



TECHNICAL ASSISTANCE REPORT

UNITED KINGDOM- MONTSERRAT-BRITISH OVERSEAS TERRITORY

Report on External Sector Statistics Mission
(March 18–28, 2024)

JULY 2024

Prepared By

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Summary of Mission Outcomes and Priority Recommendations

- 1. A technical assistance (TA) mission on External Sector Statistics (ESS) was conducted for the Statistics Department of Montserrat (SDM), during March 18–28, 2024.** The mission was undertaken as part of the Caribbean Regional Technical Assistance Centre (CARTAC) work program on ESS and in response to a request from the SDM. The main purpose of this mission was to assist the SDM in extrapolating the results of the Visitor Expenditure Survey (VES) conducted by the SDM and Montserrat Tourism Division (MTD). The purpose of the VES was to enhance estimates of travel services credits recorded in the current account of the balance of payments (BOP). Compilers of the SDM participated in the mission, and consultations were made with the MTD, the Ministry of Finance and Economic Management, and the Cabinet of Montserrat.
- 2. The VES was conducted using the questionnaire designed in the July 2023 TA mission.** In all 1,119 responses were collected. It was targeted at departing passengers at the John A. Osborne Airport and the Little Bay ferry terminal.¹ The results showed that the average daily expenditure (ADE) of overnight visitors was US\$185.3 (EC dollar 500.3), compared to US\$108.6 (EC dollar 293.22) in the 2010 VES. The previous VES didn't estimate ADE for excursionists (daytrip visitors), which have now been estimated for the first time at US\$155. The results from the cruise survey will become available in December this year.
- 3. Based on survey results, travel credits are estimated at US\$17.4 million in 2023, or 32 percent of current account credits as compared to the previous estimate of US\$8.7 million or 15 percent of current account credits.** The new estimate is based on a calculation made by the mission, incorporating the ADE for both overnight and excursionist visitors. Updated values should enhance the accuracy of the estimation of travel credits and will highly benefit the decision-making for authorities in Montserrat.
- 4. Prior to the mission, the SDM hired 22 temporary employees as enumerators to carry out the survey.** The enumerators' training was mainly focused on familiarization with the questionnaire and explaining to the enumerators the purpose of the survey. The SDM and the mission (online) conducted the training. Further efforts by the SDM are needed to enhance the estimate of travel services credits in the current account, such as to undertake a VES survey in the low season (April to September) and the cruise survey in April, November, and December.
- 5. To support progress in the above work areas, the mission updated the action plan with the following priority recommendations.**

¹ Since 2024 the ferry is operating the whole year.

TABLE 1. Montserrat: Priority Recommendations

Target Date	Priority Recommendation	Responsible Institutions
September 2024	During the low tourism season the SDM and MTD conduct the VES on visitors departing Montserrat by air and ferry.	SDM and MTD
December 2024	The SDM and MTD conduct the VES on visitors departing Montserrat by cruise ships during the high tourist season.	SDM and MTD
December 2024	Include visitors arriving by cruise ships and yachts in the estimation of travel credits and revise the travel credits series in the compiled BOP.	SDM

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Acronyms and Abbreviations

ADE	Average Daily Expenditure
BOP	Balance of Payments
<i>BPM6</i>	<i>Balance of Payments and International Investment Position Manual, sixth edition</i>
CARTAC	Caribbean Regional Technical Assistance Centre
CTO-TIMS	Caribbean Tourism Organization - Tourism Information Management System
ED	Embarkation-Disembarkation
ESS	External Sector Statistics
IMF	International Monetary Fund
MTD	Montserrat Tourism Division
SDM	Statistics Department of Montserrat
STA	IMF's Statistics Department
TA	Technical Assistance
US\$	United States dollar
VES	Visitor Expenditure Survey

Section I. Detailed Technical Assessment and Recommendations

A. ACTION PLAN

6. The mission acknowledges progress in ESS compilation (see Appendix I for an assessment of the implementation of the previous mission’s action plan). Recommendations from the previous mission that were not implemented are included in the current action plan. Actions are prioritized as high (H), medium (M), and priority recommendations (PR).

