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A Household Survey for Data Collection on Travel in Germany

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1. Introduction

As you may recall, the issue of future data collection for the German travel account was discussed at the 1999 meeting of the Committee. At that time no decision had been taken on the way forward, although a lot of research had already been done. Meanwhile decisions have been taken and as was foreseen, a household survey will be put in place to capture the travel debit information. This paper aims to describe the envisaged household survey (part 2), to give an overview regarding the problem of integrating different data sources (part 3) and to raise the issue of possible estimation methods for the credit side (part 4). A brief re-collection of the present system and the reasons for its partial replacement is provided below.

At the beginning of 2002, euro banknotes will be introduced within all countries forming the European Monetary Union (EMU). For those participating Member States which use, like Germany, banknote information in their present systems as a building block for the compilation of the travel account, new ways of data collection need to be developed. Although decreasing in size, still substantial parts of the transactions in travel are currently estimated using raw data taken from banks´ reports on the purchase and sale of foreign currency (banknotes) from/to non-banks and, for some countries, of the domestic currency that banks send or receive from abroad. Following the introduction of the euro banknotes in 2002, these *cash transactions* obviously cannot be used anymore for the euro area. In addition the introduction of the euro banknotes may also complicate, to an extent difficult to predict, their use for the compilation of travel transactions with the rest of the world (at least for the geographical allocation).

All other sources of data collection for travel should in principle remain unaffected and will be maintained. These sources are namely the German international transactions reporting system (ITRS) and, of steadily increasing importance, credit card settlements by German residents abroad and by non-residents in Germany (more than 20 % at present), which are reported by banks and by other institutions processing settlements.

2.   Main features of the envisaged household survey

As already explained at last year's meeting, a frontier or passenger survey, is not feasible for Germany. Geographically, the number of border crossing points is huge, many of them being major travel routes. In addition, Germany is a typical „transit" country for holidaymakers from other European countries. Lastly, for the borders to EU neighbouring countries there are few, if any, border controls in place anymore. For all these reasons a frontier or passenger survey was ruled out as a solution.

As the only remaining feasible solution to the problems described, the decision has been taken to conduct a sample survey of households covering travel data debits. Negotiations were started early this summer with the result that the survey is going to be put out to contract to a private agency acting on behalf of the Bundesbank. Although it has been agreed to rely on the professional expertise of the agency to determine aggregate results, exclusive right to the use of the individual records will rest with the Bundesbank. The survey is purely designed to meet balance of payments purposes. It will be conducted in 2001 for the first time. A test survey will be carried out in the fourth quarter of 2000. Depending on the results of this test, the survey design may be further refined.

The agency in contract was selected by an invitation to tender. For this purpose, the requirements for balance of payments travel data debits had to be explained in detail. In order to meet the conceptual requirements, several agencies were provided with the definitions set out in the 5th edition of the IMF Manual. In addition, problematic areas for coverage and classification were pointed out. These included the capturing of expenditure made by seasonal workers as well as single day cross-border travel. As it has turned out, the Bundesbank will receive travel data provided with a quarterly and annual frequency for

most important countries and country groups. From these data sets monthly data will be derived.

The determination of the sample follows an approach also used for other surveys but especially geared for the travel data needs. For example, a higher proportion of households is foreseen for all areas close to borders to allow a better coverage of single day trips. Furthermore, there will be a special survey for households of the largest non-German minority, resident in Germany, to allow comparison. This supplementary part of the survey will be carried out in the relevant foreign language. For very frequent travellers special arrangements will be provided in the conduct of interviews to avoid systematic mistakes because of failing memory recall.

