

World Tourism Organization



Report of the Third Meeting of the UNWTO Tourism Resilience Committee Astana, Kazakhstan, 8 October 2009

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1. Introduction

This report summarizes the proceedings and conclusions of the third meeting of the UNWTO Tourism Resilience Committee (TRC), held on the 8th of October 2009 in Astana, Kazakhstan, on the occasion of XVIII UNWTO General Assembly.

The third meeting of the TRC focused on the debate of the *Roadmap for Recovery* (see annex I) presented to the XVIII UNWTO General Assembly and on the future activities of the Resilience Committee.

2. Executive Summary and Conclusions

2.1 *The Global Economic Crisis and its Impact on Tourism*

- We face an unprecedented crisis: for the first time since World War II the world faced recession and if there had not been a strong policy reaction, the world would be facing the 2nd depression.
- 2010 will be a difficult year. Recovery will be slow and unemployment is a major concern. Eastern Europe will be the most affected region, while Asia is expected to recover more quickly.
- Tourism, though resisting somewhat better than many other economic sectors, has not been immune to the current global economic crisis.
- International tourist arrivals were down by 7% between January and July 2009. All regions, with the exception of Africa, have been hard hit.
- For the full year 2009, UNWTO forecasts a decline in international tourist arrivals of between -6% and -4%.
- Receipts from international tourism are expected to be somewhat more impacted.

2.2 *Key issues*

- The Committee agreed that the following key issues were critical to overcome the current global economic crisis:
 - Jobs
 - Innovation
 - Development
 - Climate response
 - Green economy
 - Get tourism on national and international leaders' agendas
 - Availability of credit lines, namely for SMEs
 - Inter-regional links and cooperation

2.3 *Conclusions*

- The Committee expresses its appreciation to the work developed so far, recognizing that the TRC is a unique platform to share market intelligence, experiences and best practices on response measures to cope with the global economic crisis;

- The Committee welcomes and expresses its support for the *Roadmap for Recovery* and encourages its wide promotion as a strong tool that comes at a critical time. It is the moment to make the voice of tourism heard and to put tourism higher in policy agendas.
- The Committee considers that the 15 recommendations set in the *Roadmap* should be reflected in policy papers at UNWTO level as well as at the level of Member countries.
- The Committee incentivizes all Members to take the *Roadmap* for their use in advocating tourism's key role in contributing to the economic recovery.
- Members agree to share information on the implementation of measures defined in the *Roadmap* and call for its further development and review.
- The Committee requests the Secretariat to focus the activities of the TRC during 2010 on the promotion of the *Roadmap for Recovery*, as well as on monitoring its implementation.

In conclusion, the outcomes of the third meeting of the TRC were:

1. Broad agreement on the elements contained in the *Roadmap*.
2. Acknowledgement by all stakeholders present of the need to promote the *Roadmap* to their respective constituencies (ministries, agencies, other organizations).
3. Commitment to share national practices on measures taken to implement those parts of the *Roadmap* that are relevant to individual stakeholders.
4. A call for further development and review of the *Roadmap* document by the TRC.

3. Summary of Proceedings

3.1 Introductory Remarks

Dr. Taleb Rifai, Secretary-General a.i., World Tourism Organization (UNWTO)

- My gratitude to H.E. the Minister of Tourism of Egypt, Mr. Zoheir Garranah, for chairing the Tourism Resilience Committee (TRC) during its first year. Under his leadership, a lot of work has been done and continuous progress has been made towards the achievement of the Committee's basic purposes.
- The TRC was set in October 2008 after it became clear that the economic downturn was affecting the whole world and was having a direct impact on our industry. There was a need for a forum and a platform to put all experiences together.
- There is a double purpose in today's meeting: monitoring and response.
- My gratitude to H.E. the Australian Ambassador to Spain, Mr. Noel Campbell, Chair of the Core Working Group of the TRC, for the work undertaken. He has proven to be not only a fine diplomat but also a very gifted tourism person.
- The Committee has undertaken several activities during its first year, namely:
 - closer market monitoring
 - an online market intelligence system
 - a crisis dedicated website
 - a database on national stimulus measures

- The *Roadmap for Recovery* contains an important database based on the countries' responses to different surveys on what have they done in several areas (taxation, human resources, etc) and what have been the best practices.
- Through the *Roadmap for Recovery*, we aim to make an impact on important leaders' circles (national tourism administrations, private stakeholders, heads of state, ministers of finance, among others). The G20 is one of the groups that we have targeted: tourism and travel was not in their agenda, we have tried to make an impact on them through the *Roadmap for Recovery* and make them aware of the economic importance of tourism and its key role in the transition to the green economy.
- This third meeting of the TRC is important because it is happening when some changes are starting to affect the overall negative economic downturn: we see some slight change in the consistent negative economic trend prevailing since mid-2008 and slight improvement also in the trend of international tourist arrivals. There seems to be some kind of softening.
- Apart from the economy and the environmental challenges, the TRC also needs to deal with the challenge of the A(H1N1) flu.