Priority	Action/Milestone	Target Completion Date
<i>Outcome: Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.</i>		
PR	During the low tourism season, the SDM and MTD conduct the VES on visitors departing Montserrat by air and ferry (including excursionists).	September 2024
PR	Include visitors arriving by cruise ships and yachts in the estimation of travel credits and revise the travel credits series in the compiled BOP.	December 2024
PR	The SDM and MTD conduct the VES on visitors departing Montserrat by cruise ships during the high tourist season.	December 2024
H	Include cruise ship crew members disembarking in Montserrat in the estimation of travel credits and revise the time series in the compiled BOP.	December 2024
<i>Outcome: Statistical techniques are sound.</i>		
H	Extract visitors' average length of stay from the Caribbean Tourism Organization-Tourism Information Management System (CTO-TIMS) database categorized by country of residence and use it to estimate travel credits.	September 2024

B. ESTIMATING TRAVEL CREDITS

7. Using the updated data on travel services is key to improving the quality and reliability of current account data and the overall ESS. The mission made a preliminary update of the travel credits estimates for 2014 to 2023 based on the results of the VES conducted in March 2024, and for 2011 to 2013 based on the CPI-adjusted results of the VES conducted in 2010. The comparison of new and old estimate is shown in Figure 1. Since 2014, the new estimates are around 100 percent higher than the previous ones. The main reason for the higher estimate is the new ADE. Further details on the VES can be found in the following sections.

FIGURE 1. Estimation of Travel Service, Credits – Comparison with the Previous Estimation^{1/}



Source: SDM and the mission's estimation.

^{1/} Due to the COVID-19 pandemic, Montserrat closed its borders to visitors from around March 2020 to April 2021.

8. The data model for the compilation of travel credits uses the ADE multiplied by the number of visitors and the average length of stay (number of days). The model is based on the segmentation that the SDM had been using, that is of four groups of nonresident visitors based on their residency: Caribbean, United Kingdom, United States, and other countries. The new estimate uses the same principle. The previous estimate used the ADE from a VES conducted in 2010 without adjusting for local inflation to reflect price-level changes since 2010, and without adjusting the length of stay. The new ADE was deflated using the consumer price index for Montserrat back to 2014. The mission assumed that the ADE from the 2010 VES was relevant as a base for estimation for at least three years, therefore the ADE from the 2010 VES was inflated for 2011 to 2013 using the same method. The new estimate includes both stay over visitors and excursionists. The previous estimate only included overnight visitors. Therefore, revised estimates are based on improved coverage and ADE adjusted for inflation. The calculation is, however, still based on the average length of stay as estimated in 2010 as the mission evaluated that due to the festival in Montserrat, which took place at the same time as the VES was conducted, results collected in March 2024 might not be representative for the rest of the year.²

9. The mission investigated the soundness of estimating the average length of stay using data from the Embarkation-Disembarkation (ED) cards that visitors supply on arrival and departure. The ED card is potentially the best source for estimating the length of stay because of its high frequency and availability. The data is collected monthly from the Integrated Border Security, which handles immigration in Montserrat. Information from the ED cards is entered into the CTO-TIMS. The mission and compilers worked on this data in an effort to update the estimates of average length of stay for each year from 2011–2023. However, the results of that exercise showed discrepancies with the previous estimate, which was based on the same source data in 2010. Also, the current dataset does not

² The VES questionnaire includes also a question on the visitors' length of stay (for results see Appendix II).

give accurate information on the length of stay, as it sorts visitors into categories based on their length of stay (less than 4 days, 4 to 7 days, 8 to 10 days, more than 10 days, and not stated). For each category CTO-TIMS provides a number of visitors, but for the estimation of travel credits, a more precise data on length of stay is necessary.

10. The estimation of travel credits needs further improvement by distinguishing ADE and length of stay during the high and low seasons, and by including cruise visitors and cruise ship crew members in the calculations. In the 2010 VES, the ADE and length of stay differed somewhat between the high and low seasons. The upcoming low-season VES will give valuable information about the seasonality factor for the ADE of visitors. The low-season survey is expected to be completed before September 2024 (see the section on the updated plan). The previous estimation of travel credits (based on 2010 VES) did not include an estimation of cruise visitors' and cruise ship crew members' expenditures. As the SDM has not undertaken a VES for cruise visitors and crew members yet, their ADE is mostly unknown to compilers. The planned cruise survey is expected to be completed in December 2024.

TABLE 2. Calculation for Visitors' Categories (US\$)

Group visitors by	Previous ADE (2010 VES)	New ADE (2024 VES)	Difference
Caribbean	122.51	201	78.49
United Kingdom	100.16	219	118.84
United States	116.44	222	105.56
Other countries	104.13	185	80.87

Source: SDM. The ADE is from the 2010 and 2024 VES surveys.

Recommendations:

- Extract visitors' average length of stay from the CTO-TIMS database categorized by country of residence and use to estimate travel credits.
- Include visitors arriving by cruise ships and yachts in the estimation of travel credits and revise the travel credits series in the compiled BOP.
- Include cruise ship crew members disembarking in Montserrat in the estimation of travel credits and revise the time series in the compiled BOP.

