

Global Services Forum

Session 3: Promoting tourism as an engine of inclusive growth and sustainable development in Africa

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Statement

from

Márcio Favilla

**Executive Director for Operational Programmes and Institutional Relations
World Tourism Organization (UNWTO)**



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[Protocol Greetings]

Over the past six decades, tourism has experienced continued expansion and diversification to become one of the largest and fastest-growing economic sectors in the world. Many new destinations in Africa have also emerged in addition to the traditional favourites of Europe and North America.

Despite occasional shocks and, more recently, important economic, health and security challenges, tourism has grown virtually uninterruptedly over time, demonstrating the sector’s strength and resilience.

International tourism arrivals have increased globally from 25 million in 1950 to 674 million in 2000 and 1186 million in 2015.

Likewise, international tourism receipts earned by destinations worldwide, that is, tourism exports, have surged from US\$ 2 billion in 1950 to US\$ 495 billion in 2000 and US\$ 1260 billion in 2015.

Additionally, international tourism also generated in 2015 US\$ 211 billion in exports through international passenger transport services, bringing the total value of tourism exports up to US\$ 1.5 trillion, or US\$ 4 billion a day on average.

Hence, tourism is a major category of international trade in services (30% of global trade).

International tourism now represents 7% of the world's exports in goods and services, up from 6% in 2014, as tourism has grown faster than world trade over the past four years.

As a worldwide export category, tourism now ranks third after fuels and chemicals and ahead of food and automotive products.

Domestic tourism has also become a major force, even bigger than international tourism in economic terms. UNWTO estimates that over 6 billion domestic tourism trips take place every year.

Altogether, tourism responds for approximately 10% of global GDP (direct, indirect and induced) as well as for one in every 11 jobs generated globally.

Africa has been part of the growth of international tourism in the past decades as one of the most dynamic regions in the last 35 years.

Its overall share in international tourism arrivals has doubled from 2.5% in 1980 to close to 5.0% in 2015, that is, from 7.2 million arrivals in 1980 to 53.5 million in 2015, despite the difficult last couple of years.

In 2012, the global trade of services was US\$ 4.4 trillion. Africa's export of services was US\$ 98 billion, that is, 2.2% of the total.

In the same year, tourism exports were US\$ 1139 million and Africa exported US\$ 34.8 billion, that is, 3.1% of total tourism exports and 36% of all Africa's exports of services.

As a whole, Africa is a net importer of services. However, 11 African countries have consistently been net services exporters since 2005, nine of which rely on tourism services.

For the next 15 years, UNWTO estimates international tourism arrivals worldwide will grow from 1.2 billion (more precisely, 1186 million) in 2015 to 1.8 billion in 2030.

Likewise, Africa's international arrivals are expected to reach over 130 million in 2030, therefore increasing its share in international tourism from 5% to 7%.

More important than how much or how fast tourism can grow, it is how tourism can be an engine of inclusive growth and sustainable development for Africa.

Tourism has been explicitly included in three SDGs because of its capacity to foster economic growth that creates jobs and promote local culture and products (target 8.9); to promote sustainable consumption and production patterns (decouple growth from resource use and environmental degradation) and play a significant role in the global shift towards sustainability (target 12.b); and to increase the benefits to SIDS and LDCs from the sustainable use of marine resources (target 14.7).

In fact, with the right policies in place, tourism can contribute to gender equality, protect natural and cultural heritage, fight climate change, foster mutual understanding and support efforts towards building a culture of peace, among other development objectives.

Moreover, tourism can contribute to the achievement of all 17 SDGs and connects extremely well with the vision, aspirations and some of the flagship projects of the Agenda 2063 of the African Union.

In that regard, allow me to suggest ten of the most relevant issue areas that governments, the private sector, international organizations and development partners could look at in order to further unfold tourism's potential in Africa:

- a) Include tourism as part of the national development strategy for its capacity to generate exports and jobs, diversify the economy through its value chain, and foster backward and forward linkages; hence put in place the relevant policies accordingly;
- b) Develop a conducive regulatory and legal framework to attract foreign and national direct investment, as well as to formalize businesses, as tourism has low technical and capital barriers for entry;
- c) Put the three pillars of sustainability (economic, socio-cultural and environmental issues) at the core of the relevant policies and monitor them;
- d) Strengthen the productive capacity of tourism businesses, including their human capital and management;
- e) Implement the "Single African Air Transport Market" with highest levels of safety and security as well as with fair and equal opportunity for all;

- f) Promote a safe, secure and seamless travel framework, including a visa policy aligned with both tourism and trade policies' objectives (some African countries are among the most open in the world whereas others are some of the most closed);
- g) Integrate tourism into the national emergency set-up and vice-versa in order to foster resilience as well as risk preparedness and management;
- h) Build on existing tourism products (e.g. wildlife watching), diversify and add value to them;
- i) Align the tourism branding with that of the country or the region and develop a marketing policy accordingly; and
- j) Implement a multi-stakeholders governance system that brings together the public and private sectors, local communities, international and regional organizations, the civil society and other relevant stakeholders in order to enhance the dialogue, cooperation, policy coherence and its effectiveness.

As I finish I would also like to make a special call to Development Finance Institutions, Donors and other development partners so as to see tourism higher in their agenda and as an effective instrument for the achievement of various development objectives.

OECD data shows that in 2013 only 0.09% of Official Development Assistance (ODA) and 0.78% of Aid for Trade (AFT) flows were channelled to and through tourism projects.

Thank you for your kind attention.