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ORGANISATION MONDIALE DU TOURISME
WORLD TOURISM ORGANIZATION
ORGANIZACION MUNDIAL DEL TURISMO
ВСЕМИРНАЯ ТУРИСТСКАЯ ОРГАНИЗАЦИЯ
منظمة السياحة العالمية

**12th OSCE Economic Forum
Prague, the Czech Republic, 2nd June 2004
Tourism, a force for sustainable social and economic development
Presentation by Andrey Shlevkov,
Deputy Regional Representative for Europe
World Tourism Organization**

Ladies and Gentlemen,
Colleagues and Friends,

I am honoured to speak at this important forum on behalf of the World Tourism Organization, a specialized agency of the United Nations, which represents the tourism interests of 142 countries, including our host, the Czech Republic, and most countries of the OSCE area.

Why is tourism so high on the international agenda today?

Because tourism is a major global industry. It comprises around 5 per cent of the world's GDP, and over two hundred million people are employed in travel and tourism worldwide.

International tourism is a major export. In fact, in over 150 countries in the world (four out of five), tourism is one of the five top export earners, while in over sixty countries it is the number one export! With nationals of 45 countries spending each year 1 billion euros or more while traveling abroad, including Germans who spend over 50 billion euros and the Dutch who leave behind almost 14 billion euros, it makes economic sense to bet on inbound and domestic tourism as a national development priority.

International tourism has been steadily growing in the past decades, well over the average economic growth rates, reaching in 2002 an all-time high: 715 million arrivals and 480 billion US dollars in international tourism receipts. Of course in many countries domestic tourism, more difficult to quantify, surpasses international tourism volumes and receipts.

Tourism is not all about money.

It should be economically, socially and environmentally sustainable, and enrich rather than alienate local populations. That is why the World Tourism Organization adopted the Global Code of Ethics for Tourism, supported by the United Nations, which should serve as moral guidance for tourism stakeholders and the traveling public. It calls for "local populations to be associated with tourism activities and to share equitably in the economic, social and cultural benefits they generate".

At the same time, the degree of institutional attention paid to tourism is often limited in the countries which may directly benefit from this activity, compared to the performance of agriculture, food, manufacturing and the export of commodities. Yet tourism is better placed than many other sectors in addressing the needs of the poor. There are a number of reasons for this:

- Tourism is consumed at the point of production. This means that there is no need to physically move goods and services intended for tourists. At the same time, countries should strive to reduce leakages from the tourism economy in order to retain and spread locally as much income as possible.
- Many of the poorer countries have capital assets of enormous value to the tourism industry - culture, art, music, landscape, wildlife and climate. Visits by tourists can generate employment and income for surrounding communities as well as helping in their conservation.
- Tourism is a geographically spread, diverse and labour intensive activity, which is particularly important in tackling poverty. It also provides a wide range of different employment opportunities – from the highly skilled to the unskilled, in particular, to women and young people. It reduces their vulnerability through diversification of income sources.
- It creates opportunities for many small entrepreneurs and is an industry in which start-up costs and barriers to entry are generally low or can easily be lowered.
- Tourism provides not only material benefits for the poor but also cultural pride, greater awareness of their natural environment and its economic value. In this regard, WTO has launched the world-wide ***Tourism Enriches*** campaign to raise public awareness of tourism benefits.

There are tourism trends that are encouraging in terms of its potential to benefit local communities. These include:

- The sustained growth forecast for international tourism arrivals despite the combined effects of various negative factors in the past three years.
- Strong growth in domestic tourism, which can provide a more stable year-round market and a pattern of spending that is particularly relevant to the needs of the poorer strata of populations.
- New opportunities for direct and inexpensive market access through the rapid spread of electronic communication.

Poverty reduction through the sustainable development of tourism has become a central issue in the work of the World Tourism Organization since the [Johannesburg Summit on Sustainable Development](#) in 2002, in pursuit of the UN Millennium Development Goals.

In this regard, an initiative on **Sustainable Tourism and Elimination of Poverty (ST-EP)** was launched by WTO at the World Summit on Sustainable Development, in collaboration with UNCTAD, and is being extended to other partners as it evolves.

Within this initiative, WTO is striving to demonstrate how tourism can be used to reduce poverty, aiming at 5,000 small projects to be in place by 2015.

The Republic of Korea has offered to establish the headquarters of the new ST-EP Foundation in Seoul and will provide long-term financial support to the tune of five million US dollars. WTO has been negotiating possible assistance to this project with several European Union members, and we will welcome any interest in assisting with this programme.

Let me give you two examples, one pan-European, the other country-specific, on how tourism can tangibly benefit local communities.

Rural tourism can serve as an excellent option for providing alternative development and employment opportunities in areas suffering from the decline of traditional agriculture. Although rural tourism businesses are mainly small-scale and dispersed, collectively they represent a force in Europe. This is reflected by the impressive number of 200 thousand known registered providers of farm and village tourism in Europe, offering over two million bed places.

As the traditional subsidies for farming are declining, rural tourism is ever more important as a key form of diversification that sustains economically viable rural communities. Accommodation in farms, private rural homes, and small family-run guesthouses or hotels is estimated to attract an annual direct tourist spending of about 12 billion euros. It is estimated that rural tourism has generated 500.000 direct and indirect jobs in Europe.

As regards **ecotourism**, another form of travel and leisure encouraged by the World Tourism Organization, I would like to give the example of *NoviNomad*, a local tour operator in Kyrgyzstan, a Central Asian country endowed with outstanding landscapes and living nomadic culture, which can attract environmentally conscious and conscientious visitors.

Thanks to a soft loan from Helvetas, a Swiss association, *NoviNomad* launched an ecotourism programme which dedicates part of the income to the conservation of natural areas and heritage sites. It is focused on involving mainly local service suppliers, whose number grew to 156 in 2002, and whose aggregate income amounted that year to almost 90,000 US dollars, a sizable amount in that country and a tangible result of well-conceived ecotourism operations based on multi-stakeholder partnerships.

It is said that tourism is like a fire, it can burn your house down or you can cook your meal with it. The World Tourism Organization will continue to provide its member Governments with recipes on how people in their countries can feed themselves through tourism on a sustainable basis. Because one of the main aims of tourism development is raising the level and quality of life of local populations.

Thank you.

For further information please visit the WTO website www.world-tourism.org.