C. THE MARCH 2024 VISITOR EXPENDITURE SURVEY: DATA ASSESSMENT AND EXTRAPOLATION

11. The main purpose of the VES was to collect information on visitor expenditure for the compilation of travel credits for the BOP. At the request of the MTD, the questionnaire also included questions for the purpose of gaining insight into tourists' behavior and for marketing purposes.

12. The SDM and the MTD collected 1,119 responses to the VES during March 2024. The VES was conducted in the departure halls of the John A. Osborne Airport in Montserrat and the Little Bay ferry terminal. The SDM hired 22 temporary employees as enumerators for this purpose. The questionnaire

was loaded on tablet computers which were used to collect responses. This enabled the results to be fed directly into an online platform. This saves considerable time and resources compared to a paper-based approach.

13. As recommended by the July 2023 TA mission, the target sample size for the VES was 819 visitors for the high-season survey. The greater response (by 300 more than planned) will give an overall higher significance to the results and a lower margin of error. The average ADE for stay over visitors is US\$185.3; given the true sample size, we can say with 95 percent confidence that the ADE falls within the range of US\$182.85 and US\$187.75.

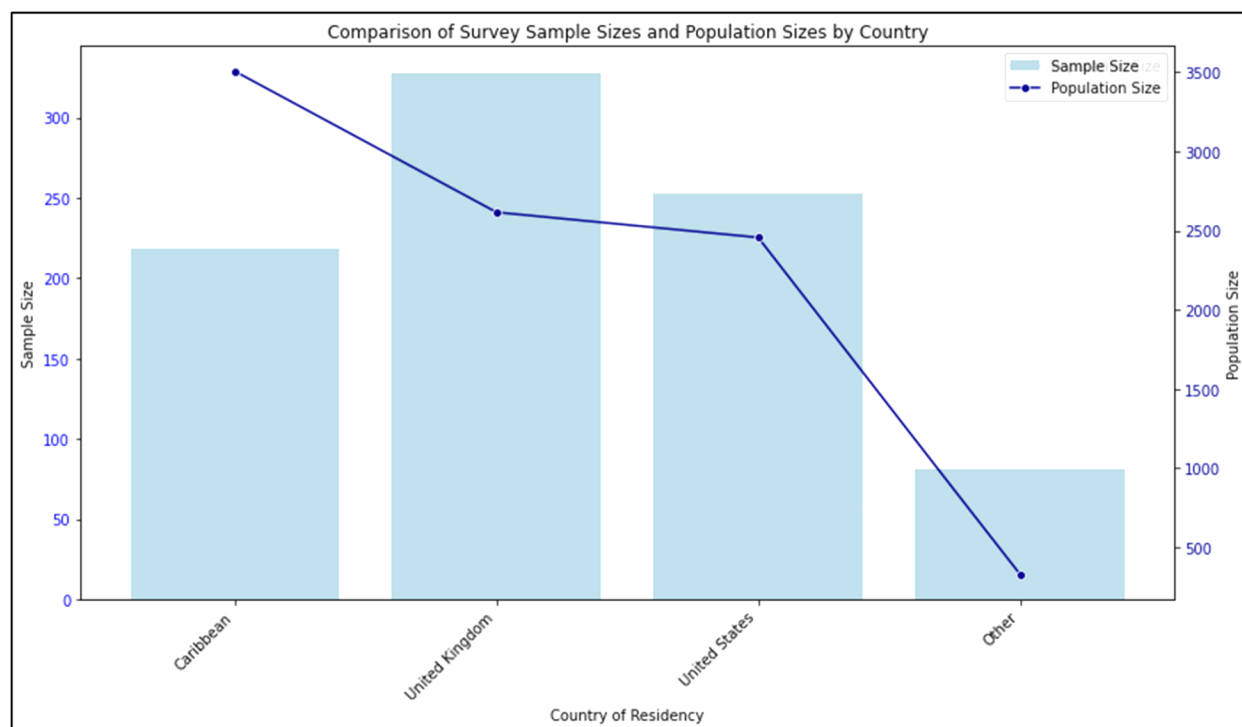
14. Prior to the data collection, the SDM and the mission (online) engaged in training for the enumerators. The training mainly focused on familiarization with the questionnaire and on explaining to the enumerators the purpose of the survey. The enumerators engaged in several rounds of submitting test responses to the survey. The SDM appointed two supervisors who oversaw the on-site activities and coordinated the attendance of enumerators with flight and ferry departure.

15. The mission worked extensively on data cleaning, categorization, and data engineering. The data was also checked for errors and outliers. Sixty-one responses were excluded from the sample for various reasons, the most common being that the number of visitors travelling as a group was not indicated, or the number of days spent in the country, and other important information were not provided. Package tour questions gave only a handful of responses and were removed. No duplicate responses were found. Only 15 responses were excluded as outliers. These were mainly cases where very high values were reported for the travel group or values for expenditure were very high compared to the length of stay.

