

WTO NEW UN SPECIALIZED AGENCY STATUS

1. Decisions taken by the Executive Council at its seventy-third session
2. Follow-up of the transformation of the organization into a specialized agency of the United Nations
3. Inter-agency coordination group on tourism statistics

DECISIONS TAKEN BY THE EXECUTIVE COUNCIL

AT ITS SEVENTY-THIRD SESSION

Hyderabad, India, 8-9 July 2004

The Executive Council,

Having taken cognizance of document CE/73/6(a) Add.1 Rev.,^(*)

Mindful of WTO's central coordination leadership role in the field of tourism statistics,

Desirous of establishing a new framework for international cooperation and coordination which adequately reflects WTO's new responsibilities in the UN system,

2. Endorses the Secretary General's proposals for revising the mandate and responsibilities of WTO's Committee on Statistics and Macroeconomic Analysis of Tourism so as to reflect WTO's status as a UN Specialized Agency;
3. Agrees that it would be desirable to postpone the updating process of the current international recommendations on tourism statistics (*Recommendations on Tourism Statistics and Tourism Satellite Account: Recommended Methodological Framework*), until the currently ongoing revision processes of other standards (International Standard Industrial Classification of All Economic Activities (ISIC), the Central Product Classification (CPC), the System of National Accounts (SNA93) and the Balance of Payments Manual (BPM5)) are completed; and
4. Requests the Secretary-General to report to its seventy-fourth session concerning progress in this area.

^(*) This document is reproduced next as: "Follow up of the transformation of the Organization into a specialized agency of the United Nations"

Seventy-third session
Hyderabad, India, 8-9 July 2004
Provisional agenda item 6(a)

**FOLLOW-UP OF THE TRANSFORMATION OF THE ORGANIZATION INTO A
SPECIALIZED AGENCY OF THE UNITED NATIONS**

Addendum 1

Note by the Secretary-General

The Secretary-General transmits to the Executive Council in the following document the report concerning the new status of the WTO as a specialized agency of the United Nations and its implications in statistical matters.

**FOLLOW-UP OF THE TRANSFORMATION OF THE ORGANIZATION INTO A
SPECIALIZED AGENCY OF THE UNITED NATIONS**

Addendum 1

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FOLLOW-UP OF THE TRANSFORMATION OF THE ORGANIZATION INTO A SPECIALIZED AGENCY OF THE UNITED NATIONS

A. WTO's central coordination leadership role in the field of tourism statistics

1. The agreement signed between the United Nations (UN) and the World Tourism Organization (WTO) last December 2003 contains 21 articles, one of which (Art. 13) refers to "statistical services". Paragraph 3 of this article stipulates: *"The United Nations recognizes WTO as the appropriate organization to collect, to analyze, to publish, to standardize and to improve the statistics of tourism, and to promote the integration of these statistics within the sphere of the United Nations system"*.
2. This recognition is consistent with the central coordinating role in the field of tourism recognized to WTO as stated in Article 2 of the above-mentioned agreement and obliges us to play a proactive role in matters of statistical coordination.
3. Three months after the signing of the Agreement, the WTO presented to the UN Statistical Commission (the UN system's highest organ in statistical matters)¹ a report on the development of tourism statistics.² This is the first time it has done so, and from now on, it will have to do so every three years, as established by the Commission itself.
4. As mentioned in the following section, the meeting highlighted the difficulties the WTO will face in carrying out its coordination leadership role.

B. The complexity of this new scenario for international cooperation and coordination

5. The content of the UN Statistical Commission session (held on 2-5 March of this year) was almost exclusively centred on two subjects. The first was the proposal made by the WTO (paragraphs 25-34 of the Report) to carry out (in parallel with the revision already under way relative to the classification of economic activities and products, the system of national accounts, and the balance of payments) a broad consultation on proposals for modification of the existing Recommendations on tourism statistics (those from 1993 and from 2000 on the TSA). Our proposal was aimed as a response to the different suggestions presented by the OECD and Eurostat secretariats, and by certain countries as well.

