

# **WORLD TOURISM ORGANIZATION GENERAL ASSEMBLY**



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## **REPORT OF THE CHAIRMAN OF THE AFFILIATE MEMBERS**

### **Note by the Secretary-General**

In the attached document the Chairman of the Affiliate Members reports on the activities carried out in the context of the programme of work for 2004-2005.

## **REPORT OF THE CHAIRMAN OF THE AFFILIATE MEMBERS**

### **I. CONSOLIDATION OF TOURISM RECOVERY**

1. While the three-year period from 2001 to 2003 was marked by 11 September, SARS, the crisis in Afghanistan and the war in Iraq, the 2004-2005 period saw world tourism return to growth, in terms of both the number of travellers and the volume of receipts.
2. In 2004, the GDP growth of the world's major economies was the highest in more than a decade of growth, which drove tourism's recovery. Current economic trends continue to be favourable for the United States, Japan, Canada and Europe, while China and India maintain exceptional growth. The prospects look even better for South America, while the Middle East and Russia are experiencing enormous growth in national income thanks to petrodollars. Nevertheless, actions aimed at achieving the Millennium Development Goals should be intensified in Africa, especially in the countries of sub-Saharan Africa and certain LDCs where the growth rate is negative.
3. On 26 December 2004, a large tsunami struck various coastal areas of several countries on the Indian Ocean, causing the worst catastrophe in the history of tourism, with hundreds of thousands of victims of different nationalities, provoking the grief and compassion of everyone and uniting governments and the tourism industry of the entire world in solidarity.
4. The WTO immediately deployed a response to the effects of the tsunami, fulfilling its function as a forum for international discussion, a centre for research and a clearinghouse for the exchange of technical knowledge. It constituted an Emergency Task Force whose first meeting was held in January 2005 in Phuket, Thailand, and continued as a Recovery Committee holding a meeting in Berlin, Germany in March 2005. Economic and personal contributions were made by the Affiliate Members immediately following the catastrophe, and a good number of Affiliate companies and institutions systematically contributed to the effort through economic and material contributions, as well as the preparation of reports and recovery projects. Human solidarity overcame political rivalries, and in some cases, armed political opposition groups abandoned their weapons and cooperated with their governments to take on the reconstruction of devastated regions.



5. To complement the meeting of the Technical Committee for the Tsunami of the WTO Strategic Group, where governments and donor institutions reported on the effects of the disaster in their respective countries and areas of activity, and on the actions carried out to date to restore the levels of quality of life in the affected areas, the WTOBC organized in Berlin on 10 March 2005 an Industry Leaders' Forum attended by eighty-four business managers, authorities, experts and high-ranking public officials, many of them Affiliate Members, from 32 countries, who contributed their talent and experience in an in-depth discussion. The Final Report of the Forum, which was presided by Dr. Ralf Corsten, has been distributed to the Member States, the Associate Members and the Affiliate Members.

6. Its conclusions proposed as the immediate objective the full **recovery** of the tourism supply in order to maintain employment, and to enable the entrepreneurs of the affected areas to have access to **microcredit** to allow them to put their businesses back on their feet.

7. It recommended that tourists be **encouraged** and that their **confidence be restored**, by convincing them that the destinations had regained pre-tsunami levels of safety, security and hygiene; that health, accommodation, food and transport services were operational; and that the local populations affected were ready to welcome them once again, in order to counteract the effects of the wide media coverage of the disaster owing to the vast human and material losses suffered. The creation of an **early-warning system** was considered indispensable in order to provide peace of mind to potential tourists.

8. The reconstruction should observe **sustainability** criteria, taking human factors into account along with environmental considerations with special attention to coastal erosion, water quality, and the replanting of the autochthonous flora to the extent possible. Although pricing policies could **stimulate the recovery of travel** to the area in certain cases, the most effective course of action was to combine private initiatives with public promotion at international meetings, conferences, congresses, and other events to promote recovery. Other **temporary technical solutions** could include government guarantees of a minimum profit margin in air transport operations to the area, in order to ensure regular air service to the affected destinations until prior tourism levels are once again reached.

9. It was proposed that tourism workers in the affected areas should benefit from **human resources training** programmes offered by their own chains or business federations, with priority over workers from other areas, and governments should provide everything necessary for the mobility and travel documentation of such persons who need to travel to training centres away from the affected localities for the duration of the training. Numerous Affiliate Members have carried out very generous initiatives to provide occupational training to the labour force of the affected areas, and to carry out specialization courses.