16. Figure 2 shows a comparison between the number of visitors on ED card statistics classified by country of residency (average for 2015 to 2019) for overnight visitors and the sample obtained in the VES. Four different country groups of visitors were identified from the arrival card statistics. Around 39 percent of visitors come from Caribbean countries, 29 percent from the United Kingdom, 28 percent from the United States, and only 4 percent from other countries. Overall, the VES sample (Sample Size variable in Figure 2) has an overall good representation of all groups in proportion to the population of visitors (Population Size variable in Figure 2) bearing in mind that the St. Patrick's festival took place during the time VES 2024 was conducted.³ Traditionally visitors with Montserratian background visit during the festival. A majority of them reside in the United Kingdom and the United States. Therefore, it can be said that the sample was affected by the festival.

³ The St. Patrick's festival took place in Montserrat during the month of March and during that time many of the Montserratians living abroad, predominantly in the United Kingdom, and United States, visited the island.

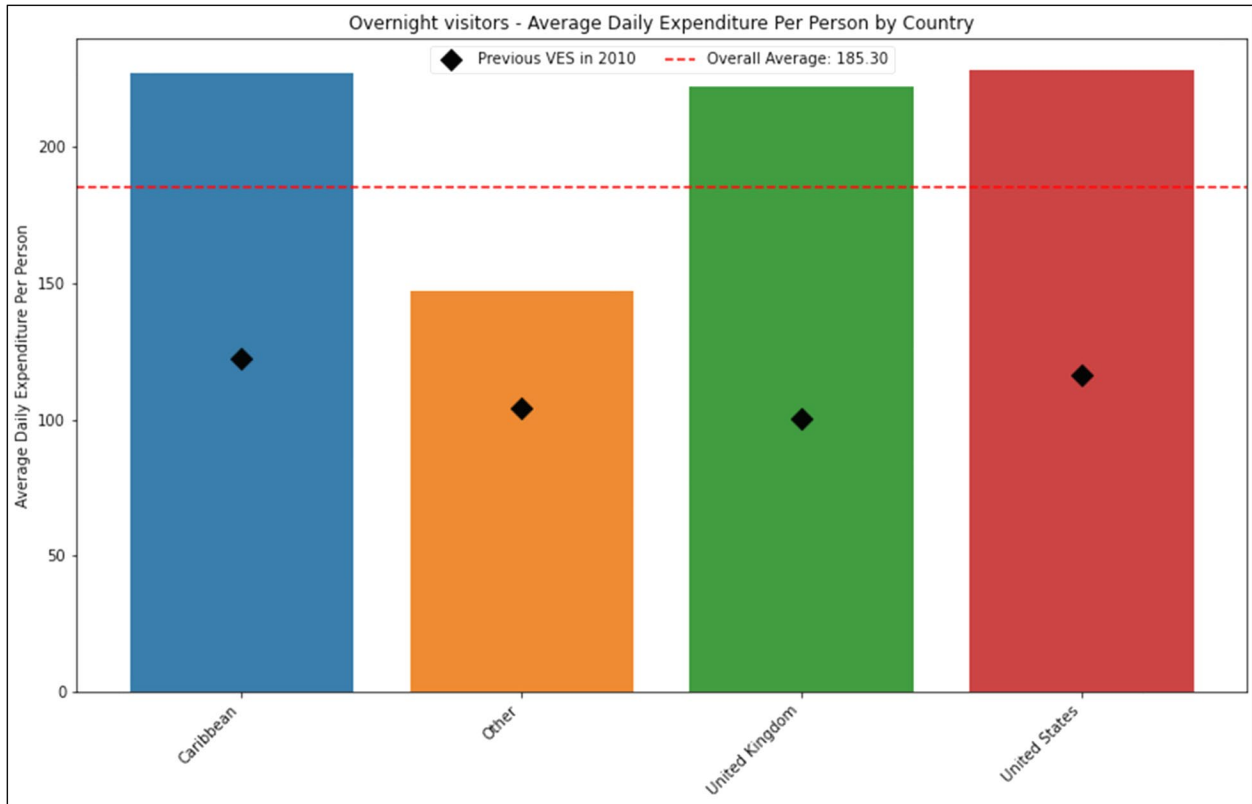
FIGURE 2. Overnight Visitors' Country of Residency – Comparison Between the VES and Arrival ED Cards



17. The overall average length of stay from the survey is similar to known characteristics of the population of visitors. The average length of stay for visitors calculated from the VES 2024 is around 11 nights, while the arrival ED cards statistics for 2010 show an average length of stay around 10 nights. A factor that could affect the average length of stay in the survey is the St. Patrick's festival as discussed above. In general, the arrival card statistics should be more reliable and could be potentially used as a source to calculate the export of travel services in the BOP in the future.

