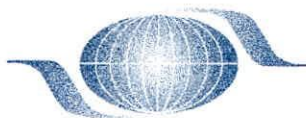


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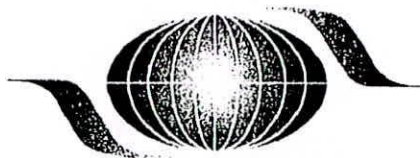
WHITE PAPER

Note by the Secretary-General

At its seventy-third session held in Hyderabad, India, in July 2004, the Executive Council approved the Secretary-General's proposal to prepare a new "White Paper" to identify the major changes in the world economy and society affecting tourism, and to define the main orientations of the Organization's medium-term actions up to 2010 and beyond (reflected in Agenda 2010).

The attached document has been prepared in draft form for consideration by the WTO Strategic Group at its meeting in London on 15 November 2005, and subsequently by the Executive Council session prior to the General Assembly session in Dakar.

An Addendum to the "White Paper" containing the observations and comments made by the members of the Strategic Group and the Executive Council will be circulated prior to the discussion, by the Assembly's Committee of the Whole, on this item.



A look into Tourism's Future with the World Tourism Organization

DRAFT WHITE PAPER

21 October 2005

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Introduction

In November 2001, soon after the 9/11 tragedy had radically changed the shape of our world and our sector, I wrote the following to WTO's Strategic Group

'At the beginning of the twenty-first century, what are the basic economic, demographic, sociological, technological and cultural challenges facing tourism development in a global society? How can we achieve a more equitable distribution of tourism development on a world scale and make it sustainable? How can we turn its beneficial effects to good account and spread them out more fairly? These are the burning issues facing WTO and, indeed, international tourism today, quite apart from the present crisis, whose effects are already beginning to diminish'

This forms the backdrop to a new WTO look at strategic trends – inside and outside the industry. This Paper considers various development scenarios and identifies ways and means for the Organization to better serve its constituencies and fulfil its mission in the years ahead.

Our world has changed somewhat since the first "White Paper" in 1997. Specifically:

- A shift has taken place towards multilateralism, democratisation, equitable global trade, combating terrorism and, above all, attaining the Millennium Development Goals which focus primarily on poverty alleviation;
- The tourism agenda has broadened from planet to people; from ecotourism to community development, and from destination management to place branding and quality assurance
- Markets are evolving, products are reshaping, electronic delivery is everywhere – China and India are booming, Europe is expanding, Africa is awakening.
- More changes are in train – the rising price of fuel; the pervasive impact of security; the need for infrastructure both on the ground and to serve air travellers.

And WTO is set to become UNWTO – the lead agency for the sector, with primary responsibility for its sustainable development – a new, expanded and evolving responsibility that we will need to exercise wisely. Not only to promote good husbandry in the sector but to ensure that this, our industry, can play its authentic role as a driver of positive socio-economic development.

The organization has responded effectively, both with new structures and new initiatives: but the changing nature of tourism itself, and the rapid changes in consumer behaviour and in the industry's fabric, make it desirable for WTO to adapt even more as it sets its sights further down the road ahead. If we are to meet the challenges, a step change will be necessary, in particular:

- Reaffirming our forecasts with a new 2010 focus and developing our projections through to 2020
- Expanding our work programme to meet the needs of the sector and integrating it into the broader UN framework – particularly Millennium Declaration-related activities where tourism can play a significant role in poverty alleviation and ST-EP can be a flagship programme;
- Driving ahead with the implementation at the national and local levels of the Global Code of Ethics;
- Elaborating further our Liberalization with a Human Face Strategy, with the focus on equitable market expansion, fair tourism trade, poverty alleviation and triple bottom line sustainability;
- Consolidating WTO's membership - particularly the public, governmental, side, which creates the enabling framework, but also the important private and associative side, which drives operational and market development and ensures dialogue with civil society;
- Reshaping the internal organization to respond to changing dynamics – with enhanced decision-making authority at regional levels;

I have charged the Strategic Group with suggesting the path forward, driven by a working group of Bill Norman, Chris Lyle and my Special Advisor Geoffrey Lipman as overall Coordinator. This document is the result - a "White Paper" which reflects our new UN status and which looks to the period up to 2010 closely - the milestones on the path towards the Millennium Goals and beyond to 2020 generally

Lessons from the Past

We evaluated the trends predicted in the last White Paper in 1997 to see how accurate our analysis had been and, in particular, to determine what, if any, lessons might be drawn for the future.

For the most part the last White Paper focused on WTO's internal and institutional setting. It was written at a time of considerable stress for the organization – despite the solid financial footing some major countries had withdrawn; there was also a discernible trend towards devolution of tourism policy and uncertainty existed as to the continuing focus of the organization - particularly its programme activity.

Many of the directions of change identified in the paper have been successfully pursued. Most notably the strengthening of the work programme, with membership oversight and tighter budgetary control. We have been equally successful in the development of our economic analysis and the Barometer, as well as in our path-breaking research on sustainable development and the promulgation of the Global Code of Ethics.

The Organization has also demonstrated its capacity to react to the unexpected and to initiate new activity in response to emergencies. Examples include the Recovery Committee, the Tsunami Action Plan delivered in Phuket just a month after the disaster, as well as the ST-EP initiative, the Africa programme and the restructuring to intensify the Technical Cooperation programme that seemed in jeopardy at the start of the period under review.

We also made serious strides in terms of our organizational and financial structure – strengthening the membership base to 150 Full Members from 131 – including the return of Canada and Australia as well as the accession of the United Kingdom. We have restructured the Affiliate members into Business, Education and Destination Councils and enhanced their work programme. At the same time our revenue base has increased, costs have been tightly controlled, arrears reduced, new funding streams initiated and financial procedures tightened.

But all has not been as anticipated – perhaps the greatest weakness has been not to engage the private sector more profoundly in our work. The most surprising, and pleasing, development has been WTO's full integration as a Specialized Agency into the UN family, which was not identified as a priority in the White Paper.

What this suggests is the following: 1) that WTO can be highly relevant to OECD countries and their agendas for sustainable tourism; 2) that WTO can offer effective help to transition countries in developing their tourism; and, 3) that WTO is not as good as it could be in delivering services for the least developing countries, though, thanks to the ST-EP poverty alleviation programme its performance is improving. This suggests that there is a need to be even more imaginative and flexible in our research and development work, to increase our focus even more on the attainment of the Millennium Development Goals and to increase collaboration between public and private sectors by making appropriate space for all tourism stakeholders in all WTO activities.

The UN World Tourism Organization

Seven years ago, at the time of the last White Paper, full integration with the United Nations seemed unlikely. Today it is a reality. Why the shift? It is both the reflection of the UN's evolution to focus more intently on key global challenges, the recognition amongst decision makers that tourism is a sector that can help more than most in addressing those issues and, not least, the rapid reaction of WTO's leadership to the opportunity.

The decision was not taken lightly however; it required serious study, negotiation and careful evaluation of the pros and cons by the Secretary-General, the Executive Council and the Assembly. The upside substantially outweighed the downside.

- For the UN, to have a Specialized Agency with a "decisive and central role in world tourism" will make the work of the UN system more effective in a broad range of social and economic areas where our sector can play a constructive role.
- For WTO, it will make our task in serving members (particularly developing countries), even more effective as we network with the responsible UN agencies – particularly ICAO, UNDP, WHO, UNEP.
- There is little additional administrative burden because WTO procedures – including the important social provisions – had already been closely aligned to UN norms. Some additional meetings will need to be attended but the value of cross-fertilization with other agencies is bound to offset the costs and time burden. Nevertheless we will have to stay vigilant to ensure that the additional obligations are kept to a minimum.