¹ In this capacity, it is up to the UNSC to approve international standards on statistics. In the case of tourism, existing standards have been approved in 1993 and 2000

² See Annex 1: "Report presented by WTO to the UN Statistical Commission meeting (2-5 March 2004) on the development of tourism statistics".

6. Both New Zealand and the United States raised objections regarding the wisdom of doing so, a fact that is clearly reflected in the content and underlying evaluation (not very enthusiastic) of the official report of the session, which says: *"The Commission noted the intention of WTO to undertake consultations with countries regarding existing recommendations on tourism statistics and explore the need for their updating; emphasized that consistency of a possible revision of standards on tourism statistics with the ongoing updates of the SNA and BPM has to be ensured"*.
7. The second subject was of a more general nature: demanding greater cooperation from the WTO with respect to the OECD and Eurostat, with various countries (Italy, Denmark, and the United States), and suggesting the creation of an Inter-Secretariat Working Group among the three bodies (although the Danish representative suggested opening it up to other International Organizations).
8. As stated in the Report of the session ³ *"The Commission stressed the need for stronger coordination in the field of tourism statistics and in the periodical revision of international recommendations. However, different views were expressed on the means to achieve it; some delegates recommended the creation of an Intersecretariat Working Group (ISWG) composed by WTO, OECD and Eurostat; on the other hand WTO felt that this aim could be more appropriately addressed in the framework of the Committee for Coordination of Statistical Activities (CCSA) because in this Committee other relevant international and regional organizations are also present"*.
9. That the OECD is supporting the creation of an Inter-Secretariat Working Group is surprising, because the WTO has been cooperating with the OECD in three very concrete areas:
 - We have been working jointly in the Inter-Agency Task Force on International Trade Services Statistics (presided by the OECD itself) for more than two years now;
 - We have presented a study (which had been previously agreed) on tourism as a potential case study for the work of the newly created OECD Short-Term Economic Statistics Expert Group and the Expert Group on businesses tendency surveys;
 - We regularly participate in its Committee on Tourism and in its Working Group on Tourism Statistics.
10. The WTO stands firm in its position. In particular, the Secretary-General of the WTO sent a note to his counterpart at the OECD some weeks before the UNSC meeting, explaining the reasons for not agreeing with the OECD's initiative to create an ISWG, pointing out that "our Committee on Statistics is the most appropriate statistical coordination body".

³ See Annex 2: "Report of the UN Statistical Commission on its 35th session (2-5 March 2004).

11. We understand that in accordance with the new status of the WTO as well as with the spirit and letter of the agreement signed with the UN, our Committee on Statistics should assume a new, additional, proactive and outward-oriented role in contrast to its current role, which is markedly inward-oriented due to its current mandate, which is to be exclusively an advisory body to the WTO Statistics Programme.

C. Proposal submitted to the Executive Council

12. The Secretariat submits to the Executive Council two different types of proposals:

First, to postpone the initiative put forward to the UNSC of consulting with the countries regarding the updating of the current international recommendations on tourism in force (REC93 and REC00), until the currently ongoing revision processes of other standards are completed⁴.

The justification for this was laid out in paragraphs 5 and 6 of section B.

Secondly, to revise the mandate of the WTO's Committee on Statistics and Macroeconomic Analysis of Tourism to adapt it to the new status of the Organization as a specialized agency of the United Nations.

Section F of this document includes both the reasoning behind this proposal, as well as the text articulating it.

D. WTO's statistical programme in the light of our new responsibilities in the UN System

13. It is widely recognized that the strength of the WTO's position in the international community relies not only on its constituency and working arrangements, but also on its reputation in tourism related statistics. In particular, the WTO has, for many years, been playing a crucial role in collecting and disseminating large amounts of comparable tourism-related statistics, and in developing innovative projects, it has been able to bring substantive value to national statistics.
14. The approval of the TSA, the second international standard on tourism statistics, has obliged WTO to design a programme for its development demonstrating once again the leading role it can play in orienting the future direction of tourism statistics in a worldwide context.

