

**Expert Meeting on**

**TOURISM'S CONTRIBUTION  
TO SUSTAINABLE DEVELOPMENT**

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**Possibilities and limits to measure  
sustainability in tourism**

by

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## Possibilities and limits to measure sustainability in tourism

Input paper for the **Expert Meeting on Tourism's Contribution to Sustainable Development** at UNCTAD, Geneva, March 14-15, 2013

### **1. How can we measure the contribution of tourism to sustainable development, when we do not yet have a consistent system to measure the total economic contribution of tourism?**

Within one week in last year's April, when I attended two important international tourism events, the WTTC Summit in Japan and the PATA Assembly and Board Meeting in Malaysia, I heard **three very different figures** about the **contribution of tourism to global GDP**:

**5% - 9% and 11%**

When I read some UNWTO tourism figures, for example from "Tourism Highlights 2011" for Africa, I get equally confused:

**Tanzania: Intern. Tourist Arrivals: 2009: 714,000 Tourism Receipts: 1,160 Mio US\$**

**Zambia: Intern. Tourist Arrivals: 2009: 710,000 Tourism Receipts: 98 Mio US\$**

Especially when I compare these figures with those of a World Bank study from 2005, which – based on an exit survey with 1581 nature tourists – calculates the spendings of this visitor group of 176,000 representing about less than 30% of Zambia's total international tourists for that year at **194 Mio US\$**, and their **GDP contribution at 6-10%**, whereas the official figure is **3,5%**.

## BETTER THAN REPORTED

- The tourism industry direct impact: higher than reported
  - 2005 Official reports: 611,000 tourists -> 3.5% GDP
  - 2005 Survey: the 176,000 nature-tourists -> 3.2% GDP



Source: "The real economic impact of nature tourism in Zambia" World Bank and NRCF, Natural Resource Consultative Forum, 2007

Even in Germany, we still have problems to get the figures about the total economic impact of tourism. However significant progress has been made through an effort of the BTW, Tourism Association of Germany, who at last year's ITB presented a very detailed impact analysis which came to the conclusion that the tourism spendings in Germany exceed 200 Billion Euros. However even this figure might be too low, since it does for instance not include visitor spendings for taxis etc.

This points at one of the main problems to get the real/total economic contribution of tourism: You can often not segregate a tourism spending, for example in a taxi or restaurant, from the spending of a citizen using a taxi or dining-out.

## **2. Why is it so important to know the total economic contribution of tourism in order to measure tourism sustainability?**

Sustainability of tourism is measured through its contribution to social and economic development and the protection of nature and culture, as compared with its resource footprint:



However, even the benefits in terms of contribution to the protection of nature and culture are all based on economic contributions, which are the basis for tourism's value-added to nature parks, monuments and living cultures. Therefore, on the positive (right) side of this balance, the

core issue for measuring tourism sustainability is its economic performance, contribution and impact.

### 3. What do the existing systems to determine tourism sustainability such as certification schemes measure?

The focus of most schemes to analyse, verify and certify sustainability in tourism is on the left side of this balance: These schemes try to set standards for the resource and other critical footprints of tourism, such as average water, energy use, waste produced per visitor etc. with the objective to minimize the critical impact of tourism.

However the above presented balance of critical/negative versus positive impact of tourism is not established by any of the existing schemes to evaluate and certify tourism sustainability. This leads to the limited focus which is the main reason for the most common error when discussing sustainable tourism:

