



**linking
economies**



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E-tourism in developing countries: more links, fewer leaks

Since 1994, the number of tourists visiting Cambodia, one of the poorest countries in the world, has multiplied six-fold, reaching the one million mark in 2004. Tourism is one of the country's leading economic sectors and was expected to generate 7.3% of gross domestic product (GDP) in 2004 and close to 400,000 jobs.

Cambodia is not an isolated case: tourism is a key sector in many of the least developed countries (LDCs), a grouping officially recognized by the United Nations in 1971. Still, their overall share in international tourism is small, accounting for less than 1% of global tourism receipts.

Over the last few years, information and communication technologies (ICT) have had a growing impact on tourism promotion, marketing and sales. With the advent of new forms of ICT, a novel type of tourism, e-tourism, has emerged that is radically transforming the international tourism industry. More and more people now prefer to search for information on tourism destinations and offers on the Internet.

But in most cases it is not developing countries that benefit from new tourism opportunities. World tourism is mostly concentrated in a handful of rich countries, which both run the business and reap the benefits. Most information on tourism opportunities in developing countries is generated, updated and marketed online by major international service providers based in developed countries. With their obvious technological advantage, these providers carry out most of the sales transactions and absorb a large share of the profits. In African LDCs, up to 85% of total profits from the tourism industry are repatriated to developed countries. The situation is not much better in the Caribbean (80%) or Asia (70% in Thailand and 40% in India).

What can be done to reverse this trend? One solution is for developing countries to take advantage of the new opportunities offered by ICT to brand and promote their own tourism industry. Unlimited and low-cost access to world markets and information and trade networks is essential. To achieve this would require wider involvement of local small and medium-sized tourism enterprises in global ICT networks as well as innovative national ICT policies for the sector. But the challenge is worth it: e-tourism could help developing countries exploit the untapped development opportunities tourism offers and, if set up efficiently, could give them better control of their own tourism industry.

UNCTAD

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The UNCTAD E-Tourism Initiative

UNCTAD launched the E-Tourism Initiative at UNCTAD XI – the organization's eleventh ministerial conference – in São Paulo, Brazil, in June 2004.

Why? To enable developing countries to benefit more from international tourism and reduce their dependence on developed-country tour operators and markets.

It seeks to:

- Organize the local tourism industry, public and private, by creating an Internet-based network for the tourism sector to find information, book online and set up partnerships.
- Encourage local small and medium-sized enterprises and national tourist offices to market their destinations and access clients directly.
- Reduce the repatriation of tourist earnings – the so-called leakages.

How? The Initiative is structured around three elements: a tool, a method and partnerships.

- **The tool:** A website generator that makes it possible to replicate e-tourism websites in different countries. By providing general information on the country and local information on tourism services, these local websites, or “e-marketplaces”, will help to brand and promote tourism online. The contents of the websites are based on business plans tailored to market demand and to the countries' needs and development strategies. The sites are managed locally by public-private partnerships.
- **The method:** Training and guidelines to help countries identify information on the tourism industry, standardize it and post it on the Internet. Appropriate training and generic guides provide full directions for using the "e-marketplace".
- **Partnerships:** To build up business relations, the different sectors of the country's tourism industry (hotels, restaurants, travel agents, airlines) are responsible for their part of the business plan. This kind of cooperation will help developing countries to improve their tourism products, launch new ones, build on their human resources and adopt state-of-the-art information technologies.

E-tourism training course

A new training course, "ICT and Tourism for Development", will be offered by UNCTAD as of September 2005. This e-tourism module, which is part of a larger course on "Sustainable Tourism for Development", has two main purposes:

- To make public and private players aware of the tourism opportunities generated by ICT, based on the examples of Madagascar, Tunisia and Quebec.
- To highlight the responsibilities of those participating in the E-Tourism Initiative and help countries formulate national strategies linking the private and public sectors.