H.E. Mr. Zoheir Garranah, Chairman of the UNWTO Tourism Resilience Committee (TRC) and Minister of Tourism of Egypt

- Congratulations to Dr. Taleb Rifai for assuming the post of UNWTO Secretary General.
- Sincere appreciation to Ambassador Noel Campbell for his fundamental role in developing the *Roadmap for Recovery*.
- Sincere gratitude to Geoffrey Lipman for the dynamic and passionate contribution to the work of this Committee.
- The *Roadmap for Recovery* is the outcome of the efforts, knowledge and experience generously shared by all its Members and beyond.
- As Chairman of this Committee, I strongly believe that the *Roadmap* represents an extremely powerful tool.
- To the best of my knowledge, there is not a single other industry that has so actively come together and collaborated on the global level, producing clearly defined policy response measures and concrete actions to battle this crisis.
- We have proposed measures and actions that have already been applied by public and private decision makers and in many cases had already proven to reduce the impact of the crisis we face today, and to effectively address the challenges that we will face tomorrow.
- This is our time and our moment to have the voice of tourism heard and recognized for the contribution truly deserved as a key driver not only along the road to for recovery but well beyond: the road to economic development, peace and prosperity for all.
- It is my sincere hope that we will reach a consensus on how to move the *Roadmap* forward in a way that enables us to effectively reach the desks of men and women in position to put this document into action.
- We would need to work just as much or even more as we will face a difficult year in 2010. Our job is far from over.

3.2 Panel I: The Economic Situation and its Impact on Tourism: Diagnosis and Prospects for 2010

Mr. Robert C. Shelburne, Chief Economist and Senior Economic Affairs Officer, Office of the Executive Secretary, United Nations Economic Commission for Europe (UNECE) – Keynote speech

See www.unwto.org/trc/meetings/pdf/351_Rshelburne_slides.pdf for presentation.
See www.unwto.org/trc/meetings/pdf/351_Rshelburne_text.pdf for full document.

Ms. Sandra Carvão, Deputy-Chief, Market Trends and Competitiveness, UNWTO – Speaker

See www.unwto.org/trc/meetings/pdf/351_Scarvao_3TRC_data_UNWTO.pdf for presentation.

Mr. Felipe González Abad, Senior Advisor, Amadeus – Speaker

- The Global Distribution System (GDS) industry volume is 1.1 billion bookings per year.
- The crisis began to be reflected in air bookings by May 2008. All 2009 remain far below 2006 and 2007. Demand has dropped to 2006 - 2007 levels.
- The lesson at a world level is that air transport demand has lost three years.
- Since April 2009, the real drop in the demand has softened. Forecasts point to a gradual recovery in November and December.
- Western Europe is, with North America, the biggest producer of air bookings per capita. In Western Europe, the 2009 air bookings production up to the month of August was below 2006..
- In Europe, Germany, the UK, France and Spain are the major producers of air bookings. Germany is one of the most active markets. Although with a depressed profile in 2009, the evolution is not as weak as in other originating markets, particularly in June and July. The UK offers a depressed profile during the whole year to date. Only March, June and July show comparable figures. France presents a better profile than other countries in the same region. Finally, Spain started 2009 very weakly, but the 2009 bookings in June, July and August match 2008.
- The GDS industry forecast worldwide bookings to decrease by 5% in 2009 over 2008. Western Europe will remain below zero all year-round and is forecast to end the year at -8%. North America is forecast to end 2009 at -8%. Latin America will also be below the levels recorded in 2006-2008, but the trend points to better results in November and December than the world average.
- Middle East and Africa are exceptions as 2009 will be above 2007 and 2008.
- Air booking evolution in Asia Pacific is significantly poor, below 2006-2008.

See www.unwto.org/trc/meetings/pdf/351_Amadeus.pdf for presentation.

Ms. Rosette Chantal Rugamba, Director General, Office Rwandais du Tourisme et des Parcs Nationaux (ORTPN) – Speaker

See www.unwto.org/trc/meetings/pdf/351_RChantal.pdf for presentation.

Debate

Mr. Hermes Navarro Del Valle, Advisor to the Minister of Tourism, Costa Rica

Questions to Mr. Shelburne

1. The first graph of your presentation shows a V-shape recovery curve. Other presentations have shown a square-root recovery. Is the trend for the recovery in the next years a square-root shape?
2. Many of the existing hotels seem to benefit from the lack of financing for new hotels. Do you agree that the existing hotels will benefit from the freezing of new projects?

Question to Mr. González Abad

3. Do you have any numbers on short-term reservations? Are people making late bookings?

Answers

1. *Robert Shelburne:* The square root will probably be the best description of the likely recovery scenario we are going to have.
2. *Minister of Egypt:* The industry has introduced a lot of investors and developers. Hundreds of thousands of rooms have been built and have entered into operation every year. Due to the financial crisis, the lending system has stopped approving loans. This will cause a big problem as the capacity increases and the numbers do not. We will have to reduce rates, which can make the whole economic cycle go down. In my country, we have 211 thousand rooms operating and 191 thousand rooms under construction, 25% of which were supposed to go into operation in 2009. When you have reached a big part of opening, you cannot stop, you have to go on.
3. *Robert Shelburne:* Existing hotels, especially large chains, have a tremendous amount of debt. A lot of that debt is taken on a short term basis with the idea that is going to be refinanced in a year or two, so they are going to have difficulties in refinancing that debt. It is not because you are an existing hotel that you are not going to run into problems with the financing.
4. *Felipe Gonzalez Abad:* The answer is yes, although the local carriers are still inviting people to buy six month in advance. Due to the crisis, the big companies are trying to compete lowering the prices, so the market is waiting until last minute to buy the tickets. With regards to hotels, perhaps this is the time to promote the creation of new business.

Mr. Wayne Calder, General Manager, Business Development Group, Tourism Division, Department of Resources, Energy and Tourism, Australia

From the Australian context, tourism is not often seen at the centre of the economic policy debate because sometimes it tries to stand apart and it is treated as unique. Budgets are getting tighter. Therefore, we need to start focusing on long-term solutions. Tourism should be trying to position itself to look at the longer term policy perspective, in order to have influence on policymakers. Let us not make it a unique case, but rather a general case part of the economy.

