



# **Tourism and air transport - common issues -**

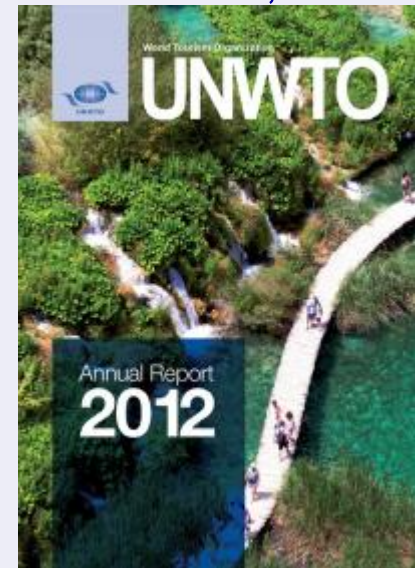
**International Air Services  
Negotiation Conference (ICAN)  
Durban, South Africa  
9 December 2013**

**Márcio Favilla  
Executive Director  
UNWTO**



# The World Tourism Organization (UNWTO)

- A specialized agency of the United Nations (UN) and the leading international organization in the field of tourism. It serves as a global forum for tourism policy issues and a practical source of tourism know-how.
- plays a central and decisive role in promoting the development of responsible, sustainable and universally accessible tourism, paying particular attention to the interests of developing countries.
- intergovernmental organization with membership includes 162 countries and territories and over 400 Affiliate Members representing the private sector, educational institutions, tourism associations and local tourism authorities.
- encourages the implementation of the Global Code of Ethics for Tourism, with a view to ensuring that member countries, tourist destinations and businesses maximize the positive economic, social and cultural effects of tourism and fully reap its benefits, while minimizing its negative social and environmental impacts.
- committed to the United Nations Millennium Development Goals, geared toward reducing poverty and fostering sustainable development.