What is most exciting is to witness the doors that are opening to other organizations and the private sector as a result of WTO's new status. They include donor agencies, private sector organizations, civil society and other government bodies.

It is clear that, in going forward, WTO will have to adapt its work programme and its organizational structure to respond to the UN's expanding and dynamic needs. Key issue areas for full integration into the evolving WTO work programme will be:

- The Millennium Development Goals;
- Coordinated responses to humanitarian and natural disasters affecting tourism;
- The safety and security network;
- The digital divide.

We are on track to make these adaptations.

Today's Tourism

Tourism is now recognized as one of the world's most significant socio-economic sectors.

"Tourism" means far more than holidaymaking - business travel, visiting friends and relatives, educational, religious and medical travel, sporting events, conferences and exhibitions all create demand for travel.

International arrivals in 2004, at 763 million were more than 25 times greater than in 1950, an average annual rate of growth of 6.5 per cent. Long-term forecasts predict average annual growth of around 4 per cent to 2020.

Domestic tourism is estimated at 10 times the volume of international tourism.

Some 6-8 per cent of global employment is tourism dependent.

Travel represented, in 2004, around 30 per cent of International Commercial Service Trade – one of the highest components.

International tourism has also greatly diversified during that period.

- In 1950, only 3 per cent of all arrivals were outside the top 15 countries (mainly European countries, the USA, Canada and Mexico). In 2004, 42 per cent of the total international tourist arrivals are reported outside the top 15 world tourism destinations.
- During the past 10 years, the Middle East and Asia and the Pacific have gained market share at the expense of Europe and the Americas
- During the same period "Visiting Friends and Relatives" as a purpose of trip increased from 19 per cent to 21 per cent of international arrivals.

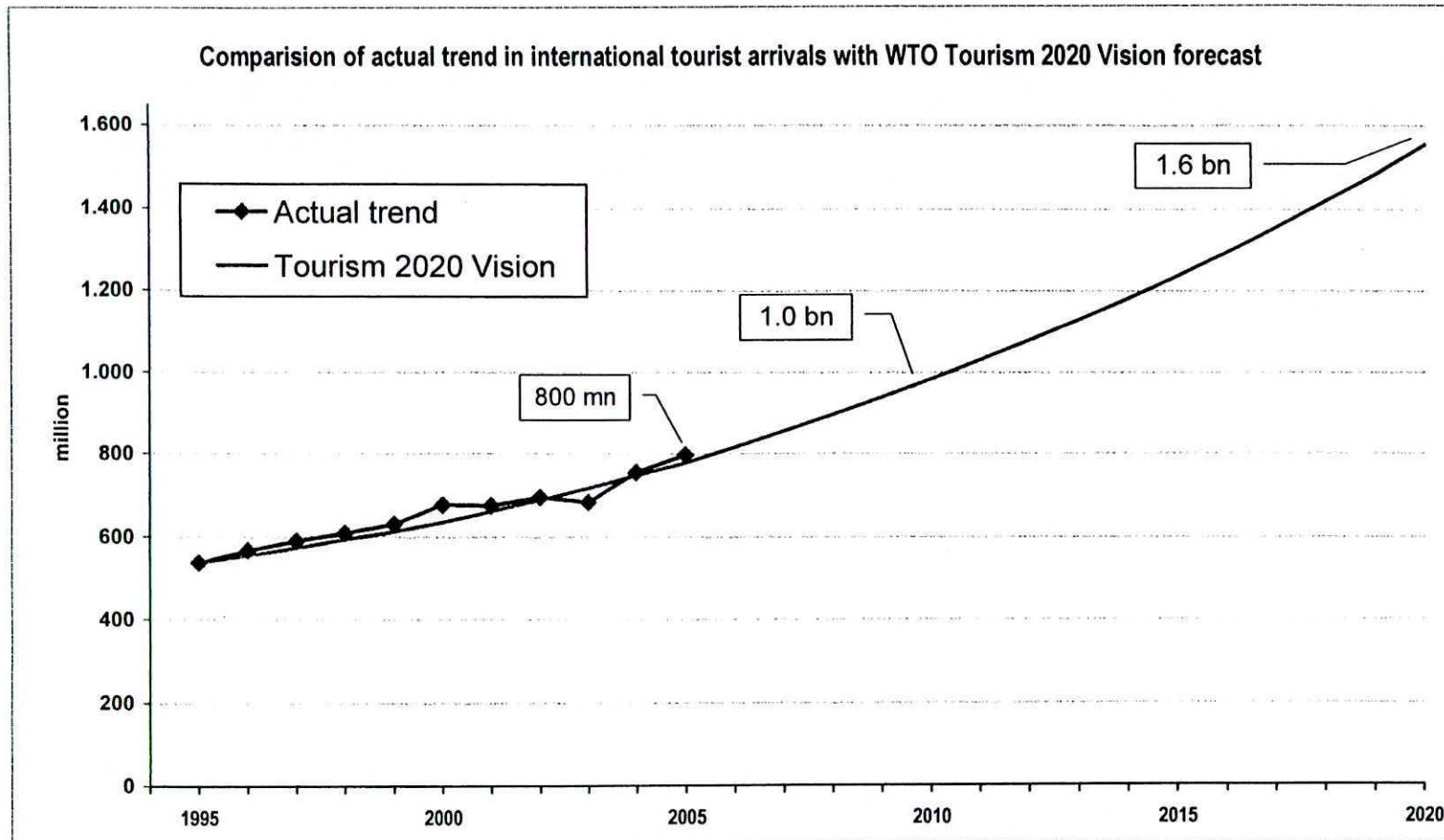
According to *Tourism 2020 Vision*, WTO's long-term forecast and assessment of the development of tourism up to the first 20 years of the new millennium, quantitative forecasts covering a 25 years period, with 1995 as base year and forecasts for 2000, 2010 and 2020 were made as presented below. Although the evolution of tourism in the last few years has been irregular and volatile, WTO has maintained its long-term forecast for the moment. The underlying structural trends of the forecast are believed not to have significantly changed. Experience shows that in the short-term, periods of faster growth (1995, 1996, 2000 and 2004) alternate with periods of slow or negative growth (2001, 2002 and 2003).

A comparison of the actual trend in the period 1995-2005 with the projection made for WTO's long-term forecast *Tourism 2020 Vision*, shows that the actual number of international tourist arrivals, estimated from preliminary data for the year 2005, is surprisingly slightly ahead of the initial forecast. In the period 1995-2000 the number of international tourist arrivals grew at a faster pace than anticipated (at a rate of 4.8% a year versus 3.4% forecasted) as the Asian economic and financial crisis of 1997 and 1998 impacted less than expected at the time the *Tourism 2020 Vision* was prepared. Under the influence of the weak economy and confidence undermining events such as 9/11 and SARS, tourism faced a few difficult years at the beginning of the new decade in which growth stagnated, followed by a strong rebound in 2004 and 2005. In the five years 2000-2005, tourism indeed did not meet the forecasted growth (3.4% a year versus 4.2% forecasted). However, taking the 10 year period as a whole (1995-2005), the average annual growth rate reached 4.1%, still 0.3% faster than forecasted (3.8%).

During the last two years the Secretariat has devoted itself to the implementation of the *WTO World Tourism Barometer*, a periodical report aimed, not only at tracking short-term trends, but also at presenting short-term forecasts for international tourism at world and regional levels.

