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Challenges**

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**Transport for Trade and Tourism:
Challenges, Intersectoral Linkages and
Response Measures**

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***Transport for Trade and Tourism:
Challenges, Intersectoral Linkages
and Response Measures***



UNCTAD, 24-26 November 2014

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Summary

- 1- Key trends in the Tourism sectors of SIDS
- 2- Underscore the strategic economy importance of tourism for SIDS
- 3- Linkages to the transport sector
- 4- Integrated policy of interdependence between transport, travel and tourism

1 - Key trends in the Tourism
sector of SIDS : ex. Caribbean Islands

(1)- Arrivals trends (Caribbean share %) :
Caribbean Islands

1990 : 2,5 % World Arrivals

2012 : 2,0 % World Arrivals

(2)- Receipts trends (Caribbean share %)

1990 : 3,2 % World Receipts

2012 : 2,3 % World Receipts

UNWTO Barometer

1- Key trends in the Tourism
sector of SIDS : ex. Caribbean Islands

(1)- Problems on International Arrivals for some
SIDS : **Million Arrivals**

Caribbean 11,9 (1990) 20,9 (2012)

Turkey 4,8 (1990) 35,7 (2012)

(2)- As well on International Receipts : **\$ Billion**

Caribbean 8,7 (1990) 24,6 (2012)

Turkey 3,2 (1990) 25,7 (2012)

1- Key trends in the Tourism sector market
of SIDS : Oceania, Indian Ocean, Atlantic, Africa

A) ARRIVALS

		2000	2005	2010	2013
<i>Oceania:</i>	Fiji	294	545	632	658
	Kiribati	5	5	5	6
	Samoa	88	102	122	116
	Tonga	35	42	47	48
	Vanuatu	58	62	97	110
<i>Indian Ocean:</i>	Maldives	467	395	792	1.125
	Mauritius	656	761	935	993
	Comoros	24	26	15	-
	Seychelles	130	129	275	230
<i>Atlantic:</i>	Cabo Verde	115	198	336	503
<i>Africa:</i>	Sao Tome Pm	-	16	8	-

UNWTO

1- Key trends in the Tourism sector market
of SIDS (Caribbean)

A) ARRIVALS

		2000	2005	2010	2013
<i>Caribbean</i>	Bahamas	1.544	1.608	1.370	1.364
	Barbados	545	548	532	509
	Dominica	70	79	77	78
	Grenada	129	99	110	116
	Bermuda	332	270	232	236
	Saint Lucia	270	318	307	319
	St Vincent, Grenadine	73	96	72	72
	Trinidad Tbg	399	436	388	-

UNWTO

1- Key trends in the Tourism sector market
of SIDS (Oceania, Indian Ocean, Atlantic, Africa)

B) RECEIPTS

		2000	2005	2010	2013
<i>Oceania:</i>	Fiji	182	485	634	719
	Kiribati	3	3	6	-
	Samoa	41	79	123	136
	Tonga	7	15	31	-
	Vanuatu	56	85	217	-
<i>Indian Ocean:</i>	Maldives	321	826	1.713	2.031
	Mauritius	542	871	1.282	1.321
	Comoros	20	24	35	-
	Seychelles	-	192	274	344
<i>Atlantic:</i>	Cabo Verde	41	123	278	462
<i>Africa:</i>	Sao Tome Pm	10	7	11	-

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1- Key trends in the Tourism sector market
of SIDS (Caribbean)

B) RECEIPTS

		2000	2005	2010	2013
<i>Caribbean</i>	Bahamas	1.734	2.069	2.163	2.162
	Barbados	723	776	1.035	920
	Dominica	48	56	95	82
	Grenada	93	71	112	120
	Bermuda	431	429	442	438
	Saint Lucia	281	356	309	354
	St Vincent, Grenadine	82	105	86	92
	Trinidad Tbg	213	453	450	-

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2- Underscore the strategic economy importance of tourism for SIDS

- Tourism is an activity that can contribute to a high level of economic and social development, as shown by the example of numerous SIDS.
- A particularly promising means of extending the benefits of tourism development is the promotion of greater international specialization based on the “export” of tourism and related services, such as air transport.
- However, such international specialization must be accompanied by greater equity in the distribution of income (*between local tourism operators such as hotels or tourist guides and foreign tourism operators such as international tour operators*) generated by international tourist flows, without which it can be harmful rather than beneficial and good for humankind and the natural environment.
- Disorderly and risk of speculation (land), particularly in SIDS, is inconsistent with the principles of sustainable development and the chances of reaching a fair distribution of both indirect and direct international tourism receipts.

2- Underscore the strategic economy importance of tourism for SIDS

- Owing to the considerable growth in international tourism, many SIDS have begun to accord priority to the tourism sector in their economic development policies.
- This approach is guided by the will to participate in one of the world most dynamic economic sectors while at the same time endeavouring to diversify in areas where international specialization is too often concentrated, particularly in certain SIDS, in the export of raw materials or products with little value-added.
- Many Island States consider international tourism a viable alternative to traditional agricultural or handicraft development, particularly islands with star tourist attractions and thus comparative, if not absolute, advantage in the export of tourism services.
- The type of tourism taking place in islands and seems to be focused on a few products, such as beach tourism and on different types of lodging in the hospitality sector.

