



2017
INTERNATIONAL YEAR
OF SUSTAINABLE TOURISM
FOR DEVELOPMENT



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Statement by the Secretary-General

I. Tourism at a crossroad

1. International tourism has continued to progress strongly and with extraordinary resilience despite increased global challenges, particularly those related to safety and security. Some redirection of tourism flows was observed in 2016, though most destinations shared in the overall growth due to stronger travel demand, increased connectivity and more affordable air transport.

2. Overall, the number of international tourist arrivals reached 1,235 million in 2016, a 4% growth over the previous year. This result represents the seventh consecutive year of robust growth in international tourist arrivals following the 2009 global economic crisis. A comparable sequence of uninterrupted solid growth has not been recorded since the 1960s. Data for the first months of 2017 show a continuation of this trend with international tourist arrivals up by 6% between January and April, while business confidence reached its highest levels in a decade, according to the June 2017 issue of the *UNWTO World Tourism Barometer*.

3. In 2016, receipts from international tourism increased by 2.6% in real terms as compared to a growth of 3.9% in arrivals, reaching US\$ 1,220 billion. Adding the earnings generated from international passenger transport, total exports from international tourism reached US\$ 1.4 trillion in 2016, representing 7% of international trade (30% of service exports), and positioning tourism as the third export category in the world after chemicals and fuels and ahead of automotive products and food. Tourism has grown faster than world trade for the past five years.

4. **By region, Europe** saw an increase of 2% in 2016 to reach 616 million international tourist arrivals and growth of 6% in the first months of 2017, in a clear rebound on the many challenges faced in 2016. Receipts from international tourism grew slightly below arrivals (+1%), accounting for US\$ 447 billion (euro 404 billion) in 2016.

International tourist arrivals in **Asia and the Pacific** grew by 9% in 2016 to reach 308 million and another 6% between January and April 2017, consolidating the region as the second most visited in the world (25% share). Receipts grew slightly slower (+5%), reaching US\$ 367 billion in 2016.

The **Americas** welcomed 199 million international tourist arrivals in 2016, a growth of 4% over 2015. This trend is confirmed in the first four months of 2017 as the region saw a further 4% growth in arrivals. Receipts grew in line with arrivals at 3% to a total of US\$ 313 billion in 2016.



International tourism in the **Middle East** faced a challenging 2016 with a decrease of 4% in arrivals (54 million) and a further 2% decline in receipts (US\$ 58 billion). Yet, 2017, shows positive signs of recovery. The region attracted 10% more international tourist arrivals in the first four months of 2017.

Africa's international tourist numbers grew by an estimated 8% in 2016 to reach 58 million while receipts increased also by 8% to a total of US\$ 35 billion. Data for 2017 shows a consolidation of this positive trend, with international tourist arrivals estimated to have improved by 8% between January and April.

5. In terms of **outbound**, as measured by international tourism expenditure among the top markets, China continues to lead, following ten years of double-digit growth in spending, and after rising to the top of the ranking in 2012. Expenditure by Chinese travellers grew by 12% in 2016. Tourism expenditure from the United States, the world's second largest source market, increased by 8% Germany, the United Kingdom and France rank third, fourth and fifth respectively in the world. Germany reported an increase of 3% in spending last year. Demand from the United Kingdom remained sound, despite the significant depreciation of the British pound following the referendum on EU membership (Brexit). UK residents' expenditure was up a significant 14% and France reported a 3% growth in tourism expenditure in 2016. The other five source markets in the Top 10 - Canada, the Republic of Korea, Italy, Australia and Hong Kong (China) - all moved up in 2016.

6. For **2017**, UNWTO forecast international tourist arrivals to grow between 3% and 4%. By region, growth is expected to be stronger in Asia and the Pacific (+5% to +6%) and the Africa (+5% to +6%), followed by the Americas (+4% to +5%). Arrivals are expected to grow by 2% to 3% in Europe and by 2% to 5% in the Middle East.

7. Considering that this document was prepared in August 2017, updated information on international tourism results will be provided to the 22nd session of the General Assembly.