Prof. Geoffrey Lipman, Assistant Secretary-General, UNWTO

Would it be better if we try to position ourselves as a common economic phenomena rather than special phenomena and look to the long term rather than just the immediate?

Mr. Robert Shelburne, UNECE

You have to do both. In the long-term, expenditure is based on efficiency branch and infrastructure development. In the short run, however, it is not as much on efficiency; it is how much extra-spending can you get. If you build a bridge, you spent a hundred dollars. If you spent a hundred dollars on tourism promotion, you might bring a thousand dollars from international tourism. That could be the case in the short run to make the argument. While in the long term you have to position yourself as an industry that can contribute to economic development. Therefore you have to look at both.

H. E. the Minister of Egypt

We have to communicate properly what tourism is. This is one of the major things I will ask UNWTO - to position tourism in its proper level. We tend to consider tourism as a luxury item when it is a major job generator. It is a matter of communication.

Ms. Rosette Chantal, Rwanda

Governments are desperate for solutions. Let us take this opportunity not only for quick solutions, but also for long-term ones. A major problem is the lack of statistics. We cannot talk to our governments without statistics. We need statistics because they will speak for us. We will be able to communicate the importance of tourism by validating it with valuable statistics that really can tell the story.

Mr. Márcio Favilla, Vice-Minister, Secretariat of Institutional Relations from the Presidency, Brazil

Question to Mr. Robert Shelburne

Based on your presentation, you expect difficult times for developed countries. This brings a challenge for long-haul destinations. We will see a reduction of international tourist arrivals coming from Europe and the USA due to the reduction of income. Do you consider in your model that emerging countries will help softening this hardship during the coming years, so developed countries can have a shorter hard time in the coming years?

Mr. Guy Johnson, Technical Advisor for Tourism, Ministère de l'artisanat et du tourisme, Benin

With regards to the Resilience Committee's mission, does it only provide general orientation or can it implement concrete projects? The TRC needs to find a

mechanism to receive proposals of concrete projects. The international tourism community could support those projects following defined criteria.

M. Dialel Guisset, Director of Research and Cooperation, Ministère du commerce, de l'artisanat et du tourisme, Mauritania

Even if Africa keeps growing in terms of international tourist arrivals despite the current economic situation, tourism demand in Africa remains marginal. Looking towards 2020, if Africa wants to catch up in terms of biodiversity, climate change and environment, African countries that are developing their tourism need to carry out activities where the man is in contact with the environment and must avoid mistakes made by established tourism destinations. This is the way those emerging African countries will catch rapidly the established ones.

Mr. Robert Shelburne's answer to Márcio Favilla

Developing and emerging markets should be responding rather well to recovery. The problem will be more with advanced economies. In terms of whether the emerging markets can take over, if these economies will have rapidly growing middle class which can potentially become customers, I consider that this is the job of the tourism industry: to ensure that this rapidly growing middle class in the developing world actually become their customers.

Prof. Geoffrey Lipman's comments on African delegates interventions

Despite the fact that Africa is performing relatively better than others in terms of international tourist arrivals, in fact due to other dynamics, as Rosette mentioned, the situation in Africa is getting worse and something needs to be done in that respect. This is one of the outcomes we will take from this meeting. On the other hand, the TRC was not established to deal with projects. It was established to monitor the evolving crisis situation, regionally and globally, in order to propose responses related to these specific crises. The rest of the UNWTO programme, including the ST-EP programme and other activities, is set for that purpose.

3.3 Panel II: UNWTO Response to the Crisis – The Roadmap for Recovery

H.E. Mr. Noel Campbell, Chairman of the Core Group of the UNWTO Tourism Resilience Committee and Ambassador of Australia to Spain

- The TRC's mandate is essentially to analyse and respond to risks in the tourism sector.
- We have prepared a response in the format of the *Roadmap for Recovery*.
- I was very encouraged about the feedback we received during the debate of item 8 at the General Assembly's agenda. It brought agreement on the underline philosophy of the *Roadmap*, namely:
 - the nexus between tourism and jobs;
 - the need to articulate our message better;
 - the need to treat tourism not exclusively or as something separated and unique, but as an intrinsic part of national economic activity;
 - the need for tourism to be at the core of economic recovery packages;

- the nexus between tourism and the transition to the green economy;
- the upcoming challenges of climate change and other environmental issues will not make the transition to the green economy a choice but rather an obligation.
- I would like participants to comment on the Roadmap and focus on all the four elements mentioned in order to draw a conclusion.

Debate on the future of the Tourism Resilience Committee and the Roadmap for Recovery

Dr. Shaun Vorster, Special Adviser to the Minister of Tourism, South Africa

A few remarks on the T20 initiative led by South Africa:

- Importance of active promotion: within governments and the global arena on the contribution of travel and tourism to the economic stimuli.
- How do we put tourism in the global economic decision making? The G20 was the starting point, taking advantage of the synergies between the *Roadmap* and the G20 agenda (jobs, education, poverty eradication, trade promotion, stimuli).
- South Africa offered to host a meeting of the T20 grouping the ministers of tourism of the G20 early next year.
- A key challenge will be to develop a language on tourism, so that governments, heads of finance, treasury, and budget can understand the importance of the tourism sector in the economic stimuli.
- The outcome of the T20 will be to communicate our message in a concise way to the next G20 meeting.

Prof. Dimitrios Buhalis, International Centre for Tourism & Hospitality Research – Bournemouth University

Two comments:

- Capacity cuts that are producing a major impact on long haul destinations. This is reducing the ability of travellers to get to destinations, especially islands.
- Margins of tourism industry have been reduced. A lot of investors will move to other areas.

