



## United Nations Conference on Trade and Development

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### Trade and Development Board

Trade and Development Commission  
Expert Meeting on Tourism's Contribution  
to Sustainable Development  
Geneva, 14–15 March 2013

## Report of the Expert Meeting on Tourism's Contribution to Sustainable Development

Held at the Palais des Nations, Geneva, on 14 and 15 March 2013

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## I. Chair's summary

### Introduction

1. The Trade and Development Board, at its fifty-fifth executive session, decided that the secretariat should convene a single-year expert meeting on tourism's contribution to sustainable development. This meeting was held on 14 and 15 March 2013. In line with the Trade and Development Board's mandate, the meeting shared knowledge and identified key issues and policy options related to sustainable tourism and its contribution to economic growth and sustainable development.

2. The expert meeting brought together over 90 experts, practitioners and delegates. The meeting's interactive format led to a fruitful and lively exchange of ideas, views and experiences.

### A. Opening statement

3. On behalf of the Secretary-General of UNCTAD, the Deputy Secretary-General emphasized the magnitude of the tourism sector, recalling that tourism accounted for 5 per cent of world gross domestic product and between 6 and 7 per cent of global jobs. With increasing globalization and disposable income, tourism had become one of the largest and fastest growing industries in recent decades. It had the potential to generate vast employment opportunities and income through backward and forward linkages in local economies, to attract foreign investment and thus facilitate technology and knowledge transfers, and to generate large amounts of foreign exchange. This could bring about tremendous impetus for economic progress and poverty reduction. However, there were a number of serious concerns associated with the industry. Value added that was retained in the local economies of developing countries was often low, owing to weak linkages and high leakage. Moreover, tourism could have adverse impacts on the environment and cultures. The Deputy Secretary-General called for the implementation of ambitious strategies and policies at the national and international levels to ensure that tourism activities were carried out sustainably with a view to meeting economic, social and environmental objectives. He also called for the strengthening of existing initiatives on sustainable tourism, in particular, the Steering Committee on Tourism for Development.

4. The Director of the Division for Africa, Least Developed Countries and Special Programmes presented the background document prepared by the secretariat entitled "Sustainable tourism: Contribution to economic growth and sustainable development (TD/B/C.I/EM.5/2)". He said that the expert meeting would provide an opportunity to address key issues regarding the contribution of tourism to economic growth and sustainable development such as:

(a) Specific features of tourism pertinent to domestic capacity-building and economic development, in particular poverty reduction;

(b) Negative aspects of tourism to be considered by policymakers in formulating tourism development policies and strategies;

(c) Steps governments could take to attract adequate levels of investment to build supply capacities, develop effective linkages between tourism and other sectors, while addressing economic leakage and anticompetitive practices in the tourism industry;

(d) Means of making tourism a sustainable economic activity;

(e) Policies and strategies that governments should pursue to promote sustainable tourism and to ensure tourism's contribution to sustainable development.

## **B. Informal sessions**

5. Four informal sessions were held during the expert meeting. At the first session, the keynote speaker presented the initiative on responsible tourism in Kerala, India. Throughout the meeting, experts from Algeria, China, Senegal and Uganda participated as panellists to share their country experiences on sustainable tourism. The meeting also benefited from a presentation by a leading tour operator, experts from various agencies, a representative of the European Commission and a representative of a tourism consultancy firm. The following key issues were discussed.

### **Sustainable tourism**

6. The country experiences presented suggested that there was increasing awareness of making tourism sustainable and ensuring that it contributed to sustainable development. This was echoed by many speakers, who called for the need to develop tourism in a sustainable manner, taking into account economic, environmental and sociocultural factors, even if it entailed additional costs.

7. A long-term vision, comprehensive strategy and holistic, inclusive approach were key to developing sustainable tourism sectors. However, it was necessary to have a dedicated tourism authority that could formulate such a vision and implement national tourism development policies. In some countries, such bodies had yet to be established.

8. Given the holistic nature of tourism, several experts called for strong stakeholder involvement. In this regard, the issue was how policymakers can best include relevant stakeholders and give a voice to all interested parties. Mechanisms such as tourism working groups, coordination committees and private-sector associations could be used to involve interest groups in the decision-making process. The presentation on tourism development in Kerala, India, demonstrated the potential of mobilizing stakeholders to implement policies that initiated responsible investment in tourism activities and the critical role of local authorities in driving the process.