## II . ACTIVITIES OF THE COMMITTEE OF AFFILIATE MEMBERS IN RELATION TO ITS PROGRAMME OF WORK FOR 2004-2005

10. In order to promote dialogue between the governments and public-private cooperation, the Committee of the Affiliate Members organized the following events:

### **Conferences and Forums:**

- a) The Business Council of the Affiliate Members held the **Leadership Forum of Advisers**, in Palma de Mallorca, Spain, on 24-25 September 2004 in collaboration with the regional government of the Balearic Islands (Spain). The Report of the Forum was distributed to the Member States, the Associate Members and the Affiliate Members, and can be consulted on our new website and in the WTOelibrary. The Forum was attended by sixty-five industry leaders, some of them Affiliate Members, from 22 countries. At a time of change, there was a great need for a meeting of the Forum, and the business sector concluded that the general situation of the market was showing clear signs of recovery after a dreadful three-year period for tourism.

A large part of the study proposals issuing from the Forum were incorporated into the programme of work for the period 2004-2005. The Leadership Forum announced the trend toward recovery, which would subsequently be confirmed by the statistics a few months later, and identified the factors that would influence business activity, such as high energy prices, threats to the health and security of travellers, currency instability, political, economic, social and demographic changes in certain regions of the world, especially in Asia, the intensification of competition due to growing access by consumers to the Internet and to the availability in the marketplace of transport and accommodation options that are increasingly more efficient and lower in price, and the growing opinion in favour of sustainable tourism, which includes the use of alternative energy and renewable resources throughout the value chain, especially in transport and accommodation. All in all, the climate is positive because available opportunities for travel and tourism are increasing, but the sector will have to lead the use of new technologies in order to continue to compete adequately. Consumers are turning more and more to tourism products and destinations that feature equal relations in terms of gender, culture, age, language and other criteria of fairness in the direction of the elimination of social barriers, and there is a generalized aspiration to extend tourism to persons with low income or with some sort of disability, and to generalizing the use of information and communication technologies, thus allowing SMEs and the least developed countries, LDCs, to gain access to the world market at a relatively low cost.



The Palma de Mallorca Forum advocated the improvement of the image of tourism, hailing its contribution to improving the living standards of people, to which end it was considered essential to have valid tourism statistics, and to forge public-private partnerships in order to define objectives and incentives, share knowledge, finance infrastructure and apply general promotion policies. It also identified the obstacles that must be overcome with regard to travel advisories, visa requirements, the availability of skilled and unskilled workers, consumer protection, transport infrastructure, the stability of airlines and their access to markets or destinations, the lack of funding entities, as well as the inadequacy of transport in certain regions of the world. The problem of human resources and their adequate training, along with the objective of keeping them working in the sector, was considered of paramount importance.

- b) The **WTO Tourism Policy Forum** on "Tourism's Potential as a Sustainable Development Strategy", October 19-20 2004 in Washington, DC., marked the first time that donor agencies, developing countries, and civil society have met together at a high-level international conference to focus specifically on ways to cooperate and harness the economic power of tourism for sustainable development.

Organized by WTO and The George Washington University (chair of the WTO Education Council), the forum attracted 200 participants and more than 200 observers from 52 countries, including 20 tourism ministers and top-level government officials. Participating donor agencies included multilateral banks such as the World Bank and Inter-American Development Bank, as well as bilateral development agencies such as USAID, DGSC/MAE Italy, AECI Spain, DGCID/MAE France, SNV Netherlands, GZT Germany, CIDA Canada, and JICA Japan.

The Forum opened with keynote speeches by the WTO Secretary General, the Inter-American Development Bank President, the Vice-President of the World Bank, and the Administrator of USAID. All speakers stressed that properly managed tourism can be a powerful tool for sustainable development. But they also agreed that the complex, multifaceted nature of the tourism industry presents special management challenges for donor agencies as well as governments. Some challenges identified were ensuring cooperation and communication among the diverse tourism development stakeholders, facilitating capacity building at the community level, and developing analytical measurement tools to evaluate the success or failure of sustainable tourism development projects.

WTO officials addressed the Forum on knowledge management as a key instrument of tourism policy and new ST-EP (Sustainable Tourism - Eliminating Poverty) Foundation, which will finance new research and development projects that link sustainable tourism to the UN Millennium Development Goals (MDGs), especially poverty alleviation.