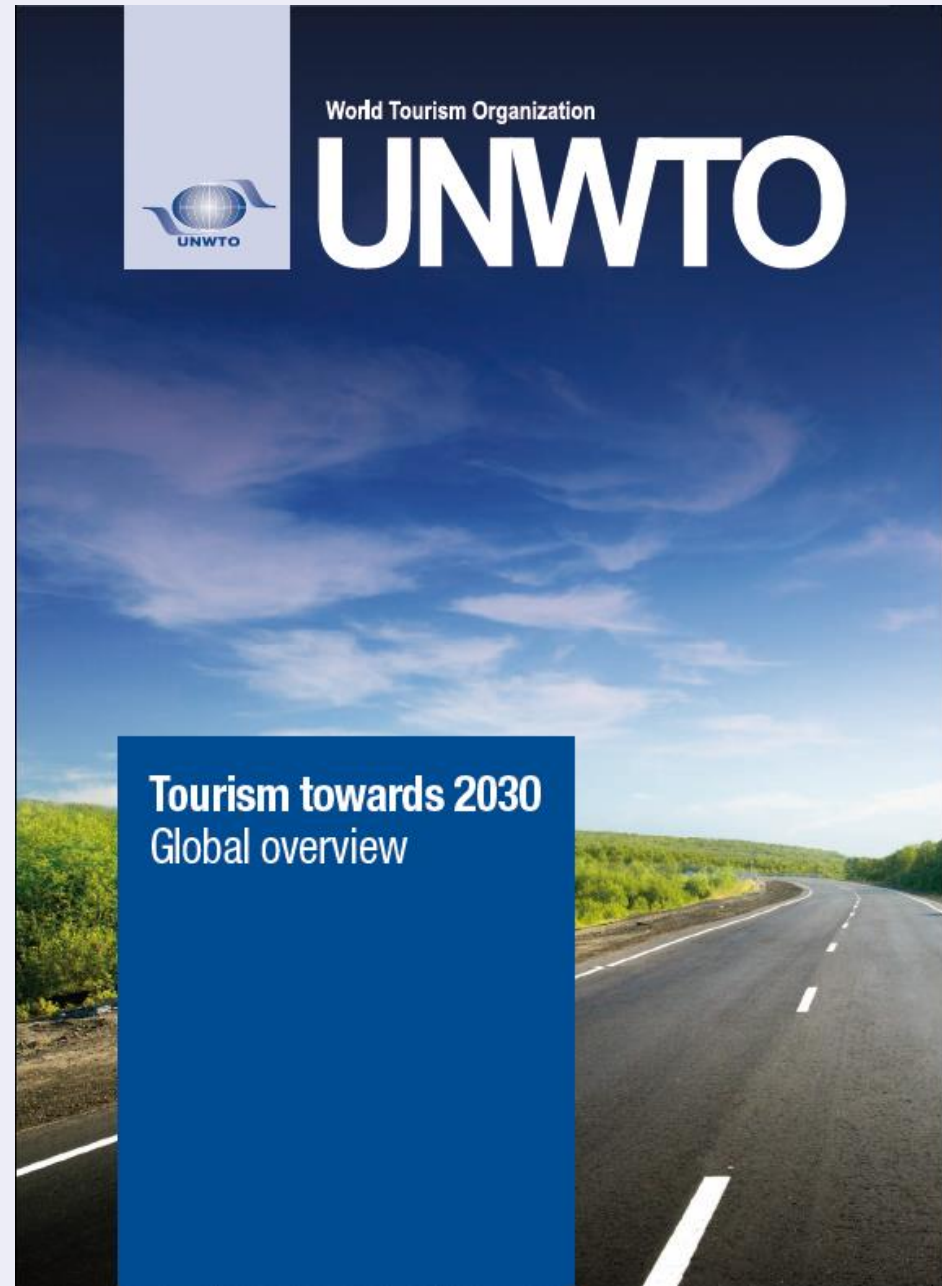






# Tourism Towards 2030

Long-term research



2012: for the first time over one billion  
international arrivals in one year

**1 BILLION  
TOURISTS  
BILLION  
OPPORTUNITIES**



尊敬 RESPECT  
LOCAL  
CULTURE

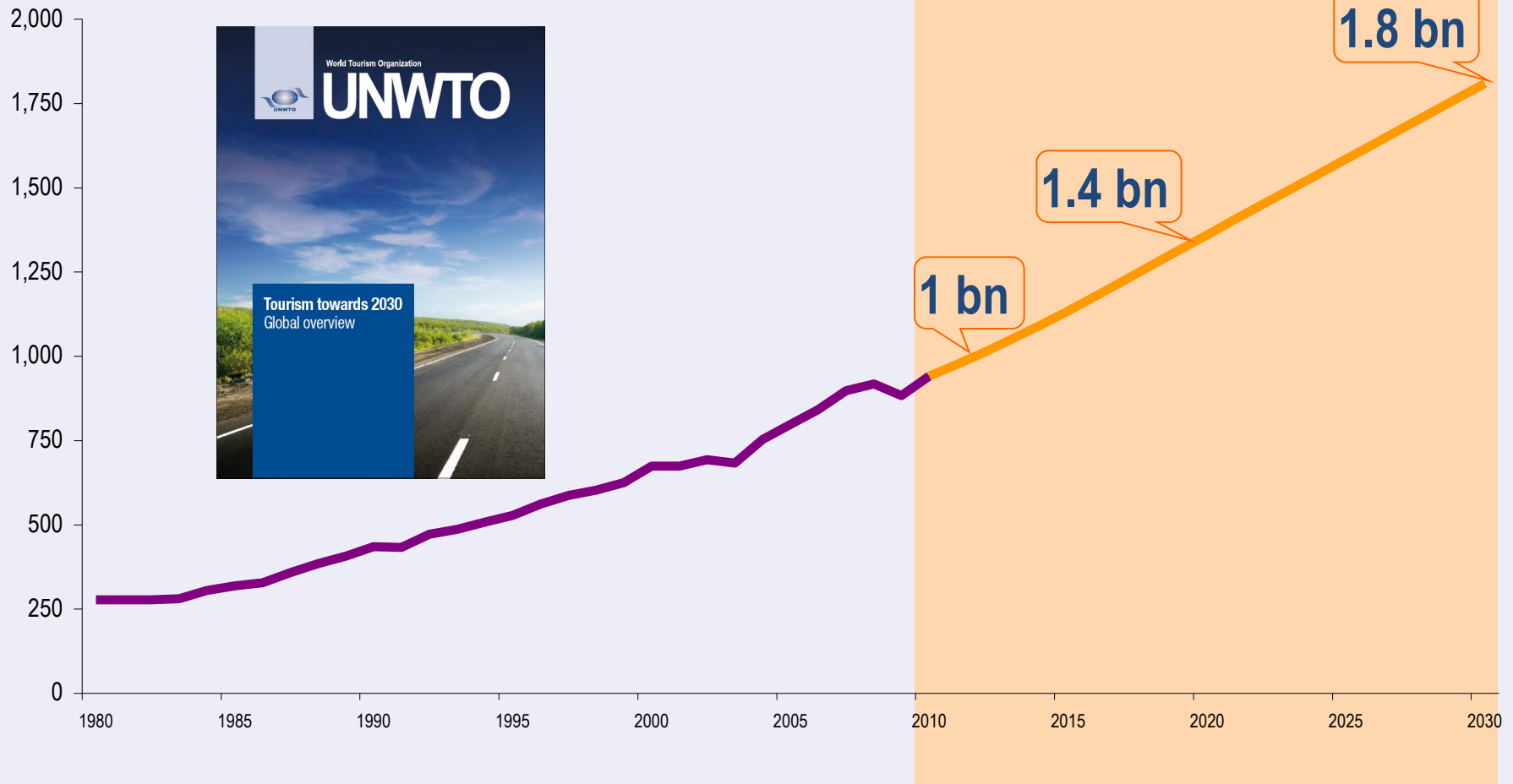


