Ladies and gentlemen,

I’d like to thank the World Trade Organization (WTO), the International Trade Centre (ITC) and the UN World Tourism Organization (UNWTO) for inviting me to participate in this important side event on Sustainable Tourism and Trade Development.

I’d also like to congratulate the WTO, ITC and UNWTO for undertaking the important study that has been launched today on *Tourism for Development in Least Developed Countries: Mobilizing and Coordinating Resources for Tourism with the Enhanced Integrated Framework*.

This event is indeed timely, not just because it is being held during the United Nations-designated International Year of Sustainable Tourism for Development, but also because it provides a platform for all of us to discuss how tourism’s potential can be better harnessed to support socioeconomic development, particularly in LDCs.

Like our partners, we at UNCTAD share their perspective and recognize tourism’s potential to contribute to the achievement of sustainable development. In fact, just last week, UNCTAD launched its 2017 *Economic Development in Africa Report* titled *Tourism for Transformative and Inclusive Growth*.

Similar to the study that was launched here, UNCTAD’s Report showcases the potential of tourism to address sustainable development challenges in African countries, the majority of which are LDCs.

The sector has the potential to contribute to the achievement of many Sustainable Development Goals (SDGs), among them, goal 1 on poverty reduction; goal 5 on gender equality and goal 8 on decent work.

The sector can play a role in:

- reducing poverty by creating economic opportunities that boost incomes among youth, women and the poor;
- in ensuring gender equality by engaging women in productive activities in the sector, and
- in promoting decent work through job creation and other economic opportunities in the sector.
Specifically, our Report addresses how tourism can address Africa’s development challenges, including by:

- Strengthening intersectoral linkages
- Ensuring greater economic opportunities for women and youth;
- Tapping into the potential of intra-regional tourism for economic growth, and by
- Harnessing peace and stability for tourism.

Now, I will briefly highlight some of the findings of the Report:

Since 1995, the sector has grown robustly, contributing significantly to the continent’s growth.

- Tourism’s contribution to Africa’s GDP increased from an average of $69 billion in 1995–1998 to $166 billion in 2011–2014. The sector’s total contribution to Africa’s GDP is projected to grow in the next decade, and amount to $296 billion in 2026.

- Tourism’s total contribution to employment is 21 million jobs in Africa (1 out of 14 jobs), accounting for 7.1 per cent of total employment. In the next decade, the sector is expected to generate almost 29 million jobs.

- Tourism is a sector in which women thrive.
  - In Africa, the share of female employers in tourism, at 31 per cent, is higher than any other sector (21 per cent overall).
  - Also, 36 per cent of tourism ministers in Africa are women.
  - Women comprise 47 per cent of employees of the hotels and restaurants sector in Africa. However, this share is lower than the global female labour participation rate in tourism, which is approximately 60 to 70 per cent. It suggests that there is scope to close the gap in women’s participation in the tourism labour force in Africa.

- The number of international tourist arrivals to Africa increased from 24 million in 1995-1998 to about 56 million in 2011 – 2014. With international tourist arrivals to the continent projected to increase to 134 million by 2030, the sector could contribute immensely to the continent’s growth.

Now I’ll briefly discuss some of the challenges facing Africa’s tourism, such as leakages in the sector and the untapped potential of intra-regional tourism in Africa. I will then provide a few examples of initiatives that we identified that can support tourism development in Africa.

African countries lose a significant amount of their tourism earnings through leakages, which may result from the import of inputs for the sector or through the repatriation of profits by foreign-owned tourism businesses to their home countries.

African LDCs can reduce leakages out of the economy by creating strong linkages between tourism and other sectors of the economy such as agriculture and infrastructure. Sourcing of local inputs by
tourism establishments can create reliable supply opportunities for local entrepreneurs and businesses and increase incomes. An initiative in Tanzania is attempting to address this challenge:

- Equality in Tourism’s Empowering Women through Tourism initiative aims to create sustainable linkages between women smallholder producers and tourism establishments (over 240 hotels and lodges) in Tanzania’s Kilimanjaro area.

Strengthening linkages between tourism and infrastructure can also boost tourism’s competitiveness. UNCTAD’s Diagnostic Trade Integration Study (DTIS) undertaken in Ethiopia in 2016 in collaboration with the Government of Ethiopia, and in partnership with the Enhanced Integration Framework (EIF) illustrates the importance of strong tourism-infrastructure linkages to economic development.

- Findings of the Study show that infrastructure development in Ethiopia has been critical to the sector’s competitiveness. The increase in international air connections to Addis Ababa, along with 20 regional airports in the country, have made air travel the most convenient mode of transport for tourists. Also, around two-thirds of Ethiopia’s tourism export revenues are generated through international passenger transport, reflecting the growing importance of Ethiopian Airlines and air transport more broadly. In addition to aviation infrastructure, the expansion of rail and road networks in Ethiopia has also been vital to tourism development.

Strengthening linkages, besides ensuring tourism’s competitiveness, can foster diversification into more productive activities. Well-developed infrastructure can spur diversification into other tourism-related services such as the development of the conferences and meetings market segment. In turn, the construction of conference and meeting facilities can generate employment in construction, including for youth. This can also boost local skills development and contribute to local economic development in countries.

- In an effort to catalyze the development of meetings, incentives, conventions and exhibitions (MICE), the Gambia’s Investment and Export Promotion Agency is providing tax incentives aimed at attracting foreign and domestic investment to support the development of the country’s market segment.

Intra-regional tourism is an emerging trend in Africa’s tourism that accounts for an estimated 40 per cent of total international tourist arrivals to the continent. Intra-regional tourism is critical as it creates significant demand for local products and services and is thus vital in reducing leakages.

Moreover, with intra-regional tourism being less susceptible to the effects of seasonality - a characteristic feature of international tourism - if properly harnessed, it could contribute to more stable employment on the continent.

Intra-regional tourism’s potential remains largely untapped. To unlock its potential to contribute to the continent’s economic development, African countries should make concerted efforts to:

- Facilitate the free movement of persons
- Implement the Open Skies for Africa
• Ensure currency convertibility and
• Systematically plan for intra-regional tourism

Examples of measures aimed at enhancing intra-regional tourism:

➢ Rwanda’s abolition of visa requirements for East African Community members in 2011 helped increase intra-regional tourists from 283,000 in 2010 to 478,000 in 2013.

➢ ECOWAS’ Ecovisa – a joint visa for non-citizens of the community aims to enhance regional travel.

➢ The Kavango-Zambezi Transfrontier Area (KAZA Univisa), a universal tourist visa allows African tourists to travel within the Southern African Development Community (SADC) region.

➢ Inter-Governmental Authority on Development (IGAD) and the Southern African Development Community (SADC) have Integrated tourism in their regional development plans.

Tourism can be an engine for inclusive growth and a complement to development strategies aimed at fostering economic diversification and structural transformation in LDCs.

In closing, ladies and gentlemen, we look forward to continued partnership in supporting LDCs to achieve sustainable development.

Thank you for your kind attention.