8. The exponential growth of the tourism sector in recent years has had a very positive impact globally contributing to creating jobs, promoting investment, trade and infrastructure development and fostering opportunities for social inclusion. Yet, with growth comes responsibility. It is now more imperative than ever to ensure that the development of tourism is done in accordance with the three pillars of sustainability – economic, social and environmental and that our actions are geared towards advancing the contribution of tourism to the 17 Sustainable Development Goals (SDGs) embraced by the international community at the end of 2015 to guide our actions until 2030.

The recent trends, affecting particularly destinations in Europe, of popular rise against tourism are a wakeup call to remind us that community engagement and respect, the effective management of natural resources, the preservation of natural and cultural heritage and social responsibility must be a priority to all stakeholders in the tourism sector.

II. Adapting to a changing world

9. Tourism development has been impacted by a series of external factors over recent years which require the sector to adjust and adapt if it wants to remain competitive, sustainable and relevant to support our communities and societies face growing common and interconnect challenges. Together with the many challenges emerging over the last two years – namely those related to safety and security – we must also maximize the opportunities brought by technology, an improved global economy and the commitment of the international community to move together towards the SDGs and the goals set in the Paris Agreement on Climate Change. Emerging examples of protectionism should not shadow

us away from a bigger global commitment in which tourism can and should play a major part in building a better future for people and planet. As we move forward in that endeavour the following are some of the key issues to consider:

(a) Global economy picks up but unemployment remains a challenge – according to the IMF (*World Economic Outlook*), global economic growth is projected at 3.5% in 2017 and 3.6% for 2018. Projected rates are nonetheless still below pre-crisis averages, especially for most advanced economies and for commodity-exporting emerging and developing economies. In this context, international tourism is expected to continue rising at 4% or above as trends show that arrivals tend to follow closely the global economic cycle.

Despite the clear improvements in the global economy, unemployment remains a major challenge in many economies, particularly for the youth. The global unemployment rate is expected to rise from 5.7% to 5.8% in 2017 representing an increase of 3.4 million in the number of jobless people according to the International Labour Organization (ILO). The number of unemployed persons globally in 2017 is forecast to stand at just over 201 million – with an additional rise of 2.7 million expected in 2018 – as the pace of labour force growth outstrips job creation.

In this framework, tourism can make a major contribution to create jobs and opportunities, specially for young people. Job creation means social stability and peace and should be a major priority for our sector, while ensuring we advance the decent job agenda and promote decent working conditions and equal opportunities for women and men.

(b) Increasing challenges to safe, secure and seamless travel – safety and security have become primary concerns for the tourism sector. Health pandemics and terrorism acts are taking the lives of people around the world and threatening the socio-economic wellbeing of millions while growing protectionism threatens to close borders in many parts of the world. To address this challenge, UNWTO has worked around four priorities with the objective of promoting safe, secure and seamless travel:

- continuing to take an active role in the relevant mechanisms created by the United Nations (UN) and other international organizations to fight terrorism and coordinate the response to other global threats such as health pandemics;
- creating a High Level Taskforce on Tourism and Security: during its first meeting, held prior to the 105th Executive Council, the Taskforce focused on the integration of national security with tourism security, crisis communication and travel advisories. Looking into the specific theme of travel advisories the Taskforce has developed a set of proposed guidelines which will be presented for consideration to the 108th session of the Executive Council.
- supporting Members States in crisis situations while working with them to ensure the preparedness of the sector to deal with crisis at national level through the development of tourism crisis management plans – including crisis communications, capacity building and stepping up the inclusion of tourism into national emergency plans; and
- advancing travel facilitation: the current security threats should not translate into a setback in the consistent advances achieved in terms of travel facilitation in recent years. According to the *UNWTO Visa Openness Report (2016 edition)*, the percentage of world population requiring a traditional visa to travel has decreased from 77% in 2008 to 61% in 2015. UNWTO continues to

(c) Technology and Innovation shaping tourism – the technological revolution has accelerated the shift in business models and consumer behaviour. The rise of entrepreneurship, or so called sharing economy and the driving role of consumers have taken centre stage. Destinations and companies are required to adjust their policies and strategies to the changes in the market in order to remain competitive and sustainable. UNWTO has placed technology as one of its three priorities in the last two years, focusing on an holistic approach to smart destinations.