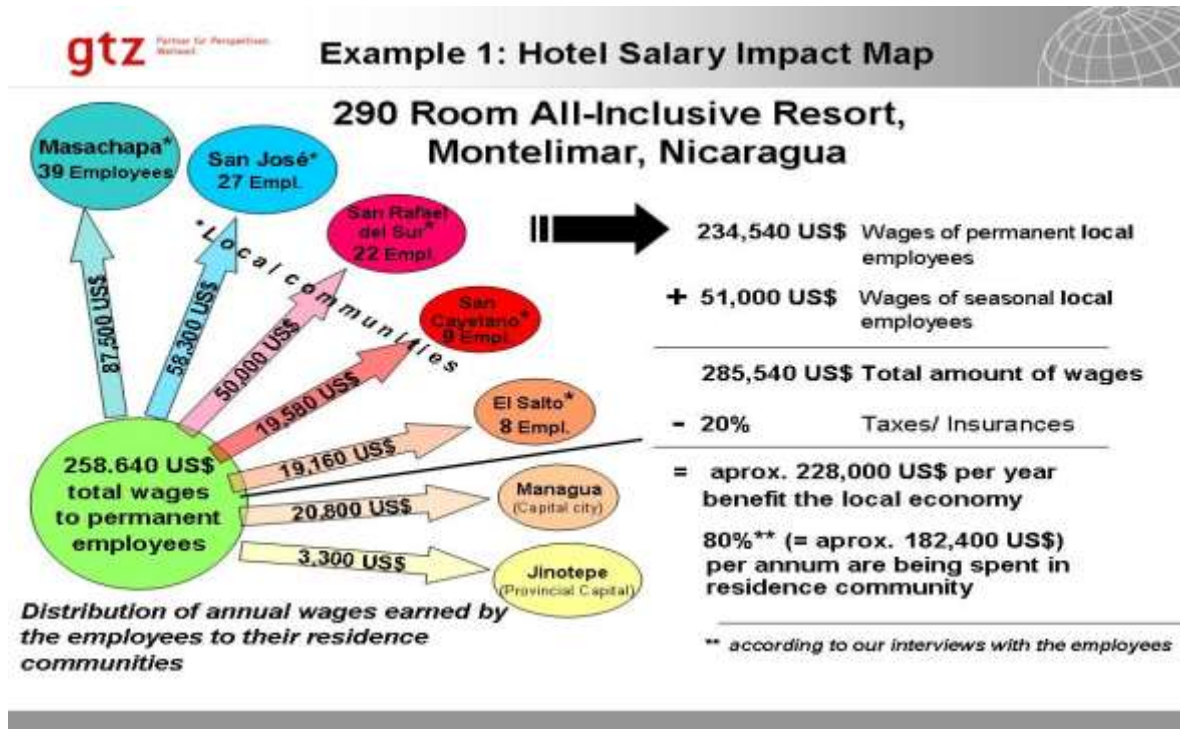
***Sustainable Tourism = Eco-, Community-Based, Small and Medium Enterprises etc. ...., but not big hotels, beach&mass tourism etc. :***

We have done and keep doing some research to establish this balance, and therefore developed the following **Sustainable Tourism (Investment) Scorecard / Balance Sheet (fictitious example)**, based on our experience in Montenegro:

Type of Investment	Expected Benefits	Financial and Non-Financial Resources used / intervened							
		Investment required	Ecological / Social / Cultural Footprint						
			Space (direct / indirect)*	Biodiversity / Nature	Water	Energy	Solid Waste (sewage)	Social issues	Cultural issues
Three 5**** Beach Hotels	Per year 2.5 – 2.8 Mio € economic impact in Montenegro 2.7 – 3 Mio € cash flows to neighbouring countries	Private Sector: 100 Mio € to build hotels	Direct: 20-25 Hectar beachfront plus backyard (including staffhouse area and energy plant)	Local plants / trees to be cleared; some animals affected; risk of inappropriate disposal of construction waste etc.	X litres per day / month / year; need for additional water sources	X KW (additional) peak capacity required	X tons of the following types: .....	25 families living on future hotel area plus 15 small land owners to be relocated.	Graveyard to be relocated; some pre-historic findings; traditional buildings to be integrated
		Public Sector: Feeder Roads needed to connect hotels: 10 Mio €	Indirect: 100 hectar for 2 new feeder roads						
		Complementary investments to extend and upgrade agriculture: 3 Mio €	300 hectar for contract farming for hotel supplies						

)\* **direct space requirement** means for the tourism installation itself; **indirect space requirement** means the space required for additional / infrastructure investments such as roads, water/energy plants, hotel staff housing and even for agriculture if it has to be expanded in order to realize the expected cash-flow benefits to local farmers

When applying this approach, it could happen that the remote eco-lodge for which a new feeder road has to be constructed might have a by far worse balance than the big urban or beach hotel which has a good eco- and social management. I have, even 10 years ago, done some first research which allows to compare the economic impact of a local tour operator with a big All-Inclusive Beach resort:



**Example 2:**

**Annual Cash Flow from a Small Incoming Operator in Granada, Nicaragua**

