



Keynote Address by Taleb Rifai
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Thank you, Mr. President, for giving me the opportunity to address this distinguished gathering at the outset of such important deliberations on fundamental international air transport policy issues.

I recognize, and appreciate, the privilege that this represents and I truly believe it reflects a growing recognition of the intrinsic symbiosis between air transport and tourism.

It is also the expression of a growing need to think beyond sectoral “silos” and work closer together. This is Mr. President the only way forward if we are to ensure that air transport and tourism play their part in building the foundations of a more sustainable society in all its three pillars - social, economic and environmental.

Dear Friends

ICAO and UNWTO, sister agencies within the United Nations system, are the global inter-governmental bodies responsible, respectively, for aviation and tourism. As such, it is our obligation to lead by example and show the way for closer and more effective cooperation at all levels.

I am indebted to my good friend Secretary-General Raymond Benjamin and to ICAO's Director of the Air Transport Bureau, Mr. Boubacar Djibo, for recognizing the need for closer collaboration between ICAO and UNWTO and for taking such important steps in making such cooperation possible.

This, my friends, is I believe a defining moment - one which can set air transport and tourism on a path of converging policy on matters of commonality with considerable mutual benefits.

Aviation and Tourism: drivers of economic growth and sustainable development

In 2012, over one billion international tourists travelled the world for the first time in a single year. Over half these tourists arrived at their destination by air, with much higher proportions in long-haul destinations, particularly landlocked and island developing countries.

In their voyages, these tourists generated US\$1.3 trillion dollars in exports for the countries they visited, close to 6% of the world's exports of goods and services or 30% of service exports alone.

Tourism, which many do not know includes both business and leisure travel, means jobs (1 in 11 jobs worldwide), business opportunities for small and medium enterprises, the renewal of urban and rural areas and, if properly managed, the preservation and promotion of our natural and cultural heritage. Crucially, tourism means poverty reduction. It is enough to mention that all the countries graduating from the status of Least Developed Countries (LDCs) have tourism as one of their major economic activities.

Tourism has gained particular relevance in emerging economy destinations. Today, nearly half of the one billion international tourist arrivals are to emerging and developing economies, where those arrivals create and maintain jobs and income for those most in need, and its share is expected to expand.

UNWTO forecasts international tourists to emerging economies to grow at double the pace of arrivals in advanced economies over the coming 20 years (4.4% versus 2.2%). At this rate, emerging economies will overtake advanced ones in terms of international tourist arrivals by 2015 and will be receiving over one billion arrivals by 2030.

Tourism is thus a fundamental pillar of the socio-economic progress of developed, emerging and developing economies alike, as so is aviation.

Yet, the growth and expansion of this global phenomena we call tourism would not have been possible without air transport.

The extraordinary progression of international tourism over the last decades – from 25 million tourists in 1950 to over one billion in 2012 – is as much due to advances in air transport as to the rise of the middle class, the growing wealth in industrialized and emerging countries, and the forces of globalization. By the same token, the growth of air transport is intrinsically connected to the expansion of tourism, an expansion set to continue - by 2030, UNWTO forecasts international tourist numbers to reach 1.8 billion, 52% of which will arrive at the visited destinations by air.

UNWTO and ICAO: acting beyond the silos

UNWTO has worked closely with ICAO since we entered into a Working Arrangement in 1978 which established that we should consult each other on questions of common interest to ensure the best possible coordination and avoid duplication of efforts.

More recently, in 2010, our collaboration was strengthened through a Memorandum which clearly identifies several areas of mutual interest and action. Today, I would like to speak about just three of them which are on the Agenda of the present Conference.

First, connectivity and economic regulation. Access by air is key for both developed and developing countries, and consequently, so is air transport market liberalization.

Yet, air service reciprocity continues to take precedence in too many countries over an assessment of the broader economic and social benefits of open markets. Separate sectoral policies on air transport and tourism result in a fundamental, and too often even conflicting, disconnect which constitutes a severe constraint on the development of travel and tourism and thus of its socio-economic benefits.

Today, these ongoing market access constraints are magnified when translated to tourism, with substantial ramifications for major economies and small tourism destinations alike. For many of the world's poorest countries tourism is, or has the potential to be, their major export; but without attractive air services the benefits of tourism for these countries remains limited.

