

**Expert Meeting on**

**TOURISM'S CONTRIBUTION  
TO SUSTAINABLE DEVELOPMENT**

**14-15 March 2013**

**Sustainable tourism:  
Contribution to economic growth and sustainable development**

by

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD



# Sustainable tourism

Contribution to economic growth and  
sustainable development

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# Magnitude and relative importance of tourism industry

In 2011, the industry generated an estimated

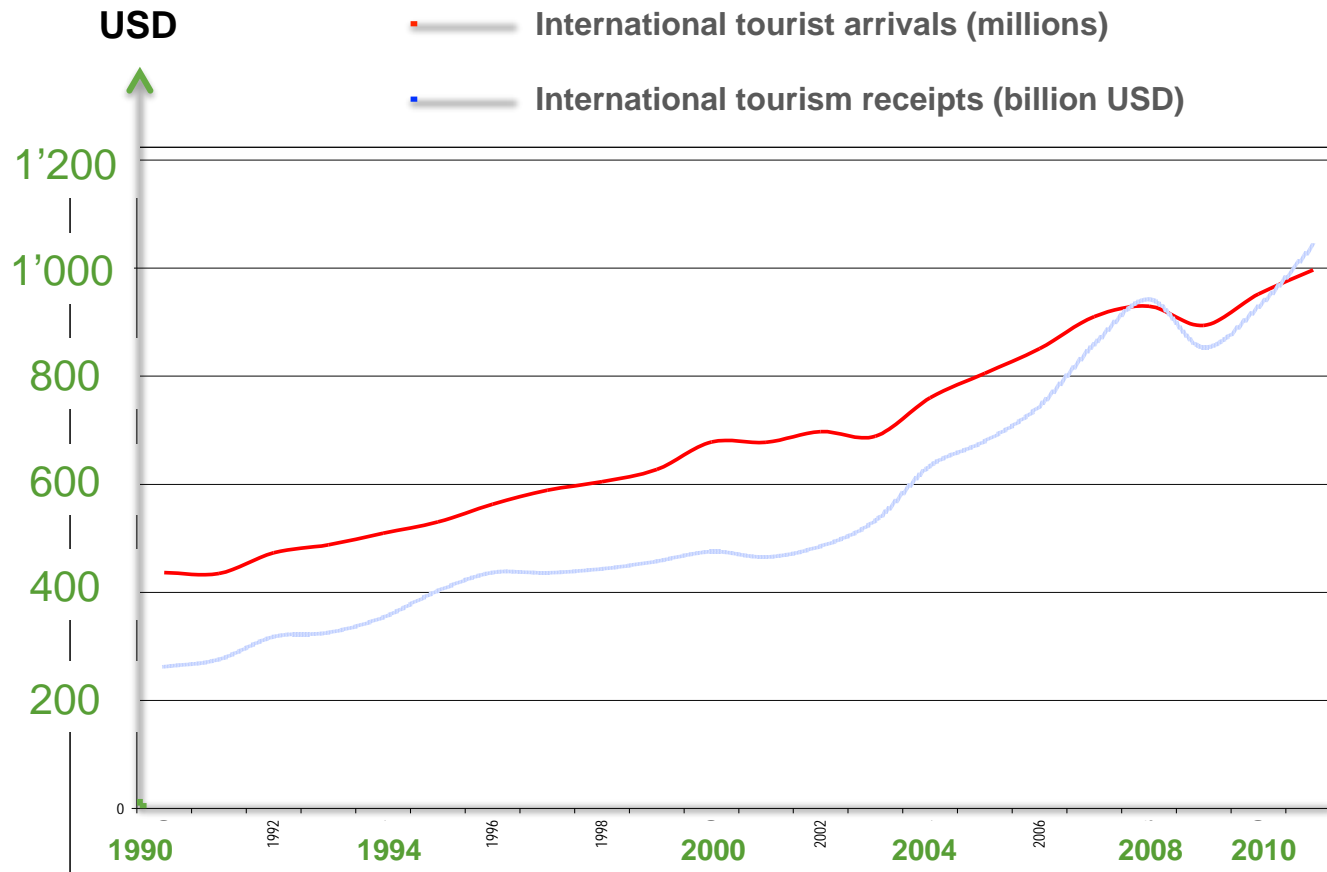
- ❑ 5% of global GDP
- ❑ 6 to 7% of the overall number of jobs worldwide
  