SAVE  
ENERGY



# International tourist arrivals to reach 1.8 billion by 2030

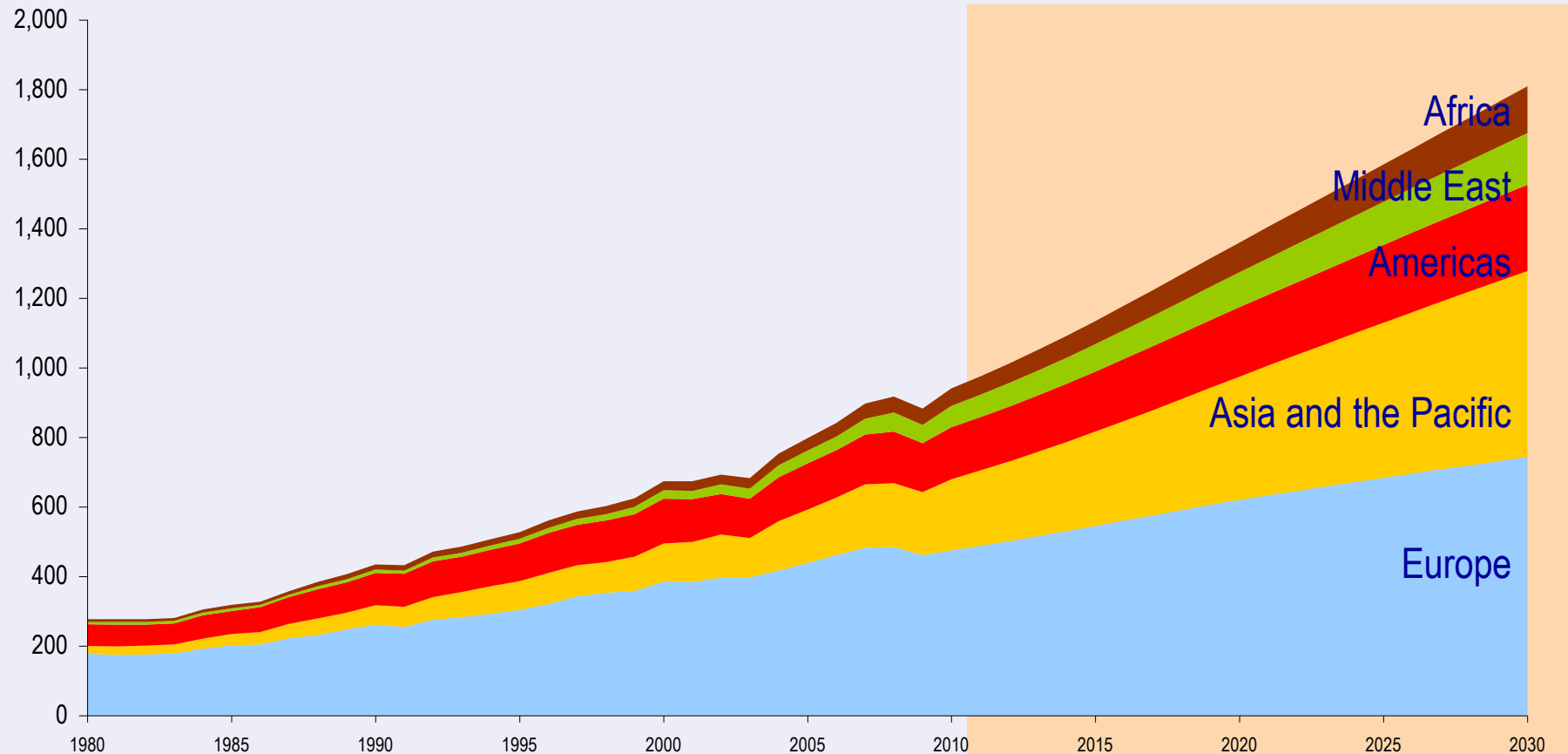
International tourism, World



source: World Tourism Organization (UNWTO) ©

# Asia and the Pacific will gain most of the new arrivals

Inbound tourism by region of destination

