



**CTO**

**Sustainable Tourism Conference**

***Keeping the right balance: Enhancing Destination***

***Sustainability through products, partnerships, profitability***

**Trinidad & Tobago**

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When we turned the page on 2012, a difficult year in which global economic growth slowed down and uncertainty picked-up, we knew that 2013 would not necessarily come in an easier way.

The global economic situation remains fragile and instability continues in certain parts of the world, affecting consumption and obviously impacting many touristic source markets.

According to our sister UN agency, the International Labour Organization, there are over 200 million people unemployed around the world and we need to create 600 million new jobs over the next decade to sustain economic growth and maintain social stability.

A recent report from the World Economic Forum pinpointed wealth gaps and unsustainable government debts, as the main risks that the world is facing in 2013.

Many have been the transformations of the past decades, leading to a more globalized world – a complex, interlocking and interdependent network, across which flows of goods, capital, ideas, information and now people, move faster than ever before.

This process of globalization has behind it a number of forces which are not simply outcomes of a more globalized world, but actually its very drivers.

**The first one of these forces is the information technology and telecommunications**, which has allowed us to communicate and process information in digital form and in real time like never before; quite simply transforming our lives.

**The second one is the “Age of Mobility”**, that has seen millions of people traveling in their own countries and across borders. The world is fast becoming urban, with over half of its population now living in urban areas and by 2030 this number will swell to almost 5 billion.

These are two long-term trends that have not been diminished by the global economic crisis and, in fact, the opportunities created by both technology and mobility suggest that the world economy can be set again on a prosperous path.

But there is yet another powerful “mega-trend” of globalization at play in this new world, which often goes unnoticed, despite the fact that it involves a growing global population and, if disrupted, could turn around a good part of the evolution accomplished, and that is Travel & Tourism. A sector, which in these challenging times, emerges, just as technology and mobility, as a major driver of our new socio-economic model.

We just need to remind ourselves of some numbers illustrating this amazing evolution. Back in 1950 only 25 million tourists travelled internationally. Today, 60 years after, we have reached one billion tourists travelling the world in a single year and around five billion more traveling domestically within their own countries.

Never before have so many people travelled to so many places and fewer places on the planet have escaped the curiosity of the traveller.

These tourists generate over 1 trillion US dollars in exports for the countries they visit every year, which is close to 6% of the world’s exports of goods and services, and 30% of exports, if we consider services alone. One in every 12 jobs worldwide is connected to the tourism sector.

Moreover, UNWTO is forecasting an average annual growth of 3,3% to the year 2030 to hit 1,8 billion international tourists. Not many industrial sectors can claim this level of average sustained growth.

These numbers are impressive but it is the impact of tourism on the ground that is far more relevant.

Indeed, tourism means jobs, business opportunities for small and medium enterprises, the renewal of urban and rural areas and, if managed in a sustainable manner, the preservation and promotion of a country's natural and cultural heritage.

Crucially, tourism also means poverty reduction and brings opportunities to many communities. In fact, international tourism development in the last decade has seen the growth of many destinations of emerging economies, and today, nearly half of the one billion international tourist arrivals in the world are to emerging and developing economies, where those arrivals create and maintain jobs and income for those that need it most.

In this context, this Sustainable Tourism Conference could not come at a better time and I congratulate both the Ministry of Tourism of Trinidad and Tobago and the CTO for putting it together.

It is indeed a great opportunity and we need to ask ourselves what this global force, travel and tourism, can do to help us navigate successfully through current challenges and specially related to the theme of the conference: **“Keeping the right balance: enhancing destination sustainability through products, partnerships, profitability”** .

Without concerns for sustainability, tourism can develop in ways that may have detrimental impacts: causing damage to the environment;

depleting scarce natural resources; disrupting social structures and cultural values; and even precipitating the exploitation of human beings.

It is against this background that we need to talk about ethics, about responsibility, about sustainability. A tourism sector that does not have an ethical basis is out of touch with the needs and the challenges of our times.

We, at UNWTO have always sought to promote tourism in a way that is fully consistent with sustainable development and contributes to the wellbeing of countries and communities worldwide.

An intense activity has been deployed and last year, at the Rio+20 Conference, world leaders agreed on the Outcome Document, ***The Future We Want***, emphasizing that ***“tourism can make a significant contribution to the three dimensions of sustainable development, it has close linkages to other sectors, and can create decent jobs and generate trade opportunities”***.

The inclusion of tourism in the Outcome Document of a UN Conference on Sustainable Development for the first time ever, was the culmination of year-long efforts by the Member States and the UNWTO Secretariat.

It had not been possible in the two previous UN Conferences (the Earth Summit in Rio, twenty years ago, and the Johannesburg Summit in 2002) and it is therefore an additional proof of tourism's

growing relevance and responsibility in contributing to a fairer, more sustainable and inclusive development model.

Another important milestone last year was the G20 summit in Mexico, where the world's leading economic powers met to forge the global path to recovery.

In their final declaration, these leaders recognized, for the first time in the 13-year history of the G20, ***“the role of travel and tourism as a vehicle for job creation, economic growth and development”***.

It is quite evident that tourism is slowly receiving the recognition it deserves by those shaping the path to sustained and fair recovery.

But, despite the progress made, we still have some important issues to address:

Allow me to highlight four of them:

## **1. Travel facilitation**

Complicated visa processes still restrict the travel of millions of people worldwide. In 2012 two thirds of the world's population was required to obtain a visa prior to their departure to destinations around the world and this process was not always easy. Only 18% were able to enter a destination without a visa, while another 17% could receive a visa on arrival.

