The Role of Services in Structural Transformation

by

Márcio Favilla
Executive Director
Operational Programmes and Institutional Relations
World Tourism Organization

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
Session 2
The Role of Services in Structural Transformation

Márcio Favilla
Executive Director
Operational Programmes and Institutional Relations

Multi-Year Expert Meeting on Trade, Services and Development

Geneva, Switzerland
18-20 July 2017
Why tourism matters

WHY TOURISM MATTERS

10% GDP

1/10 JOBS

US$ 1.4 TRILLION IN EXPORTS

7% OF WORLD’S EXPORTS

ECONOMIC GROWTH

CREATING JOBS

ENVIRONMENT PROTECTION

CULTURAL PRESERVATION

PEACE & SECURITY

1/10 JOBS

TOURISM IS MUCH MORE THAN YOU IMAGINE

© World Tourism Organization (UNWTO) July, 2017
Actual Trend vs. Tourism Towards 2030 projection

- Trend 1995-2010
- Tourism Towards 2030 projection
- Actual 1995-2016*

Source: World Tourism Organization (UNWTO)
International tourism vs. other export categories

2015 EXPORT EARNINGS BY CATEGORY (US$ billion)

- CHEMICALS: 1,857
- FUELS: 1,845
- INTERNATIONAL TOURISM: 1,474
- AUTOMOTIVE PRODUCTS: 1,334
- FOOD: 1,328

World Tourism Organization | a specialized Agency of the United Nations
Tourism and development

Asia and the Pacific, the Middle East and Africa to increase their shares
Tourism and development (LDCs)

- 29 million international tourist arrivals
- US$ 21 billion in exports
- 7% of total exports
- 14% average annual growth in int’l tourist arrivals, 7% worldwide (2000-2015)


Source: World Tourism Organization (UNWTO), 2016
Tourism and global/local value chains

The tourism value chain: the example of backward linkages for the accommodation industry

Abroad
- Tour Operators and Online Sales
- Marketing Services

In the Destination
- Constructions
- Foods and other goods
- Consumables
- Technologies (ICT, energy technologies)
- Communication Services
- Banking and e-Commerce
- Financial and Legal Services

Trade Policies – Unlocking competitiveness of the Value Chain
- Working Visas - Immigration / Mode 4
- Investment Policies / Mode 3
- Regulating Imports of Goods:
  - Tariffs
  - SPS - Sanitary and Phytosanitary Standards
- Regulating Imports of Goods:
  - Tariffs
  - TBT - Technical Barriers to Trade
  - SPS - Sanitary and Phytosanitary Standards
- Regulating Imports of Goods:
  - Tariffs
  - TBT - Technical Barriers to Trade
- Regulating Services:
  - Services Regulations

Source: Based on International Trade Center and World Tourism Organization (2015), Tourism and Trade: A global agenda for sustainable development, ITC, Geneva
UNWTO’s key messages

1. Increase mainstreaming of tourism in national strategies
2. Strengthen the dialogue between tourism and trade stakeholders, at country level, development partners and donors
3. Reinforce the involvement of tourism-related institutions with trade institutions at the national level
4. Facilitate mechanisms that trigger the initiation of sector-specific strategies (in the context of tourism, this could lead to the formulation of sustainable tourism export strategies)
Strengthening linkages across economic sectors
Integration within global tourism networks
Consultation and participation of local communities
Balancing visitor requirements with local needs
Gender analysis and monitoring of work conditions
Training and capacity building for women and youth
### Characteristics:
#### SPI Level – Tourist Destinations (Costa Rica)

<table>
<thead>
<tr>
<th>Tourist destination</th>
<th>SPI</th>
<th>SPI Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>La Fortuna</td>
<td>77.88</td>
<td>High</td>
</tr>
<tr>
<td>Los Santos</td>
<td>77.10</td>
<td>High</td>
</tr>
<tr>
<td>Monte Verde</td>
<td>77.02</td>
<td>High</td>
</tr>
<tr>
<td>Papagayo</td>
<td>74.19</td>
<td>Middle</td>
</tr>
<tr>
<td>Santa Teresa</td>
<td>73.49</td>
<td>Middle</td>
</tr>
<tr>
<td>Bahía Drake</td>
<td>72.41</td>
<td>Middle</td>
</tr>
<tr>
<td>Tortuguero</td>
<td>71.31</td>
<td>Middle</td>
</tr>
<tr>
<td>Tamarindo</td>
<td>69.92</td>
<td>Middle</td>
</tr>
<tr>
<td>Manuel Antonio</td>
<td>67.59</td>
<td>Middle</td>
</tr>
<tr>
<td>Puerto Viejo</td>
<td>67.44</td>
<td>Middle</td>
</tr>
</tbody>
</table>
The 2030 Agenda for Sustainable Development
The 2030 Agenda for Sustainable Development

IY2017 Key Areas

- Inclusive and sustainable economic growth
- Social inclusiveness, employment and poverty reduction
- Resource efficiency, environmental protection and climate change
- Cultural values, diversity and heritage
- Mutual understanding, peace and security
Thank you!

Márcio Favilla
Executive Director
Operational
Programmes and
Institutional
Relations

Visit us at unwto.org