



CAP/CSA/29/6.3_Committee_Tourism & Competitiveness

**UNWTO COMMISSION FOR EAST ASIA AND THE PACIFIC
UNWTO COMMISSION FOR SOUTH ASIA
Twenty-ninth Joint Meeting
Chittagong, Bangladesh
17 May 2017**

Item 6.3 of the Provisional Agenda

**REPORT OF THE UNWTO COMMITTEES:
COMMITTEE ON TOURISM AND COMPETITIVENESS**

Note by the Secretary-General

The Secretary-General submits to the Joint Meeting of the two Commissions for Asia and the Pacific a report of the Committee on Tourism and Competitiveness

Report of the Committee on Tourism and Competitiveness (CTC)

I. Background

1. It is recalled that the **Committee on Tourism and Competitiveness (CTC)**, as a subsidiary organ of the Executive Council, was established at the 95th session of the Executive Council (Belgrade, Serbia, 27-29 May 2013).
2. Its Rules of Procedure and composition were approved by the Executive Council at its 96th session (Victoria Falls, Zimbabwe, 25 August 2013).
3. During the 21st session of the General Assembly (Medellín, Colombia, 12-17 September 2015) the new Members of the CTC were elected for the period of 2015-2019. Following the appointment of the CTC Members (CE/102/2(c)), Peru and Italy were elected as Chair and Vice-Chair, respectively.
4. Two (recent) meetings of the **UNWTO Committee on Tourism and Competitiveness (CTC)** – (a) 5th (In-person) Meeting (20 January 2017) and (b) 5th Virtual Meeting (2 March 2017) – provided a follow-up on the progress already achieved by the Committee. During both meetings, the CTC members reviewed the working document which outlined the potential lines of action regarding the draft list of quantitative and qualitative factors for destination competitiveness and discussed the list of definitions on some of the selected/prioritized tourism types. The Chair also presented a proposal for the work plan to be put in place for the period 2018-19 which mainly focuses on developing technical guidelines with the aim of assisting the UNWTO Members in their efforts to measure the competitiveness factors that they consider relevant to their situation. Once consensus is reached amongst its members, the CTC will submit the definitions on the prioritized tourism types to the statutory bodies of the Organization for endorsement.

II. Priorities

5. The key principles related to the work priorities of the Committee are to:
 - (a) Support the Organization in fulfilling its normative role;
 - (b) Provide a dialogue mechanism between the public and private tourism stakeholders and academia within a coherent framework to give guidance in building and strengthening tourism competitiveness policies and strategies;
 - (c) Build synergies and strategic alignments in the harmonization of the related activities of the Secretariat as well as other collaborating organizations/entities in order to ensure consistency and consensus in the delivery of the outputs and reinforce the official position of the Organization; and
6. Since its establishment, the CTC has focused its work mainly on assessing the current state of knowledge on the basic concept of **“tourism destination competitiveness”** and on identifying its key factors. This process has also included the identification, development and harmonization of concepts, models and operational definitions used in the **tourism value chain**.

The objective is to lead to a validation process which will reinforce the normative role of the Organization while the technical outputs and recommendations can be used by the UNWTO Members for different purposes such as measuring, labelling and/or benchmarking.

III. Definitions

7. During its previous term 2013-2015, on the basis of the input provided by the UNWTO Secretariat, the **Committee on Tourism and Competitiveness (CTC)** elaborated and agreed upon the following definitions, namely: **Tourism Destination**, **Destination Management/Marketing Organization (DMO)**, **Tourism Product**, **Tourism Value Chain**, **Quality of a Tourism Destination**, **Innovation in Tourism** and **Competitiveness of a Tourism Destination**. These definitions were endorsed by the 103rd Executive Council held in Málaga, Spain, on 9-11 May 2016 and will be submitted to the 22nd Session of the General Assembly (Chengdu, China, 4-9 September 2017) for approval:

(a) Tourism Destination:

A Tourism Destination is a physical space with or without administrative and/or analytical boundaries in which a visitor can spend an overnight. It is the cluster (co-location) of products and services, and of activities and experiences along the tourism value chain and a basic unit of analysis of tourism. A destination incorporates various stakeholders and can network to form larger destinations. It is also intangible with its image and identity which may influence its market competitiveness.