 As designed, the survey will target actual expenditure while abroad, interviewing adult individuals. To achieve this, the agency conducting the survey has proposed an approach involving two layers: in a first step, a telephone interview is carried out. One adult of a household will be selected to be interviewed. The target person will be asked for details of all cross-border travels and destinations within the last three months. This will be followed by a written procedure (mail) for those who claim in the telephone interview that they have made a cross-border trip within the relevant timeframe. The written questionnaire will be more comprehensive and in particular expand on detailed questions concerning expenditure, naturally difficult to capture via phone. Since also the type of the cross-border trip can be covered by direct questions to the traveller, the new method is hoped to improve the classification of travel information recorded in the German balance of payments statistics. The current system based on means of payment does not allow the distinction between personal and business travel, because data are derived indirectly.
Besides the essential questions asked for balance of payments purposes, several other items need also to be covered, like:

-means of payment;

-the length of the cross-border stay, number and form of overnight stays;

-means of transport;

-socio-economic status;

There are several reasons to integrate these questions. Firstly, they will allow a proper aggregation of the sample results as well as permitting plausibility checks and necessary reconciliation for the survey result itself. Secondly, this additional information may be used to check the survey results with information from other sources already available. Thirdly, they may help to integrate the results of the household survey into the system already in place.

3)   Integration of different data sources

The following should shed some light on the problems which are expected in the integration of the data derived from the newly established household survey with the data stemming from the existing sources. These problems have several dimensions, which can only be resolved when the full annual figures from the household survey are available. But the first figures will be only available by August 2001 for the first quarter of 2001. Main integration problems can be assessed for the following areas:

-break of the time series;

-refinements for the geographical allocation;

-avoidance of double counting;

-calculation of passenger fares, not to be recorded under travel;

Although the main loss of information due to the introduction of the euro banknotes is expected for travel vis-à-vis EMU countries, the survey covers the whole rest of the world. It may be safe to expect that the figures aggregated from the sample survey will differ from those calculated up to now. In order to avoid a complete break in series, methods need to be found to allow the integration of the results from the new source into the existing results fully maintained for 2001. For extra-EMU countries the present system based on means of payment will also be maintained after 2001, i.e. collection and compilation will continue after 2002.

The present calculations cover all countries as far as the geographical allocation is concerned. For smaller countries of travel destination, the results of the household survey will not be reliable. If this proves to be right, it may be considered to use results from the existing sources to complement the survey results.

At present, the exclusion of passenger fares is assured. In cases in which the travel is arranged via a domestic travel agency, the travel agencies are excluding the „transportation part" of the package tour before delivering the statistical ITRS-report. Since the reports from the travel agencies will be maintained, this may be one source for counterchecking the reliability of the survey information in this respect.
However, and as mentioned above, all these considerations remain of a somewhat „academic" nature until results of the household survey will be available.

5.   Some considerations about the estimation of travel credits

A major challenge will be faced for the estimation of travel credits. For travel with all non-EMU countries, the existing data collection and compilation will be carried on, in principle. But also here adjustments will need to be worked out, since euro banknotes purchased by non-EMU residents can be used in the whole euro area and not only in Germany.
As far as the definite loss of information is concerned, i.e. EMU Member States, two alternative methods are currently under investigation: data exchange and estimates based on credit card information.

 It could be envisaged to establish a comprehensive data exchange with other EMU Member States. Already in the past and to date, bilateral comparisons have been carried out. However, and since new data collection systems will be in place also in several other countries, these comparisons will need to be intensified. In addition to these bilateral contacts, a Eurostat task force on travel is dealing with these difficulties, i.e. availability of regional broken down data, comparable quality and timeliness. Also the organisational aspects of this approach still need thorough consideration and planning.

The possibility to calculate totals vis-à-vis each EMU country on the basis of the available credit card information is currently under investigation. There are two main preconditions to

this approach: sufficient and stable proportion of the credit card information in relation to the overall expenditure and the availability of reliable back series for all means of payments. As it proved so far, the latter may be an obstacle since adjustment procedures have been changed frequently in the past. Another caveat developed during the last years: as a consequence of world-wide globalisation, European integration and the need for cost reduction, the settlement of credit cards (and other means of payments) is not following the resident/non-resident concept anymore, at least partially. International agreements between credit card suppliers and banks lead to the creation of credit card settlement centres, which may not allow to trace the travel destination of the traveller and his home country anymore. Also here, international co-operation may possibly help.