Furthermore within the forecast programme, and based on decisions of the Executive Council, the Secretariat will undertake during 2006 the preparation of new medium and long-term forecasts for international tourism. The report will reflect analysis of tourism data and other pertinent forecasts from the public and private sectors, including scenario analysis in accordance with the work developed by the World Bank. Research will focus on forecasts by regions and subregions, source and destination markets (mature and emerging), as well as on the potential of tourism as a thriving economic force in Least Developed Countries (LDC), in the framework of the Poverty Alleviation aims and of the Millennium Development Goals. It will also present major trends set to shape international tourism in the medium and long-term, in areas such as product development, distribution, access, marketing and promotion, consumer behavior, etc.

A study on "Tourism Forecasting Methodologies" is already being prepared by the Secretariat, in collaboration with the European Travel Commission (ETC). The report, set to be presented by the beginning of 2006, will also contribute to better orient the forthcoming forecasting WTO project.



Comparison of actual trend in international tourist arrivals with WTO Tourism 2020 Vision forecast

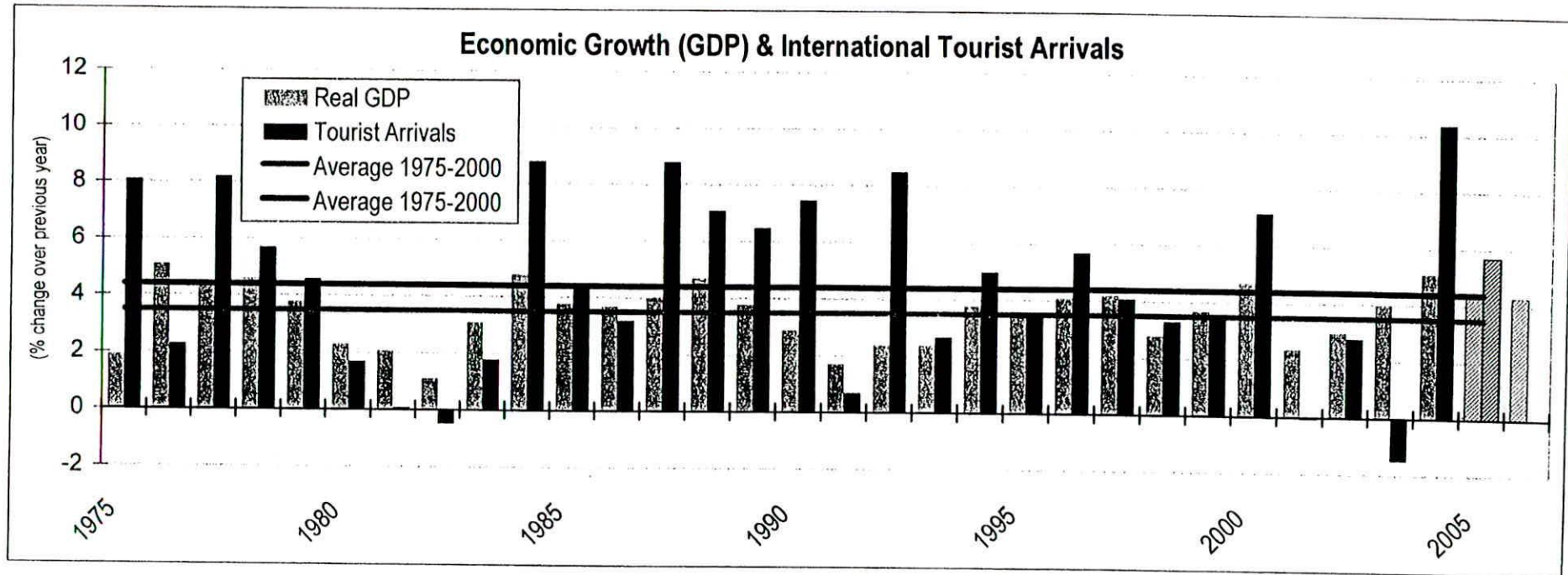
	Actual trend							Tourism 2020 Vision projection					Difference actual trend and 2020 Vision						
	International Tourist Arrivals				Average annual growth (%)			Average annual growth (%)					Average annual growth						
	(million)							(million)					(million)						
	1995	2000	2004*	2005*	95-00	00-05	95-05	2000	2005	95-00	00-05	95-05	95-00	00-05	95-05	95-00	00-05	95-05	
World	538	680	763	800	4.8	3.3	4.1	637	782	3.4	4.2	3.8	43	-25	18	1.4	-0.9	0.2	
Europe	309	384	416	432	4.4	2.4	3.4	360	417	3.1	3.0	3.0	24	-9	14	1.3	-0.6	0.3	
Northern Europe	39	44	48	51	2.4	2.9	2.6	47	57	3.5	3.9	3.7	-3	-3	-6	-1.2	-1.1	-1.1	
Western Europe	112	140	139	142	4.5	0.3	2.3	121	134	1.6	2.0	1.8	18	-11	8	2.9	-1.8	0.6	
Central/Eastern Europe	55	59	79	83	1.5	7.1	4.3	63	79	2.7	4.8	3.7	-4	8	4	-1.2	2.3	0.5	
Southern/Mediterranean Europe	103	141	151	156	6.5	2.0	4.3	129	147	4.7	2.6	3.6	11	-3	9	1.8	-0.5	0.6	
Asia and the Pacific	85	115	153	167	6.2	7.7	7.0	98	142	2.9	7.7	5.2	17	8	25	3.3	0.1	1.7	
North-East Asia	44	63	88	99	7.2	9.6	8.4	52	75	3.2	7.8	5.5	11	13	23	4.0	1.8	2.9	
South-East Asia	29	37	47	49	5.3	5.9	5.6	31	45	1.5	7.8	4.6	6	-2	4	3.8	-1.9	1.0	
Oceania	8	9	10	11	2.7	3.2	3.0	10	14	4.0	6.9	5.5	-1	-2	-3	-1.3	-3.7	-2.5	
South Asia	4	6	8	8	7.5	5.4	6.5	6	8	5.7	6.7	6.2	1	0	0	1.8	-1.4	0.2	
Americas	109	128	126	132	3.3	0.7	2.0	130	157	3.6	3.9	3.7	-2	-23	-25	-0.3	-3.2	-1.8	
North America	81	92	86	91	2.6	-0.2	1.2	93	111	2.9	3.6	3.2	-1	-19	-20	-0.3	-3.8	-2.1	
Caribbean	14	17	18	18	4.0	1.6	2.8	17	22	4.5	4.3	4.4	0	-3	-3	-0.4	-2.7	-1.6	
Central America	3	4	6	7	10.7	8.6	9.6	3	4	4.1	4.5	4.3	1	1	3	6.6	4.1	5.3	
South America	12	15	16	17	5.4	2.6	4.0	17	21	7.5	4.8	6.1	-2	-2	-4	-2.1	-2.2	-2.1	
Africa	20	28	33	34	6.6	4.1	5.4	28	36	6.3	5.6	6.0	0	-2	-2	0.3	-1.4	-0.6	
North Africa	7	10	13	14	7.0	5.9	6.5	9	11	3.5	4.1	3.8	2	1	3	3.5	1.8	2.6	
Subsaharan Africa	13	18	20	22	6.4	3.9	5.1	19	26	7.8	6.2	7.0	-1	-3	-4	-1.4	-2.4	-1.9	
Middle East	14	25	35	36	12.0	7.1	9.5	21	30	8.1	7.0	7.6	4	2	6	3.9	0.1	2.0	

Source: World Tourism Organization (WTO) ©

(Data as collected by WTO October 2005)

* Figures for 2005 are given just for orientation and are based on results up to July 2005 and the full year estimates presented in the WTO World Tourism Barometer of October 2005.

Any data given is subject to change as underlying country series can be updated or revised.