Some solutions may be considered: for instance, to focus on domestic and short haul travel, as well as to look to technology in terms of improving competitiveness.

Ms. Blanka Belosevic, Head, Department for International Cooperation, Ministry of Tourism, Croatia

The Roadmap for Recovery collects the different crisis measures. I wonder if UNWTO is going to analyse what these measures actually meant. With regard to the comment that tourism is not a luxury thing, unfortunately if you lose your job it is and many people have lost it. Therefore, we have to take this into consideration when thinking about the measures. Concerning next steps, we should be more in touch with reality and try to see how to make our Ministers understand that this should be

done. More cooperation, more sub-regional activities from the side of UNWTO should be carried out.

H.E. Mr. Mwakai Kikonde Sio, Ambassador of Kenya to Spain

The emphasis on jobs and the green economy brings to light the importance of the human resources development, which I think has not been highlighted sufficiently. Attention to youth is also important with regard to human resources.

Prof. Geoffrey Lipman's answer to Ambassador Sio

The *Roadmap for Recovery* – part manifesto, part programme – is for very specific actions. Your point fits in the UNWTO Programme of Work. In the ensuing actions, those issues should be taken into account. It is important not to confuse the *Roadmap* with the UNWTO Programme of Work.

H.E. Mr. Edmund Bartlett, Minister of Tourism, Jamaica

- Would like to show full support to the *Roadmap for Recovery* and the elements it seeks to promote.
- We have been using some of the elements of the *Roadmap*, with good results in arrivals as well as in terms of stimulating economic activity in non-traditional areas (small and medium sized enterprises, communities which have not been fully integrated in the economic process).
- Would like to comment on two of the outcomes: creating greater awareness among global leaders and the impact in job creation. As part of the response, there is the proposal of the creation of a T20. It is mirroring the global economic grouping of the G20. In tourism, it is advisable to involve a broader group, a wider range of ideas and inputs. Some of the more tourism dependent regions or sub-regions of the world need a voice. As we have to do things differently and being innovative, we may want to reconsider the T20 in order that voices of those regions that are particular dependent on tourism be present.
- Concerning visa restrictions and taxation, we need to make a strong voice of leading the way to make leaders aware that certain types of taxation on tourism are counterproductive. For instance, the UK departure taxation could be particularly deleterious to Caribbean economies, especially the Anglophone ones.
- We need to make the point very strongly that, even if they need to ensure fiscal revenues, they should avoid taxation measures that could have punitive effects on other destinations.

Datuk Dr. Victor Wee, Chairman, Malaysia Tourism Promotion Board

- Congratulations to the work of the TRC for preparing this *Roadmap for Recovery*. As a result of this work, I can see that many countries have actually promoted their set of policies to increase resilience and stimulus. The *Roadmap* helps to indicate what to do and allows comparing the different measures taken by the different countries.

- On the issue of communicating better the *Roadmap*, we should take into account that tourism is not identified as one particular sector in the system of national accounts. What is tourism's weight in the GDP? The Tourism Satellite Account (TSA) helps to answer this but it is very resource demanding and time consuming. This presents a difficulty when communicating to decision-makers on the economic contribution of tourism to the national economy. How to improve intergovernmental communication? Taking into consideration that budgets in tourism administrations are more limited than in other ministries, how can we ensure that the actions undertaken by other ministries could have a positive impact on tourism? What are the promotional strategies we should adopt for more efficiency and more productivity?

Ms. Beatriz Marco Arce, Deputy-Director General of Cooperation and Competitiveness, Secretaría de Estado de Turismo, Ministerio de Industria, Turismo y Comercio, Spain

- Congratulations to Ambassador Campbell for his job chairing the Core Working Group of the TRC, and also to Prof. Geoffrey Lipman and Ms. Sandra Carvão for their job carried out.
- The TRC has worked efficiently and cheaply, by the use of electronic means. It is a fantastic way to share information between member states.
- Each national tourism administration (NTA) should adopt its own measures to face the ongoing challenges, but the fact of knowing in real time what other countries are doing, gives us ideas and helps us to give legitimacy to the proposals for measures we make internally. The information from different countries provided by the TRC's webpage represents ammunition for our Ministers of Tourism in order to increase influence in national policy and to increase the visibility and importance of tourism at the highest level. For Spain, it is an example of what we want from UNWTO. We want support from UNWTO in order to include NTA and tourism in the Ministers Council's decision making process.

Mr. Imtiaz MUQBIL, Executive Director, Travel Impact Newswire

We need to have a position when we face situations that can harm the travel and tourism sector such as the 2008 oil price hike and the consequent fuel surcharges made by airlines.

Ms. Blanka Belosevic, Croatia

Do we really know what the so-called ecotax is been used for in the countries that introduce it?

Prof. Geoffrey Lipman, UNWTO

UK departure tax has been used for one purpose only: to help the government. It is fine to talk about a small tax for adaptation purposes in the range of 8-10 euros. But the UK tax for a family of four travelling to the Caribbean can amount 360 euros and that is significant. The reality is that the aviation contribution to carbon emission is

arguably between 2% and 4%. Cities produce 80% of the carbon emissions. We need to identify these points. One thing is a small tax which has been transparently identified for adaptation purposes. But the UK departure tax is absolutely against all principles of taxation. On the other hand, the *Roadmap for Recovery* is not intended to produce solutions immediately. It is intended to produce a common platform for UNWTO Members. This is the start of the road.

Mr. Wayne Calder, Australia

Some principles of the Australia's National Long-Term Tourism Strategy:

1. Long term: sustainability: long term policy settings are necessary to establish the basis for growth and resilience of the industry into the future.
2. Productive capacity of the industry: the evaluation of net economic value of the tourism industry puts a real premium on tourism statistics.
3. Coordination across governments.
4. Integrate tourism into economic policy debate.

