Item 3 of the Provisional Agenda

PRELIMINARY REMARKS OF THE SECRETARY-GENERAL

Note by the Secretary-General

The Secretary-General submits to the Commission a report on the current scenario of international tourism and the programme of work of the Organization.
INTRODUCTION

1. The present report for the thirty-six meeting of the Commission for the Middle East briefly addresses the following subjects:

- Update on International Tourism in 2011 and 2012 and Prospects for 2013;
- Mainstreaming Tourism in the Global Agenda;
- Implementation of the Programme of Work 2012-2013; and
- Administrative and Financial Matters.

Some of the above-mentioned subjects have constituted the object of dedicated reports for this meeting.

A. Update on International Tourism in 2011 and 2012 and Prospects for 2013

2. International tourism in 2011: Consolidated results for 2011 show that international tourist arrivals grew by 5% to reach 990 million. Growth was stronger in Europe (+7%) and in Asia and the Pacific (+6%). The Middle East saw international tourist arrivals decline by 7% from 60 million to 56 million.

3. International tourism receipts in 2011 grew slightly slower at 4% to reach a record value of US$ 1,030 billion. Considering the value of international passenger transport (US$ 196 billion), total exports from tourism (international tourism receipts + passengers transport) amounted to US$ 1.2 trillion in 2011. By regions, growth was stronger in the Americas (+6%) and in Europe (+5%). In the Middle East, international tourism receipts decreased by 14% (in local currencies, constant prices) from US$ 52 billion in 2010 to US$ 46 billion in 2011.

4. International tourism in 2012: Estimates by UNWTO for the first eight months of 2012 show that international tourism worldwide continues to grow in spite of increasing economic volatility. International tourist arrivals grew by 4%, with demand stronger in emerging economy destinations (+5%) as compared to emerging ones (+4%).

5. Regional performance: During the period January-August 2012, growth was positive in all regions except in the Middle East (-1%). Asia and the Pacific (+7%) and Africa (+6%), showed the best performances as a result of a clear rebound in some of the destinations experiencing declines in 2011 such as Japan and Tunisia. The Middle East also showed signs of recovery (-1% as compared to -7% in 2011) with particularly promising results for Egypt. The Americas (+4%) recorded growth in line with the world average, while Europe (+3%) consolidated its record growth of 2011, despite continuing economic volatility in the Eurozone.

6. In the Middle East (-1%) results based on available data reflect a clear rebound in Egypt (+20% in January-September). Jordan (+10%), Oman (+10%) and Dubai (11%) show equally positive growth while Saudi Arabia (-21%) and Lebanon (-15%) report a decline in arrivals.

7. Among the top 10 international markets by expenditure on travel abroad, growth was significant during the first six to nine months of 2012 in China (+30%), Russia (+15%), USA (+9%), Canada (+6%), Germany (+5%), and Australia (+4%) as well as in Japan, where a 7% increase confirms the recovery of this important market. Following a decline in recent years, the UK recorded a modest
2% growth in tourism expenditure, while both Italy and France show declines in the level of expenditure on travel abroad.

8. **Prospects for the remainder of 2012**: globally, international tourism results have not been affected by the rising economic uncertainty, with growth continuing in line with the long-term average of 4%. Indicators from international tourist arrivals and receipts show that the tourism sector continues to grow despite, and often against, economic prospects. There are, however, specific destinations which are suffering from a deceleration in demand from major source markets, namely those of Europe. With a record 705 million tourists up to August 2012, UNWTO remains confident that one billion international tourists will have travelled the world by the end of the year. The date of 13 December 2012 was designated to symbolically celebrate this occasion (for more information see [http://www2.unwto.org/en/press-release/2012-11-06/one-billion-tourists-one-billion-opportunities-new-unwto-campaign-calls-one](http://www2.unwto.org/en/press-release/2012-11-06/one-billion-tourists-one-billion-opportunities-new-unwto-campaign-calls-one)).

9. **For 2013**, UNWTO forecasts only a slight slowdown in demand (+2% to 4%).

**B. Mainstreaming Tourism in the Global Agenda**

10. The Secretariat continued to work determinedly in advocating tourism’s contribution to economic growth and sustainable development in order to move the sector higher on the international and national political and economic agendas and obtain the necessary policy support for its sustained growth.