- ❑ tourism exports\*, reached a record of \$1,030 billion
- ❑ tourism sector ranked 4th in global exports:  
accounting for 30% of the world's exports of commercial services, or 6% of total exports

## The global perspective

One billion tourists travelled internationally  
(2012)

**Given its size, the sector bears considerable potential for economic growth, diversification and structural transformation**

# Inbound tourism 1990 – 2011

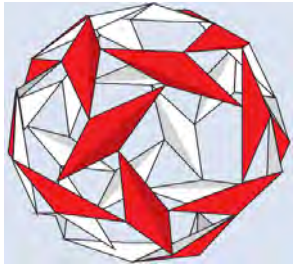


UNWTO forecasts international tourist arrivals to increase by 3% to 4% in 2013.

# Magnitude and relative importance of tourism industry



Women make up between 60-70% of the labour force, and half of the workers are aged 25 or younger



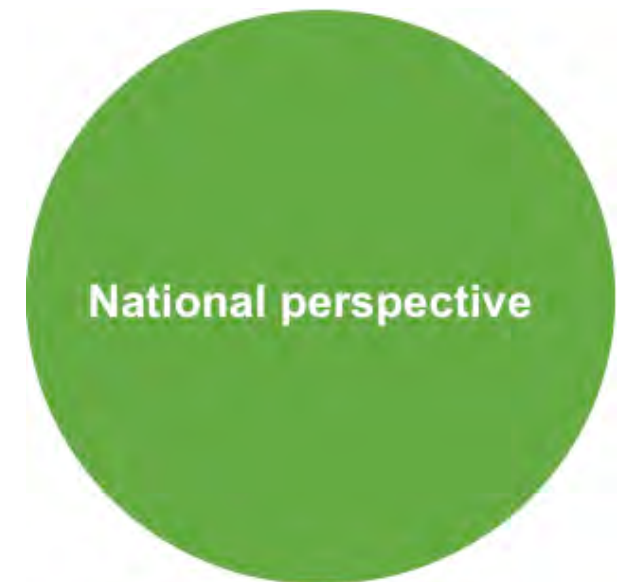
1 job in the core tourism industry creates about 1.5 additional or indirect jobs in tourism-related economic activities



Majority of tourism-related businesses in developing countries are micro or SMEs operating in the informal economy