Dr. Shaun Vorster, South Africa

Thanks to Minister Bartlett of Jamaica for his valuable comment on the T20. We are actively considering how to reflect regional groupings in the T20.

3.4 Conclusions

H.E. Mr. Zoheir Garranah, Chairman of the UNWTO Tourism Resilience Committee (TRC) and Minister of Tourism of Egypt

What should be next? The document reflects the different stimulus packages that countries have implemented. One very important issue is that when we request the help of our Minister of Finance and ask for a stimulus package, there is the issue of not having a proper indicator that indicates what the contribution of tourism to the economy is. The TSA is still in development and few countries have implemented it. We do not communicate figures; we do not communicate how much we contribute. We need the Committee to try to make some economic studies on the impact of tourism on different sectors, so we can have guidelines to present to our Minister of Finance. In addition, some of the stimulus packages are going to be revoked or cancelled. The unemployment issue is a potential threat. With regard to the carbon emission tax, we do not mind to pay taxes, but only in one condition: that everybody does it.

Prof. Geoffrey Lipman, UNWTO

Some final points:

- We need to intensify economic analysis, we need to provide numbers.
- There is a consensus that the *Roadmap* is a good vehicle.
- The idea of encouraging grouping members on T20. Regional representation will be taken into account.
- We need to develop a detailed communication programme.
- We have to flesh out the *Roadmap's* 15 points into policy papers.

Dr. Taleb Rifai, UNWTO Secretary-General a.i.

The issue of champions needs to be discussed. We had the experience in Florianopolis (Brazil) of witnessing the passionate way President Lula spoke on tourism issues. Finding leaders ready to speak up on the importance of the *Roadmap* would give a tremendous boost to our work. We need to find champions in each region. President Lula is the profile we should be targeting.

I thank all participants and I suggest that the Minister of Egypt continues one more year as the Chairman of the TRC.

H.E. Mr. Zoheir Garranah, Chairman of the UNWTO Tourism Resilience Committee (TRC) and Minister of Tourism of Egypt

- 2010 will be a difficult year
- Unemployment will be a critical issue
- Measures shared here give ideas to other governments
- Tourism needs to be higher on the agendas
- Some stimulus will disappear
- Carbon tax – yes to pay but as long as it is equal to all

Annex A: Roadmap for Recovery

Roadmap for Recovery

Tourism & Travel

***A Primary Vehicle for
Job Creation & Economic Recovery***

Madrid, 2009

Roadmap for Recovery

The *Roadmap for Recovery* is addressed to world leaders and decision makers as they seek to stimulate the global economy, support developing countries and accelerate the transition to a Green Economy.

It aims to show how the *Tourism* sector can contribute to the ongoing actions to respond to the crisis by creating jobs, promoting trade and enhancing development.

The *Roadmap for Recovery* is a set of strategic guidelines based on three interlocking action areas: Resilience – Stimulus – Green Economy – to support the global economy and the Tourism sector.

This document was formulated by UNWTO, who seeks collaborative engagement for its assessment and implementation.

Why Tourism & Travel¹?

Tourism is ...

One of the World's Top Job Creators.

- Provides more than 75 million direct jobs worldwide².
- Offers fast entry into the workforce, particularly for youth and women in urban and rural communities.

A Lead Export Sector, particularly for Developing Countries.

- 30% of the world's exports of services (1 trillion US\$ a year)³.
- Up to 45% of the total export of services in developing countries³.

A Key for Stimulus and the Transformation to a Green Economy.

- Contributes directly and through its multiplier effect to global job creation and economic recovery.
- Accounting for a comparatively low share, 5% of CO₂ emissions³, *Tourism* is well-positioned and committed to progressively reducing its carbon emissions and contributing to the transformation towards a Green Economy.

¹ Tourism & Travel' refers to a wide range of domestic and international tourism business and activities which incorporates transportation, accommodation and related services. Hereafter, the term '*Tourism*' will be used.

² World Travel and Tourism Council (WTTC): In 2009, Tourism & Travel is estimated to generate 77 million direct industry jobs (2.7% of total employment) and around 220 million direct and indirect jobs (7.6% of total employment).

³ World Tourism Organization (UNWTO), www.unwto.org. As compared to other sectors such as land use and forestry (24%) or manufacturing and construction (13%).

Summary of Recommendations

I. RESILIENCE

1. Focus on Job Retention and Sector Support
2. Understand the Market and Respond Rapidly
 3. Boost Partnerships and 'Coopetition'
 4. Advance Innovation and Technology
5. Strengthen Regional and Interregional Support

II. STIMULUS

6. Create New Jobs – particularly in Small and Medium Enterprises (SME's)
 7. Mainstream *Tourism* in Stimulus and Infrastructure Programs
 8. Review Tax and Visa Barriers to Growth
 9. Improve *Tourism* Promotion and Capitalize on Major Events
 10. Include *Tourism* in Aid for Trade & Development Support

III. GREEN ECONOMY

11. Develop Green Jobs and Skills Training
12. Respond Effectively to Climate Change
13. Profile *Tourism* in all Green Economy Strategies
14. Encourage Green *Tourism* Infrastructure Investment
15. Promote a Green *Tourism* Culture in Suppliers, Consumers and Communities

Recommendations

I. Resilience

1. Focus on Job Retention and Sector Support

Tourism is an economic activity that provides jobs for millions in the sector and in many interlocking industries. Well-trained staff has the skills to move across the workforce. Globally, *Tourism* grows faster than GDP, doubling the jobs created every 10 to 15 years. During the recession it is important for governments and industry to undertake actions to retain the core workforce and maintain training standards. Relevant strategies should recognize the special needs of SME's, particularly in less developed countries.