(b) Destination Management/Marketing Organization (DMO):

A Destination Management/Marketing Organization (DMO) is the leading organizational entity which may encompass the various authorities, stakeholders and professionals and facilitates tourism sector partnerships towards a collective destination vision. The governance structures of DMOs vary from a single public authority to a public/private partnership model with the key role of initiating, coordinating and managing certain activities such as implementation of tourism policies, strategic planning, product development, promotion and marketing and convention bureau activities.

The functions of the DMOs may vary from national to regional and local levels depending on the current and potential needs as well as on the decentralization level of public administration. Not every tourism destination has a DMO.

(c) Tourism Product:

A Tourism Product is a combination of tangible and intangible elements, such as natural, cultural and

man-made resources, attractions, facilities, services and activities around a specific center of interest which represents the core of the destination marketing mix and creates an overall visitor experience including emotional aspects for the potential customers. A tourism product is priced and sold through distribution channels and it has a life-cycle.

(d) Tourism Value Chain:

Tourism Value Chain is the sequence of primary and support activities which are strategically fundamental for the performance of the tourism sector. Linked processes such as policy making and integrated planning, product development and packaging, promotion and marketing, distribution and sales and destination operations and services are the key primary activities of the tourism value chain.

Support activities involve transport and infrastructure, human resource development, technology and systems development and other complementary goods and services which may not be related to core tourism businesses but have a high impact on the value of tourism.

(e) Quality of a Tourism Destination:

Quality of a Tourism Destination is the result of a process which implies the satisfaction of all tourism product and service needs, requirements and expectations of the consumer at an acceptable price, in conformity with mutually accepted contractual conditions and the implicit underlying factors such as safety and security, hygiene, accessibility, communication, infrastructure and public amenities and services. It also involves aspects of ethics, transparency and respect towards the human, natural and cultural environment.

Quality, as one of the key drivers of tourism competitiveness, is also a professional tool for organizational, operational and perception purposes for tourism suppliers.

(f) Innovation in Tourism:

Innovation in Tourism is the introduction of a new or improved component which intends to bring tangible and intangible benefits to tourism stakeholders and the local community, improve the value of the tourism experience and the core competencies of the tourism sector and hence enhance tourism competitiveness and /or sustainability. Innovation in tourism may cover potential areas, such as tourism destinations, tourism products, technology, processes, organizations and business models, skills, architecture, services, tools and/or practices for management, marketing, communication, operation, quality assurance and pricing.

(g) Competitiveness of a Tourism Destination:

The Competitiveness of a Tourism Destination is the ability of the destination to use its natural, cultural, human, man-made and capital resources efficiently to develop and deliver quality, innovative, ethical and attractive tourism products and services in order to achieve a sustainable growth within its overall vision and strategic goals, increase the added value of the tourism sector, improve and diversify its market components and optimize its attractiveness and benefits both for visitors and the local community in a sustainable perspective.

8. In fulfilment of its mandate received from the 103rd Executive Council (Málaga, Spain, 9-11 May 2016), the CTC also decided to further elaborate definitions on tourism types for review and consensus. The list of tourism types includes the following:

| | |
|--|---|
| <ul style="list-style-type: none">a) Urban tourismb) Mountain tourismc) Rural tourismd) Cultural tourisme) Ecotourismf) Health tourismg) Wellness tourismh) Medical tourismi) Adventure tourismj) Business tourism (related to the Meetings Industry) | <ul style="list-style-type: none">k) Marine / Coastal tourisml) Nautical tourismm) Cruise tourismn) Spiritual tourismo) Gastronomy tourismp) Mega-events tourismq) Sports tourismr) Shopping tourisms) Education tourism |
|--|---|

9. The above is an open list which may be enlarged upon the proposal of the CTC members during the process.

10. During the 5th CTC Virtual Meeting held on 2 March 2017, the CTC recommended to prioritize 10 tourism types from the list above with a view to start elaborating definitions which should be finalized by June 2017. The survey conducted among the CTC members on the 10 prioritized tourism types for further definition at this stage yielded the following results:

- 1) Cultural tourism
- 2) Ecotourism
- 3) Rural tourism
- 4) Adventure tourism
- 5) Health tourism
- 6) Business tourism (related to the Meetings Industry)
- 7) Gastronomy tourism
- 8) Marine/Coastal tourism
- 9) Urban tourism

10) Mountain tourism

Note: Upon the request of Gambia and Qatar, members of the CTC, “education tourism” and “sports tourism” will also be reviewed and incorporated in the list.