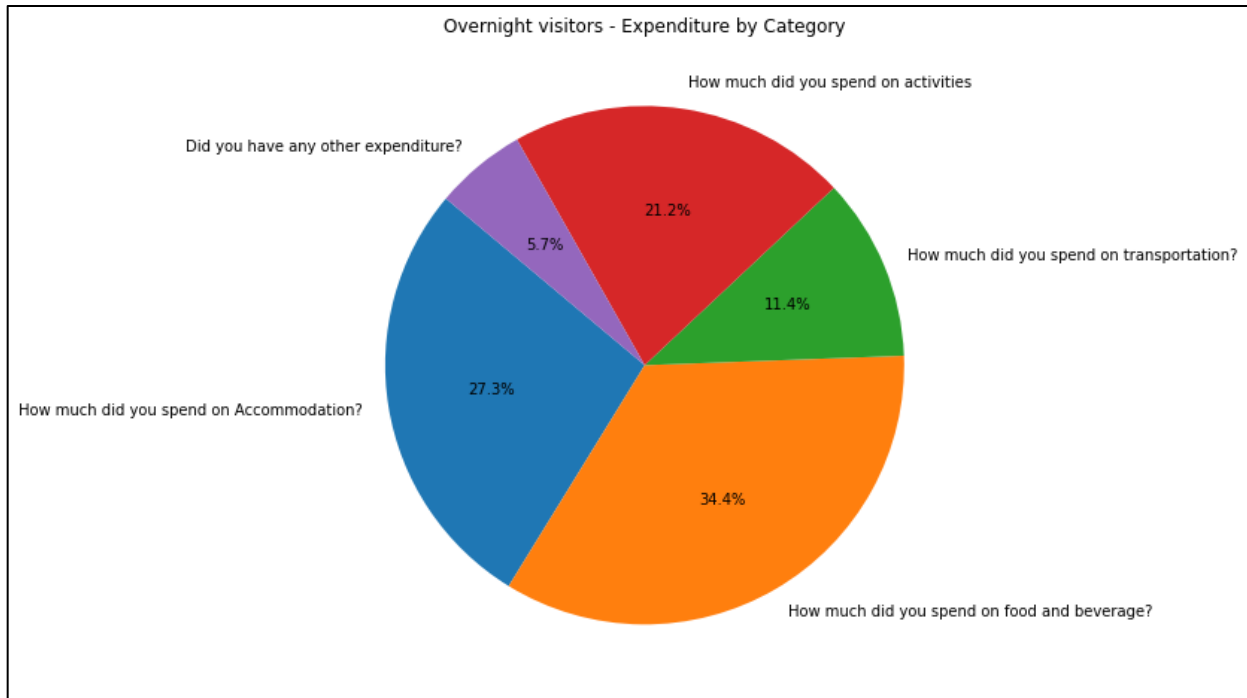
18. The result of the survey shows that the ADE of the visitors from the Caribbean countries, the United Kingdom, and the United States does not vary much (Figure 3). Visitors from other countries seem to spend significantly less. The number of respondents from other countries, however, was not significant enough to generate results within an acceptable confidence level. Around 10 percent of the responses from overnight visitors came from this group. The mission's view is that the overall average is more representative for those countries and recommends that it is used in the estimation of travel credits.