# Magnitude and relative importance of tourism industry

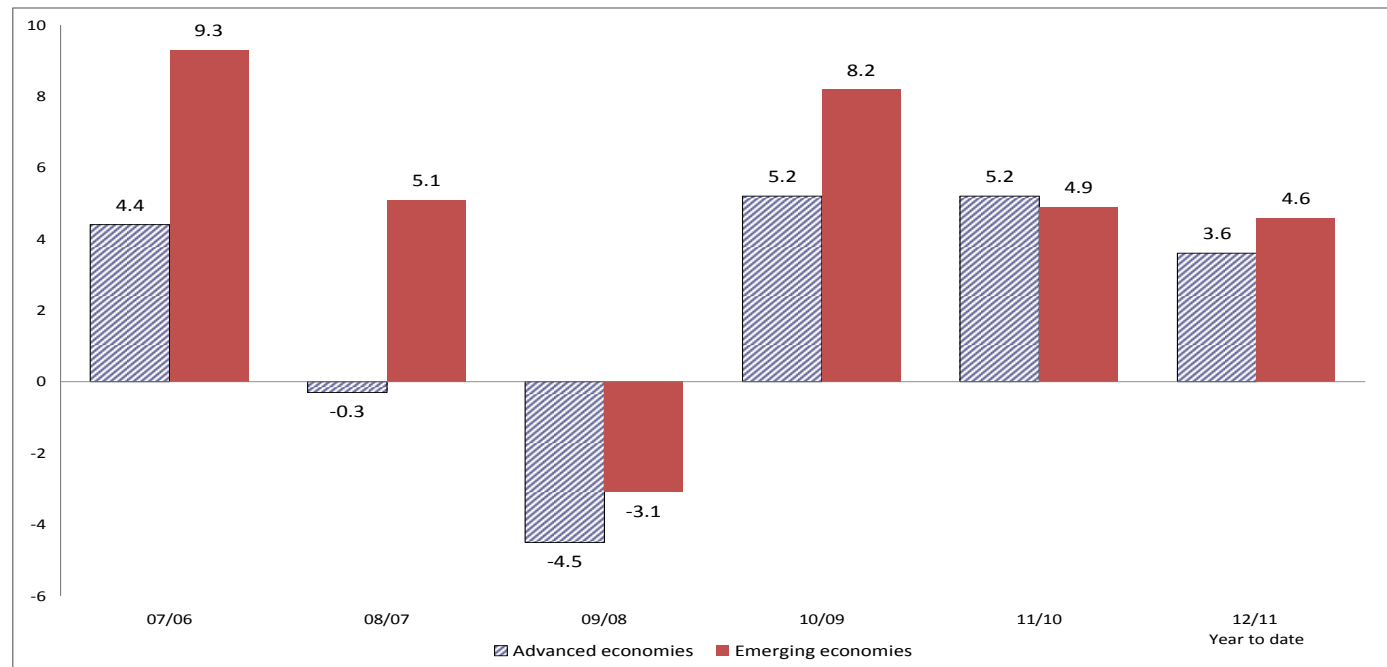
- Heterogeneities
- Sector grew considerably faster in developing countries than in developed economies
- Growing trend in intraregional travel  
(→ increasing disposable income & travel being now relatively less expensive & easier)



- Top 10 countries with the highest growth rates in travel & tourism were all developing countries (WTTC, 2011)
- In some small island developing States, tourism accounts for over 25 % of GDP

# Magnitude and relative importance of tourism industry

International tourist arrivals, 2006 –2012, by type of economy (Change, in %)