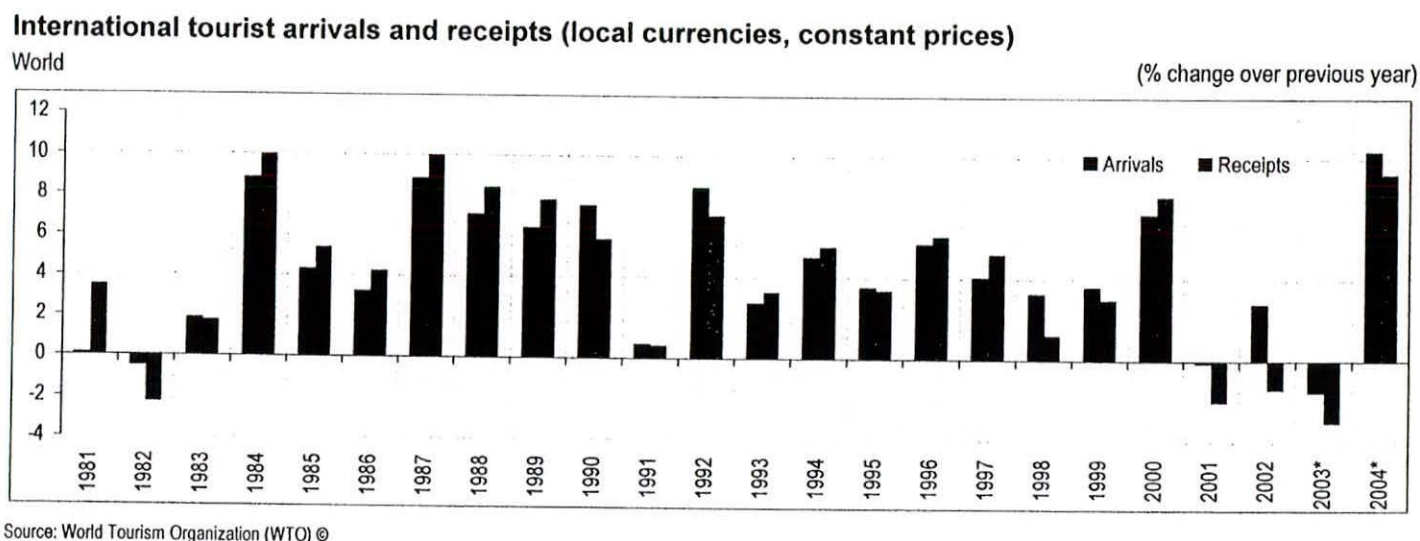


The prospects for international tourism are closely linked with the general economic and political situation in the world. As the economic downturn of the past few years (as well as the early eighties and 1991) unmistakably shows, both factors can not only strongly influence the short-term evolution of tourism for individual destinations, but also for regions or even the world as a whole.

Tourism demand above all depends strongly on the economic conditions in major generating markets. When economies grow, levels of disposable income will usually also rise. A relatively large part of the discretionary income will typically be spent on tourism, in particular in the case of emerging economies. A tightening of the economic situation on the other hand, will often result in a decrease of or trading down of tourism spending.

The graph above demonstrates clearly the strong relationship between the economic climate and the growth of tourism worldwide. In general, the growth of international tourism arrivals significantly outpaces growth of economic output as measured in Gross Domestic Product (GDP). In years when world economic growth exceeds 4 per cent, the growth of tourism volume tends to be higher. When GDP growth falls below 2 per cent, tourism growth tends to be even lower. In the period 1975-2000 tourism increased at an average rate of 4.4 per cent a year and GDP at 3.5 per cent, i.e. tourism grew on average only slightly faster than GDP.

Trends in volume of international tourist arrivals (which are more readily available and easier to interpret) tend to be a fairly good indicator of tourism's evolution in terms of export earnings. Although travellers tend to take shorter and more frequent trips, growth of expenditure on international tourism is broadly in line with growth in the number of international arrivals. International tourism receipts expressed in local currencies at constant prices (i.e. corrected for inflation and exchange rate fluctuation versus the US\$) growth rates for arrivals and for expenditure do not vary much, in strong years growth in receipts often slightly exceeds arrival growth, while in weak years receipts lag behind.



Forces of Change

For world tourism to reach its full potential as an agent of economic development, international understanding, peace, prosperity and universal respect for the observance of human rights and fundamental freedoms, it will be necessary to recognize changes and identify trends in a future of "certain uncertainty".

We believe that there are *12 key forces* that will have the *greatest influence* on world tourism.

1. Growing Wealth in New Markets will drive Tourism.
2. Demographic shifts will change the nature of travel.
3. Travel facilitation issues will lead to shifts in market share.
4. Higher fuel prices will be absorbed but will intensify structural change.
5. More tourism strategies will be based on public-private partnerships – particularly promotion.
6. Communications will stimulate increased travel demand.
7. Internet access will place consumers in control; branding will increase in importance.
8. Terrorism's influence on tourism will shift from the air to the ground as security tightens.
9. "Life-Enhancement" will grow as a travel motivator.
10. Competition will intensify – and so will consolidation.
11. Multilateralism and Regionalateralism will flourish.
12. The UN agency status of WTO will bring new opportunities for the sector.

1. Growing wealth in existing and new markets will drive tourism

Rapid economic growth has created more affluent populations with growing middle-class segments that have the resources for outbound travel. A growing economy is one of the strongest indicators of tourism growth. Four of the strongest emerging markets are China, India, Russia and Poland but by far the most rapid growth will come in China and India, two countries with large populations and equally large potential for continued economic expansion.

With 1.3 billion people, China is the most populous country in the world and the second largest economy in terms of purchasing power parity. Sources believe that up to 19 percent of the total population of China (approximately 247 million people) can already be classified as middle class and therefore have the means for outbound travel. Some experts believe that the size of this group will nearly double by 2010.

With a population of 1.2 billion, India also has great potential as a growing market for consumer goods and services, including outbound travel. When adjusted for purchasing power parity, India's real GDP makes it the world's fourth largest economy, just behind the U.S.A., China and Japan. In addition, more than half of all outbound travel from India is to long-haul destinations outside of Asia. This is a marked difference from nearly every other world travel market where short-haul travel is dominant. Moreover India has launched a liberalization programme that is eliminating many of the traditional barriers to two way travel – including currency controls.

Russia has emerged in recent years as a country with good tourism potential due to a robust economy and strong growth in real private consumption. The Russian consumer market doubled in the past ten years and experts believe it will double again in the next five. Similarly, in the past decade total outbound travel from Russia has grown 24 percent, while long-haul travel has grown 55 percent. That growth is expected to continue.

Poland's accession to the European Union has resulted in expanded potential for economic growth. In fact, Polish real GDP has expanded faster than the EU average in recent years and outbound travel has been growing at a rate of more than eight percent per year for the past decade.

The growth of wealth and discretionary income throughout the decade in these and other markets, primarily in Asia and Eastern Europe, will be a major influence and driving force in the expansion of world travel in the period 2006 – 2010. These new markets will receive disproportionate and ever increasing attention in marketing and travel industry investment.

2. Demographic shifts will change the nature of travel

The ageing of the population in many large, industrialized countries means a growing market of people with higher discretionary income and more available time to travel. In fewer than 20 years fully a third of the population of Japan and Germany will be 60 or older. More than a quarter of the population of France, Republic of Korea and the United Kingdom will fall into the same age category. The United States of America is ageing as well though not so rapidly as Europe and China where just 11 percent of the population currently is 60 or older will see that proportion rise to a third by the year 2050.

Among the few major tourism generating markets countering this trend are India and Brazil where a growing population is projected to maintain its youthful demographic profile over the next two decades. And indeed at the other end of the spectrum, the youth market will become even more relevant as the youth oriented internet, mobile phones and Music Television (MTV) encourage knowledge acquisition of people and places.