FIGURE 3. Overnight Visitors – Average Daily Expenditure



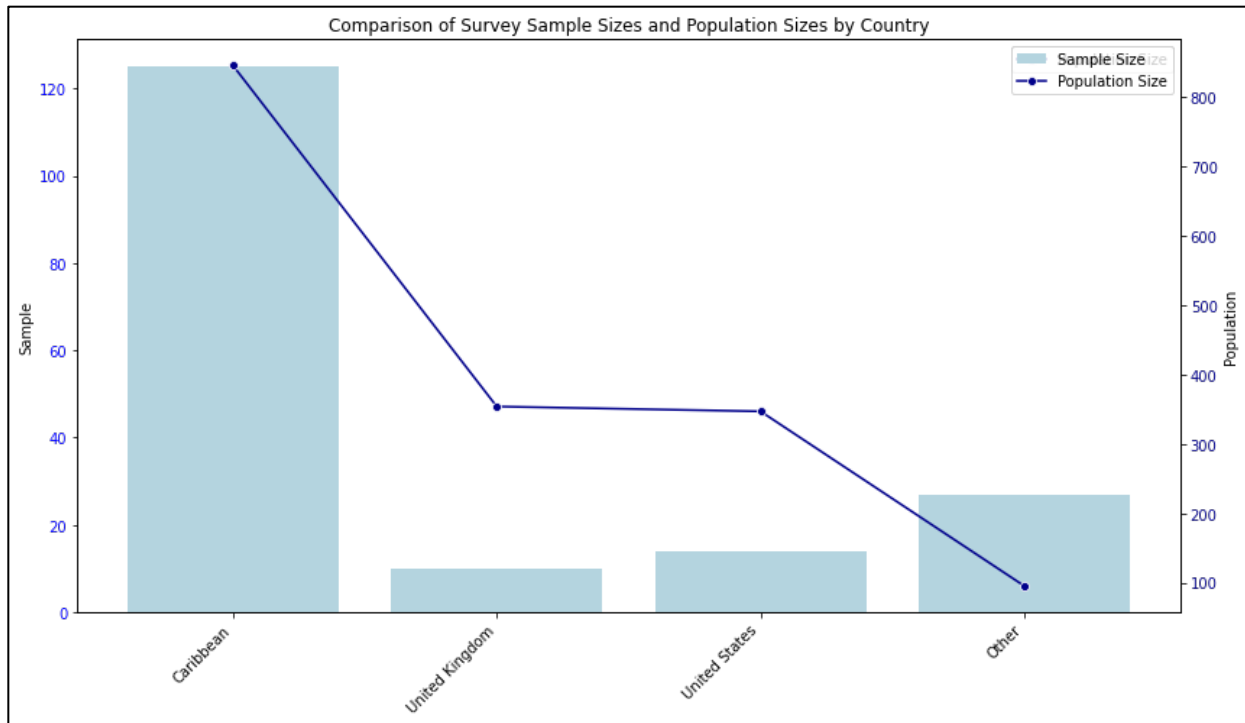
19. Figure 4 shows the expenditure by category of overnight visitors. It shows that the highest spending is on food and beverage, including expenditure on restaurants (around 34 percent). Expenditure on accommodation was 27 percent, activities 21 percent, transportation 11 percent and other expenditure was about 6 percent.

FIGURE 4. Overnight Visitors – Expenditure by Category (percentage)



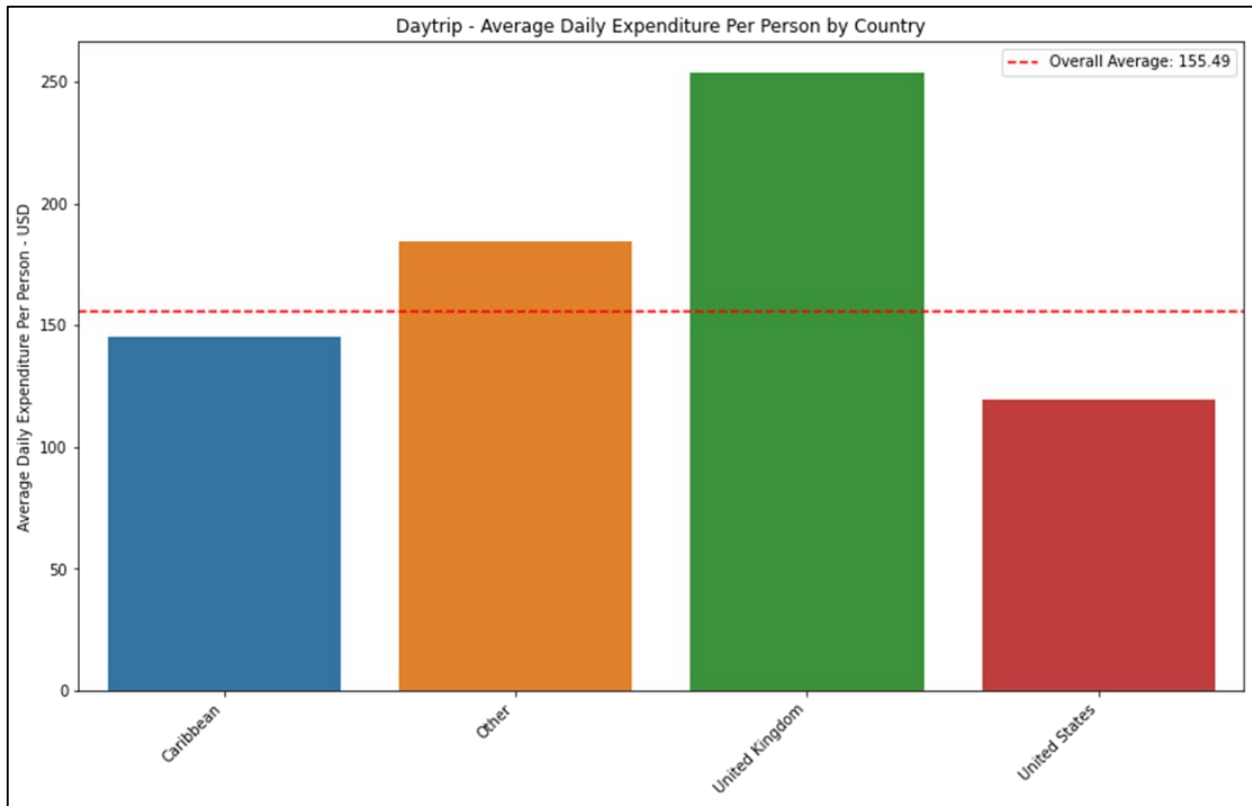
20. Figure 5 shows a comparison between the number of excursionists on ED card statistics (average for 2015 to 2019) and the sample obtained in the VES by country of residency. Four different country groups of visitors were identified from the arrival card statistics. For excursionists, around 52 percent of visitors reside in Caribbean countries, 22 percent in the United Kingdom, 21 percent the United States, and 6 percent in other countries (Population Size variable in Figure 5). It shows that the VES sample (Sample Size variable in Figure 5) represents visitors from the Caribbean very well, but visitors from the United Kingdom, the United States, and other countries are not in proportion to the population. The difference might be explained by the fact that during the month of March, the St. Patrick's festival took place in Montserrat, and during that time, many visitors from the neighboring islands of Antigua, Nevis, and Guadeloupe made use of the ferries that ran specially during the time of the festival.