Globally there is a big variety in visa policies, from countries allowing almost any citizen to enter freely, to countries requesting visas indiscriminately.

Overall, emerging economies tend to be more open than advanced ones. The Caribbean, South-East Asia and East Africa are among the most open, while North American and Central African destinations are the most restrictive.

Joint research by the World Tourism Organization and the World Travel and Tourism Council demonstrates that only in the G20 economies, improving visa processes could generate an extra 206 billion US \$ in tourism receipts and create as many as 5,1 million additional jobs by 2015.

## **2. Air connectivity**

Out of the more than one billion tourists that crossed international borders, more than half travelled by air and much higher proportions apply to long-haul destinations, particularly landlocked and island developing countries. Air transport and tourism are major contributors to global economic prosperity, but policies remain that significantly limit the development of air travel.

As I indicated, our projection for international tourists, which includes both business and leisure travellers, is expected to reach 1.8 billion by the year 2030, and this will further increase the demand for air transport services, with overall annual aircraft departures forecast to double from today's 30 million to 60 million in 2030.

Accordingly, both UN agencies, The International Civil Aviation Organization and the UNWTO, have decided to strengthen their joint efforts towards building a more sustainable future in all of the three pillars of the United Nations definition of sustainability – social, environmental and economic – and to position air transport and tourism as strategically interrelated sectors that benefit the global society they both serve.

### **3. The third point refers to Taxation**

Tax hikes on tourism are an all too common occurrence. While properly constituted taxes and duties are a fundamental and a legitimate fiscal tool of governments worldwide, there is a growing concern regarding a proliferation of levies on both air transport and tourism.

While the industry should naturally contribute its due, this trend can actually produce a net damage to the economy, particularly in those destinations which are so dependent on air travel, such as the Caribbean.

In many cases, taxes and duties are a clear market distortion and a trade barrier as they hamper fair competition between destinations.

A clear example is UK's APD, which has been "sold" as a "green" tax, when in reality there is no link to investment in green technologies or offsetting.

This is contrary to the objectives of supporting development as it creates an obstacle to the economic growth and job creation in many regions around the world, namely in the Caribbean

This issue needs to be addressed, as with connectivity, by collectively positioning the benefits of air transport and tourism, with cross-silo analysis and guidance to States on the impact of taxes and other levies and by searching, as much as possible, for global solutions that ensure a level playing field.

In this respect I would like to praise the efforts and the hard work which the CTO has been carrying out in this field and that we have strongly supported.

#### **4. My last point has to do with Energy efficiency and the impact of climate change.**

The theme of World Tourism Day 2012 was Tourism & Sustainable Energy, in line with the United Nations celebration of the **International Year of Sustainable Energy for All.**

The United Nations Secretary-General, Ban Ki-moon recalled in his message for World Tourism Day: ***“One of the world’s largest economic sectors, tourism, is especially well-placed to promote environmental sustainability, green growth and our struggle against climate change through its relationship with energy.”***

Indeed, UNWTO has been supporting better energy use in the tourism sector for years and we have been thrilled with the response we received from the international tourism community.

The hotel industry accounts for 21% of the carbon emissions from tourism and in 2008, UNWTO launched the Hotel Energy Solutions Project for the accommodation sector and today we can provide hoteliers across the world with a free electronic software to assess their energy consumption and propose them the most profitable investment alternatives in terms of energy efficiency and renewable energies.

This year World Tourism Day (September 27<sup>th</sup>) will be dedicated to *Tourism & Water - Protecting our Common Future*

This will be a unique opportunity to shine a spotlight on water both as an asset and as a resource and on the actions needed to face up to the water challenge.

Water is one of tourism's main assets. Each year, millions of people travel around the world to enjoy water destinations both inland and in coastal areas and the Caribbean destinations play a key role in this.

Water is also one of tourism's most precious resources, and as one of the largest economic sectors in the world, it is the responsibility of the tourism industries to take a leadership role and ensure companies and destinations invest in adequate water management throughout the value chain. If managed sustainably, tourism can

bring benefits to the national and local communities and support water preservation.

## **Ladies and gentlemen**

Building a more responsible tourism sector is not only a moral and ethical concern. It also makes clear business sense. Companies all over the world are increasingly aware that Corporate Social Responsibility Programs give them a competitive edge; build trust and brand loyalty; help them retain customers and motivate employees; and even reduce expenditure on amenities like energy.

Modern tourists are at the forefront of consumers demanding fair trade in tourism and more responsible tourist products and services.

Sustainability is no longer an option, but an ever more pressing necessity.

As policymakers work to create the economic order we need for the future, it becomes increasingly apparent that a “new economy” is emerging, with sectors like tourism at its very heart.

As we position sustainability at the core of the tourism development agenda, we need to understand that this is not only our responsibility; it is also in our interest.

People and profit should go together, people and planet should go together, and planet and profit should also go together. To drive

these actions, governments, private sector and tourists have to also act together.

On the government side more incentives are needed; decreasing costs of renewable energies should be pursued and adequate legislation on energy management and buildings performance is required; Governments should provide a policy framework as well as suitable legal and regulatory provisions that enable and encourage the private sector, both local and foreign, and of course tourists to respond to sustainability issues.

On the business side, innovation should be top of the agenda together with productivity improvement through efficient equipment use. And on the side of the tourists, we need to create an even bigger global awareness of the negative impacts tourism can have and education is key in this sense.

The world in which we live demands a step forward and action to prevent degradation and injustice in the tourism sector. The question is not whether we should act; the question is rather, how quickly must we do so?

Ladies and Gentlemen, the time to act is now.

I wish you success in this very important conference that starts today in this beautiful tourism destination: The island of Trinidad.

Thank you very much