9. An expert from the private sector illustrated how tour operators could be engaged in contributing to sustainable tourism by consulting with key stakeholders, implementing ethical requirements (e.g. supplier codes of conduct), and investing in capacity-building of partner hotels.

10. Local communities should be involved from the planning stage of tourism projects, as that would strengthen their commitment to tourism activities. One expert cited the example of Uganda, where communities adjacent to national parks and protected areas received 20 per cent of gate fees. Several experts identified the inclusion and empowerment of women as important components of successful sustainable tourism strategies.

11. The scope of tourism activities could also provide a means to reach out and include marginalized groups living in peripheral regions (e.g. border regions, areas inhabited by minorities and poor areas). By including those groups, tourism could help improve their status in society. Moreover, by creating a locally based economic activity, it could help retain populations in their home regions, providing them with an alternative to being forced to emigrate in search of better living and working conditions elsewhere.

### **Public policy for tourism development**

12. Many experts discussed the government's role in maximizing the developmental impact of tourism. That role was considered indispensable, especially in the least developed countries (LDCs), owing to the lack of infrastructure, the challenge of sustainability and the need for a long-term vision of development of the tourism sector. Although tourism was primarily a private-sector activity, it would be vulnerable to adverse environmental, sociocultural, and economic impacts without strategic public investment to provide adequate infrastructure, an enabling business environment and effective policies. One panellist said that the role of the government was fundamental in making tourism sustainable, that is to say, to meet the needs of the present without jeopardizing the future.

13. To ensure that tourism sectors contributed to sustainable development, good regulatory policies as well as appropriate incentive measures were essential. In this regard, several speakers recalled the importance of having proactive public policy initiatives to guide tourism activities. At the macro level, these policies needed to be embedded in broader national development strategies and plans. Public-private partnerships could be envisaged to develop tourism infrastructure. Other forms of government support to tourism included the provision of financial support to investment projects or subsidies to producers.

### **Tourism and economic development**

14. Recent growth trends in the tourism sector showed that developing countries had become important players. With rising income and the emergence of the new middle class in fast-growing large developing economies, the number of international tourist arrivals from developing countries was expected to rise. The question was how much of the increased earnings from that new trend would benefit other developing countries.

15. There was broad support for the view that tourism made an important contribution to economic and social development. The contribution to the domestic economy was particularly important in terms of job creation, stimulating local economic activity through linkages, generating foreign exchange, improving the country's image abroad and preserving natural, historical and cultural heritage.

16. The tourism value chain reached most economic sectors. The contribution of tourism to economic growth and economic diversification depended on the extent to which it was linked with the rest of the economy and stimulated investment and supply capacity – through backward and forward linkages. The main issue was how to strengthen linkages and make interrelated activities sustainable in the long term. To do so, it would be necessary to strengthen productive capacities by investing in infrastructure and education, for example.

17. Several experts expressed concern about leakages resulting from the high import content of inputs to the tourism sector, the repatriation of profits of foreign-owned businesses, the concentration of capital in large enterprises and possible anticompetitive practices due to the market dominance of large hotel chains. To minimize leakages, they called on governments to implement policies that strengthened local linkages and created incentives for responsible investment in tourism activities. They cautioned that incentives given to investors should not outweigh the benefits – employment generation and future tax revenues.

18. Foreign direct investment (FDI) played a critical role in tourism development, especially in countries where domestic investment was lacking, for example, in small island economies. While FDI enabled knowledge and technology transfer, it could also lead to anticompetitive behaviour.

19. The majority of tourism-related businesses in developing countries, particularly in LDCs, tended to be micro, small and medium-sized enterprises, many of which operated in the informal economy. Countries should encourage the tourism sector to take advantage of the existing strengths of small and community enterprises, namely their proximity to clients and their ability to supply specialized goods and services: foods, beverages and creative industries. To enable local small-scale suppliers to be better integrated in the tourism value chain, they might need to upgrade the quality and environmental standards of their produce and work practices, such as hygiene, waste management and restoration of natural capital. Such improvements were aimed at meeting the standards of large operators in the tourism value chain or to comply with the sustainability objectives of public policies and might require proactive programmes of skills upgrading and capacity-building.