Source: UNWTO

# Potential role of tourism in economic growth and poverty reduction



## Linkages

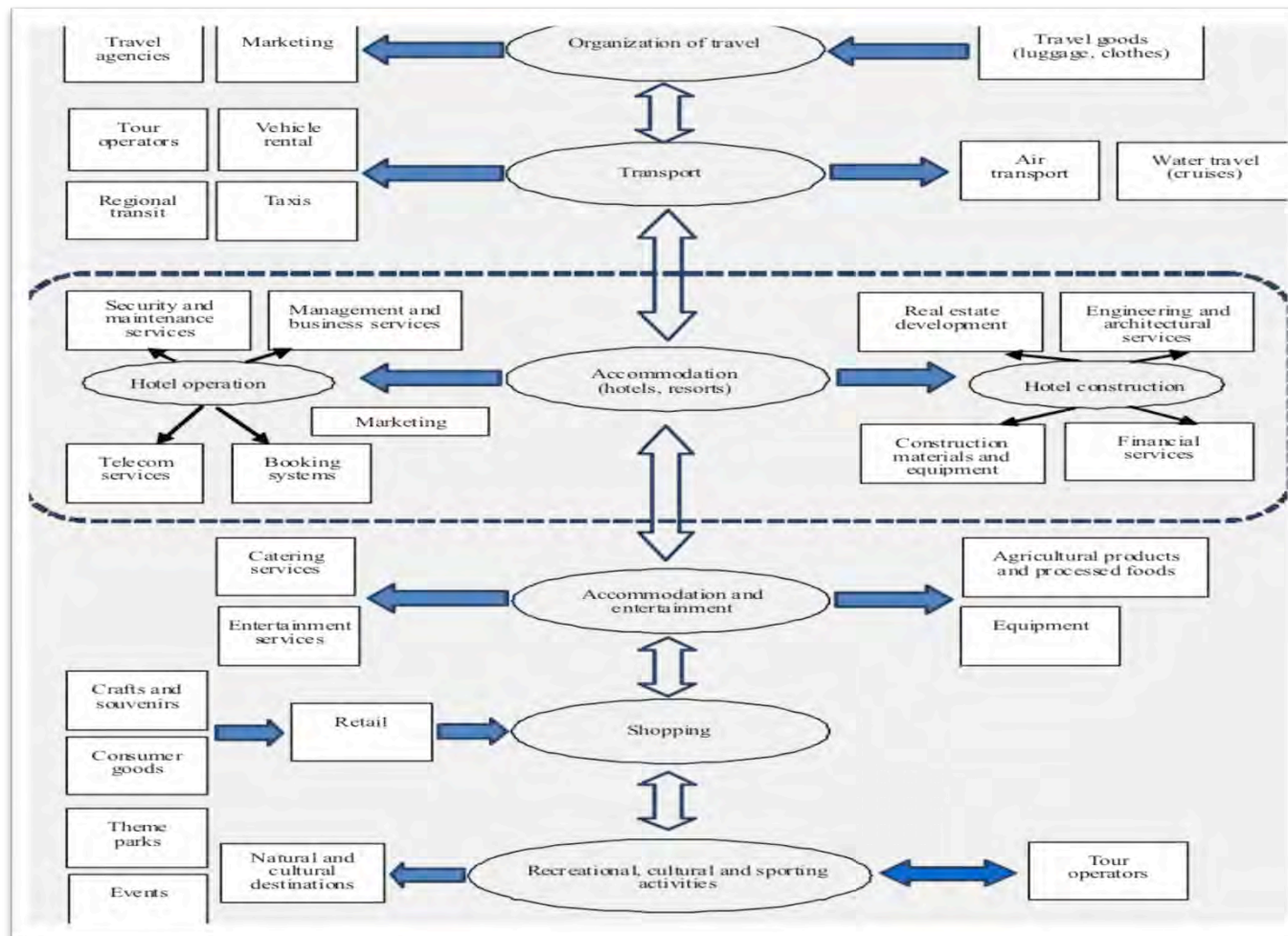
Backward and forward linkages

### Key sectors

- Agriculture
- Manufacturing, construction, transport, utilities (including ICTs)
- Infrastructure
- Knowledge and technology transfer (TNCs/FDI)



# Tourism Value Chain



# Potential role of tourism in economic growth and poverty reduction



## Poverty reduction

- Pro-poor impact of tourism development is not predominantly a matter of size (i.e. tourist arrivals and tourism growth rate),
- but depends on how the poor are integrated in, or can become part of, the tourism value chain.

# Concerns and risks associated with tourism



## Leakages

Weak linkages means greater financial leakages



## Sociocultural concerns



## Damage to cultural heritage



## Environmental damage

Possibly the most pressing negative impact of tourism

Tourism is energy- and water-consuming, produces large amounts of waste and affects cultural heritage by attracting large crowds of people to cultural heritage sites

# Towards sustainable tourism

## Need for:

→ A **Strategy** that takes into account:  
Economic, Environmental, Social and Cultural Factors

→ A **Policy Agenda** at national and international Levels

## Some elements for consideration:

- (a) Clustering
- (b) Linkages with local suppliers of goods and services
- (c) Skills and human resources development
- (d) Access to finance and investment
- (e) Promotion and marketing
- (f) Protection and conservation of cultural heritage
- (g) Institutional framework & mainstreaming of tourism in national policies

# Key questions



**What are the specific features** of tourism that lend themselves to domestic capacity-building and economic development, and are particularly relevant to poverty reduction?

**What are the negative aspects of tourism** that require policymakers to pay extra attention in formulating policies and strategies for tourism development?

**How can governments attract adequate levels of investment to build supply capacities**, develop effective linkages between tourism and various other sectors, and, at the same time, address economic leakage and anticompetitive practices in the tourism industry?

Given that tourism-related activities rely on the development of infrastructure, preservation of the environment and cultural heritage sites, supply of energy and water, and other factors, **how can tourism as an economic activity be made sustainable?**

**What are the policies and strategies that governments need to pursue to promote sustainable tourism** and to ensure that tourism contributes to sustainable development?