⁴ The currently ongoing revision processes relative to the International Standards Industrial Classification of all Economic Activities (ISIC) and Central Product Classification (CPC), the System Of National Accounts (SNA93), and the Balance of Payments Manual (BPM5) should be completed by 2006-2007, although final approval may come later.

15. All this background explains the content of article 13 of the agreement between the United Nations and the World Tourism Organization recognizing WTO “as *the appropriate organization to collect, to analyze, to publish, to standardize and to improve the statistics of tourism, and to promote the integration of these statistics within the sphere of the United Nations system*”. These are functions that are common to the different specialized agencies, although the last one is peculiar, as explained in section F of this document.
16. In fact, the reference to our international responsibility “to standardize and to improve the statistics of tourism, and to promote the integration of these statistics within the sphere of the United Nations system”, assigns us the leading role in tourism statistics in terms of the design and development of the different components of the System of Tourism Statistics in order to ensure their worldwide coherence and harmonization and consequently, improve the international comparability of data measuring tourism activity.
17. Attention should be given to the fact that the latter responsibility (“*to promote the integration of these statistics within the sphere of the United Nations system*”) is an innovation with respect to similar agreements with other specialized agencies⁵ and that it obviously affects the Programme of Work of the Statistics Department, insofar as it makes it necessary to develop new initiatives in the field of international cooperation as a necessary prerequisite in order to carry out this responsibility in terms of international coordination.
18. Because of the cross-cutting nature of tourism (a demand phenomenon that involves many different industries), it must be recognized that this responsibility overlaps with that of other international organizations and regional bodies that produce tourism-related statistics or service industry statistics in general or have institutional responsibilities relating to service industry statistics as well as those macroeconomic frameworks (such as SNA93 and BPM5) to which the Tourism Satellite Account is related.
19. In fact, we already cooperate with other international organizations because we have related projects and common goals and objectives; and in consequence, by cooperating we enter into a strategic alliance or partnership as with ILO, IMF, UNSD and ECLAC. This network of partnerships should be expanded to include at least other UN Regional Commissions in a multiyear programme.
20. Because international cooperation relating to statistics, and tourism statistics in particular, involves multiple organizations with overlapping responsibilities, WTO must take a more multi-lateral approach and a more proactive role in the various international coordination processes and bodies already in place (such as the Inter-Agency Task Force on International Trade in Services Statistics and the Expert Group on Economic and Social Classifications).

⁵ Thus, the agreement with the IMF and UNESCO coincide practically word for word with the entire text mentioned above, but differ in this last part: the first reads “*without prejudice to the right of the United Nations to concern itself with any statistics so far as they may be essential for its own purposes*”, while the second says “*without prejudice to the right of the United Nations to concern itself with such statistics so far as they may be essential for its own purposes or for the improvement of statistics throughout the world*”.