2. Understand the Market and Respond Rapidly

Close monitoring and analysis of changing trends and early reaction will help the sector to maintain its competitiveness. It will require increased collaboration, research and information exchange between public and private sectors, international organizations and educational institutions as well as the development of new tools and data analysis. Building networks for tourism knowledge at national, regional and international level should be encouraged. The UNWTO and other organizations should enhance network links and support systems.

3. Boost Partnerships and 'Coopetition'

Public and private sector partnerships should be strengthened wherever possible to help preserve and create jobs, streamline procedures, simplify regulations and increase productivity. This can extend beyond traditional *Tourism* frameworks into economic, employment and development areas and maximize synergies between national, regional and international stakeholders. In the transformation to a Green Economy and the reduction of barriers to growth, competitors will often have common goals.

4. Advance Innovation and Technology

Innovation can play a leading role in assisting *Tourism* to adapt to new sustained economic conditions. Areas which could be considered for review and action include border systems, e-visas, air and ground traffic handling, congestion management as well as waste reduction and energy efficiency technologies. Adopting innovative practices and increasing the uptake of technology by all stakeholders should be encouraged. Particular consideration could be given to providing financial support and capacity building for developing countries and SMEs, so that they can benefit from affordable advances in technology and leapfrog development.

5. Strengthen Regional and Interregional Support

There is a special value to geographic linkage. In downturns demand tends to shift closer to home so domestic incentives, which are then regionalised, allow the spread of costs. The same applies to promotion inside and outside the region. The feasibility of regional approaches to visa elimination, transport liberalization, tax moderation and reduce air traffic congestion, are cases in point.

II. Stimulus

6. Create New Jobs – particularly in SME's

Providing credit lines (including micro credit), special finance plans, loans and skills training, either by sector specific mechanisms or by prioritising *Tourism* in general programs, is of crucial importance for the economic viability of tourism enterprises, particularly for SME's, and for the creation of new jobs. Consideration can be given to specific educational programs and vocational training for the tourism industry with a strong emphasis on ICT, green products/services and quality support activities.

7. Mainstream *Tourism* in Stimulus and Infrastructure Programs

Tourism should be of major consideration in stimulus programs – areas such as tax reduction, export promotion, job support or retraining can also benefit the industry. *Tourism* can gain greatly from investment in infrastructure because of its direct effect on jobs in construction and related sectors. High speed trains, port and airport facilities, stations and major highways fall into this category – as does the environmentally sustainable renovation and climate proofing of hotels, attractions and other tourism facilities.

8. Review Tax and Visa Barriers to Growth

Travel taxes should be scrutinized objectively for excessive burdens on travellers/companies. Governments may consider temporary reductions where permanent ones are difficult to achieve. Exemption from visa fees, elimination/simplification of visa requirements and electronic visas, could be considered wherever feasible. Consideration can also be given to the benefits of intraregional collaboration on travel facilitation.

9. Improve *Tourism* Promotion and Capitalize on Major Events

Diversified *Tourism* strategies should avoid dependence on any one activity or market. Foreign visitors are high value exports and must be considered as part of national export promotion action. Marketing programs should address underlying demand shifts for better value/deals as well as competitive realities. Embracing the shift in consumer preferences towards internet and multimedia delivery is fundamental. Partnerships and regional cooperation should be explored to enhance *Tourism* promotion. The benefits offered by the involvement in major events, especially sports, should be explored.

10. Include *Tourism* in Aid for Trade and Development Support

Tourism stakeholders should work with aid agencies to support the emerging Aid for Trade Provisions of the Doha Development Round, the specific developing country assistance for the least developed countries within the G20 and similar initiatives and the potential clean development/carbon adaptation funds from the UNFCCC⁴ climate negotiations. Development assistance for *Tourism* could be used for capacity building, technology transfer, and green infrastructure/jobs.

⁴ United Nations Framework Convention on Climate Change.

III. Green Economy

11. Develop Green Jobs and Skills Training

As the world shifts to a progressive carbon reduction regime – a fundamental target of the Green Economy – *Tourism* can be a lead change agent to encourage and provide employment in sustainable activities. The key will be to identify Green programs and new associated jobs, as well as to provide the appropriate training. Particular consideration should be given to how this goal can be extended to developing countries in an affordable and viable way. Vocational training, ‘voluntourism’ and alignment with overall tourism green training programs are also important.

12. Respond Effectively to Climate Change

The tourism community should continue to champion carbon neutrality and confront commitments agreed by parties to the UNFCCC to respond to climate change. This should include incentives for adaptation, substantial financial support and low cost technology transfer for the poorest economies. All strategies and the associated financing should help drive sectoral low carbon transport and accommodation, as well as the use of green technology.

13. Profile *Tourism* in all Green Economy Strategies

Tourism should be integrated into national, regional and international legislation/regulations that encompass and encourage Green Economy strategies. *It* should also be profiled high in Green employment strategies. Green investment, planning, procurement, fuel efficiency, renewable energy programs must also cover *Tourism*.

14. Encourage Green *Tourism* Infrastructure Investment

Transport and buildings are primary green policy and investment targets. Transport infrastructure – e.g. expressways, high speed trains, airports, ports and air traffic management systems – is mostly geared to *Tourism* needs without explicit recognition. The linkages should be made explicit. Climate proofing and sustainable design is often targeted at government buildings but could and should apply equally to hotels, attractions and other tourism facilities.