11. Once consensus is reached on part or all of the definitions, the proposal on the operational definitions shall be submitted to the 106th Executive Council and for approval by the 22nd session of the General Assembly, both to be held in Chengdu, China, in September 2017.

IV. List of factors

12. The Secretariat drafted a provisional list of relevant quantitative and qualitative factors to inform research and policy-making decisions regarding **tourism destination competitiveness**. These factors will be more discussed within the CTC in terms of their relevance and priority before moving towards further research.

13. The following list does not indicate any ranking in terms of the predominance of factors:

| <i>Factors related to governance, management and the market dynamics</i> | <i>Factors related to destination appeal, attractors, products and supply</i> |
|--|---|
| <ul style="list-style-type: none"> i. Sustainable tourism policy and regulations, ii. Strategic planning, iii. Public Private Partnership + vertical cooperation i.e. national-regional-local levels, iv. Governance structure, v. Safety and security, vi. Hygiene and health facilities, vii. Investment and entrepreneurship policy, and the business environment, viii. Promotion strategies and tools, ix. Economic impact, x. Entry visa facilitation, xi. Labour productivity in tourism services and human resources development, xii. Budget allocated to support the tourism sector, xiii. Volume of accommodation facilities + related and supportive facilities, xiv. Demand trends and patterns (number of visitors, length of stay, tourism revenues, tourism expenditure, seasonality, etc.) xv. Use of information technologies, xvi. Knowledge management and research, xvii. Capacity for innovation in tourism, xviii. Accessibility for all xix. Political and economic stability xx. Others | <ul style="list-style-type: none"> i. Geographical location and connectivity, ii. Natural resources, iii. Cultural resources (tangible, intangible), iv. Public and private amenities, v. Infrastructure, vi. Quality, vii. Local community awareness, hospitality, viii. Authenticity, ix. Seasonality, x. Ethical and responsible tourism products and services, xi. Destination image, xii. Destination brand, xiii. Positioning in the domestic market, xiv. Positioning in the international market, xv. Innovative products and services, xvi. Price competitiveness, xvii. Others |

14. Based on the consensus reached by the CTC members with regards to the draft list of quantitative and qualitative factors for destination competitiveness listed above, the CTC agreed on several lines of action for each of the factors, categorized as follows:

- (a) Draft an operational definition, or
- (b) Draft a position paper / technical report (to be published), or
- (c) Compile the information and data from the already existing available sources.

15. The CTC will identify, if needed, and suggest other quantitative and qualitative factors for destination competitiveness to enlarge the list proposed by the Secretariat.

16. The CTC has decided to initiate drafting brief technical reports and/or position papers on the prioritized factors for competitiveness in tourism destinations.

V. Future action

17. At its 5th (In-person) Meeting held in Madrid, Spain, on 20 January 2017, Peru (Chair) suggested that the Committee further elaborate guidelines to measure destination competitiveness for the upcoming work period (2018-2019). The guidelines will facilitate a methodology to evaluate the quantitative and qualitative factors at destination level without having the objective of making a ranking.

18. This proposal shall be subject to further discussion during the 6th (In-person) Meeting of the CTC envisaged to take place during the 22nd session of the General Assembly (Chengdu, China, September 2017) and a working document will be drafted for review and technical input.

19. The CTC also agreed to include in its work the input from other related areas in the Organization (i.e., Technical Committees, Affiliate Members Programme, etc.) as well as from other institutions and relevant tourism stakeholders to maintain consistency and legitimacy.