21. Coordination necessarily implies ordering the articulation with those international organizations and regional bodies, with the objective of ensuring consistency, and looking for greater efficiency in working arrangements with the parties involved in a given area or domain: the present revision process of the Balance of Payments and Economic Classification as well as the design of compilation guidance for the implementation of the Manual on International Trade in Service Statistics consumes the greatest part of WTO efforts.
22. Recently, since WTO has been assigned a central coordinating role in the field of tourism statistics, some small difficulties in the realignment of interests and associated communications have emerged that have negatively affected WTO relations in dealing with selected international organizations (like Eurostat and OECD). These difficulties highlight the new requirement for WTO to be even more proactive in its communications with all other related international organizations and affected national institutions as a part of its newly acquired leadership responsibilities.
23. Another implication also emerges from WTO's newly assigned central responsibility *"to collect, to analyse and to publish"* official data produced by different national institutions (basically, Central Statistical Offices, Central Banks and National Tourism Administrations). To that end, we must enlarge our cooperative network to include all national bodies (not just WTO members) producing those data that support present international comparability on tourism activity and we should also participate in related initiatives promoted within the UN system.
24. One relevant consequence in this regard, is that WTO's initiatives in terms of capacity building and technical assistance should be addressed to all countries, whether members or non-members, as these initiatives are a prerequisite for a significant number of them in order to implement international standards and produce data.
25. WTO understands that the assigned responsibility to improve statistics on tourism and improve the integration of these statistics within the sphere of the UN system, includes a responsibility for leadership in enlarging the national and international systems of tourism statistics to address current information gaps and unmet information requirements by cooperating with those countries with a more developed statistical infrastructure and in consequence, we understand that we also should be open to cooperate with the corresponding International Organizations in this regard. A good example could be the case of OCDE which is in the best possible position to include tourism as a case study in different areas such as Foreign Direct Investment and Fixed Capital Formation statistics and both in the Short-Term Economic Statistics Expert Group and the Expert Group on business tendency surveys.

E. WTO's statistical programme: general overview

26. As mentioned in the Programme of Work of the Department of Statistics and Economic Measurement of Tourism for the period 2004-2005, its overall objective is *“to support the analysis of tourism consumption and the design and implementation of policies developed by different stakeholders in the tourism industry and to ensure that this analysis is based on a sufficient number of credible data associated with tourism activities of visitors and with the industries that produce the goods and services required by them; to improve the standardization of tourism statistics; to promote the avoidance of duplication in the information relating to tourism statistics collected by international organizations; to promote the integration of the system of tourism statistics within the sphere of the UN system of international statistics”*.
27. The overall objective should take concrete form in three types of outcomes:
- development of national Systems of Tourism Statistics (STS) and the Tourism Satellite Account (TSA) project;
 - enhanced capacity of National Tourism Administrations (NTAs) as producers and users of tourism statistics;
 - increased awareness of the need and significance of reliable quantitative analyses of the economic impacts of tourism and, specifically, of the relevance of the TSA.
28. However, this is the first time that the content of the WTO's statistics programme is being presented in a way that is different from that with which the Executive Council is familiar: the new format identifies the major lines of action in statistical matters (which are the same as those of other sister organizations of the UN system) and the corresponding projects.
29. The following outline gives a general overview of the WTO's statistical programme:

I. Setting and promotion of international standards

1. Keeping relevant the present conceptual framework of tourism statistics
2. Promoting worldwide implementation of international standards in tourism statistics
3. Adapting the Tourism Satellite Account (TSA) Conceptual Framework from a Regional Perspective
4. Developing a technical assistance programme for the implementation of the Tourism Satellite Account (TSA)

II. Participation in the revision of other related international standards

5. Economic classifications of activities (ISIC) and products (CPC)
6. International trade in services: new compilation guidance for the “travel” item in the Balance of Payments.
7. Revision of System of National Accounts and Balance of Payments.

III. Securing international comparability of tourism statistics

8. Enlarging the scope of international comparability
9. The operationalization of usual environment: general guidelines
10. European inter-regional tourism flows

IV. Design of standardized methodologies for statistical data collection

11. Model border surveys measuring inbound tourism expenditure
12. Model entry/exit cards for measuring international flows of visitors
13. Collecting data on accommodation establishments using a model software
14. Design of a model "tourism module" for household income/expenditure surveys

V. Collecting and publishing statistics

15. Statistical reports
16. Metadata project

VI. Other complementary projects

17. Tourism macroeconomic indicators
18. New initiatives in short-term statistics: tourism as a case study
19. Foreign direct investment (FDI) in tourism industries
20. Tourism Balance of Payments

30. The Council's attention is drawn to the fact that this list includes "Keeping relevant the present conceptual framework of tourism statistics" (project 1) which we suggested should be postponed until 2006-2007 when the currently ongoing processes for the revision of Economic Classifications (on activities and products), the Balance of Payments and the System of National Accounts (in which the WTO is actively participating) should be completed (see par. 12).