11. On the international level, two significant milestones were achieved in this regard.

12. At the **Rio+20 Conference** world leaders agreed on the Outcome Document, *The Future We Want*, emphasizing 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”. The **inclusion of tourism in the Outcome Document of a UN Conference on Sustainable Development** for the first time was the culmination of year-long efforts by UNWTO Member States and the Secretariat. Further achievements in this area include tourism’s inclusion in the Joint Statement of the UN Chief Executive’s Board (CEB) to the Rio+20 Conference and in the Oceans Compact, an on-going UN initiative to address the most pressing issues regarding the sustainable management of oceans.

13. For the first time, the **Leaders of the G20** recognized the role of tourism as “a vehicle for job creation, economic growth and development”. This acknowledgment came on the back of the T20, a Members-driven initiative started in 2010 with the full support of UNWTO that gathers the Ministers of Tourism of the G20 (T20 meetings were held in 2010 in South Africa and the Republic of Korea, in 2011 in France and in 2012 in Mexico). Furthermore, the G20 committed to “work towards developing travel facilitation initiatives in support of job creation, quality work, poverty reduction and global growth”, a major breakthrough in the drive to promote visa facilitation. This was the result of the work of the 4th T20 Ministers’ Meeting, held in Mexico (15-16 May 2012), which focused on **tourism as an alternative to job creation**. The meeting looked into how **visa facilitation can act as a lever to stimulate demand and create jobs and adopted a landmark declaration encouraging the G20 to “recognize the role of travel and tourism as vehicle for job creation, economic growth and development and commit to travel facilitation as a conduit for job creation, decent work, poverty alleviation and global growth”**. UNWTO and World Travel and Tourism Council (WTTC) research, presented to the 4th T20 Ministers Meeting,
shows that improving visa processes and entry formalities could generate an extra US$ 206 billion in tourism receipts for G20 countries and create as many as 5.1 million additional jobs by 2015.

This is a significant success for the sector and could not have happened without the support of President Calderon and without the commitment of the Minister of Tourism of Mexico, who so successfully chaired the 4th T20 Ministers’ Meeting. The 5th T20 Ministers’ Meeting will be held in June 2013 in Russia.

14. Within the objective of positioning tourism as a priority in the national agendas, the presentation of the UNWTO/WTTC Open Letter on Travel and Tourism to Heads of State and Government worldwide has advanced substantially during 2012. The campaign, a joint initiative by UNWTO and WTTC, seeks the acknowledgement at the highest level of the relevance of tourism in facing today’s global challenges. Between 28 February 2011, when President Felipe Calderón of Mexico first received the Open Letter, and the end of October 2012, 40 leaders had joined the Campaign. Many other countries have expressed their interest in joining the initiative.

15. Out of the 40 Heads of State and Governments who have received the Open Letter, two are from the Middle East: Bahrain and Jordan.

16. Within the work towards mainstreaming tourism as a key national and international policy, three issue have been identified as a priority during 2012: visa facilitation, unbalanced taxation and consumer protection:

a. Visa facilitation: UNWTO has been working with several industry bodies and governments to advance visa facilitation. The Secretariat has been raising awareness among all countries of the potential of maximizing new technologies in improving visa application and processing formalities, as well as the timings of visa issuance, and advising them to analyse the possible impact of visa facilitation in increasing their tourism economies and employment. In this regard, a set of recommendations was included in the report prepared for the 4th T.20 Ministers’ Meeting on “The Impact of Visa Facilitation on Job Creation in the G20 Economies”.

Visa facilitation was the focus of the 4th T20 Ministers’ meeting (see point 13) and was also object of a dedicated debate during the 94th session of the Council. The issue of “Open Borders and Open Skies: Breaking Barriers to Travel” was further debated during the UNWTO & World Travel Market Ministers’ Summit (6 November 2012). Moreover, the Secretariat has contributed to the debates on travel facilitation held during the Meetings of the Tourism Ministers of the Association of South-East Asia Nations (ASEAN) and of the Asia Pacific Economic Cooperation (APEC). The Secretariat is also working with the Organization of Economic Co-operation and Development (OECD) on the issue.

b. Taxation: The recent trend of introducing new and/or increasing existing taxation on travel and tourism, namely on air travel and accommodation, represents a serious threat to our sector. The Secretariat has continued to raise awareness of the issue of unbalanced taxation in several international fora and coordinating with industry bodies and national governments to voice the concern of the tourism sector in this respect. The Secretariat has also been coordinating with the International Civil Aviation Organization (ICAO) the support for a global solution for aviation emissions.

c. Consumer Protection: please refer to document CME/36/6(a).
17. It is increasingly important that Member States support the efforts of the Secretariat in positioning tourism as a key sector within regional and international policy decisions. This includes regional processes and institutions such as ASEAN, APEC, the European Union (EU) or regional Development Banks as well as international ones such as the UN system. The inclusion of the tourism sector in key framework documents allows UNWTO and its Members to adequately pursue the inclusion of the sector in the consequent decision taking on planned developments and investment while increasing UNWTO’s capacity to access extra-budgetary funds.