Catering to the shifting demographics will require changes in existing travel products and marketing. Travellers aged 55 and above travel farther away from home, stay away longer, include two or more destinations in a trip, engage in more activities, travel with only one other household member (most likely a spouse) and spend more per trip than travellers on average.

Successful travel providers will be those who recognize this changing market profile, particularly in industrialized countries, and respond to it. Certain types of leisure travel products like health; touring and cruise holidays have a demonstrated appeal to ageing travellers and are already showing above average growth. They provide ample proof of the need to respond to this market shift with new thinking.

There is a real opportunity for emerging markets in this trend by recognizing its potential and by ensuring that quality standards and infrastructure responds to the demography. The creation of targeted products with specific promotion will also be an important aspect.

3. Travel Facilitation issues will lead to shifts in market share

Both the reality and the perception of safety and security are paramount to healthy travel and its continued growth. Worldwide, countries are working to guard against terrorism following the events of 11 September 2001 and attacks in Madrid, Bali, London, Sharm el Sheikh and elsewhere. But just how that security is implemented varies significantly by country and the consequences can be dramatic.

The United States of America, for example, implemented stringent new visa policies and high-profile entry/exit procedures like digital finger scans and photos in its US Visit programme. This dampened demand by foreign visitors. These were factors in major declines in the U.S. percentage share of total long-haul outbound travel from a number of key U.S. markets. From 2000 to 2004, the U.S. share from Germany went from 20.0 per cent to 16.7 per cent, Brazil 42.4 per cent to 30.4 per cent, Republic of Korea 51.1 per cent to 43.6 per cent, France 15.8 per cent to 10.5 per cent and Canada 70.1 per cent to 66.5 per cent.

These changes can lead to new opportunities elsewhere. Japan, for example, has capitalized on the U.S. difficulties by making it easier for Chinese visitors to come to their country. Brazil has seen a dramatic increase in its citizens travelling to Europe, largely at the expense of the United States and in response to aggressive new marketing efforts by the European travel industry. Similar moves by other nations could lead to significant shifts in market share of all international travel during 2006 – 2010. Whether these shifts eventually return to more historic travel patterns is uncertain. What is certain is that there will be considerable change over the next five years due to travel facilitation.

There has been continuing adaptation in travel systems to the new security requirements; with inspections on carriers increasing and their progressive extension to conference centres and major tourism related events. This has major cost implications already, as well as creating increased pressures in terms of congestion.

It is also likely that there will be an increased harmonization of security-related formalities in the period up to 2010 and beyond. This will be anchored around machine-readable passport specifications agreed within ICAO for universal application in 2010. It will also reflect system norms established within the G8. It is clear that for system integrity the world's poorest nations will need help to meet these standards – both in terms of technology and human capacity. WTO's *SAFE* initiative (Security and Facilitation Enhancement) has been launched with ICAO precisely to respond to this need.

4. Higher fuel prices will be absorbed but will intensify structural change

There is no doubt that increases in fuel prices have an impact on travel demand and on the way travel companies individually perform. However analysis of the impacts over the past three decades shows some relevant patterns.

- In past oil shocks prices have returned to pre-crisis levels in 3-4 years.
- In constant dollar terms, fuel prices today are no higher than in past oil price peaks. In fact the US\$30 barrel price of the 70's would equate to a US\$90 barrel today.
- Changing currency levels is an important factor. For example, the weaker dollar of the recent past has reduced the real impact in other currencies, particularly the Euro.
- The oil shocks of the 70's and 80's were particularly disruptive in the short term due to the weak and volatile general economy (inflation, recession, currency etc). By the 90's as economies were held in synch and macro-economic shifts limited the oil price impact also moderated. That is also the case today.
- As oil prices affect the broader economy, tourists increasingly reduce the distance they travel but do not necessarily cancel their trips, leading to a clear regional substitution effect.
- The general financial impacts could worsen if the 2005 hurricanes and events in the Middle East place long-term pressures on wellhead and refinery supply.

The 2005 crisis, which saw quadrupling of prices in dollar terms over the first eight months of the year, will put structural pressure on the sector as a whole.

It will accentuate the intra-regional development of demand and increase pressure on long-haul operations with higher relative transport costs.

The influence of China and India will be significant at both the macro level where their growth is consuming significant fuel demand and in the sector, where strong inbound and outbound markets will continue to be a dominant growth factor. Moreover any return to "pre-crisis" levels will be moderated by this continuing demand for oil from emerging and developing markets.

It will increase worldwide trends towards consolidation in hotels, tour operators, travel agents and transport. Airlines are most dependant on fuel and have seen this cost component leap from 12 to 20 per cent of total costs. US airlines are under strongest pressure due to weak financial positions and market-distorting bankruptcy laws.

The challenges for the poorest countries - particularly in Sub-Saharan Africa - will intensify. These markets depend on higher priced transport links to origin markets and local operators are weak. They will need special development support.

5. More tourism strategies will be based on public-private partnerships – particularly promotion

A trend toward public-private partnerships in tourism promotion is on the upswing worldwide and will become more prevalent in the period 2006 – 2010, particularly in more developed countries with a federal political system or a strong degree of decentralization. The trend away from traditional governmental tourism ministries toward a public-private hybrid National Tourism Organization (NTO) acknowledges the need for government funding but recognizes that promotion is a skill-set better suited to the private sector.

One of the early examples of this trend is the Canadian Tourism Commission (CTC), a partnership between the federal and provincial/territorial governments and the private sector formed in the 1990s. Of the 26 members of the CTC Board of Directors 17 seats are reserved for the private sector. And, while its programmes are government funded, CTC's mission to increase awareness of and interest in Canada as a four-season tourist destination is market-driven, research-based and *industry-led*. This kind of approach has long been in place in a different form in Europe – Maison de la France; Asia – Australian Tourism Commission, Malaysian Tourism Board etc. It is slowly finding its way into Africa and other developing markets.

In addition to these structural changes where countries are gravitating from the NTA to the NTO model, the industry will see many more *non-structural* partnerships between the public and private sectors that are programmatic in nature. A one year partnership between the National Park Service of the U.S. Department of the Interior and the U.S. travel industry to promote America's 385 national parks at home and abroad is an example of a joint promotion that leveraged the resources of both partners toward a common goal to the benefit of all. Other examples abound primarily in more developed nations but the trend worldwide is unmistakable. In Rajasthan in India for example the State is creating Tourism circuits in which both public and private sectors will identify infrastructure needs together and work to ensure their implementation.

Whatever the example, the result of these public-private partnerships is almost always a more effective and efficient expenditure of public funds. And well constructed partnerships are also much more likely to attract cooperative private sector funds, in-kind contributions and active participation by the industry that in turn becomes an effective lobbying tool in ensuring the continued availability of government funds for sustained promotion and marketing.

6. Communications will stimulate increased travel demand

Exponentially greater exposure to the world through the spread of inexpensive communications technologies beyond the control of governments and politics will stimulate, not satisfy or eliminate, the desire to see other cultures around the world.

Studies consistently show that exposure to information and other cultures from outside of one's own experience are near the top of people's interest in their patterns of media usage. And the correlation between that interest and actual travel is already well established. The decreasing cost of travel in real dollars, euros, yen, etc. will likely accelerate that correlation.

Satellite television, satellite radio, cell phones with enhanced quality and the Internet are all communications vehicles that are showing dramatic and sustained growth in their penetration of markets around the world. As the technology for these vehicles improves, the unit costs continue to decline making them available to larger numbers of people at lower income levels. And, unlike more traditional communications technologies, they require relatively little in the way of geographic-based infrastructure support. This means less lag time in their entry into poorer economies.