FIGURE 5. Excursionists, Country of Residency – Comparison Between the VES and Arrival Cards



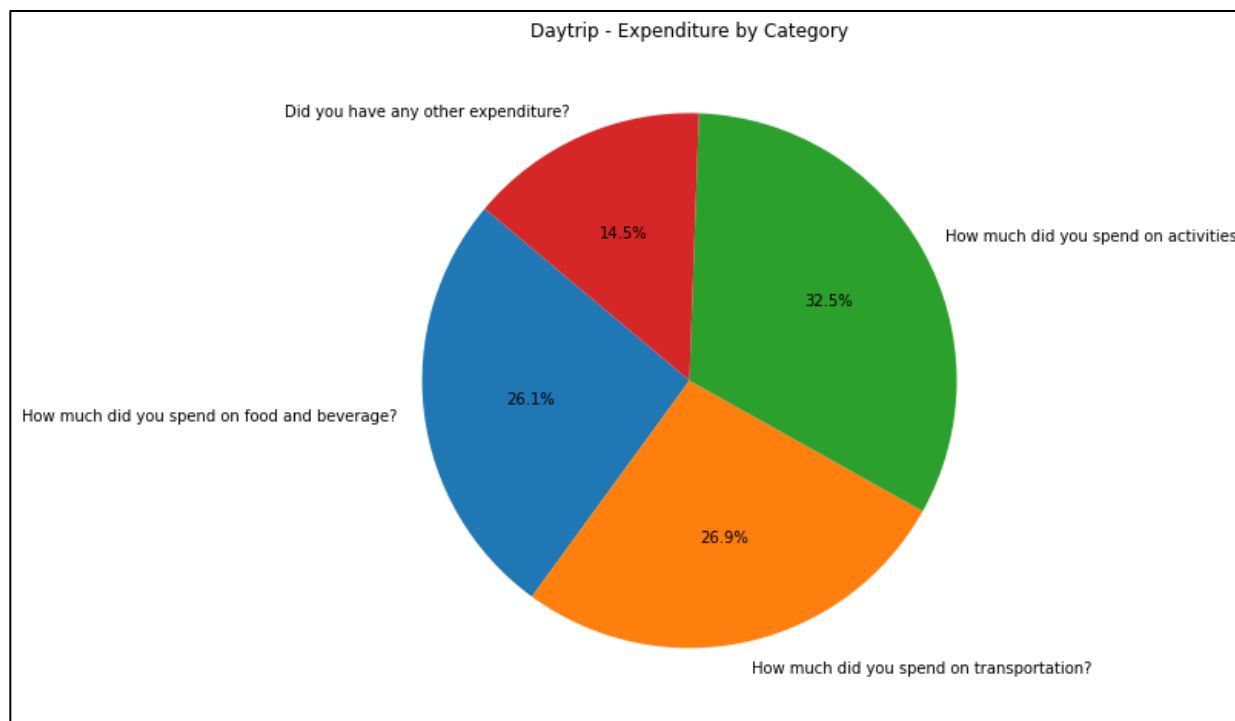
21. **Figure 6 shows the ADE for excursionists by country of residency as calculated from the VES.** The ADE differs somewhat between the four groups, however, keeping in mind the uneven distribution of visitors and particularly the underrepresentation of United States and United Kingdom visitors, it could be argued that for the BOP compilation the overall average should be used for all visitors irrespective of their country of residency.