(d) Advancing the fight against climate change – The Paris Climate Change Agreement marks a landmark for the international community. Together with the approval by the Members States of the International Civil Aviation Organisation (ICAO) of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA), it opens new avenues to advance tourism's contribution to fight Climate Change.

(e) Social responsibility, a prerequisite for stability and peace – Peace and social stability depend on the capacity of societies to protect the weaker and provide equitable opportunities to all. The tourism sector has extraordinary potential to empower women, young people, indigenous people, people with disabilities, and many others who have been historically disadvantaged. Yet only with an ethical foundation can we harness the full potential of the sector and fight its negative impacts. These concerns are at the core of the UNWTO Global Code of Ethics for Tourism. Its transformation into an International Convention would constitute a ground-breaking opportunity for the tourism sector to step up to its commitments and responsibility.

(f) Tourism and the SDGs – the international agenda for the coming 15 years will be marked by the Sustainable Development Goals (SDGs) – an universal 17 goal plan of action for people, planet and prosperity for all countries and all stakeholders. Tourism is included in the SDGs in Goal 8 (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), in Goal 12 (ensure sustainable consumption and production patterns) and in Goal 14 (conserve and sustainably use the oceans, seas and marine resources for sustainable development). Yet, the sector can contribute to all 17 Goals from gender equality, to poverty alleviation, fighting climate change or building partnership for development. The effective contribution of our sector to the 2030 Agenda will only be possible with the full engagement of tourism in national SDGs strategies, on one hand, and on the other hand, with the embracement by the sector of the SDGs as core to its development. In this regard, the Secretariat invites members States to fully embrace the principles of the Chengdu Declaration on 'Tourism and the Sustainable Development Goals' at the 22nd session of the General Assembly.

III. UNWTO – making tourism relevant to people, planet and prosperity

10. The value of our sector can only be effectively measured in terms of the contribution it can make to the wellbeing of people and planet. In this context, and within the two pillars guiding the world of the Organization – Competitiveness and Sustainability – UNWTO's work in the last two years has been focused on:

(a) Positioning tourism higher in national and international agendas to ensure that due recognition is given to the sector within national priorities, the UN system and other relevant fora such as the G20 or the European Union. In this context, it is of particular relevance the increasing recognition of tourism with the UN agenda, of which the declaration by the United Nations General Assembly of 2017 as the International Year of Sustainable Tourism for Development is a major example, the work of the T.20, the Meeting of the Tourism Ministers of the G20 (the seventh Meeting of the T.20 took place in China in 2016 coinciding with the Chinese G20

Presidency) as well as the presentation of the UNWTO/WTTC Open Letter on Travel and Tourism to over 90 Heads of State and Government since the beginning of the initiative in 2011.

(b) Promoting public/public partnerships and cross-cutting policies for tourism through the coordinated work of tourism administrations with relevant areas such as culture, interior, foreign affairs or transport. In this regard, the Secretariat has developed a series of initiatives to foster the coordination between the Ministers of Tourism and the Ministers of Transport, Culture or Foreign Affairs. In this context, UNWTO has also reinforced its coordination with the relevant UN organizations such as the UN Educational, Scientific and Cultural Organization (UNESCO) and the International Civil Aviation Organization (ICAO);

(c) Placing sustainability at the heart of tourism development: This includes the work of the organization within the framework of the Sustainable Tourism Programme of the 10 Year Framework of Programmes on Sustainable Consumption and Production (10YFP), which UNWTO leads with the co-lead of the governments of France, Republic of Korea and Morocco, the recent launch of the Measuring Sustainable Tourism initiative (MTS) and the advances in the International Network of Sustainable Observatories (INSTO) which since its establishment in 2004, counts with a total of 18 observatories.