In addition to general session presentations, working groups conducted breakout sessions to address eight tourism development themes: Strategic Assessment Planning and Implementation; Decentralized Governance and Community Capacity Building; SME Business Development and Competitiveness; Natural Resource and Protected Area Management, Cultural Heritage Preservation; Marketing Sustainable Tourism Product; Rural Development; and Financial Instruments and Enabling Environments.

In each session, five or six tourism experts presented case studies, and each group identified three important recommendations related to their issue and then determined how and by which organizations these recommendations should be carried out.

The Forum featured the signing of a Memorandum of Understanding between WTO and The George Washington University for a new project called DANTEL (Development Assistance Network for Tourism Economic Initiatives), an internet website designed to increase communication and the exchange of information about sustainable tourism projects. The Forum concluded with a reading of the *Washington Declaration on Tourism as a Sustainable Development Strategy*. The documents and other materials from the Forum will be published in September 2005.

- c) The International **Conference on New Models for Destination Management and Marketing Structures** was organized in Larnaca, Cyprus, on 21-22 October 2004. It was attended by 250 participants from 28 countries.
- d) A **Forum on Urban Tourism** analysed the challenges of urban tourism in Istanbul, Turkey, on 1-3 June 2005, and also tackled the management of cultural sites and the growing importance of business tourism and themed tourism in cities, among other important issues in tourism.

## Seminars

- a) **Dissemination of the impact of the application of new technologies in the tourism sector and the dissemination of practical guidelines**, in order to spread entrepreneurial know-how in the field of information and communication technologies.



- The Secretariat of the Committee of Affiliate Members assisted the WTO Regional Representation for the Middle East in the preparation of the seminar **"Tourism on the Internet, a path to success in the face of competition"** held on 27-28 April 2004, in Damascus, Syria.
  - A seminar on **"New Technologies Applied to Tourism"** was held on 27-28 May 2004, in Bogotá, Colombia, in cooperation with Affiliate Member COTELCO, the hotel association of Colombia.
- b) Improved knowledge of advances in **information technologies and e-commerce** and their impact of the tourism sector.
- Business Council seminar on **"Current tourism trends in the world: Information, promotion, technologies, signposting and profitability"**, held jointly with the Colombian Hotel Association (COTELCO), on 19-20 May 2005. The presentations given at this seminar are available online.
- c) In order to **disseminate the technical know-how of the WTO** in the areas of competitiveness, sustainable development of tourism and effective business management, the following were organized:
- Seminar on **"Congestion Management at Successful Destinations"** in cooperation with Affiliate Member FITUR on 27 January 2005 in Madrid, Spain, with 198 participants from 41 countries. The seminar featured eleven speakers and was presided by Secretary-General Francesco Frangialli and by the Tourism Director of the European Commission DG Enterprise, Pedro Ortún.
  - Seminar on **"Congestion management, improving visitor experience and safeguarding tourism destinations"** held in Berlin on 12 March 2005 during the ITB fair, which drew 98 participants from 34 countries. There were eight speakers at the seminar, which was presided by Secretary-General Francesco Frangialli and by the Tourism Director of the European Commission DG Enterprise, Pedro Ortún.
- The presentations given at these seminars of the WTOBC have been distributed to the registered participants and can be consulted at [www.world-tourism.org](http://www.world-tourism.org), and in the WTOelibrary.
- d) In order to improve dialogue and communication between governments and the Affiliate Members, the third and **fourth meetings of the Task Force on Destination Management** were held on 13 March 2004 and 12 March 2005 in Berlin, presided by Mr. Michael Refalo, former minister of tourism of Malta and High Commissioner of Malta in the United Kingdom.

- e) To better assess the **economic impacts at the local destination level, and develop effective and successful management tools**, the following were organized :
- the **workshop on the Contribution of Statistics and Economic Analysis to Effective Destination Management Strategies** held on 19-20 February 2004 in Antibes, Juan-les-Pins, France
  - the **Round Table on Strategic Tools for Destination Marketing** organized during the 73rd session of the Executive Council at Hyderabad on 10 July 2004.

