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Adjusting the Lens for a Clearer Data Picture

It was a behind-the-scenes type of news. Nevertheless, it will have far reaching effects on the ability of the Canadian Tourism Commission and tourism operators across Canada to react to events and plan for the future. It was also a Canadian innovation, a first-in-the-world, so far.

I am talking about adjustments we have made to one of our core statistical instruments – the National Tourism Indicators (NTI).

The NTI provide estimates of the supply and demand for categories of commodities, services and industries that are identified as part of tourism, across Canada. More than 300 statistical indicators are produced by the NTI. Data from the NTI are released every quarter. The next release of the NTI is at the end of September, which will publish results from the second quarter of 2004.

The NTI has weight because of this large scope of things that it measures. The numbers from the NTI are what we look at when we are looking for trends in the tourism industry.

The behind-the-scenes news is that we have adopted a new policy of making systematic revisions to the NTI. We have been publishing the NTI since 1996, and made revisions on an ad-hoc basis, to reflect changing realities. The NTI were subject to three types of revisions – current, historical and rebasing. The revisions now occur on a regular annual basis as well. These revisions will be made in the first quarter of every year. We do a scan of our data collection and ask; What needs to change?

Sometimes we get comments from those outside research centres. A fact is a fact after all – why revise? Well yes, a fact is a fact, but if you are measuring, say, price rises, and their effect on consumer travel purchases, you need a base year for your price. It doesn't make sense to use a base year too far in the past – you have to remain relevant to what prices are being charged in the industry. Partly it is a question of keeping up with the times.

If we don't do this, if we don't make adjustments as we go along, then gradually the numbers get out of sync with the rest of the statistical system. When we eventually do make changes to keep ourselves up to date, we see a tectonic shift in the numbers, some coming in with as much as a 10 % difference, often due to multiple causes. This becomes difficult to account for with simple explanations.

The changes are the fruit of work by researchers. Chris Jackson and his colleagues working in the income and expenditure division of Statistics Canada brought the issue forward to the research committee of the CTC in the fall of 2003, and we adopted the changes in April of

this year. The NTI are now benchmarked to the most recent Provincial and Territorial Satellite Account (PSTA). The System of National Accounts (SNA) quarterly indicators revised for 1999 to 2003 are now part of it, and new quarterly data from the International Travel Survey (ITS) for 2002 and 2003, with more detailed commodity breakdowns, are also included.

What do the changes reveal? Well, the Canadian tourism industry is a bit larger than we thought, about 2.4 per cent larger, to be precise, with a total demand of \$52.1 billion. As well, there are more people employed in tourism than we thought – 4.8 per cent more, and 2003 was a slightly worse year than we thought, with tourism GDP falling \$26 million more than previously estimated.

This is also a made-in-Canada innovation. No other country has reached the stage where they can adopt changes systematically. It is a reflection of the refinement of Canada's statistical system, and our leadership in this area, that we can adopt this way of doing business. A mature statistical approach means constantly adapting to the changing times. Constantly adjusting the lens you use to view the sector.

The result of all this is that the numbers we are producing are more transparent, and more in harmony with the rest of Canada's overall SNA. Our goals are to be as credible as possible, as accurate as possible, and to provide the best representation of the tourism sector. The changes we made in April of this year to the NTI are big step in the maintenance of these goals.

For more information visit the Canadian Tourism Commission's web site, canadatourism.com, and follow links to press releases and research publications.