C. Implementation of the Programmes of Work 2012-2013

C.1 Programmes of Work 2012-2013

18. Detailed information on the activities carried out is provided in document CME/36/6a. Some of the global activities are as follows:

a. Events: Major global events held include:

- the Sixth EXCELTUR Tourism Leadership Forum in Madrid, Spain (January 2012);
- the 1st Meeting of the Global NTO Think Tank – Creating value through collaboration, a joint initiative of UNWTO and the European Travel Commission (ETC), at ITB Berlin, Germany (March 2012);
- the 7th World Congress on Snow and Mountain Tourism in La Massana, Andorra (April 2012);
- the UNWTO Conference “The Future of Mediterranean Tourism” in Djerba, Tunisia (April 2012);
- the 2nd Tourism and the Media Conference in Marsa Alam, Egypt (April 2012);
- a Tourism Side Event at the 13th Session of the United Nations Conference on Trade and Development (UNCTAD XIII) in Doha, Qatar (April 2012);
- the 4th T.20 Ministers Meeting, a Members driven initiative in Merida, Mexico (May 2012);
- the International Conference on “Seizing Market Opportunities in Times of Rapid Change” in the Dead Sea, Jordan (June 2012);
- UNWTO events in the Rio+20 Conference: a) Green Innovation in Tourism Side Event, co-hosted by the United Nations Environment Programme (UNEP), OECD and UNWTO with the support of the Brazilian Ministry of Tourism and the UNWTO Affiliate Member CNC-SESC-SENAC; and b) the Official Side Event on Tourism for a Sustainable Future organized by UNWTO and the Brazilian Ministry of Tourism (June 2012);
- the Eleventh Meeting of the World Committee on Tourism Ethics (July 2012); and
- the World Tourism Day High Level Think Tank on Tourism and Sustainable Energy in the framework of the celebrations of World Tourism Day 2012 in Gran Canaria, Spain (September 2012).

Several other technical and regional conference, seminars and workshops took place during this period, the detail of which is presented in the corresponding reports.
b. **Publications:** Among the outputs of UNWTO’s extensive research programme during the period under review it is worth highlighting the publication of the following reports:

- the 2012 edition of the *UNWTO Tourism Highlights*;
- three issues of the *UNWTO World Tourism Barometer* (January, May and July);
- the 2012 editions of the *UNWTO Yearbook* and of the *Compendium of Tourism Statistics* (the electronic version of the data pertaining to both is available, and updated regularly, in the UNWTO e-library Factbook);
- the *Affiliate Members Global Reports on Food Tourism and Aviation*;
- the report *Challenges and Opportunities for Tourism Development in Small Island Developing States*; and
- the UNWTO/Ramsar report *Destination Wetlands: Supporting Sustainable Tourism*

c. **Technical Cooperation and Development Assistance:** New developments in technical cooperation include the conclusion of technical cooperation and MDG-F projects in Nicaragua (MDG-F Cultural Recovery and Creative Productive Development on the Caribbean Coast), Oman (Tourism Manpower Needs Analysis and Medium-term Human Resources Development Action Plan) and Turkey (MDG-F Alliances for Cultural Tourism (ACT) in Eastern Anatolia).

During the same period, two new projects were prepared and the corresponding agreements signed: National Tourism Development Planning in Ghana and Improving Policies and Regulations to Support Development of Markets in Tourism in Uganda.