F. WTO's Statistics Committee: a proposal for revising its terms of reference

I. Justification of the proposal

31. WTO's Committee on Statistics and Macroeconomic Analysis of Tourism was established at the Enzo Paci World Conference on the Measurement of the Economic Impact of Tourism, held in Nice, France in June 1999, and conceived as "*an interinstitutional mechanism for the mutual interchange of methodological advice and the definition of the main lines of action concerning actual and future work on statistical instruments and economic research related to the conceptual framework for the preparation of the Tourism Satellite Account*".
32. While the new status of the WTO as a specialized agency of the United Nations is the major reason for reconsidering the role of the Committee, the evolution of the Committee in the previous four years of its existence provides a secondary reason for some adjustments to its role and mandate.

33. This evolution not only demonstrates the vitality of the WTO's own statistics programme: it also highlights the development of National Systems of Tourism Statistics, the decision of a growing number of countries to create a TSA and in general, the interest in the new way of understanding tourism activity and the measurement of its impact implicit in the TSA conceptual framework itself.
34. In addition to this institutional change, the Committee has also emerged as an especially qualified forum for presenting and discussing the WTO's strategic lines of action with regard to promoting the development of national systems of tourism statistics and the design of the TSA project. Furthermore, it is making it possible to forge a new statistical culture of cooperation between basic stakeholders of tourism statistics, as demonstrated by initiatives to create internal working groups on subjects such as usual environment, treatment of package tours, tourism employment, etc.
35. The new responsibilities and required competencies in statistical matters represent both a qualitative and a quantitative change with respect to WTO's international cooperation and collaboration activities. These changes also entail expanding the current scope of the statistical programme to meet the six lines of action that constitute the backbone of the programme:
- setting and promotion of international standards;
 - participation in the revision of other related international standards;
 - securing international comparability of tourism statistics;
 - design of standardized methodologies for statistical data collection;
 - collecting and publishing statistics;
 - other complementary projects.

II. New terms of reference

Mission

36. The Committee is a subsidiary advisory body of the Executive Council. As such, it contributes to the fulfilment of Article 13, paragraph 3 of the Agreement signed between the United Nations and WTO, which states:

“The United Nations recognizes WTO as the appropriate organization to collect, to analyze, to publish, to standardize and to improve the statistics of tourism, and to promote the integration of these statistics within the sphere of the United Nations system”.

Consequently, the Executive Council requires the collaboration of the Committee in the following areas:

- proposing initiatives related to the design and implementation of international tourism statistics standards;
- promoting international comparability of tourism statistics by proposing initiatives relative to the collection, homogeneity, processing and dissemination of data;
- supporting efforts to integrate such data into the frameworks of the system of national tourism statistics and the Tourism Satellite Account;
- helping member countries in their initiatives to improve their respective national systems of tourism statistics and in the development of the TSA;
- liaising with other international bodies with delegated responsibilities for leadership and coordination of related international statistics and their standards within sphere of the UN system.

Composition

37. For the period 2004-2007, the composition of the Committee is as follows:

<u>Officers</u>	Chairman	Canada
	Vice-chairmen	France
		Spain
<u>Members</u>		Canada *
		Cyprus
		Ecuador
		Egypt
		France *
		India
		Israel
		Mexico
		Mozambique
		Philippines
		Spain *
		Tunisia
<u>Representative of the Associate Members</u>		
		Aruba
<u>Representatives of the Affiliate Members</u>		
		Centro Internazionale di Studi sull'Economia Turistica (CISSET)
		International Congress & Convention Association (ICCA)
		International Hotel & Restaurant Association (IH & RA)
		George Washington University
<u>Observers</u>		
	<i>Non-member States:</i>	
		Australia
		Singapore
		Sweden
		United States of America
	<i>Institutions:</i>	
		EUROSTAT
		International Labour Organization (ILO)
		Organisation for Economic Co-operation and Development (OECD)
		Ufficio Italiano dei Cambi
		World Travel & Tourism Council (WTTC)
		* = ex officio Member

The Secretariat of the Committee is the Department of Statistics and Economic Measurement of Tourism.