The net result is a nexus of a seemingly unstoppable expansion of cheap worldwide communications with a strong and historic interest in travel. When coupled with the increased availability of inexpensive transport, it is a force that speaks well for the future of travel and tourism.

At the same time this increased communication can have its temporary downside – as was evident during the tsunami when the tragedy was broadcast continuously on all media channels and reverberated for weeks showing scenes which by definition depressed travel demand. This capacity has been graphically described by the BBC as the ability to anchor a TV programme from photos transmitted over a G3 mobile phone – empowering every consumer to be a potential news source.

7. Internet access will place consumers in control; branding will increase in importance

Increased access to the Internet by consumers is shifting the locus of power from the industry to the traveller. Increasingly, the travel industry is becoming market-driven as consumer price expectations and the Internet expand travel planning and travel booking capabilities. As consumers become more comfortable with the process, they feel empowered to make their own decisions.

Many industrialized nations where large numbers of households and individuals in the workplace have access to the Internet have already experienced this shifting of control to the consumer. In the United States of America, for example, among all U.S. adults the incidence of travel planning on the Internet rose from seven percent in 1997 to 30 percent in 2004 (64 million adults). And among those online travel planners fully 70 per cent (45 million) made reservations or booked travel on the Internet in 2004, up from just 19 percent in 1997. As access to the Internet grows in other economies there will be a similar growth in online travel planning if not actual booking.

Destinations and travel organizations will need to be innovative, aggressive and fast-acting in order to meet the changing desires and needs of consumers on the Internet. Customer and brand loyalty becomes fragile when online consumers have the ability to switch to alternative travel options with a single click. As pricing becomes more transparent and cheap distribution more universal, good research and marketing will take on more importance than ever. Most important, the time needed to make critical decisions will become compressed as never before.

The development of GDS will make the travel industry truly global as travel service providers and intermediaries sell capacity electronically anywhere in the world. Coupled with expanding Internet access, consumers will be able to link with any supplier in real time and to mix and match products to their taste.

That being said, it is also likely that the importance of global destination brands will increase – both to give customers the guarantees that they otherwise relied on intermediaries to provide and to serve as beacons of attraction in an increasing myriad of competing websites. For many countries – particularly smaller, poor countries without large marketing budgets - the interlocking of the national image and the tourism brand will become ever closer. The link between tourism export promotion and other exports will strengthen, so too will investment approaches and action with the development community. Destination branding will become an important discipline.

8. Terrorism's influence on tourism will shift from the air to the ground as security tightens

Generally terrorist groups are isolated from the rest of the world by ideology, by poverty or by geography. Often it is a combination of the three. A worldwide consensus on fighting terrorism certainly will serve to dampen its impact. But history shows that the root causes of this isolation eventually will be overcome and overwhelmed by increased exposure to other peoples and cultures through expanded low-cost communications, and ultimately by growing wealth where the terrorist becomes a stakeholder in society and its economy.

In this context the commitment to the Millennium Development Goals and the directions charted by the poverty summits of the early part of the millennium with asymmetrical pro poor development will be a major factor in this evolution. Triple bottom line sustainable tourism responsive to the Global Code of Ethics can be an important component.

While terrorism may well have a dampening effect on travel in the short term, history and recent events have shown that the desire to travel is itself a very strong force. In fact, when unrelated factors are excluded, tourism recovery following a terrorism event took place within not much more than a year. Equally a shift to proximate locations has been observed, or postponement rather than abandonment of trips until security levels "normalise".

This underscores the resiliency of people in the face of adversity and also their desire to get on with their normal lives as soon as possible after an attack. Within just six weeks of 9/11 in the United States of America, national surveys indicated that fear of terrorism was supplanted by economic uncertainty as a deterrent to travel. While inbound international travel to the U.S. fell following 9/11 domestic leisure travel continued to grow, albeit at a slower rate and with markedly different patterns.

As people learn to "live with" terrorism they will go about their lives as normally as possible – and increasingly that includes travel. Adaptability and flexibility are important factors, including adjustment to location rather than to the fact of travel itself.

9. “Life-Enhancement” will grow as a travel motivator

Future tourism will be driven by a desire to learn, to experience new things and to add meaning to people's lives. This trend will supplement the traditional purpose of travel as an opportunity to rest, relax and rejuvenate. Ultimately it may become a primary determinant in making a travel decision.

The desire to experience other cultures, to explore one's heritage, to visit the roots of one's faith, to learn a new skill or pursue an avocation will all grow as motivators to travel. So also will cross-border family travel where family members living in more than one country make periodic visits to keep in touch with siblings, grandchildren, and grandparents. This trend is already apparent in the growth of new experiential or niche travel products developed by destinations, hotels and resorts. New tour operators have also emerged who specialize in life-enhancement travel experiences and established tour operators have added new products that capitalize on the same growth trend.

The potential of this phenomenon to help with development is quite significant. All of the world's poorest countries have some form of comparative advantage in the ecotourism and adventure sector. For many it is their primary export and their only major service sector product. As development agencies begin to understand this, they will give tourism a more prominent place on their radar screens. Corporate Social Responsibility initiatives from the private sector will also increase their focus in this area. At the market level there is also a growing capacity amongst diaspora to value and look for their roots. Projects such as the Silk Road and the Slave Route offer substantial value-added in this context.

While this quality-of-life travel motivation initially will be more predominant among wealthier developed nations, it will gradually expand to a broader market base as economic growth permits people living in countries with an emerging middle class to focus on travel experiences beyond just life's basics. The potential of both China and India is well recognized; as are the outbound travel capacities of the Middle East, Latin America and Eastern Europe; but as 2020 approaches the African market should also develop its own dynamism.

The international tourism market is already a global market. There are now very few destinations on earth that cannot be reached from any point of origin within a relatively short period of time and usually at a relatively acceptable cost. At the same time, because probably no more than 10 per cent of the global population regularly travels internationally, the scope for further growth is massive.

10. Competition will intensify – and so will consolidation

Competition among destinations seeking to attract visitors will intensify dramatically between 2006 and 2010. The goal is jobs and sustained, responsible, economic growth. What makes travel and tourism so attractive, as a means to that goal, are:

- a. The relative low cost of travel itself: tourism infrastructure and internet distribution.
- b. The level marketing/distribution playing field created for smaller destinations.
- c. The increase in demand for experiences that celebrate a destination's unique and genuine culture.
- d. The rapid increase in discretionary income from emerging middle classes in major new markets.

All of these factors provide *affordable entry points for new players* in world travel and tourism. The result will be intense competition among destinations and travel providers. Those who remain market driven, agile and who stay closely attuned to matching the needs of travellers and the geographical character of their destination – its environment, culture, aesthetics, heritage, and the well-being of its residents - will be the most successful. It is a wake-up call for established tourism destinations and an opportunity for new comers.

A key element has been and will continue to be the continuing integration of supply, to extend markets, to build synergy and to manage competitive uncertainties. This is in the form of both vertical consolidation linking component sectors of travel service as well as horizontal consolidation across markets.

The critical air transport market looks set to see intensified alliances with increasing low-cost/fare operations to keep the competitive drive. Regional airlines catering predominantly to business traffic will continue to flourish in this environment. But, the escalating costs of security, fuel and airport charges will put pressure on airlines at all levels.

As integration accelerates there will be increased pressure on the competition authorities to keep the playing field level. There will also be mounting calls for a greater share of tourism revenues to be left in poorer destination countries. The calls for action to reduce economic leakages and to strengthen local market linkages will intensify, with the belief that globalization favours multinationals.

11. Multilateralism and Regionalateralism will flourish

As borders open and democracy spreads, the international governance fabric will also evolve.