15. Promote a Green *Tourism* Culture in Suppliers, Consumers and Communities

Given the massive impact of consumption in modern society, the ultimate challenge will be to increase public awareness on sustainable *Tourism* and stimulate the transformation towards the production and consumption patterns of a Green Economy. Adjustments in public expectations and a widespread industry participation in credible environmental certification programs are both necessary. *Tourism* must not only be in the change leadership of products/services, but be a beacon for that change through its intensive communications activities. This can be built into internal and external messaging.

Annex B: Report on the Activities of the Tourism Resilience Committee (October 2008-October 2009)

1. Background

In October 2008, the UNWTO Executive Council confirmed that despite its long-term confidence in the resilience of tourism, the economic downturn was having a major impact on tourism demand. Recognizing that many challenges lay ahead in 2009, when the economic slowdown was expected to be more widely felt and consumers were expected to further cut back on their travel expenditures, the Council agreed in its 84th Session:

- to create a Resilience Committee open to all of its public and private sector Members;
- to support this work with state-of-the-art information, with special focus on air transport and major origin markets;
- to provide UNWTO Members with ICT-based up-to-date information on these impacts and emerging response initiatives.

2. Objectives

The main objective of the Tourism Resilience Committee is to support UNWTO Members to better endure the challenges posed by the current economic slowdown via:

- close market monitoring of the impact of the current economic slowdown on the tourism sector;
- sharing experiences on the measures and tools being used by public and private sectors to stimulate tourism demand;
- the reinforcement of public/private partnerships, which are crucial in times of crisis;
- not losing sight of the longer-term challenges posed by climate change and sustainable development.

3. Constitution

3.1 The Committee is open to the participation of all UNWTO Members.

3.2 UNWTO invites other organizations that are considered key players in the sector (such as the European Commission, the International Air Transport Association (IATA), the International Civil Aviation Organization (ICAO) and the World Travel and Tourism Council (WTTC)) to take part in the Committee meetings.

4. Functioning

4.1 The Committee meets in its full constituency.

4.2 The Committee has a Core Group with the following responsibilities:

- Give guidance to the work of the Committee;

- Contribute to the documents/reports to be prepared for the full meetings of the Committee.

4.3 The Committee's Core Group is constituted by the following members:

UNWTO full Members	Australia, Brazil, China, Egypt, Ethiopia, Greece, Italy, Jordan, Mexico, Morocco, Pakistan and South Africa.
UNWTO Affiliate Members	Accor, Amadeus, AMFORT, Brazilian Confederation of Convention and Visitors Bureaux, Iberia, Federal Association of the German Tourism Industry (BTW) and Visa
Invited global or regional stakeholders (of which some are UNWTO Affiliate Members)	European Commission (EC), Arab Tourism Organization, Caribbean Tourism Organization (CTO), International Congress & Conventions Association (ICCA), International Federation of Tour Operators (IFTO), International Hotel and Restaurants Association (IH&RA), Japan Association of Travel Agents (JATA), Pacific Asia Travel Association (PATA), Travel Industry Association of America (TIA), the International Air Transport Association (IATA), the International Civil Aviation Organization (ICAO) and the World Travel and Tourism Council (WTTC).

Note: Both the meetings of the Tourism Resilience Committee as well as the participation in the Core Group meetings are open to all Members who wish to take part (contact trc@unwto.org).

5. Tourism Resilience Committee Meetings

The Committee has met on two occasions up to date.

- The 1st Meeting of the Tourism Resilience Committee was held on the 28th of January 2009 in Madrid (Spain) during FITUR. The first meeting aimed at reviewing the impact of the unfolding crisis on tourism and the measures being implemented at national level to overcome the crisis. (The full report of the 1st Meeting of the Tourism Resilience Committee is available at www.unwto.org/trc/meetings/meetings.php?lang=E).
- The 2nd Meeting of the Tourism Resilience Committee was held on the 13th of March 2009 in Berlin (Germany) during ITB. On this occasion, participants shared updated market information on the impact of the global economic crisis on tourism, as well as examples of stimulus packages aimed at the tourism sector developed by the public (Thailand, China, Bahamas and Maldives) and private sectors (Federal Association of the German Tourism Industry – BTW).

A major focus of the 2nd Meeting of the TRC was the presentation of a draft *Roadmap for Recovery*. The Committee concluded that the role tourism can play in stimulating economic growth and recovery has not yet been fully recognized and that if the sector works together closely, tourism can be one of the first drivers of economic recovery.

The Committee agreed that these points should be reflected in the *Roadmap*. The Committee also called all governments to join and promote the *Roadmap for Recovery*. (The full report of the 2nd Meeting of the Tourism Resilience Committee available at www.unwto.org/trc/meetings/meetings.php?lang=E).

After the announcement and debate on the *Roadmap for Recovery* at ITB Berlin, an intensive work programme has been carried out by the Tourism Resilience Committee. In this framework, the Core Group of the TRC met in Madrid on the 21st of May 2009 to review and guide the final document of the *Roadmap for Recovery*, scheduled to be officially presented at the UNWTO General Assembly in Kazakhstan (2-9 October 2009).

- A 3rd Meeting of the Tourism Resilience Committee will be held on the 8th of October 2009 in Astana, Kazakhstan (on the occasion of UNWTO's General Assembly). The meeting aims at reviewing the work of the Tourism Resilience Committee to date and setting guidelines for its future activities, focusing particularly on the dissemination and promotion of the Roadmap for Recovery.