20. Some participants proposed various means to diversify the tourism product, moving from the sun-and-sea type of tourism to other niches, such as eco-tourism, and tourism related to culture, adventure, health and sports. They encouraged LDCs to identify suitable niche markets, develop their products, adapt technology and innovation, comply with international standards, build capacity and invest in marketing and promoting their products. The expert from Senegal presented examples of tourism product diversification in his country.

21. There were some limits to using tourism as a means to diversify economies in some groups of countries, such as small island developing States. For many of the latter, tourism was the main economic sector and an invaluable source of foreign exchange. Owing to their size, small island developing States had a limited capacity to develop competitive agriculture or manufacturing sectors. In addition, the tourism sector in those States faced major challenges, especially the concentration of activities on the coastline, vulnerability to climate hazards such as hurricanes and cyclones, and threats posed by climate change.

#### **Tourism, employment and poverty reduction**

22. Tourism was a means of achieving economic development and employment creation. The industry was considered among the world's leading sector for the creation of jobs requiring varying degrees of skills, particularly for youth, women and migrant workers. At the same time, the sector was known for employment challenges such as high staff turnover caused by difficult working conditions – long hours and seasonal employment – which could have a negative impact on productivity, competitiveness, service quality and social dialogue. One expert highlighted the need to promote decent and productive work, based on a four-pillar approach: (a) standards and rights at work; (b) employment promotion and enterprise development; (c) social protection; (d) social dialogue.

23. Several participants wondered how to create job security while maintaining global competitiveness. It was important to avoid overregulating hotel operators, who were interested in maximizing profits. In reply, the panel said that it was critical to focus on tools and incentives to create a structured social dialogue and that the tools and responses should be specific to local and national needs.

24. Given its vast potential for job creation, tourism could contribute intersectorally to poverty alleviation. Many speakers noted, however, that the link between tourism and poverty reduction was not automatic, and that it depended, above all, on policy. Tourism alone might not be sufficient to reduce the incidence of poverty, but it could make a significant contribution as a cluster activity linked to other sectors.

25. While the tourism industry provided a wide range of economic opportunities, especially for developing countries and LDCs, it did not always include the poor segments of society, particularly in areas such as handicrafts, culture and agri-food. That implied that

the income potential was often not utilized, thereby leading to significant missed opportunities. In this context, several participants recognized that the potential of tourism for poverty reduction lay in identifying and developing value-chain linkages (i.e. sourcing locally) between the tourism industry and local producers of goods and services, including agri-food products, creative industry and inclusive tourism. Yet, there were challenges such as limited capacities in terms of providers and skills. It was important to ensure an integrated approach to promoting inclusive tourism by developing sustainable and inclusive business linkages. For instance, a possible solution would be to link agriculture to tourism markets by providing capacity-building and facilitating partnerships between agro-producers and the tourism industry.

26. With regard to international migrant workers, some participants asked how the international and multi-agency processes could help sending countries, such as LDCs, to benefit more from outflows of workers. They also wished to know more about the role of the diasporas in promoting their home country's values and heritage.

27. Some participants expressed concern about human rights abuses and safeguarding the rights of children in tourism-related activities. Estimates from the United Nations Children's Fund suggested that close to two million children were sexually abused each year in the global tourist industry. Commitments from the highest levels of authority were essential, followed by stakeholder engagement, training and capacity-building, risk assessment, and monitoring and reporting.

#### **Tourism, the environment and climate change**

28. Certain practices in the tourism industry could have detrimental effects on the environment. According to the panellists, greening the tourism industry contributed to solving global problems of environmental degradation and climate change, and could benefit the development of the industry itself by promoting employment creation, as well as poverty reduction and local development. To this end, sustainable tourism should be built on the principles of social justice, economic development and environmental integrity.