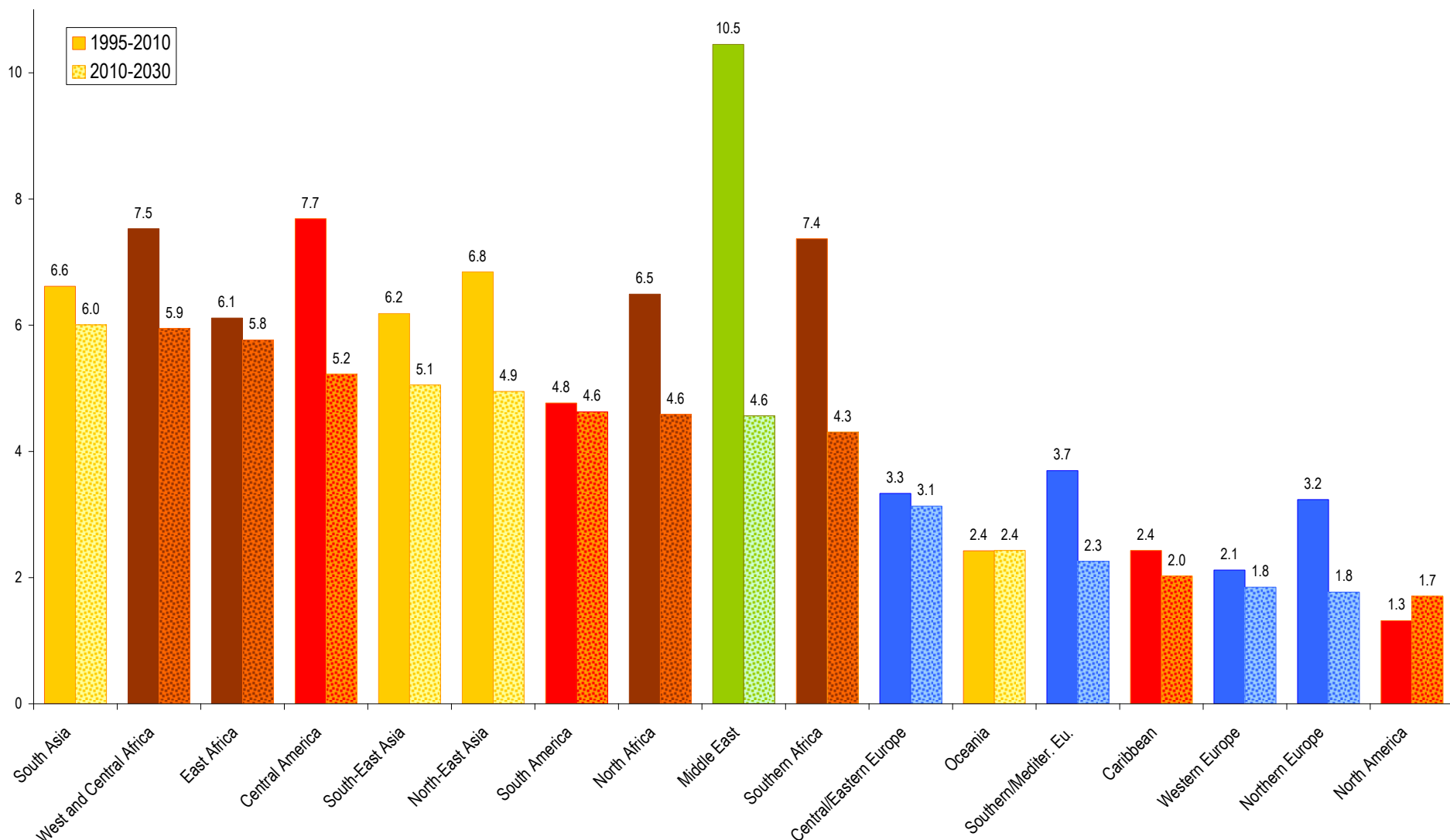


source: World Tourism Organization (UNWTO) ©

# South Asia to have the fastest growth (%)

International tourism by (sub)region of destination

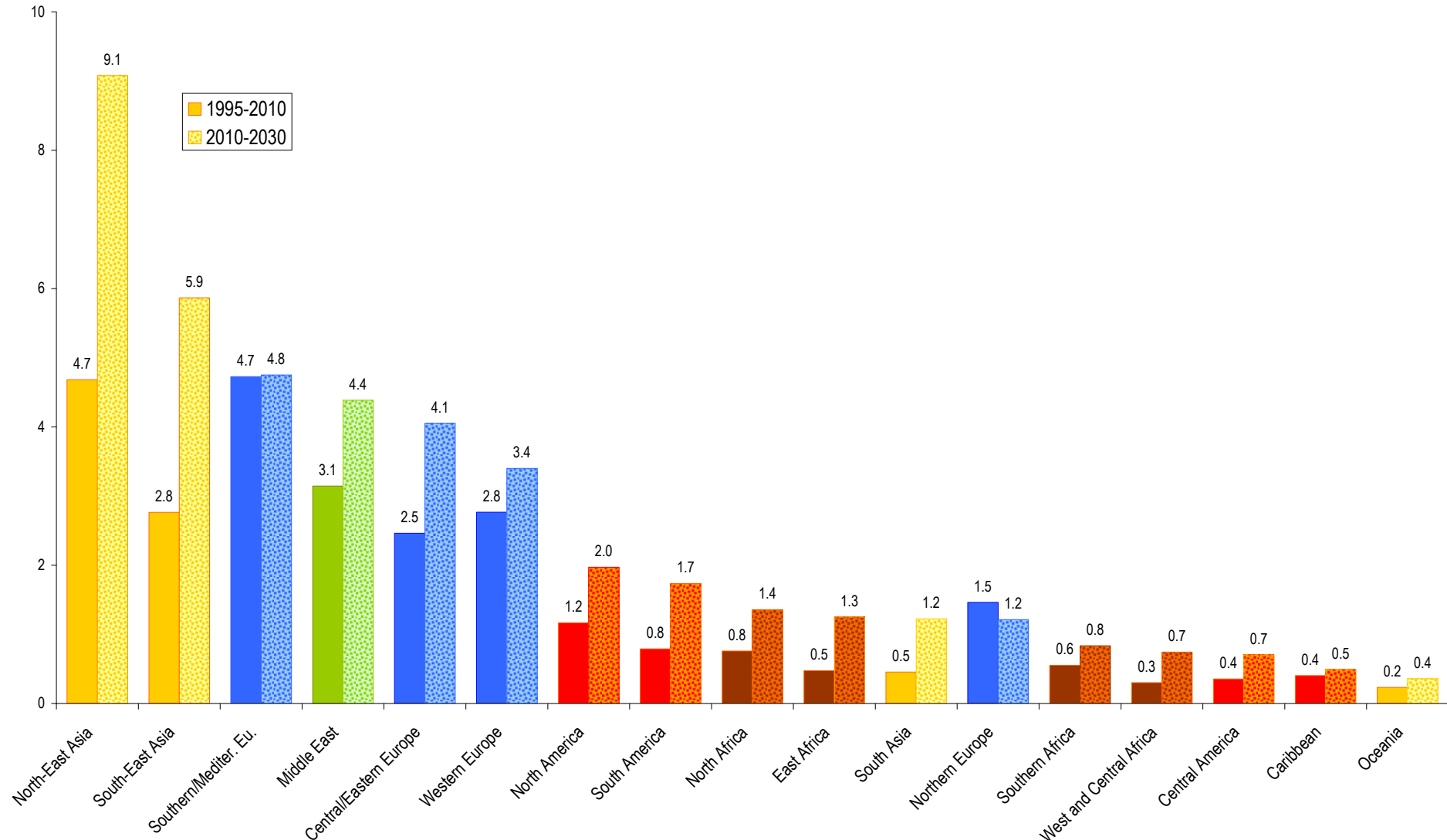
International tourist arrivals, average annual growth %