In addition, preparations were made for five new ST-EP projects, which are expected to be launched in the fourth quarter of 2012 in Jordan (Youth Career Initiative funded by the UNWTO ST-EP Foundation), Lesotho (Kome Rural Homestay Project funded by the UNWTO ST-EP Foundation), Mozambique (Vocational Training and SME Development for the Tourism Sector in Maputo funded by the Flemish Government) and Namibia (Initiatives Fund for Rural Women Employees funded by the Banesto Foundation), and Timor Leste (Capacity Building for Tourism Employees funded by the UNWTO ST-EP Foundation and the Government of Macau S.A.R.).

d. **Education and Capacity Building:** Through the UNWTO Themis Foundation, UNWTO’s executive arm for education, several training courses were held in the various regions. During the period under review, the following courses were organized: UNWTO-Themis Regional capacity-building workshop on Adventure Tourism (Saudi Arabia), UNWTO-Themis Course on Excellence in Tourism Management: Public Use Management in Protected Areas (Argentina), UNWTO.PRACTICUM 2012 on Tourism Communications (Spain/Andorra) and Social Media, UNWTO.PRACTICUM 2012 Special Edition for Arab Speaking Countries: Sustainable Tourism and Poverty Alleviation (Spain), and University Course Tourism and International Cooperation for Development (USA).

e. **Special Initiatives and Projects:** Four special initiatives and projects have been further advanced during the period under review:
- **Hotel Energy Solutions**: The Spanish version of the Hotel Energy Solutions online toolkit was officially launched in September 2012 in the framework of World Tourism Day on the theme of Tourism and Sustainable. The e-toolkit was created to help hotels evaluate their energy consumption and assist in improving their energy management and cutting costs. Discussions on the adaptation and/or translation of the online tool to other languages and regions are on-going. The online toolkit, alongside other web-based resources – ‘Energy School’, a series of research reports to better understand energy efficiency and renewable energy technologies and promotional materials for hotels to sensitize their guests on energy saving – are available free of charge to all accommodation establishments registered with the project at [http://www.hotelenergysolutions.net](http://www.hotelenergysolutions.net).

- **Knowledge Network**: The UNWTO Knowledge Network, an important part of the Affiliate Members programme, currently counts over 125 knowledge-based tourism-related institutions, organizations and universities from the public and private sectors. UNWTO is strengthening the capacity of the Knowledge Network as an extensive research body of UNWTO to support innovation in policy, governance and other areas of tourism, closely connecting with its Member States and the global tourism community. Activities in 2012 include the know and sympor, the UNWTO Ulysses Prize and Awards (November 2012) and the research working papers.

- **Legal instrument on tourist/consumer protection**: In response, and mandated by the 19th session of the General Assembly, the Secretariat has set up a Working Group on the Protection of Tourists/Consumers and Travel Organizations to draft an international convention for the protection of both parties. In 2011, the Working Group met twice to discuss the content of the legal instrument, as well as to define its scope and level of application. The convention, it was decided, will cover issues including providing assistance to, and ensuring the repatriation of, consumers, particularly in cases of force majeure; the supply of accurate and timely information to tourists including how to handle bankruptcy situations of travel organizers; and issues related to accommodation. In 2012, the Working Group met twice (in February in Milan, Italy and in June at UNWTO HQ in Madrid, Spain) advancing substantially this process.

- **DEVCO Project**: The European Commission (Directorate General Development and Cooperation – DG DEVCO/EuropeAid) has requested UNWTO to assist in the creation of a Guidebook on Sustainable Development as an engine for development, trade in services, job creation and poverty reduction. The project will deliver a Sustainable Tourism for Development Study - an instrument that will enable EU services and other development institutions to include sustainable tourism development projects in their programme cycles.

### C.2 Specific UNWTO Activities in the Middle East

19. In line with the Organization’s general programme of work and with the strategic priorities decided by the Commission, regional activities in the Middle East were centred, during the period under review, on the following two priority objectives:
   a. Boosting destination competitiveness and supporting increased marketing and communication activities; and
   b. Guiding and supporting responsible and sustainable development policies and management processes
20. Main activities carried out in the region under the area of competitiveness include:
   a. A report on the Impact of Current Events in the Region on Tourism Flows and Investments (the findings of the report are presented to the Commission under agenda item 4.a.);
   b. A series of round tables on the Future of Tourism in the MENA Region (held in London, Berlin and Dubai on the occasion of WTM, ITB and ATM, in November 2011, March 2012 and April 2012);
   c. A study on the Chinese Outbound Travel to the MENA region (the preliminary findings of this study are also presented to the Commission under agenda item 4.d.);
   d. A capacity building workshop on Crisis Communication (held in conjunction with the special PRACTICUM session for Arab countries in Granada, Spain in November 2011);
   e. An international conference on Partnering with the Media in Challenging Times (held in Marsa Alam, Egypt in April 2012);
   f. An international conference on Seizing Tourism Market Opportunities in Times of Rapid Change (held in the Dead Sea, Jordan in June 2012); and
   g. A series of technical support and assistance missions and projects as part of a special support programme in the field of Marketing, Communications and Human Resource Development to countries in the region (details of which are provided under agenda item 6.b.)