29. Several participants cited an inherent dilemma in developing the tourism sector, while at the same time tackling the challenges posed by climate change. On the one hand, the activities associated with tourism could potentially damage the environment. On the other, the challenge posed in mitigating the negative impact of climate change was long-term and required substantial resources. How to reconcile the need to deal with the challenges of climate change while developing the tourism sector was a dilemma faced by many countries, in particular LDCs and small island developing States. Those country groups were among those who contributed the least to global carbon emissions but were particularly vulnerable to climate change – and they relied on tourism for their livelihoods. Several delegates expressed an interest in identifying proposals on maintaining a balance between development and environmental preservation.

30. Most participants agreed that the problem of climate change could not be resolved with the measures proposed by environmentalists to curb or prohibit long-haul flights. Such measures would jeopardize the possibilities of many developing countries, especially LDCs, to develop their tourism sectors. One panellist proposed that these issues, which caused a great deal of concern among developing countries, be placed on the UNCTAD research agenda.

#### **Natural and cultural heritage**

31. Natural and cultural heritage were key resources of the tourism industry. The World Heritage Convention had created a successful brand in the form of natural and historical world sites. The advantages of being recognized as a World Heritage site included job

creation, the promotion of local activities through arts and crafts, increased tourism activity and income generation for local communities. However, it was necessary to take into account the challenges resulting from attribution and to devise a more sustainable development approach. Intangible heritage was most vulnerable to the negative consequences of tourism. Other challenges lay in the need to serve the interests of local communities while enhancing the conservation of heritage sites through tourism. Helping societies and communities to strike the right balance was indeed a major challenge.

32. The protection of natural landscape and historical sites remained a central concern. Because of the increasing numbers of tourists at World Heritage sites, it was necessary to build a positive and dynamic linkage between management and sustainability. That implied effective cooperation, commitment and coordination among all stakeholders in the heritage and tourism sectors. Promoting and safeguarding the universal values of the sites, preserving their authenticity and integrity, improving socioeconomic benefits and meeting local residents' needs were also challenges. Properly addressing such challenges could result in increased tourism revenues that could be invested to develop urban restoration and infrastructure, and improve income redistribution to surrounding communities.

33. To be sustainable, tourism had to contribute to protecting the resources it relied on for development. That was particularly important for LDCs, landlocked developing countries and small island developing States, where well-preserved heritage tourism represented a significant opportunity for economic development and poverty alleviation. The negative impacts of poorly managed and uncontrolled tourism could have costly effects, mostly in terms of lost revenues, if destinations were to lose attractiveness and competitiveness.

34. There was a need to establish legal instruments – clear principles and policies – concerning heritage preservation and the sustainable development of tourism at the international level. States could then integrate and apply those instruments at the national level, adapted to their specific context.

### **Regional strategies**

35. Some experts emphasized the importance of regional approaches to tourism development. For instance, implementing single tourist visas, easier border crossings, joint marketing strategies and regional product development would allow regions to attract more tourists, and encourage longer stays and increased spending. To benefit from those synergies, neighbouring countries would need to harmonize their policies. One expert cited the successful case of the East African Community. Yet strong regional competition and high fuel prices remained ongoing challenges.

### **Tourism statistics**

36. Several participants drew attention to the lack of reliable tourism statistics. Given that the tourism sector was a cluster of different activities with many direct and indirect effects in the national economy, there was a need to develop satellite accounts for tourism within the system of national accounts. Tourism satellite accounts enhanced the understanding of the relevance of the sector, enabled sound analysis and more informed decision-making. Some speakers noted that the lack of reliable statistics affected the credibility of the industry and the possibility of raising funds for projects.

37. Some panellists discussed the possibilities of and limits to measuring sustainability in tourism, particularly with regard to the total economic contribution of tourism to social and sustainable development. The policy relevance of properly assessing the balance between the resource use in relation to the economic, environmental and cultural benefits

was a core issue for measuring tourism sustainability; in addition, there was a need for reliable statistics on tourism.

#### **Multilateral efforts for sustainable tourism**

38. The United Nations Steering Committee on Tourism for Development was cited as a key inter-agency effort<sup>1</sup> to promote a portfolio of services for sustainable tourism. It offered expertise across the following pillars: tourism governance and structure; trade, investment, data and competitiveness; employment, decent work and capacity-building; poverty reduction and social inclusion; and sustainability of the natural and cultural environment.