Globalization will become more widespread but more equitable in the face of determined South-South alliances and the long term impact of the turn of the Millennium Poverty Summits – Doha on trade: Monterrey on debt: Johannesburg on sustainability and the overarching New York Millennium Declaration.

Similarly at a political level the emergence of China, India and Brazil will increase the pressures to level the trade playing field and accelerate the development agenda.

And “regionalateralism” - the strengthening of regions and the negotiation of politico-economic relations between them - will help drive, moderate and reshape the globalization agenda.

The Millennium Development Goals will become the dominant international indicator for human progress and, through determined effort, States will begin to close on targets with accelerating impact.

Three trenchant global challenges can be identified

- Global warming will become an ever more dominant issue and, though the principles of the Kyoto regime will be finally followed by all States, many years will be lost in the process and the cost of response will be dramatic
- Fundamentalism – both political and religious will remain the greatest underlying threat, bolstered by the increasingly ubiquitous instantaneous communications networks
- Strengthening/harmonizing of international security regimes will create tensions and costs around the world.

All of these will have significant impact on tourism and related transport structures and costs.

12. The UN Agency status of the WTO will bring new opportunities for the Sector.

Despite current pressures on the UN System, it will become of increasing relevance in international relations with WTO as the pivotal tourism agency. The reforms initiated in 2005 by Kofi Annan will be generally implemented and WTO will integrate fully into the evolving system.

With this evolution will come structured change, so that WTO can be an effective global framework and leadership organization for the sector.

It will be necessary to adapt the organization to the new structures without increasing costs or bureaucracy. At the same time the distinctive characteristics of WTO will remain intact - most notably:

- The Structural Framework of a government membership organization with an evolving stakeholder framework for private sector, academia and civil society (NGO's).
- The Financial Framework with contributions reflecting the defined WTO statutory arrangements.
- The Relational Framework with particular emphasis on strengthening linkages with other UN Agencies as well as with Multilateral and Regional Organizations including Public and Private sector participation.
- The structured Programme of Work, with a progressively closer link to the strategic Planning Framework.

In particular WTO will intensify action to support the Millennium Development Goals and the War on Poverty – building WTO's Liberalization with a Human Face approach, reflecting Trade, Sustainability and Poverty initiatives of recent years. Including:

- The ST-EP Activity and its Foundation to support research and projects, which link Sustainable Tourism and Eliminating Poverty.
- The Technical Cooperation Activity and our work as an executing Agency for UNDP and with multilateral and national development agencies
- The Satellite Accounting activity and its enhancement to reflect local impacts and sustainability.
- The Trade Activity promoting linkages across the economy and the increased opening of air transport markets.
- The Global Code for Tourism Ethics with increasing incorporation into regional/national legislation and best practice.

WTO, as a UN Specialized Agency, is well on its way to the essential transformation, necessary to support the global emergence of this vital socio-economic sector.

Agenda 2010

The following indicators flow from work of the Programme Committee on the initiative of the Secretary-General following consideration by the Strategic Group.

2010 Indicators – a snapshot:

- Increased scope of WTO statistics / greater use by members – particularly in satellite accounts.
- Better Tourism Barometer with greater links to NTO and regional bodies' information gathering.
- Widespread Sustainability Indicator use, inclusion of Tourism in PRSP (Poverty Reduction Strategy Paper) and closer links to Millenium Development Goals frameworks.
- Substantial number of ST-EP related projects operational – particularly in Africa and growing pipeline funding from the ST-EP Foundation as well as other member and partner sources.
- Majority of WTO Members applying the Global Code of Ethics significantly increased corporate social responsibility reporting and widespread focus on the fight against exploitation of children.
- Majority of WTO Members linking economic, tourism, transport and trade liberalization policies and concrete commitments through the World Trade Organization Development Agenda.
- Fully operational global safety and security network with connected national programmes.
- At least five tourism quality standards in place and effective management tools for regional and national support. Improved more transparent system for travel advisories in place.
- Enhanced global educational network and intensified programmes for policy, quality and technical support.

2010 Indicators (continued)

- More access to information technologies across the sector to boost entrepreneurship and competitiveness: increased use of open architecture systems and technical support for e-development in poor countries.
- More technical support for Members in development, master plans, capacity building: increased focus on rural development and community linked programmes: increased access to multilateral and bilateral funding.
- Increased participation in Affiliate Membership: strengthening of programmes with a focus on e-business, quality standards and enhanced network value.
- Creation of a Destination Management Council to reinforce the global competitiveness of tourist destinations.
- Substantially increased communications and publications to enhance WTO and Tourism sector positioning, with growing language and geographic scope.
- Best global practice administration and human resource management with progressive absorption into UN norms and enhanced effectiveness in revenue collection and cost control.

Towards 2015 and the 2020 Vision

WTO has been collaborating with the World Bank who have developed a scenario-setting system based on techniques developed within the private sector.

The scenarios have no relevance in themselves – rather they offer a diverse framework against which some assumptions can be made about alternative impacts and options for the sector. We have pitched the assumption framework at the 2015 to 2020 period.

At its November 2005 session, the Strategic Group considered three alternative external scenarios as backdrop for the industry situation.

In so doing the Group bore in mind three key goals

- To reinforce our role and performance as a UN Specialized Agency.
- To provide maximum assistance to Members in building a tourism sector that creates jobs, that is sustainable and contributes to the achievement of the *Millennium Development Goals*.
- To help the industry generally – government, private sector and the public at large - to reap the benefits of a dynamic, expanding sector.

These scenarios and trend projections are set out on the following pages.

Scenario A: Boom and Bust

A world in the midst of long-term, market driven boom. Business is global in geography and outlook. Political stability and open trade, with benign superpowers providing a playing field on which most have prospered but some have been left far behind. There are extremes of wealth and poverty. Affluence may be spreading, but polarization is obvious.

Business is bullish. Rapid innovation and new technologies are enabling continuous productivity improvements, while global corporations act as transmission belts between the increasingly integrated corners of the global economy. The US pro business model is spreading and shrinking government has allowed many economies to boom.

Winning countries are integrated into the global system and have created incentives for entrepreneurship and investment. But such reforms are no guarantee of success. Some countries are falling further behind due to geographic isolation, poor governance, or lack of strategic relevance. These countries are shut out of the global system, facing a vicious cycle of low growth with low human and capital investment. The global community moves swiftly to intervene, but the harsh reality is that outside humanitarian assistance, most of these countries are politically irrelevant.

Growing economic interdependence and a globalizing private sector provide the roots of cooperation but the seeds of instability. Most major economies are too intertwined to risk rocking the geopolitical boat. On the other hand, the declining capacity and influence of the nation-state is creating significant domestic challenges for most major countries as social policy becomes increasingly constrained and social costs increasingly demanding.

The central importance of "corporate social responsibility" to the private sector reflects the diminished public expectations of the state, as well as a desire to harness the private sector's resources. But in today's competitive world it is unrealistic to expect business to keep cutting short-term profits in the interest of longer-term social benefits.

Higher levels of domestic inequality have led to rising crime in mega-cities, with elites retreating to gated communities. Some governments are retreating to populist and nationalist themes. Fundamentalism is an increasing problem, fueled by pressure for increased democratization.

The environment is a major challenge. Cities are plagued by pollution, and tough trade-offs to slow global warming are absent. Business argues that technology will work, but protecting the environment is now the unifying platform for a powerful global civil society who sees profits privatized, environmental risks socialized and social parity marginalized.

Scenario B: Less Growth but More Catch Up

A world of strong growth and spreading prosperity. Despite an increasingly contested balance of power, global politics are cordial. Business is booming. China continues its spectacular growth path. India likewise and Brazil, Indonesia with much of South-East Asia also booming – following paths that combine market principles with the country's own cultural/historical background. Productivity is growing, technological adaptation is everywhere, and investments in education are paying off.