Invited observers

38. For each of the Committee's meetings, the Secretariat may extend invitations to non-member countries, national and international organizations and institutions in order to enlarge the perspective of statistics producers, users and stakeholders and facilitate WTO's international leadership and coordination activities, according to the content of the agenda.
39. Invited observers may address the Committee only with the permission of its Chairman.

Venues of the meetings

40. The sessions of the Committee shall take place annually and shall be held at the WTO Headquarters, save on exceptional occasions in which the Secretariat decides otherwise.

Creation of working groups

41. The Committee will determine whether it is relevant to create temporary working groups of these appropriate parties that would strive to solve, clarify or provide insights, advice and liaison assistance on any particular issue of interest related with the WTO's statistics programme and its international leadership responsibilities relating to tourism statistics.

Repercussions on the Programme of Work of the Statistics Department

42. If requested by its members, the Secretariat of the Committee can accept commitments that will partially modify the biannual Programme of Work of the Statistics Department.
43. In no case shall these potential modification/s justify new financial or human resources for the Secretariat.

Communication between meetings

44. The Secretariat of the Committee is responsible for encouraging communication among its members between sessions. In order to enhance its capacity for action, the Secretariat will consider using electronic or other means in order to make it possible for it to continue to work effectively between meetings.

Inter-agency coordination group on tourism statistics

New York, 3 September 2004

Report of the 1st Meeting of the Inter-agency coordination group on tourism statistics

1. The Inter-agency coordination group on tourism statistics is formed in accordance with the agreement reached between the interested agencies at the 4th meeting of the Committee for the Coordination of Statistical Activities (New York, 1-3 September 2004). The first meeting of the Group was held on 3 September 2004 in New York and was attended by the World Tourism Organization, OECD, Eurostat, UNSD, the IMF and the World Trade Organization.
2. The Group agreed that:
 - a. The scope of its work will include identification of issues where coordination is required and finding mutually acceptable solutions;
 - b. A list of issues which require coordination in the near future has to be prepared as soon as possible; to start off the process the WTO/OMT will circulate to all members of the Group an updated version of the part two of its report to the 35th session of the United Nations Statistical Commission;
 - c. All members of the Group will send their proposals for inclusion in the list to the WTO/OMT (by the end of September); the WTO/OMT will prepare an integrated list and will circulate it to all for comments; the WTO/OMT will be also responsible for the finalization of the list and its presentation to the next meeting of the Group;
 - d. All members of the Group involved in the current cycle of revision of the conceptual frameworks relevant to the tourism statistics (e.g., revision of SNA93, BPM5, ISIC, CPC etc.) will give priority to identification of those areas of the frameworks which might impact on tourism statistics and to review them in the most speedy way, preferably by 2006;
 - e. The next plenary meeting will take place in March 2005, in parallel with the 36th session of the UNSC; the purpose of the meeting is to prioritize the coordination issues and develop an action plan to deal with them in the short and medium terms; members of the Group will immediately begin consultations (via e-mail) aiming to reach a preliminary agreement on the matter by the end of 2004;
 - f. The future meetings of the Group will be held both at the working and plenary levels, as necessary; e-mail messaging will be used to maximum extent possible to increase efficiency; the WTO/OMT will be the convener of the meetings;
 - g. Membership in the Group is open to any international or regional agency active in tourism statistics.