39. Two member States invited agencies to organize follow-up meetings on sustainable tourism.

40. At its final session, the expert meeting discussed an initiative by the European Commission (the Directorate-General for Development and Cooperation – EuropeAid) on sustainable tourism. The Commission requested the World Tourism Organization to prepare a guidebook on sustainable tourism targeting policymakers to enhance their understanding of the various dimensions of sustainable tourism. The initiative benefited from the expertise of the World Tourism Organization and the Steering Committee and drew on six country case studies: Botswana, India, Kenya, Senegal, Timor-Leste and Viet Nam. The studies examined five areas:

- (a) Tourism policy and governance;
- (b) Trade, investment, data and competitiveness;
- (c) Employment, decent work and capacity-building;
- (d) Poverty reduction and social inclusion;
- (e) Sustainability of the natural and cultural environments.

41. The panellists discussed the findings of three country case studies: India, Kenya and Viet Nam. The main findings were as follows:

- (a) Tourism was a key economic sector for promoting growth and poverty reduction in developing countries;
- (b) Tourism issues should be addressed through well-balanced cooperation between the private and the public sector and should be considered on a regional basis;
- (c) The private sector had a key role to play and should be aware of that responsibility;
- (d) The tourism sector in the country of destination must have a strong and visible institutional affiliation and should be linked with other related economic sectors;
- (e) As a ground rule, it was essential to know the markets, the clients and their needs.

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<sup>1</sup> World Tourism Organization, International Labour Organization, International Trade Centre, UNCTAD, United Nations Development Programme, United Nations Educational, Scientific and Cultural Organization, United Nations Environment Programme, United Nations Industrial Development Organization, World Trade Organization.



## **II. Organizational matters**

### **A. Election of officers**

(Agenda item 1)

42. At its opening plenary meeting, the expert meeting elected the following officers:

Chair:	H.E. Mr. Alfredo Suescum (Panama)
Vice-Chair-cum-Rapporteur:	Mr. Mauricio Alfredo Pérez Zepeda (Honduras)

### **B. Adoption of the agenda and organization of work**

(Agenda item 2)

43. At its opening plenary meeting, on 14 March 2013, the expert meeting adopted the provisional agenda for the session (TD/B/C.I/EM.5/1). The agenda was thus as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Tourism's contribution to sustainable development
4. Adoption of the report of the meeting

44. Also at its opening plenary meeting, the multi-year expert meeting agreed that the Chair should summarize the discussions.

### **C. Adoption of the report of the meeting**

(Agenda item 4)

45. At its closing plenary meeting, on 15 March 2013, the expert meeting authorized the Vice-Chair-cum-Rapporteur, to finalize the report after the conclusion of the meeting.

## Annex

### Attendance\*

1. Representatives of the following States members of UNCTAD attended the expert meeting:

Algeria	Madagascar
Angola	Malaysia
Bangladesh	Mali
Barbados	Mauritius
Belarus	Mexico
Bulgaria	Morocco
Burkina Faso	Mozambique
Côte d'Ivoire	Myanmar
Dominican Republic	Oman
Ecuador	Pakistan
Egypt	Panama
Ethiopia	Peru
Haiti	Philippines
India	Saudi Arabia
Indonesia	Senegal
Iraq	Sudan
Ireland	Thailand
Jamaica	Togo
Jordan	Tunisia
Kazakhstan	Uganda
Kyrgyzstan	United Arab Emirates
Kuwait	Viet Nam
Lithuania	

2. The following intergovernmental organizations were represented at the session:

European Union

3. The following United Nations organs, bodies and programmes were represented at the session:

International Trade Centre

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\* This attendance list contains registered participants. For the list of participants, see TD/B/C.I/EM.5/INF.1.

4. The following specialized agencies and related organizations were represented at the session:

International Labour Organization  
United Nations Development Programme  
United Nations Educational, Scientific and Cultural Organization  
World Bank Group  
World Meteorological Organization  
World Tourism Organization  
World Trade Organization

5. The following non-governmental organizations were represented at the session:

*General category*

International Council of Environmental Law

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