Studies from the World Bank have shown that the measure of connectivity is closely correlated with important economic variables including the degree of liberalization of air transport markets. Air connectivity could be improved through carefully designed regulatory liberalization encompassing market and capital access in the context of tourism and trade, notably in terms of more “open skies”, freeing up air carrier ownership and control restrictions, and developing a framework “beyond bilateralism”.

While the regulatory responsibility lies with sovereign States, ICAO has played a leadership role in air transport liberalization since its first Air Transport Conference in 1977, providing increasingly comprehensive guidance for progressive liberalization to be determined by each State at its own pace. Over the past five Conferences, the approach has moved from “whether to liberalize” to “how to liberalize”. This has produced a wealth of guidance but perhaps still less implementation than desired.

At its last meeting, UNWTO’s Executive Council specified policy limitations on connectivity as a central hindrance to a stronger tourism growth, and established improving connectivity, and notably air connectivity, as a priority for the work of the Organization, to be pursued with ICAO. In this respect, UNWTO would be very much in favour of seeing the discussion on the regularly framework move, with due safeguards, to a clear decision of “let’s liberalize”.

To my second key issue, taxes and other levies. While properly constituted taxes and duties are a fundamental and legitimate fiscal tool of governments worldwide, there is a growing concern regarding a proliferation of levies on both air transport and tourism.

While the industry should naturally contribute its due, this trend can actually produce a net damage to the economy, in particular in those destinations which are so dependent on air travel. In many cases, taxes and duties are a clear market distortion and a trade barrier as they hamper fair competition between destinations.

This issue needs to be addressed, as with connectivity, by collectively positioning the benefits of air transport and tourism, with cross-silo analysis and guidance to States on the impact of taxes and other levies and by searching, as much as possible, for global solutions that ensure a level playing field such as the one ICAO is currently working on to address the issue of aircraft emissions.

The third issue is that of consumer protection. There is an insufficiency of binding rules at the global level governing the rights and obligations of tourist consumers and travel organizers. UNWTO has initiated a process, with the participation of ICAO, to draft an international convention dealing with the key scope elements identified, including non-binding provisions.

UNWTO has naturally no intention to substitute or duplicate any related regulatory frameworks which have been already adopted by the European Union or other international organizations such as ICAO. This project should contribute to a better protection of both tourists and tourism service providers worldwide by making international and multilateral some of the standards already existing and functioning effectively.

An integrated, collective vision for travel and tourism

As tourism numbers continue to rise, creating more jobs, trade and development, tourism is gaining increasing recognition at national

and international levels. This recognition is also increasingly seen on the international stage, with tourism gaining new relevance in the international development agenda.

World leaders meeting at two major summits last year, the United Nations Conference on Sustainable Development (Rio+20) and the G20, agreed that tourism can make an important contribution to many of the world's most pressing challenges.

At the Rio+20 Conference world leaders agreed that tourism can “make a significant contribution to the three dimensions of sustainable development, has close linkages to other sectors, and can create decent jobs and generate trade opportunities”. In the same month, the world's leading economic powers met in Mexico at the G20 Summit to forge the global path to recovery. In their final declaration, these leaders recognized, for the first time in the 13-year history of the G20, “the role of travel and tourism as a vehicle for job creation, economic growth and development”.

Tourism represents air transport's primary, indeed dominant, end user. And tourism is increasingly dependent on air transport. If we are to fulfill these expectations, tourism and air transport need to come closer and work towards an integrated policy position on common issues.

Dear Friends

In spite of recent strides, tourism, the same way as air transport, is often not fully recognized for its value in delivering social and economic benefits and is therefore subject to policies which limit its capacity to grow sustainably.

Speaking as one on the benefits of connectivity and liberalization, on unsubstantiated and harmful taxes, on the rights and obligations of tourist consumers and travel organizers, or on many other areas such as visa facilitation or climate change mitigation, will make our case stronger.

Ensuring coordination amongst airlines, tourism destinations and airport authorities supported, at national level, by the appropriate government direction, and at the global level, by the joint work of UNWTO and ICAO, will help us positioning travel and tourism as a strategic sector, with air transport at its core.

UNWTO is fully committed to the new dimension of fostering closer cooperation and collective action between tourism and air transport at the international level.

This Conference can be instrumental in making my defining moment come to pass and I trust you share the same feeling.

I wish you all the very best for your deliberations over the next five days and stand ready to work with you in ensuring we do play our part in what we want to be a better future for all.

Thank you. Merci.