments side.

There is also an acceptance that by better harmonising concepts and methodologies North and South of the border, duplication and double counting might be avoided and that ultimately developing useable "mirror" statistics between the two jurisdictions is the most sensible and cost effective approach.

This new alliance also presents new challenges. The CSO plays a key role within the Irish statistical system as independent guardian of public statistics. By taking a more central role in tourism statistics, tensions may be created, particularly regarding the levels of data to be disseminated. Other issues, such a data quality, timeliness or revisions may from to time to time arise. The CSO has committed to doing all that can be done, without jeopardising the fundamental principles of statistics that are the backbone of any independent statistics office.

Conclusion

In the past number of years, a variety of circumstances have facilitated the CSO, DAST, Fáilte Ireland, Tourism Ireland and NITB in improving their level of co-operation and moving from a working alliance towards a more strategic alliance. It should be noted that while important events coincided to create a more favourable set of circumstances, the convergence of views as to what data requirements are and how we should best achieve our goals did not happen by

accident. All parties concerned have put in considerable effort to capitalise on these events and leverage the maximum benefit from them.

From an Irish perspective, CSO and TSAs are central to the future development of tourism and travel statistics. Ideally, national tourism agency resources should be freed up to allow specialisation in more detailed market or tourism product and activity research and analysis. This, of course poses challenges, as the CSO focus may not always be exactly as the agencies would wish, or the level of detail disseminated may not always be sufficient for their needs. These are not insurmountable challenges however!