WORLDWIDE AIR TRANSPORT CONFERENCE (ATCONF)

SIXTH MEETING

Montréal, 18 to 22 March 2013

Agenda Item 1:   Global overview of trends and developments
Agenda Item 1.1: Industry and regulatory developments

**MAKING TRAVEL AND TOURISM A MORE EFFECTIVE
TOOL FOR SUSTAINABLE DEVELOPMENT**

(Presented by the World Tourism Organization (UNWTO))

EXECUTIVE SUMMARY
The World Tourism Organization (UNWTO) supports closer co-operation and joint actions on key issues by transport and tourism authorities in order to maximize the potential which travel and tourism has to stimulate economic growth, create jobs and promote sustainable development. This paper addresses the linkages between air transport and tourism, and the importance of jointly addressing critical issues, considering their relevance and impact in the air transport industry, in the tourism sector, and in the economy and society at large.
Action: The Conference is invited to agree to the recommendations presented in paragraph 4.
References: ATConf/6-WP/31, ATConf6-WP/63 and ATConf/6-WP/66. ATConf/6 reference material is available at www.icao.int/meetings/atconf6.

1.   **INTRODUCTION**

1.1   In 2012, over one billion international tourists travelled the world, generating over US$1.2 trillion dollars in export earnings. Over half these tourists arrived at their destination by air, with much higher proportions in long-haul destinations, particularly landlocked and island developing countries.

1.2   Tourism employs 1 in 12 people worldwide, represents directly 5 per cent of global GDP, contributes 30 per cent of global service exports (45 per cent for the least developed countries) and has a multiplier effect in many other sectors. Yet its potential contribution can be much greater, through improved co-ordination between tourism and other governmental portfolios – notably aviation – as this is key to addressing existing obstacles to connectivity and growth.

1.3   Over the past six decades, tourism has experienced continued expansion and diversification, becoming one of the largest and fastest-growing economic sectors in the world. Many new destinations have emerged alongside the traditional ones of Europe and North America. In the period 1980-2011, international tourist arrivals (i.e. overnight visitors, including both business and leisure travellers) more than tripled, from 279 million in to 1 035 million, corresponding to an average growth of 4.2 per cent a year. The export value of tourism – international tourism receipts, excluding international passenger transport – increased in the same period from US$103 billion to US$1 041 billion; in real terms, this corresponds to an average growth of 4.1 per cent a year, virtually the same pace as arrivals.

1.4   Air transport is key for tourism development. The extraordinary growth of international tourism over the last decades 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.

1.5   According to the World Tourism Organization (UNWTO) long-term forecast *Tourism Towards 2030*[1], international tourist arrivals are expected to continue to grow at a sustained pace of 3.3 per cent a year on average, rising to 1.8 billion by 2030, 52 per cent of which will arrive at the visited destinations by air. International tourist arrivals in emerging economy destinations of Asia, Latin America, Central and Eastern Europe, Eastern Mediterranean Europe, the Middle East and Africa will grow at double the pace of advanced economy destinations (+4.4 per cent versuss +2.2 per cent a year). As a result, arrivals in emerging economies are expected to surpass those in advanced economies by 2015. In 2030, 57 per cent of international arrivals will be in emerging economy destinations (versus 30 per cent in 1980 and 47 per cent in 2010) and 43 per cent in advanced economy destinations (versus 70 per cent in 1980 and 53 per cent in 2010).

1.6   If the benefits of travel and tourism are going to be optimized, there is a need for ever-closer cooperation and collective action beyond functional "silos" of air transport and tourism. Air transport's value lies in delivering social and economic goods and services. And there is no more effective service contributor than tourism. Co-ordination amongst airlines, tourism destinations and airport authorities is crucial, fostered at national level by appropriate government direction and at the global level by the joint work of UNWTO and ICAO. Positioning travel and tourism collectively as a strategic sector, having a single voice on common issues, will pave the way to a sustainable future (economic, social and environmental).

2.   **KEY ISSUES**

2.1   Several issues are of common importance to air transport and tourism. These include security and facilitation of travellers, investment in aviation infrastructure and safety, crisis management, health issues such as those pertaining to the spread of communicable disease through travel, sustainable development (including environmental protection, mitigation of and adaptation to climate change), statistics methodology and data collection, data analysis and forecasting, liberalization of international air transport and associated safeguards, and economic studies on the development of tourism and air transport.

2.2   While joint efforts between aviation and tourism players should continue on all these fronts, there are currently key areas which require, in view of the global situation, an urgent and

---

[1] UNWTO, *Tourism Towards 2030,* 2011. This provides a global reference on tourism future development and *inter alia* tourism flows for 5 regions of origin and 22 sub-regions of destination by 2 means of transport, air and surface.

coordinated strategic action. These issues are: security and visa facilitation, economic regulation, taxes and other levies, consumer protection, and environmental protection.

2.3   On the issue of security and visa facilitation, there have been great strides made due to ICAO's work on Advanced Passenger Information and specifications for Machine Readable Travel Documents. But restrictive visa policies and complicated entry formalities are still stifling tourism growth, particularly from emerging economies which are also some of the fastest growing source markets for tourism.