# NE Asia to have the fastest growth (abs.)

International tourism by (sub)region of destination

International tourist arrivals, average absolute change over previous year, million

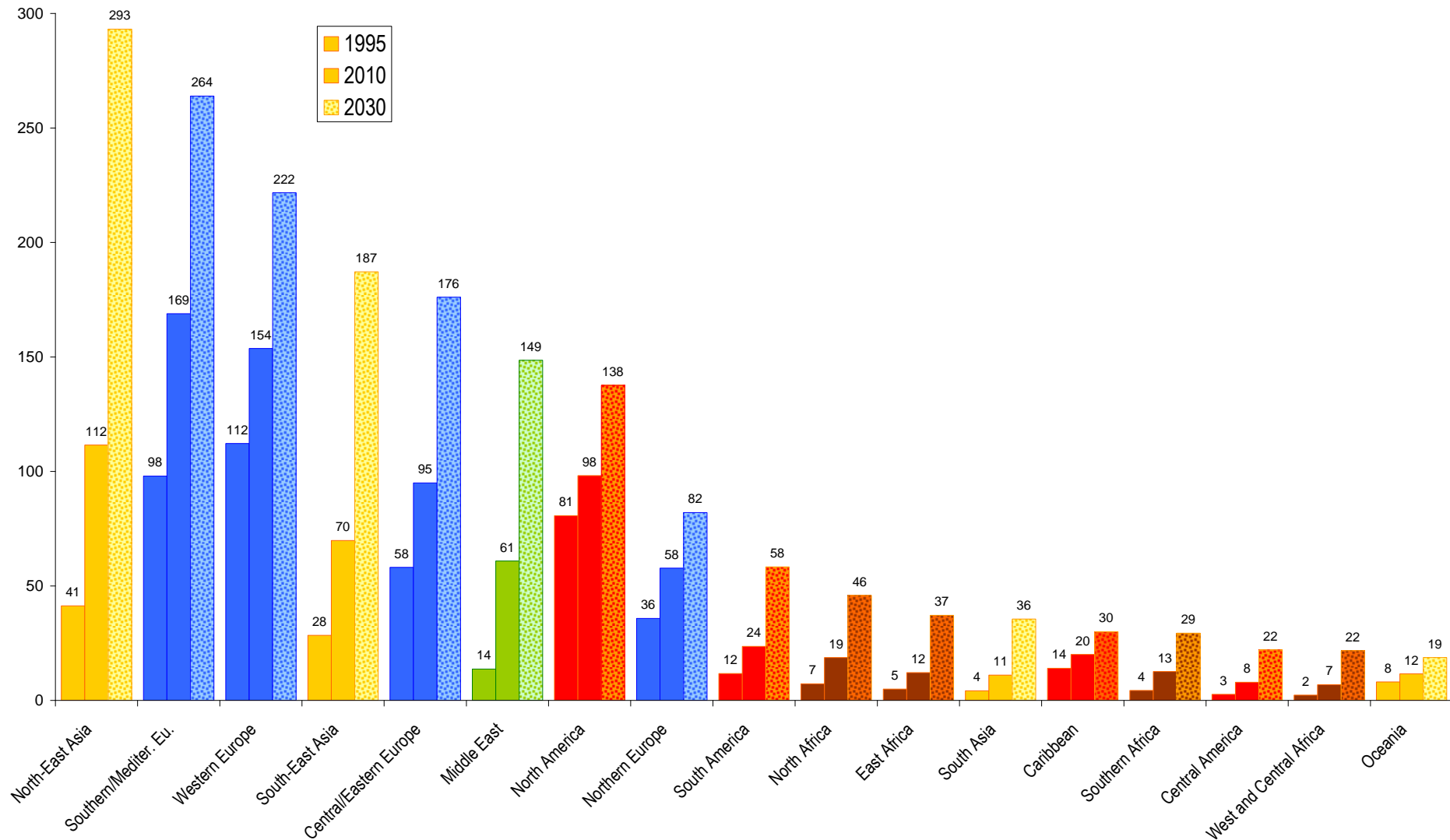




# NE Asia to be the most visited subregion in 2030

International tourism by (sub)region of destination

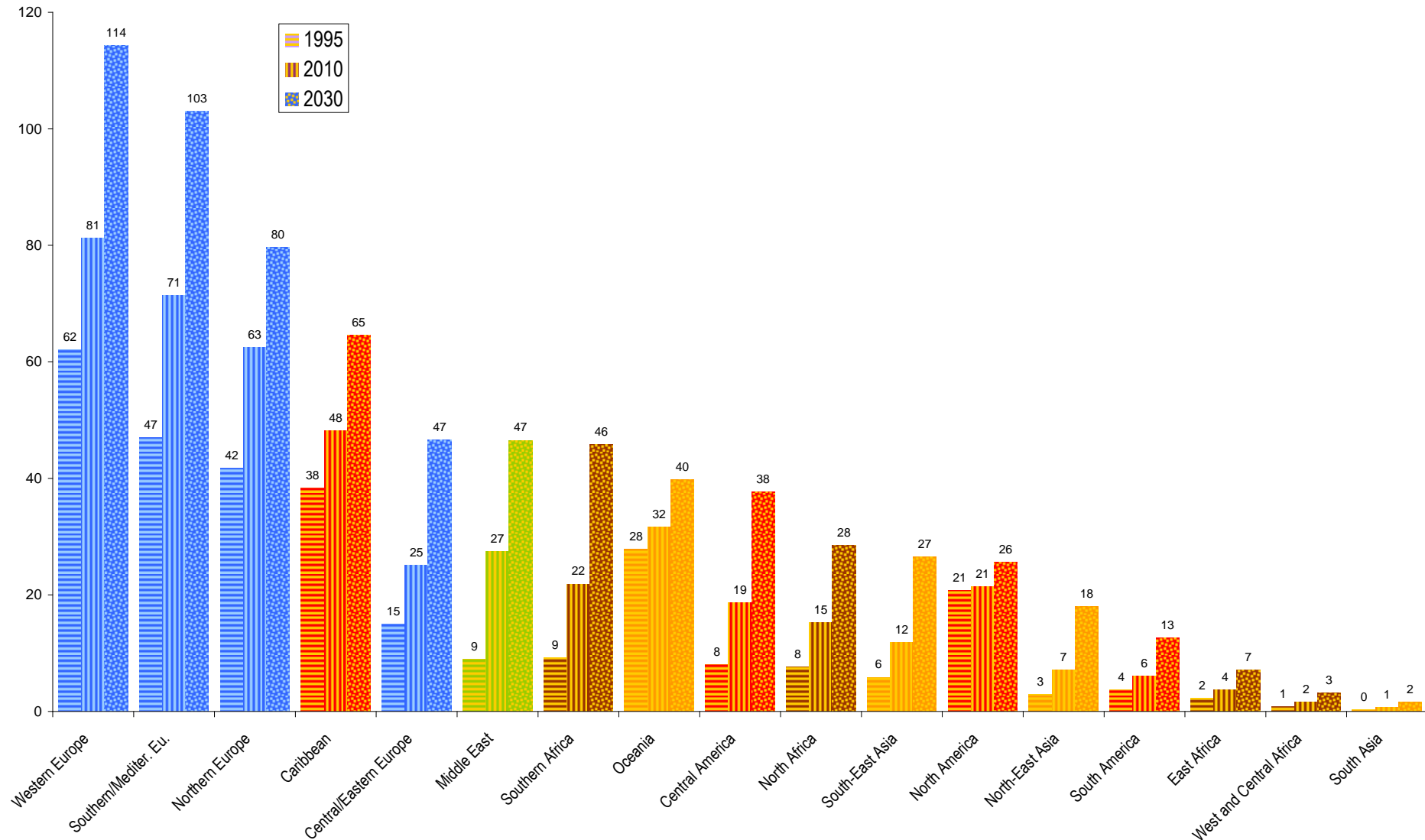
International tourist arrivals, million



# Europe to continue to lead in int'l arrivals per 100 of population

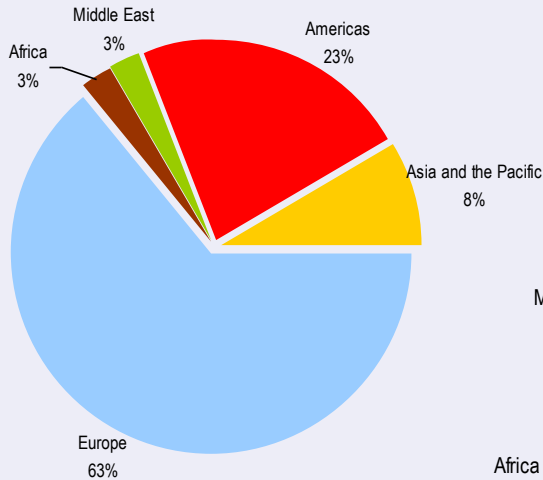
International tourism by (sub)region of destination