(d) Increasing development assistance in tourism: 2017 marks a milestone in the work of UNWTO to place tourism in the development agenda following the decision of the OECD Development Assistance Committee (DAC), representing thirty of the main donor countries, to include UNWTO in the List of Official Development Assistance (ODA)-eligible International Organizations. The inclusion of UNWTO in the List is clear recognition of the important contribution of sustainable tourism to development, peace and prosperity and thus to the universal 2030 Agenda and its 17 Sustainable Development Goals. This decision opens new opportunities to increase ODA flows for tourism, which currently only represents 0,14% of total ODA, despite representing 10% of world's GDP and 1 in 10 jobs.

IV. Concluding an eight-year commitment : The White Paper

11. In 2011, the 19th session of the UNWTO General Assembly approved the 'White Paper - A Reform Process for a More Relevant UNWTO'. The White Paper responded to both, the commitment made by the Secretary-General and the request of the UNWTO governing organs to embark upon a reform process of the World Tourism Organization, so as to make it more relevant to members and more efficient in addressing the current and future tourism and global development challenges.

12. The White Paper set a series of priorities:

(a) First, the need to concentrate UNWTO's work on a few, high priority subjects of interest and relevance to most members, aiming at significant results in those areas, so as to strengthen its position as a leader in the global governance of tourism policy issues and to provide more meaningful, strategic services to members: In this regard, UNWTO's has focused its action on three main priorities: 1) safe, secure and seamless travel; 2) tourism and technology and 3) sustainability;

(b) Secondly, the WP proposed to strengthen the members' sense of ownership of the Organization: this was done through changes in the contents and format of the General Assembly and Executive Council, and in all other meetings of its organs; through more frequent

communications between the Secretariat and its members, using online tools and the creation within the Secretariat of a Members Relations Committee;

(c) Thirdly, the need to expand external funding sources which was addressed through a new Programme on Institutional Relations and Resource Mobilization and the process to have UNWTO included in the list of ODA international organizations of OECD;

(d) Fourth, the WP stressed the need for the Organization to multiply its partnerships with external institutions, within and outside the UN system, and especially with the private sector, an area which was strongly developed with partnerships with among others the World Travel and Tourism Council (WTTTC), the increasing number of Affiliate Members and joint programmes in collaboration with them and the clear recognition of tourism in the UN agenda as proven by the inclusion of tourism in the SDGs and the designation by the UN General Assembly of 2017 as the International Year of Sustainable Tourism for Development; and

(e) Finally, and in order to achieve the main objective of becoming a more relevant and efficient Organization, the WP proposed a number of changes in the Secretariat's structure and management, which were achieved by establishing a programme based organizational structure, improving staff recruitment, career development and administrative procedures, the implementation of the International Public Sector Accounting Standards (IPSAS) and the creation of the Ethics function.

13. Financial situation: The financial situation of the Organization has remained stable over the last eight years in spite of the challenges imposed by the limitations on income growth. This has required significant cost containment efforts and efficiency gains over this period. As I stated at the 105th session of Executive Council, it will not be healthy for the Organization to continue this policy and I trust the General Assembly can endorse the proposed adjustment in contributions in 2019 as presented in the 2018/2019 programme and budget proposal.

14. Membership: The expansion of UNWTO Membership has been achieved by welcoming many of you during these years. I must admit, however, that one of the major failures of my mandate as Secretary General has been the failure of bringing back some of the major tourism destinations namely the United States of America, the United Kingdom, Canada and Australia as well as the failure of attracting some countries that were not members before such as the Scandinavian countries, New Zealand, Singapore and some Caribbean and Pacific island regardless of the justifications. I believe we should not spare efforts to ensure our constituency is a true universal one. Expanding membership should continue to be a main priority.

V. Actions to be taken by the General Assembly

15. The General Assembly is requested:

(a) To take note of the Statement of the Secretary General and thank the Secretary-General for his strong commitment to UNWTO during his eight-years term; and

(b) To endorse the Chengdu Declaration on 'Tourism and the Sustainable Development Goals' committing to advance the contribution of tourism to all 17 SDGs.