



THE FUTURE OF MEDITERRANEAN TOURISM

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Opening remarks by UNWTO Secretary-General, Taleb Rifai 16 April, 2012

H.E. Mr. Hamadi Jebali, Head of Government, Tunisia

H.E. Mr. Elyes Fakhfakh, Minister of Tourism of Tunisia

H.E. Mr. Smaïl Mimoune, Minister of Tourism and Handicrafts, Algeria

H.E. Mr. Piero Gnudi, Minister for Regional Affairs, Tourism and Sport,
Italy

H.E. Mr. Bamba Ould Daramane, Minister for Trade, Industry,
Handicrafts and Tourism, Mauritania

H.E. Mr. Ertugrul Gunay, Minister of Culture and Tourism, Turkey

Dear Friends

- Thank the presence of the head of government, in a strong demonstration of the support given to the tourism sector.
- Thank the government of Tunisia, and particularly the Minister of Tourism and his team, for the warm hospitality and the excellent cooperation in the organization of this event.
- I must indeed praise Tunisia for the political commitment that tourism has been awarded; this has become very clear to me when about two weeks ago, I had the privilege of visiting Tunisia to meet with the

highest representatives of the country, including H.E. President Moncef Marzouki, who on the occasion joined the growing group of global leaders who all over the world have accepted, on behalf of UNWTO and WTTC, an Open Letter on the potential of tourism in facing today's major economic and social challenges becoming thus ambassadors of tourism around the globe.

- I am also particularly happy to hear of the encouraging signs of recovery of tourism to Tunisia – this is excellent news for both the economy and the strengthening of the political processes underway in the country.
- I am confident that through key measures such as advancing an open skies policy, visa facilitation and transparent investment framework, tourism will recover strongly and continue to flourish, contributing to Tunisia's economy and the wellbeing of its people.
- I would also like to extend a very special welcome to the Ministers of Tourism of Algeria, Italy, Mauritania and Turkey.
- Your presence here is the proof of your believe in the power of cooperation to advance and strengthen the tourism sector in the Mediterranean.
- Our aim, today and tomorrow, is to understand how tourism in the Mediterranean, one of the most important tourism regions in the world, has evolved in recent years, what challenges destinations are experiencing and how we can enhance the competitiveness of the

tourism sector in this region within the context of the changing internal and external parameters.

- Despite being competitors, the challenges and opportunities for tourism development vary greatly across the Mediterranean destinations and therefore the priorities and key policy initiatives need to respond diverse specific needs.
- Yet, there is also much in common. Many challenges which can be addressed in a more effective manner through coordinated efforts and immense opportunities to tackle if we manage to bring all player together.

Global tourism

Dear Friends

- Today, in spite of its many challenges tourism continues to grow steadily.
- In 2011, international tourist arrivals grew by over 4% to an all-time record of 980 million, confirming the strength of tourism in face of external shocks.
- And although we cannot deny that we face a fair share of challenges among which a stalled economy, rising oil prices, increased taxation, record high unemployment rates and geopolitical upheavals – we are confident that international tourism will continue to grow in 2012, sustaining the positive results of past two year.

- This means, that with an expected growth of 3% to 4%, by the end of 2012, we will reach the historic mark of 1 billion international tourists travelling the world in one single year.
- According to the most recent UNWTO long term forecast – *Tourism Towards 2030*, by the year 2030, this number will reach 1.8 billion - 1.8 billion people crossing international borders for leisure, business or other tourism purposes in one single year.
- At an annual growth rate of 3.3%, this means we will see 43 million more tourists coming to the marketplace every year during the next 20 years.
- In the Mediterranean alone, arrivals will increase from 300 million in 2010 to over 500 million in 2030 – or 10 million new arrivals per year on average up to 2030.
- Behind these impressive numbers lies a thriving, and quite underestimated, engine of economic growth, job creation and development.
- Tourism is directly responsible for 5% of global GDP (9% if indirect and induced effects considered) and accounts for 6% of the world's trade.
- Tourism employs one out of every twelve people worldwide, and at a moment when we struggle to provide opportunities to our youth

particularly around the Mediterranean countries, we should not forget that tourism provides one of the easiest entry points for the younger.

- Tourism is also has we have seen one of the most resilient economic sectors in the world.
- In a moment of mounting economic and social difficulties, supporting tourism is supporting economic growth and job creation. It's a simple formula: one billion tourists mean one billion opportunities. Hundreds of millions of jobs, higher income possibilities, increased investment in infrastructure and countless paths for development.

Tourism Trends in the Mediterranean

Dear Friends

- 2012, will see us reach the historic mark of 1 billion international tourists traveling the world in one year; and it is the perfect occasion to reflect on how we can maximize the opportunities brought in by the tourism sector in stimulating economic growth, generating jobs and spurring sustainable development in the Mediterranean – the world' top tourism destination.
- Over the past decades, the Mediterranean, led by its unique combination of mild climate, rich history and culture, exceptional natural resources and proximity to major source markets has become a leading tourism destination.

- In 2011, more than 300 million international visitors chose a Mediterranean destination for their holiday, their business trip or to visit their families, making it, by far, the most visited destination in the world.
- But what do we mean when we talk about tourism in the Mediterranean?
- The Mediterranean is made of a group of 29 countries sharing common traditions, a collective history, culture, geography and a much appreciated mild climate.
- It is also made of a wide diversity of mature and emerging destinations, which have in recent years showed diverse evolutions.
- Today, although the majority of arrivals are still to the comparatively mature destinations of Europe, the share of emerging destinations in the Eastern Mediterranean, North Africa and the Middle East has increased strongly.
- And this trend is set to continue. In the long-term, emerging destinations are expected to grow faster than mature destinations.
- As a result, the market share of emerging destinations is set to increase from 31% in 2010 to 44% in 2030, with advanced economy destinations falling from 68% to 56%, a clear change in the landscape of Mediterranean tourism.