3- Linkages to the transport sector

Several innovative possibilities exist, such as :

- *the establishment of tourism and air transport hubs and*
- *the development of low-cost airlines directly engaged in tourist travel services.*

3- Linkages to the transport sector

Hub strategy:

- *The example of sub regional "tourism and air transport hubs" in SIDS, can be considered as long-term solutions, following the examples set by air transport hub at San Juan de Puerto Rico (Caribbean).*
- *The development of hubs, associating tourism and air transport, can consequently help in the establishment of essential air travel connections in SIDS that combine performance, quality, profitability and air transport service towards tourism destinations.*
- *This strategy could be developed from the hubs that already exist or from those that will be created, and it does not necessarily conflict with the traditional airline companies. This system not only reinforces the roles of hub-airports, it also facilitates air transport access to secondary airports, both in terms of airfares and of frequency.*

3- Linkages to the transport sector

Low-cost airlines strategy :

The creation of low-cost airlines in SIDS could be an answer to air services for tourism purposes.

This initiative ensured considerable air access to tourist destinations by providing more seats and lower air fare.

These initiatives show that the issue of air transport access can not be resolved with one unique initiative, but rather with a combination of strategies that together will build on the principles of free market access, guaranteed by the adoption of open sky policies.

In some SIDS, the establishment of such policies is mainly hindered by the current insufficiency of air services demand resulting from the local purchasing power. However, this insufficiency is also due to a weak international tourism demand, also resulting from high airfares.

4- Integrated policy of interdependence between transport, travel and tourism

Based on methodological analyses, and taking into account tourism development experiences in SIDS and worldwide, an integrated policy of interdependence between transport, travel and tourism can be formulated for the introduction of adapted air transport and tourism strategies for SIDS.

These recommendations are focused on strategic data taking into account both the SIDS' limited share of world tourism and the fact that in most SIDS, the tourism sector can serve as a "catalyst" to other productive sectors, including services, agriculture, handicrafts, and construction.

Two main integrated policies of interdependence between transport, travel and tourism can be focused on :

- Limited Open Sky policy
- or
- Global Open Sky policy

4- Integrated policy of interdependence between transport, travel and tourism

LIMITED DEREGULATION

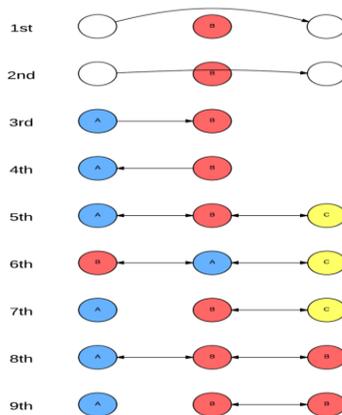
5th Freedom :

Right to, in a country other than that of which the carrier is a national, embark/disembark passengers destined for/originating from a country of which the carrier is not a national.

6th Freedom :

Right to carry passengers from a 2nd to a 3rd country by stopping in one's own country (3rd and 4th freedoms combined).

4- Integrated policy of interdependence between transport, travel and tourism



4- Integrated policy of interdependence between transport, travel and tourism

GLOBAL DEREGULATION

7th Freedom :

Right to operate routes and carry passengers between two countries, with neither of them in their home country.

8th Freedom :

Right to operate flights between two points in another country (cabotage).

9th Freedom :

Right to operate flights between two points in another country

4- Integrated policy of interdependence between transport, travel and tourism

Guidelines to SIDS government policy :

In order to enhance integrated policy of interdependence between transport, travel and tourism in SIDS, governments should develop a concrete public/private partnership within the SIDS in order to successfully establish themselves in the long run.

For that, practical suggestions related to the technical choice of air regulation or deregulation corresponds to each island state strategy in terms of tourism capacities.

The choice of 7th, 8th and 9th freedom of the sky need to be discuss in connection to the capacities of each DIDS to compete in terms of price and tourism products

Assistance with the set up of adequate training to ensure that air transport measure will be able to really benefit to SIDS tourism sector and allow them to develop more quickly and to reinforce the marketing of their tourism products in major international tourism-generating markets.

4- Integrated policy of interdependence between transport, travel and tourism

Practical target to SIDS governments :

In order to enhance specific learning in SIDS in the interdependence between transport, travel and tourism and related industries, governments should set up plans intended to support technological transfers in the tourism sector by a public/private partnership based on the implication of local firms.

The practical suggestions are:

- Removal of barriers to air transport development, such as regulation and tariff barriers
- The set up of awareness programs intended to inform the politics and professionals of tourism, in particular SME and the VSE with benefit gained by new air transport strategy
- The organization of training programs whenever deemed necessary to ensure a proper assimilation of these air transport strategy in the tourism sector and in other tourism-related sectors of the economy.