21. Highlights of the activities carried out in the region under the area of sustainability include:
   a. A series of capacity building workshops on Sustainable Development and Management of Tourism in Environmentally Sensitive areas (held in Yanbu, Saudi Arabia in December 2011), on Tourism Policy and Strategy (held in Doha, Qatar in March 2012); and on Sustainable Tourism and Poverty Alleviation (held in conjunction with the special Practicum session for Arab countries in Granada, Spain in September 2012);
   b. A study on the Tourism’s Role in the Development of Local Communities in the Kingdom of Saudi Arabia; and
   c. Three community-based sustainable tourism development projects (Mobilization of the Dahshour World Heritage Site for Community Development, in Egypt; Al-Mahweet Highlands, handcrafts, heritage and employment-STEP project, in Yemen; and the Youth Career Initiative in the hotel industry in Amman, Aqaba and the Dead Sea, in Jordan).

22. Within the objective of including tourism as a major tool for development in the region, the Secretary-General visited Iraq (July 2012) and met with the Prime Minister H.E. Nouri al-Maliki and the Vice-President H.E. Khudayr al-Khuzaï. The importance of Tourism in the diversification and recovery of the Iraqi economy, as well as its cultural and human dimensions, were highlighted during these meetings.

D. Administrative and Financial Matters

23. The financial implementation for the biennium 2010-2011 has been made in accordance with the approved budget.

24. The main issue faced has been the challenge of transforming a zero nominal growth into an opportunity to further rationalize expenditure and programme delivery. While the Organization has done well in this regard, a continuation of such policy into the current 2012-2013 biennium may jeopardise outputs or quality. The Secretariat remains actively engaged in avoiding negative impacts from such risk.
25. The Secretariat has noted with appreciation efforts made by the large majority of Member States to keep current on their financial obligations and, in some cases, to advance the payment of accumulated arrears, particularly in the current economic context. Without the continuous financial means provided by its Members, it would not be possible for the Organization to operate adequately.

26. Regarding 2012, income receipts at 31 July 2012 amount to euro 10,224,987.47 and represent 84% of the income estimates. The level of contribution receipts for the current year amounts to euro 8,465,595.67 which represents 71% of the assessed contributions and 84% of the estimated contributions, and is slightly lower than in the two preceding years for the same period. However, arrear contributions received to date (euro 874,391.80) are at a high level.

27. The implemented expenditure as of 31 July 2012 amounts to euro 11,642,908.83 representing 96% of the estimated expenditure, out of which euro 6,722,086.95 have already been effected, and euro 4,920,821.88 are already committed until year end (staff costs included). The percentage of implemented expenditure as of the same date in 2010 and 2011 amounted to 90% and 91% respectively, which continues to indicate the budgetary pressures on UNWTO’s programs in line with the zero nominal growth policy of the Organization, followed now for a period of four years and limiting the Organization’s flexibility in implementing its Programme of Work.

28. In view of disbursements made and income and expenditure forecasts until the end of the year, it appears that the income and expenditure plan for 2012 is on track.


30. The Secretariat continues strongly committed to strengthening its efforts in raising extra-budgetary funds for technical cooperation activities as well as for other programmes. The establishment of a dedicated fund-raising programme within the Secretariat has been a milestone in this endeavour. This new programme is focused on tapping into extra source of funding which allow expanding the Organization’s outreach and the service to Members without increasing the regular budget and the Members’ contributions. Within the work of the Organization in this regard, and as reported to the 19th session of the General Assembly, UNWTO is now recognized as an ODA Eligible Organization for Bilateral Aid, which means that funds channelled through UNWTO for projects in ODA eligible countries can now be considered as an official development assistance amount. For the next programming period UNWTO would need to increase its extra-budgetary resources so as to meet the DAC’s present minimum threshold of US$ 20 million of overall resources annually directed at ODA recipient countries in order to become a fully-fledged ODA eligible international organization.