International tourist arrivals received per 100 of population

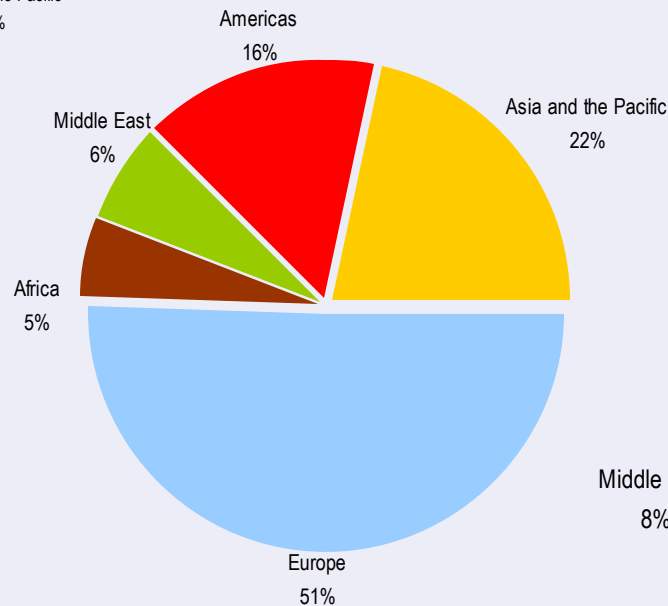


# Asia and the Pacific, the Middle East and Africa to increase their shares

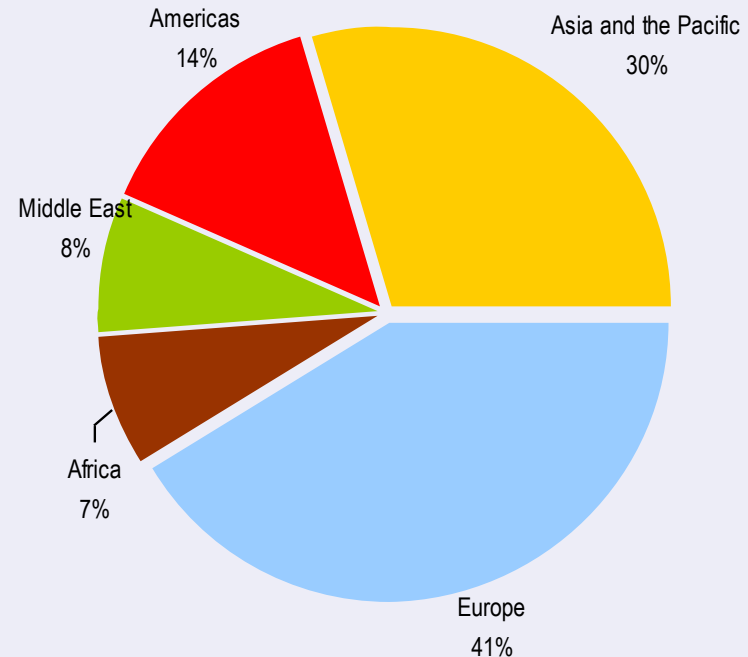
1980



2010



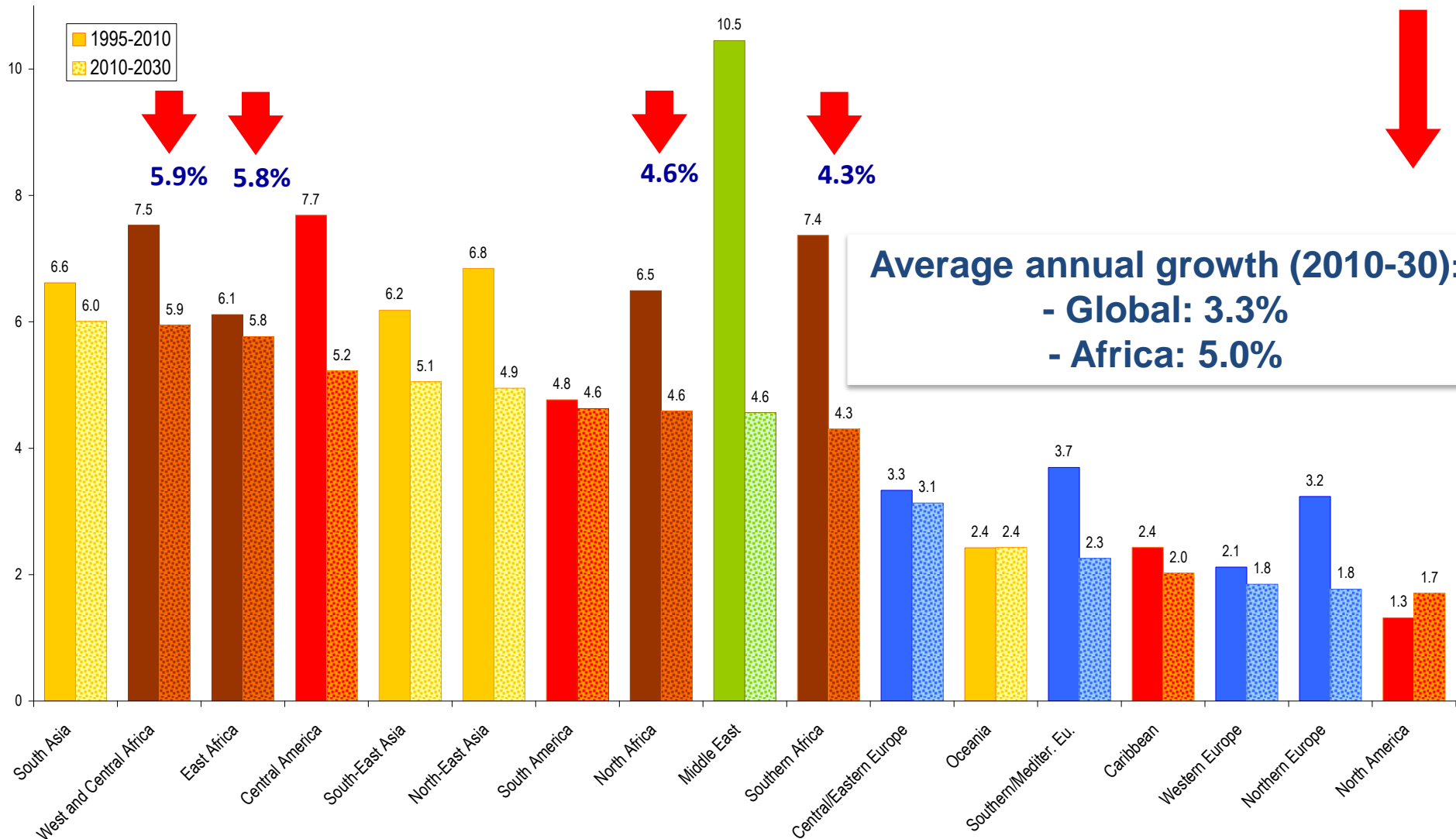
2030



# Africa to grow much above world average (2010-2030)

International tourism by (sub)region of destination

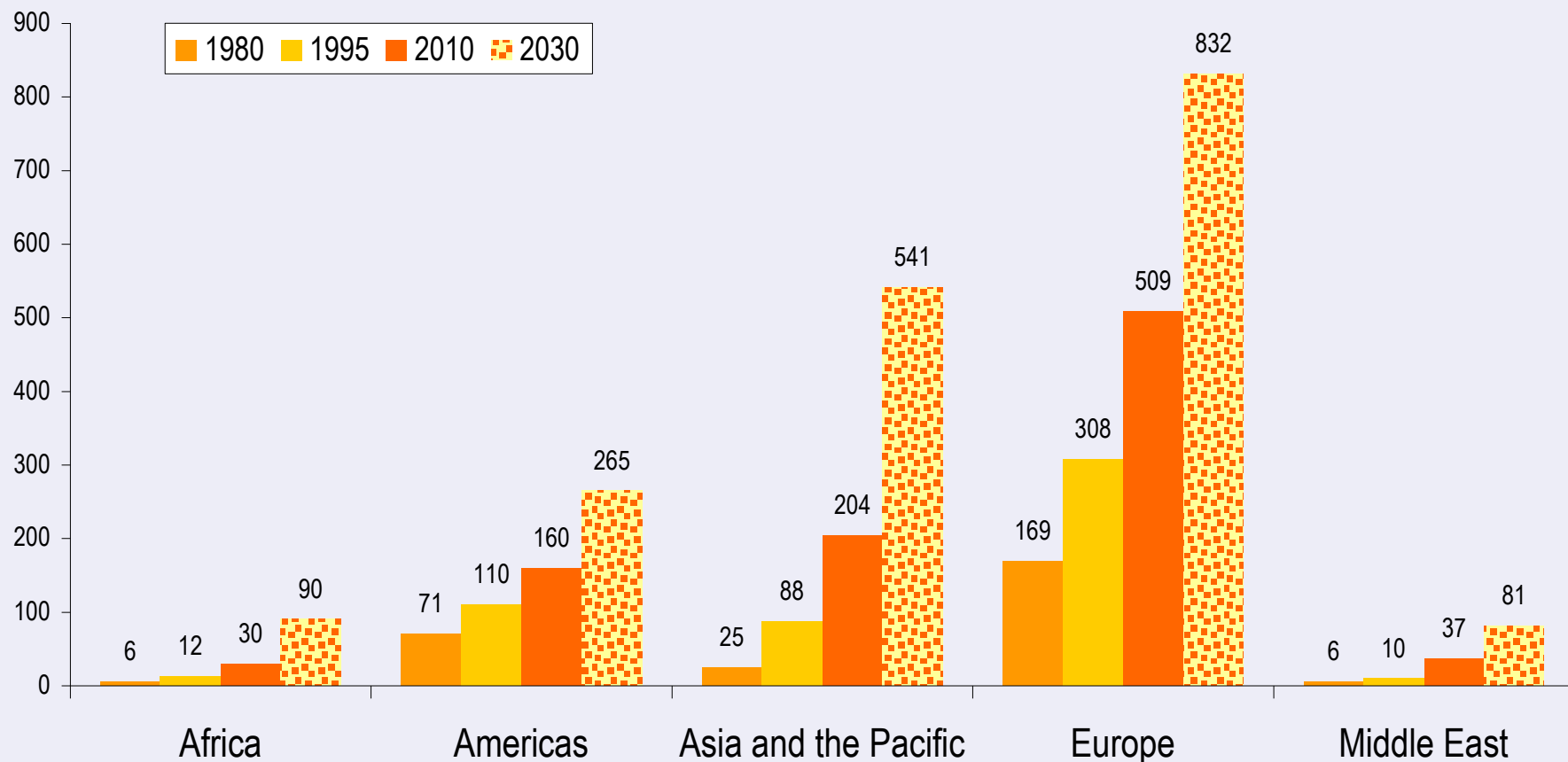
International tourist arrivals, average annual growth %