New cutting edge Research and Development have emerged. Apart from China, India is taking the lead in nanotechnology and Brazil pioneering bio-engineered renewable energy. Growing numbers of firms from these high-growth countries have entered the global playing field to rival the multi-nationals from the US, Europe and Japan. Some are forming alliances.

The good news is not limited to the bigger emerging markets as many others have joined the bandwagon over the past decade, attracting investment and talent with improved policies & governance, and benefiting from steadily rising volumes of global trade. The benefits have been particularly obvious in Asia, which has contributed 40 per cent of all global growth over the last 15 years – compared to the US share of 20 per cent.

Business may have gone global, not so politics and culture. The upside has been smart government intervention to distribute the benefits of growth broadly. Culture seems more important to people's identity than it did ten years ago. While the world's economy gets a first class pass on our global report card, global stability only gets a passing grade. Backed by their growing economic influence, new regional powers are asserting themselves in their neighbourhoods and challenging US primacy in several spheres of global life – although being careful not to spark a new arms race. The US has become adept at accommodating the tentative flexing of muscles in Asia and Latin America without losing too much ground – or losing its own considerable benefits from the state of the world economy. Rising tensions seem inevitable.

Finally, a series of stubborn problems continue. Despite open trade and significant aid, growth in much of Africa remains sluggish. Environmental costs of broad-based growth are considerable: severe resource constraints for water, strategic minerals/energy and accelerating environmental degradation. Despite numerous attempts to build a global environmental agenda, the multilateral consensus of times gone by has become increasingly difficult as new powers test their muscles on the world stage. The reality of multiple centres of gravity – political, economic, and cultural – is reducing concerted global action.

Scenario C: Deepening Polarization

A world where the basis of globalization is under threat - deeply divided - economically, politically, and ideologically.

The global economy sharply divergent following currency crises led by the battle between the dollar, the Chinese RMB and the Euro, with Latin American and African currencies in shreds.

The growth engines of Asia – China, Japan, and Republic of Korea – all stuttering, as did the Russian Federation and Latin America. While the major industrialized nations seem to be getting back on their track, many other countries with weaker institutions and more fragile safety nets are affected far more deeply than expected, and are taking much longer to recover. China has yet to fully recover. With rising unemployment and domestic unrest, many countries become fertile breeding grounds for religious and nationalist militancy, greatly reducing their chances for early recovery and diminishing overall global prospects.

While the US remains militarily unchallengeable, recent experience and public opinion makes its leadership very reluctant to assert their power in the international arena. Economic crises combined with numerous failed military interventions are seared into the minds of the American public, who have demanded a return to isolationist policies. The resulting geopolitical fragmentation remains a major driver of world events.

The North-Atlantic alliance is dramatically weaker. Tension continues to grow as states and blocks remain divided as to how to deal with the geopolitical and security problems of the world. As isolationism has grown, the benefits to cooperation have declined for the EU. But more importantly, the EU is literally in the middle of the world's religious and ideological divides, and does not have the stomach to take sides.

The path to recovery looks difficult. Protectionist posturing by the EU and Americas, as leaders responded to domestic pressure for measures aimed at insulating them from the global economy. South /south alliance is intensifying.

In this generally volatile economic environment, business leaders find it difficult to define a winning strategy that lasts longer than a season, and have to play by multiple rules of the game. Global investment across regions remains low as firms struggle to earn profits from technologies and investments designed for an era of global production and distribution. The range of problems is considerable. The range of statesmen who are prepared to step forward and confront the world's problems are few and far between.

Vulnerabilities

The prospects for tourism and its contribution to social and economic development remain generally very positive. There is considerable and unfulfilled demand driven by increasing discretionary income and travel motivation, major new originating markets accompanied by continued growth in traditional markets, demographic shifts and diversified destinations, and progressive regulatory liberalization.

This very prosperity poses a key challenge to the tourism community, that of responsible management to achieve a balance among environmental, economic and socio-cultural aspects of sustainable tourism development. Without responsible management, tourism is vulnerable, susceptible to degradation, overcrowding and fragmentation, which is ultimately self-destructive.

Tourism is also subject to external factors, which can have the effect of dampening traffic or of destination switching. Such factors include:

- Threats or acts of infringement of safety and security, both real and perceived, both in the air and at the destination
- Cost and irritation of security measures
- Liability and insurance
- Taxation
- E-commerce susceptibilities (diffuse distribution channels, later/alternative booking, bias, potential loss of control of inventory and pricing, small providers "off the radar screen")
- Airport and airspace congestion as well as destination saturation
- Aviation fuel prices and environmental protection measures (aircraft noise constraints, emissions trading, taxes and charges)
- Reduction or loss of air service
- Perceived susceptibility to disease or natural disasters.

Responsible management of tourism therefore will include being aware of such vulnerabilities: being ready with appropriate immediate responses and being flexible enough to meet rapidly shifting events.

Key Strategic Issues

This second set of indicators flow from work of the Strategic Group looking beyond the 2010 directions.

- **WTO should**
 - Help poor countries develop strategies responding to the poverty imperative – this will involve strengthening community linkages, encouraging SME's and promoting entrepreneurship. It should increase action through the ST-EP Programme.
 - Strongly promote the Global Code of Ethics as the defining operational framework for the sector.
 - Enhance media relations to encourage them to be objective allies of the tourism industry.
 - Take a stronger position on infrastructure investment – particularly with the World Bank and other Development institutions
 - Strengthen its relations with the World Trade Organization (WTO/OMC) advancing the Liberalization with a Human Face Strategy
 - Upgrade its work on aviation and on security/facilitation interfaces pressing forward its ETDR and SAFE strategies
 - Put increased emphasis on technology issues – distribution, operations, destination management and facilitation/security.
 - Establish programmes to respond to increasing Health and Migration interactions with the sector, as well as other natural and manmade disasters.
 - Underscore the importance of Tourism as a supporting mechanism for peace.
 - Underscore the importance of sustainable growth – particularly at popular tourist destinations.

- **It is vital to**
 - **Consolidate membership particularly governments and to influence principal public sector decision-makers outside the sector.**
 - **Reach out more effectively to embrace private sector at the senior level, as well as civil society networks**
 - **Adapt the internal organization to respond to the changing dynamics as well as to the UN system.**
 - **Recognize the implications of changing geopolitics, industry frameworks and tourism flows and to structure the organization to respond effectively.**
 - **More effectively define the range of customers and to shape programmes and products to meet their needs.**
 - **Collaborate even more closely with other International Organizations to optimise synergies and control overlap costs**

Finally it is also recognized that in addition to the identified scenarios, trend lines and indicators Tourism will continuously face new challenges and shocks – particularly through natural and man-made disasters and the organization must have the flexibility - resource and financial – to respond rapidly and decisively.

We are confident that with continual strategic visioning and responsive change, where necessary, the Organization is well positioned to serve the sector and its stakeholders – public, private and civil society.

Glossary

CSR Corporate Social Responsibility

CTC Canadian Tourism Commission

ETDR Essential Tourism Development Routes

EU European Union

GDP Gross Domestic Product

ICAO International Civil Aviation Organization

LDC Least Developed Countries

LHF Liberalization with a Human Face

MDG Millennium Development Goals

NGO Non Government Organization

NTA National Tourism Administration

NTO National Tourism Organization

OECD Organization for Economic Cooperation and Development

SAFE Safety and Facilitation Enhancement

ST-EP Sustainable Tourism Eliminating Poverty

UNDP United Nations Development Programme

WHO World Health Organization

WTO-OMC World Trade Organization

WTO-OMT World Tourism Organization