2.4   New UNWTO research on visa facilitation[2], based on a global evaluation of visa requirements, including the implementation of policies that allow for Visa on arrival and eVisas, shows that in 2012 Asia and the Americas were the most 'open' regions for the entry of tourists. An average 20 per cent of the world's population were not required a Visa to visit an Asian destination, while 19 per cent could obtain a Visa on arrival and 7 per cent an eVisa – 31 per cent, 8 per cent and 1 per cent respectively in the case of the Americas. European destinations were the 'least open' when comparing these three components of a Visa policy; although 21 per cent of the world population was not required a Visa to enter Europe for tourism, only 6 per cent were able to apply for a Visa on arrival and no eVisa system was in place.

2.5   An overall restrictive visa policy means lost opportunities for economic growth and jobs which tourism could bring to destinations. Travellers regard visas as a formality which entails a cost. This can be a deterrent to travel if costs - whether monetary or indirect - including distance, wait times and service, exceed a certain threshold. Earlier research by UNWTO and the World Travel and Tourism Council (WTTC) presented to the 4th T20 Ministers Meeting (the tourism ministers of the G20) in 2012 demonstrated that improving visa processes could generate an extra US$206 billion in tourism receipts and create as many as 5.1 million additional jobs by 2015 in the G20 economies.

2.6   UNWTO believes there would be considerable benefits of closer collaboration between UNWTO and ICAO in such broader facilitation policy areas. As indicated in the UNWTO paper on international air transport regulation (ATConf/6-WP/63 refers) facilitation of visa processing (where visas are required) is a pre-requisite of connectivity.

2.7   On the issue of economic regulation, a key factor for developed and developing countries alike is the growing need for market liberalization. Air service reciprocity continues to take precedence in too many countries over an assessment of economic and social benefits, while separate sectoral policies on air transport and tourism result in a fundamental, and too often even conflicting, disconnect which constitutes a severe constraint on global economic growth and development. UNWTO hopes the present Conference will advance this issue (see again ATConf/6-WP/63).

2.8   On the issue of taxes and other levies, while UNWTO recognizes that 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 increasing proliferation of taxes can actually produce a net damage to the economy, in particularly in those destinations which are so dependent on air travel. In many cases, these taxes distort the market and create trade barriers hampering fair competition. This issue needs to be addressed, as with travel facilitation and connectivity, by collective positioning of the benefits of air transport and tourism, with cross-silo emphasis on analysis and guidance to States on the impact of taxes and other levies (ATConf/6-WP/66 refers).

---

[2] *Visa facilitation: Stimulating economic growth and development through tourism:*
  http://dtxtq4w60xqpw.cloudfront.net/sites/all/files/pdf/unwto_visa_facilitation.pdf

2.9   On the issue of the protection of consumers and travel organizers, there is an insufficiency of binding rules at the global level governing their respective rights and obligations. 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 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 aims to contribute to a better protection of both tourists and tourism service providers worldwide by bringing some of the standards already existing and functioning effectively to an international and multilateral level (ATConf/6-WP/31 refers).

2.10   While environmental sustainability has long been on the tourism agenda, the primary focus of work most closely linked to aviation is that of tourism and climate change. A joint UNEP/UNWTO/WMO study by carried out for UNWTO's Second International Conference on Climate Change and Tourism in Davos in 2007[3] showed that tourism represents about 5 per cent of global CO_2 emissions. Air transport accounts for an estimated 40 per cent of the tourism contribution of CO_2 (60 per cent in the case of international tourism) and is overwhelmingly dominant at medium- and long-haul. UNWTO has liaised with ICAO regarding air transport emissions and in 2010 developed a *Statement Regarding Mitigation of Greenhouse Gases from Air Passenger Transport*[4], which was presented to the ICAO Assembly. UNWTO is committed to providing a tourism perspective to ICAO's on-going policy analysis and debate, notably as regards market-based greenhouse gas mitigation measures. While this issue is understandably not on the Agenda of ATConf/6, there is a need to bear in mind that it is the "elephant in the room" and in the absence of fully effective address of emissions reduction and its economic impact, many of the measures agreed at the present Conference may ultimately become moot.

3.   **CONCLUSION**

3.1   Both States and relevant international organizations need to take a broad, homogeneous and sustainable approach to air transport and tourism policy.

4.   **RECOMMENDATIONS**

4.1   The Conference is invited to:

   a)   agree that States should consider the creation of mechanisms that allow for closer co-operation and co-ordination between tourism and transport authorities;

   b)   agree that States should support the increased co-operation between ICAO and UNWTO on the key issues identified in paragraph 2; and

   c)   agree that ICAO and UNWTO should, both separately and jointly, provide further guidance and actively promote these issues with their respective constituencies, working to bring them closer together.

— END —

---

[3] Published by UNWTO and UNEP in 2008 as *Climate Change and Tourism: Responding to Global Challenges*.
[4] See http://sdt.unwto.org/sites/all/files/docpdf/unwtoghgaviationpolicy2010.pdf.