# Asia and the Pacific to be also the outbound region to grow the most

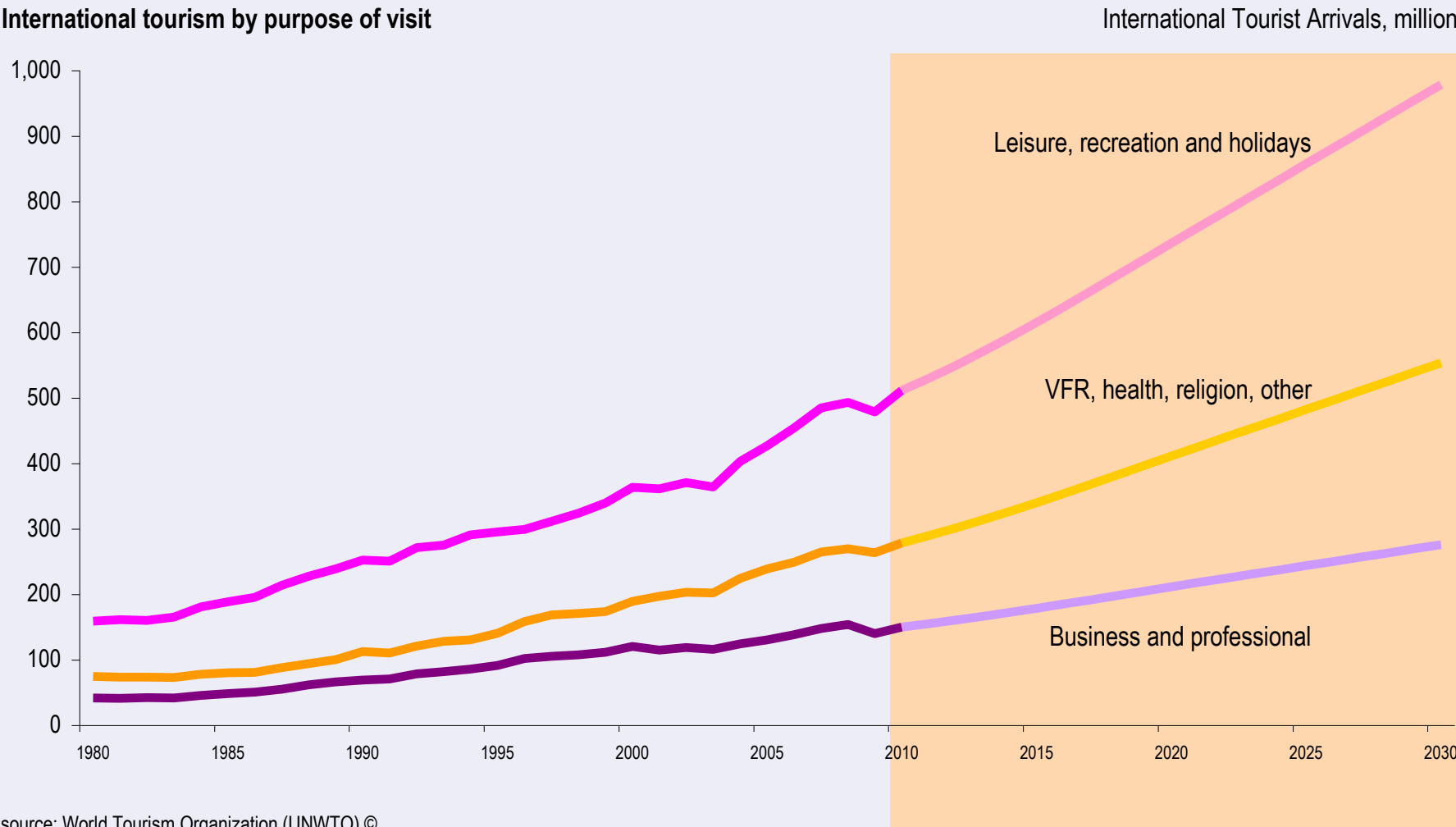
Outbound tourism by region of origin

International Tourist Arrivals generated, million





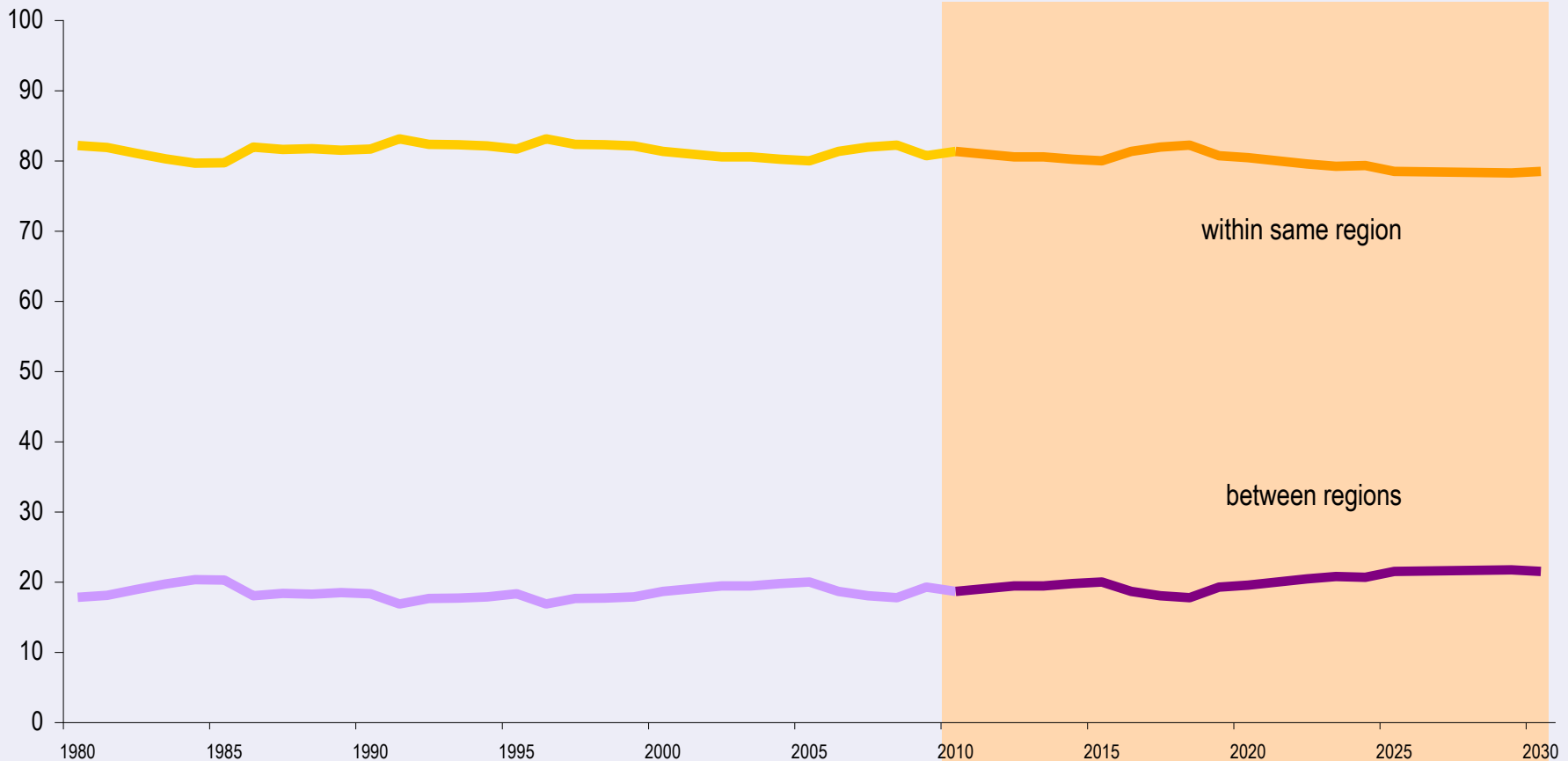
# No major change in share by purpose of visit