Facing new challenges

- 2011 was a remarkable year for the Mediterranean with many countries in the region entering a new exciting period of their history. Like in any moment of political transition, the winds of the Arab Spring had naturally a direct impact on tourism flows.
- After many years of strong growth, 2011 has been a particular challenging year for the Mediterranean destinations in North Africa and the Middle East.
- As in previous similar market conditions, there was a redistribution of flows, this time from the Mediterranean destinations of the Middle East (down by 31%) and North Africa (down by 10%) to the European destinations where arrivals grew by a significant above-average rate of 6% in spite of global economic concerns.
- Yet, against what have been common to say, not all gains in European destinations come from MENA – while the loss in these destinations was of around 11 million tourists in 2011, the gain in European ones was nearly 16 million.
- At this point in time, it is rather difficult to make a correct assessment of how the political situation in the Middle East will evolve, but this will definitely be one of the external factors shaping tourism in the short-term. For countries affected the main challenge is to regain confidence and accelerate recovery. Mid-term prospects however are

positive. Experience tells us that hardships can and will be overcome and that destinations often come back even stronger.

Challenges and Opportunities:

- Today, destinations around the Mediterranean face a significant number of **challenges**, some of more immediate nature and others related to the systemic changes in the tourism market
- **First, a sluggish economic situation in the Mediterranean's main source markets:** even under the most optimistic assumptions, economic growth in the advanced economies will remain subdued for some time. This is a major constraint for the Mediterranean as Europe accounts for the large majority of its international arrivals (81%). Destinations in the Mediterranean need to open new source markets and expand the presence of the region in new segments and in the growing source markets of Central and Eastern Europe, the Middle East, Asia and the Americas.
- **Second, the political scenery** in some African and Middle Eastern emerging destinations is no doubt an immediate challenge.
- **Third, increased competition:** while in the past sun and sea destinations of the Mediterranean competed among themselves, today their competitors are the Caribbean, Phuket, Bali, Dubai or South Eastern Africa,. As long haul travel becomes more accessible, the Mediterranean is slowly losing market share to other regions in the world; regions which have strongly invested in innovative

products and in strong marketing strategies and are today top of mind in the decision making process of many European tourists.

- **Fourth, changing consumer patterns and new business models:**

For many years the tourism model in the Mediterranean was strongly based on tour packages and charter flights. Nowadays travellers are each time more familiar with destinations, tastes have expanded and a growing number of travellers opts for independent travel facilitated by the strong expansion of low cost airlines and online distribution. The challenge is there for operators and destinations in the region to adjust product, commercialisation and promotion in order to cater for this demand.

- **Fifth, building resilience:** Destinations in the region need to develop more effective communication plans to better manage the inevitable external shocks either of natural or political nature.

- **Finally, preserving the natural and cultural heritage:** the Mediterranean is home to considerable cultural and natural resources, namely an immense biodiversity wealth and unique water resources within its 46.000 km of cost line. However, it is also a particularly fragile area which can suffer the most from the effects of climate change. It is imperative to work in a collaborative manner to ensure the preservation of what are in fact the major tourism resources in the Mediterranean: its culture and its nature.

Yet, amongst so many challenges, tourism in the Mediterranean also holds naturally significant **opportunities**:

- **First, product diversification**: in a context of strong competition, Mediterranean destinations can maximize their immense cultural and natural resources and invest in innovative products, the regeneration of aged tourism stock and strong marketing strategies, thereby catering for customers' evolving preferences and tastes (this conference will be followed by a very timely national workshop on "A Strategic Approach to the Rejuvenation of Djerba - again Tunisia is showing its leadership in initiating this process).
- **Second, tackling new markets**: including the creation of multi-destination routes and products, and joint promotion actions in emerging markets, while capitalizing on intra-Mediterranean travel through improved land and air access, open skies policies and the implementation of exchange programmes for travellers and tourism professionals.
- **Third, positioning the Mediterranean as a leading 'green' destination**: by setting sustainability as a key competitive factor vis-à-vis other world regions, the Mediterranean can become a model for sustainable tourism development. As customers and investors become increasingly aware of environmental issues, advancing policies and products based on sustainability can provide the Mediterranean with a strong competitive advantage and a unique selling point.

- **Fourth, building long-term development strategies and planning:** emerging destinations have made a considerable effort over the past decades to shape the adequate conditions for tourism development. Current changes in some Middle Eastern and North African countries provide a valuable opportunity to overcome underlying weaknesses and strengthen competitive factors related to human resources or infrastructure.
- **And finally, increasing regional cooperation** through joint activities in the field of research, product development, access, travel facilitation, promotion and technology.

Conclusion

- Tourism is a major pillar of Mediterranean economies, offering much-needed employment and opportunities for development.
- As a trade sector, tourism accounts for 12% of all exports in the Mediterranean generating over 200 billion euros in exports for the region.
- As a labour intensive sector, creating millions of jobs, attracting significant foreign income and investment, tourism is also one of the most promising future drivers of growth and integration for the Mediterranean.
- The opportunity lies for the Mediterranean countries to **work together** among them **and with the private sector** to ensure that

global policies designed to address current political and economic challenges are supportive of tourism.

- **Global challenges demand collaborative solutions** and the Mediterranean countries have today an opportunity to **re-evaluate their common challenges and opportunities** and form strategic alliances for tourism growth.

Dear Friends

- The debate that follows will surely shed light into what these common policies and strategies could be.
- I hope I have managed to set the scene for what I trust will be a very enriching conference; I look forward for it and wish to thank once again our hosts for their generous hospitality and our panellists who will give us the benefit of their expertise and experience.

Thank you