FIGURE 6. Excursionists – Average Daily Expenditure



22. Table 7 shows the distribution of expenditure by category for excursionists. It shows that the highest spending is on activities (about 32 percent), transportation (27 percent), food and beverage, including expenditure on restaurants (26 percent), and other expenditures (about 14 percent).

FIGURE 7. Excursionists – Expenditure by Category



D. UPDATED PLAN FOR THE VISITOR EXPENDITURE SURVEYS

23. The mission worked with the SDM and MTD to update the work plan to carry out the low-season survey. Visitors will be surveyed at the John A. Osborne Airport and the Little Bay ferry terminal. The survey should be undertaken during the low season, from April through September this year.

24. Regarding the yacht visitors, the mission did not develop a strategy to survey them as it is uncertain when and where they can be surveyed. As discussed during the previous mission, more information is needed before the best approach can be found. Some information was collected on yacht visitors from the VES, however, not significant.

25. During the mission, one cruise ship with around 100 passengers came to Montserrat. The enumerators were able to capture 10 responses for the pilot cruise survey. The pilot was a success in terms of the data gathered since all the responses were in line with what was to be expected of the questionnaire. The SDM will continue to conduct the cruise survey in accordance with the cruise arrival schedule of 2024 (April, November, and December).

TABLE 3. Population Size and Suggested Sample for Low Season and Cruise Survey

	Departing visitors	Conventional sample (error 2.5%)	Suggested sample	Margin of error (suggested sample)
Tourists, low season	4,965	1,173	496	4.4%
Cruise passengers	3,044	1,021	400	4.9%

Recommendations:

- During the low tourism season, the SDM and MTD conduct the VES on visitors departing Montserrat by air and ferry (including excursionists).
- The SDM and MTD conduct the VES on visitors departing Montserrat by cruise ships during the high tourist season.

E. OFFICIALS MET DURING THE MISSION

Name	Position / Institution
Ms. Siobhan Tuitt	Chief Statistician – Statistics Department Montserrat
Mr. AJ Lee	Computer Systems Officer – Statistics Department Montserrat
Mr. Dexter Small	Interim Computer Systems Officer – Statistics Department Montserrat
Ms. Jasmine JnoBaptiste	Statistician – Statistics Department Montserrat
Mr. Jason Ryan	IT Technician – Statistics Department Montserrat
Ms. Adolphia Martin	Assistant Statistician – Statistics Department Montserrat
Mr. Adonyjah M. Daley	Assistant Statistician – Statistics Department Montserrat
Ms. Davaine D. Richards	Assistant Statistician – Statistics Department Montserrat
Mr. Royden Silcott	Media Expert
Ms. Sharlene Lindsay	Media Expert
Mrs. Rosetta West-Gerald	Director - Montserrat Tourism Division
Mrs. Sarah Tucker	Governor of Montserrat
Mr. Lyndell Simpson	Deputy Governor
Mr. Joseph Farrell	Premier of Montserrat
Dr. Samuel Joseph	Minister of Communications, Works, Labor and Energy
Mr. Crenston Buffonge	Minister of Agriculture Lands and the Environment
Ms. Veronica I. Dorsette-Hector	Parliamentary Secretary Health, Social Services, Youth and Sports
Mr. Charles Kirnon	Minister of Education, Health & Youth Affairs
Mrs. Lindorna Lambert-Sweeney	Financial Secretary – Ministry of Finance
Mr. Kenya Lee	Deputy Financial Secretary (Ag) Ministry of Finance
Mrs. Daphne Cassell	Permanent Secretary – Office of the Premier

Appendices

APPENDIX I. COMPLETED ACTION POINTS

Priority	Action/Milestone	Target Completion Date
Outcome: Methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.		
PR	During the high tourism season, the SDM and MTD conduct the VES on visitors departing Montserrat by air and ferry (including excursionists), using questionnaire in Appendix II.	March 2024 Completed
H	Conduct a pilot cruise survey at the ferry terminal to test the tablets, the questionnaire, and the Wi-Fi connection.	October 2023 Completed
H	Use QR codes to provide easy access to the online version of the surveys.	October 2023 Completed
Outcome: Legal and institutional environment are adequate for the compilation and dissemination of statistics.		
H	Ensure sufficient IT resources, including tablet computers for conducting the VES.	October 2023 Completed
H	Coordinate actions to ensure that SDM and MTD staff has access to passenger departure areas and reach a formal agreement with the airport and Montserrat Port Authority.	October 2023 Completed

APPENDIX II. ADDITIONAL CHARTS BASED ON THE RESULTS FROM THE VES

The mission prepared numerous charts based on data collected from the VES 2024.