6. Activities

Under the guidance of the Tourism Resilience Committee, the following activities have been undertaken:

- Interim Updates of the UNWTO World Tourism Barometer to complement regular market monitoring: The *UNWTO World Tourism Barometer* is UNWTO's short term market monitoring report. It is published three times a year (January, June and October). To provide a more updated insight into the market situation, the Secretariat prepared two Interim Updates of the *UNWTO World Tourism Barometer* in 2009 (in April and early October);
- Online crisis information platform: As the crisis emerged, UNWTO created an online resource in its website (www.unwto.org/trc) to provide updated market intelligence, information on the crisis activities and initiatives being implemented by the Organization, as well as comprehensive information on crisis response measures implemented by individual countries;
- Online market intelligence platform: UNWTO has been developing a business intelligence solution which will allow UNWTO Members (on an exclusive basis) to access monthly information on key indicators covering destinations as well as sources markets (this new platform – the *UNWTO World Tourism Barometer* online – will be presented to Members during the 3rd Meeting of the Tourism Resilience Committee);

- Collaboration with stakeholders such as Amadeus, Visa International and Booz & Company to provide new indicators and market intelligence on the impact of the crisis on tourism demand. This includes data on air transport effective and forecast bookings, analysis of the impact of the crisis on the air transport and travel expenditure (information available at www.unwto.org/trc/meetings/meetings.php?lang=E).
- Database on national stimulus measures for the tourism sector: This online database includes information on over 60 countries which have implemented tourism stimulus measures in the following areas: fiscal, monetary, employment and human resources, marketing, travel facilitation, public/private partnerships, regional cooperation and environment. The database is available online (www.unwto.org/trc) and is updated on a weekly basis. UNWTO has also produced a report on *Tourism and Economic Stimulus*. The report is also available online (www.unwto.org/trc) and is updated on a monthly basis. (For detailed information on stimulus measures by country see Annex 2 – Stimulus Measures for Tourism Recovery by Country);
- The Roadmap for Recovery: After an intensive work programme, lead by the Core Working Group of the Tourism Resilience Committee under the Chairmanship of HE the Australian Ambassador to Spain, Mr. Noel Campbell, a *Roadmap for Recovery* has been developed as a key output of the work of the Tourism Resilience Committee. The *Roadmap*, which will be officially presented at the General Assembly, sets out 15 recommendations based on three interlocking action areas: **Resilience – Stimulus – Green Economy** – aimed at supporting the tourism sector and the global economy.
- Advocacy of Tourism as a key driver of job creation and economic recovery: In this respect, a message stressing the potential for tourism to support short-term stimulus actions as well as the longer term transformation to a Green Economy, coherent with development and climate imperatives was promoted on the occasion of the G20 meeting in April 2009 (see www.unwto.org/G20.php?lang=E). Initiatives of this kind will continue to be developed with the aim of advocating tourism's role as a key driver of job creation and economic recovery and the promotion of *Roadmap for Recovery*.

C. Agenda of the 3rd Meeting of the Tourism Resilience Committee

3rd Meeting of the UNWTO TOURISM RESILIENCE COMMITTEE (TRC)

Astana, Kazakhstan, 8 October 2009 (09.00-13.00)

Programme

09.00-09.15 Introductory Remarks

Mr. Taleb Rifai, Secretary-General a.i., World Tourism Organization (UNWTO)

H.E. Mr. Zoheir Garranah, Chairman of the UNWTO Tourism Resilience Committee (TRC) and Minister of Tourism of Egypt

09.15-10.30

The Economic Situation and its Impact on Tourism: Diagnosis and Prospects for 2010

Moderator

Prof. Geoffrey Lipman, Assistant Secretary-General, World Tourism Organization (UNWTO)

Keynote speech

The Global Economic Crisis – Analysis and Prospects

Mr. Robert C. Shelburne, Chief Economist & Senior Economic Affairs Officer - Office of the Executive Secretary, United Nations Economic Commission for Europe

Presentations

Impacts of the Global Economic Crisis on International Tourism

Ms. Sandra Carvao, Deputy-Chief, Market Trends and Competitiveness, UNWTO

UNWTO / Amadeus Source Markets Monitor - How Are Major Source Markets Reacting

Mr. Felipe González Abad, Senior Advisor, Amadeus

The Global Economic Crisis and Developing Countries: Impact on Tourism in Africa

Ms. Rosette Chantal Rugamba, Director General, Office Rwandais du Tourisme et des Parcs Nationaux (ORTPN)

Debate

10.30-10.45

Break

10.45-12.30 **UNWTO Response to the Crisis - The *Roadmap for Recovery***

Moderator

H.E. Mr. Noel Campbell, Chairman of the Core Group of the UNWTO Tourism Resilience Committee and Ambassador of Australia to Spain

Briefing on the work of the Tourism Resilience Committee (TRC) and the Roadmap for Recovery

Prof. Geoffrey Lipman, Assistant Secretary-General, World Tourism Organization (UNWTO)

Debate on the future of the Tourism Resilience Committee and the *Roadmap for Recovery*

12.30-13.00 **Conclusions**

Mr. Taleb Rifai, Secretary-General a.i., World Tourism Organization (UNWTO)

H.E. Mr. Zoheir Garranah, Chairman of the UNWTO Tourism Resilience Committee (TRC) and Minister of Tourism of Egypt



The World Tourism Organization (UNWTO) is the only intergovernmental organization that serves as a global forum for tourism policy and issues. Its Members include 154 Member States, 7 territories as well as over 375 Affiliate Members from the public and private sectors. UNWTO's mission is to promote and develop tourism as a significant means of fostering international peace and understanding, economic development and international trade.

World Tourism Organization (UNWTO)
Capitán Haya 42
28020 Madrid, España
Tel +34 91 567 81 00
Fax +34 91 571 37 33

omt@unwto.org
www.unwto.org