### III. NEW RESEARCH STUDIES

11. **Study on the Meetings Industry:** The Business Council of the Affiliate Members is preparing, with the sponsorship and collaboration of Affiliate Members STCRC, Reed Exhibitions, ICCA, MPI (Meeting Professionals International), and other leading members of the Council, a study on meetings tourism understood to include business travel, meetings, incentives, congresses and fairs, which are now complemented by large sporting events, and major expositions, which will be completed in 2005.
12. **Research on Destination Management/Marketing Organizations** has been undertaken to develop a base of knowledge about the structure, scale, status, activities, resources and priorities of DMOs on a global basis. The second phase of the Survey will be carried out in 2006.
13. **Study on consumer trends in the marketplace:** The analysis of the behavioural patterns of tourism consumers in a market that is undergoing constant demographic, technological and economic change, as well as changes in tastes and preferences, is of common interest to all companies in the sector, and the formulation of the objective and the sources of funding of this study is ongoing.
14. **Research support by the Education Council:** Support grants were provided to the research activities of the Dublin Institute of Technology, the University of Calgary, and the University of Brighton, in order to help finance research studies aimed at improving destination management and related activities; the findings of these studies and their recommendations will be published on the website of the Education Council.
15. As announced at the 73rd session of the Executive Council, Tourisme Montreal and the Université du Québec à Montréal (CIFORT), are in an advanced state of progress in their work on the **Study on the evolution of affiliate membership in the WTO** which formulates observations and proposes marketing solutions aimed at increasing affiliate membership.



16. The collaboration with the **Harmo-Ten project** continues, aimed at the inter-operative harmonization of digital platforms for information exchange without the need to modify the format of existing messages in each of them.

#### IV . OTHER PROJECTS AND MAJOR CONCERNS

17. **The TedQual Volunteer Programme** – The Education Council launched this new initiative, which encourages TedQual-certified educational institutions to provide technical assistance to developing countries in the execution of sustainable tourism development projects; various places in Central and South America as well as in the Pacific have been selected as beneficiaries of this assistance.

18. **TedProm** – This programme was launched in April 2005 to inform potential students about the best higher-education and training programmes available in the world.

#### V . PUBLICATIONS

19. **Guidebook on the evaluation of tourism websites**, published in English, Spanish and French in the latter part of 2005. It describes the different types of evaluation available on the market to achieve the final objective of optimizing tourism websites, and the incorporation of the possibilities offered by ICT for the information and marketing policies of tourism sector enterprises.

20. **Tourism Congestion Management at Natural and Cultural Sites**, published by the WTOBC in collaboration with the Sustainable Development of Tourism Department, in English, Spanish and French in 2004, with the sponsorship of Servired. This guidebook offers specific methodological solutions for congestion management at places and sites of natural and cultural interest, as well as in historically important districts in cities, as well as in national parks and natural sites that deserve protection. This study contains ten studies of actual cases and has been widely demanded by destination management and marketing organizations, and by members of the Business Council.

21. **Report on the WTO Tourism Policy Forum**. The report of this highly fruitful conference held in October 2004 in Washington, with the participation of representatives of international donor agencies, developing countries, and civil society, will be published in the latter part of 2005, and will gather together some forty communications, papers and articles on how to harness the economic potential of tourism for the benefit of sustainable development.

22. The WTOBC guidebook, **“Co-operation and Partnerships in Tourism -- A Global Perspective”** was published in late 2003 in French, English, and Spanish, in collaboration with the Canadian Tourism Commission.

23. The WTO publication **“Tourism Signs and Symbols”** has been translated into Greek and published by the Association of Greek Tourist Enterprises, SETE.

24. The **new Affiliate Members brochure** published in 2005 in Spanish, French, English and Russian, enhances the visibility of the WTO Affiliate Members and is available in printed form and in electronic format.

## **VI. MEMBERS**

25. Taking into account new memberships and withdrawals, the current total number of Affiliate Members is 308, not including the candidatures to be submitted to the General Assembly following the 76th session of the Executive Council in Dakar, Senegal.

## **VII. AGREEMENT BETWEEN WTO AND THE GOVERNMENT OF SPAIN**

26. On 29 May 2005 the agreement between the World Tourism Organization and the Government of Spain relative to the Permanent Secretariat of the Affiliate Members was renewed for another year. This agreement provides for a fund of 92,000 euros to cover the costs related to the Permanent Secretariat of the Affiliate Members (salaries, representation expenses, etc.) as well as other activities. This agreement is subject to annual renewal.