source: World Tourism Organization (UNWTO) ©

# Travel between regions continues to grow slightly faster than within the same region

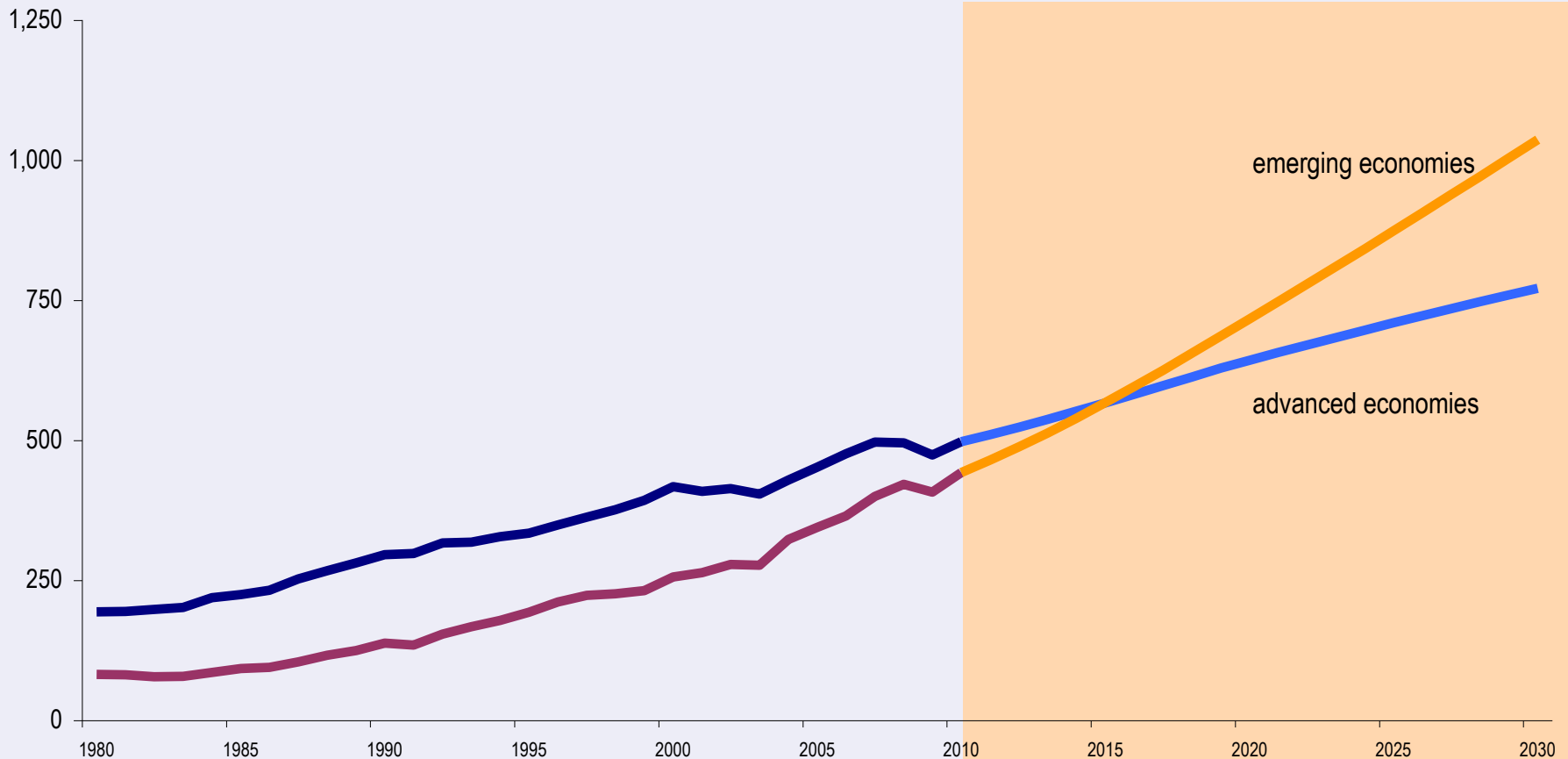
International tourism by region of destination and origin



source: World Tourism Organization (UNWTO) ©

# Emerging / developing to surpass advanced destinations before 2020

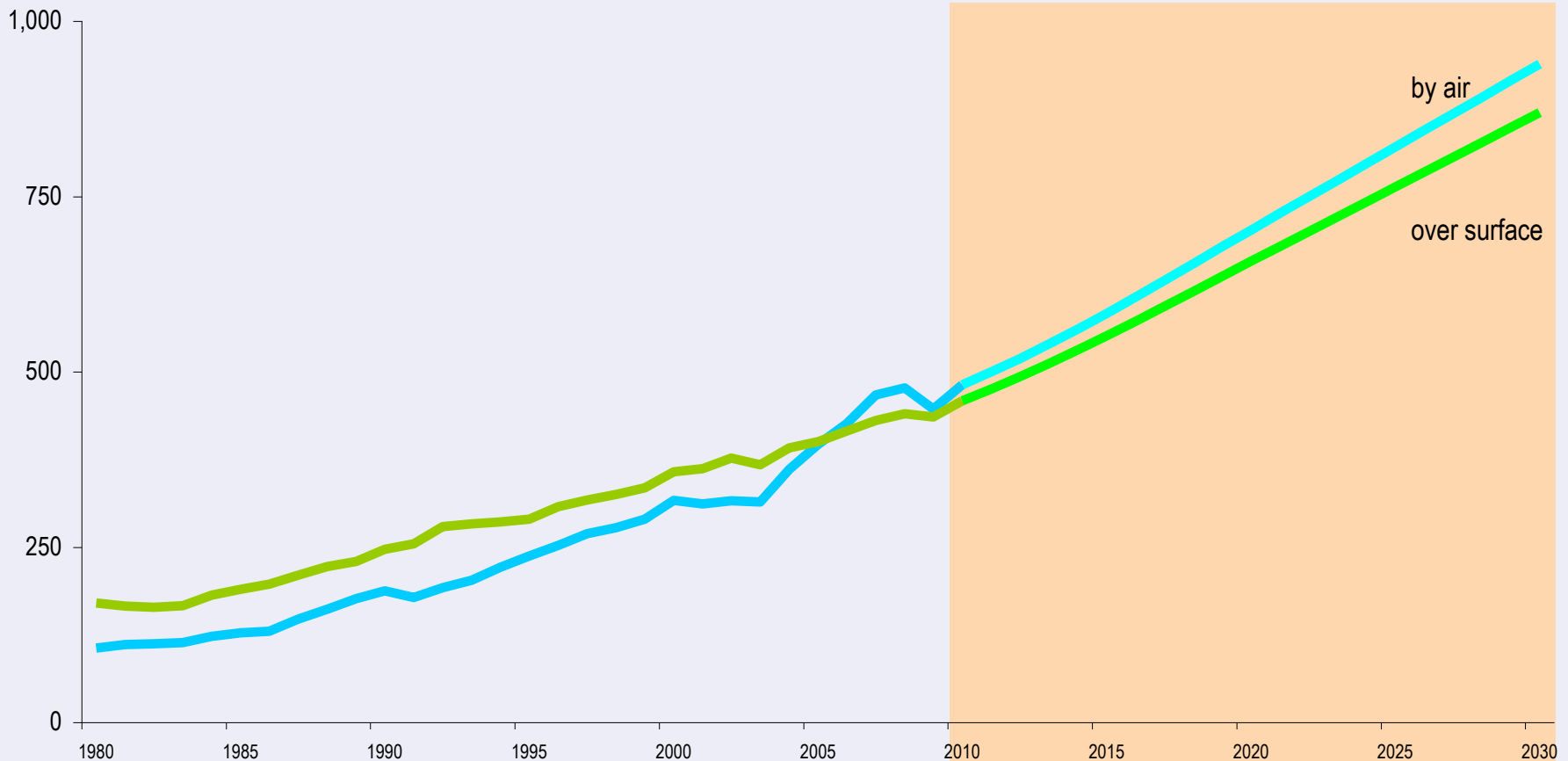
Inbound tourism, advanced and emerging economies



source: World Tourism Organization (UNWTO) ©

# Air transport will continue to gain market share but at a slower pace

International tourism by means of transport

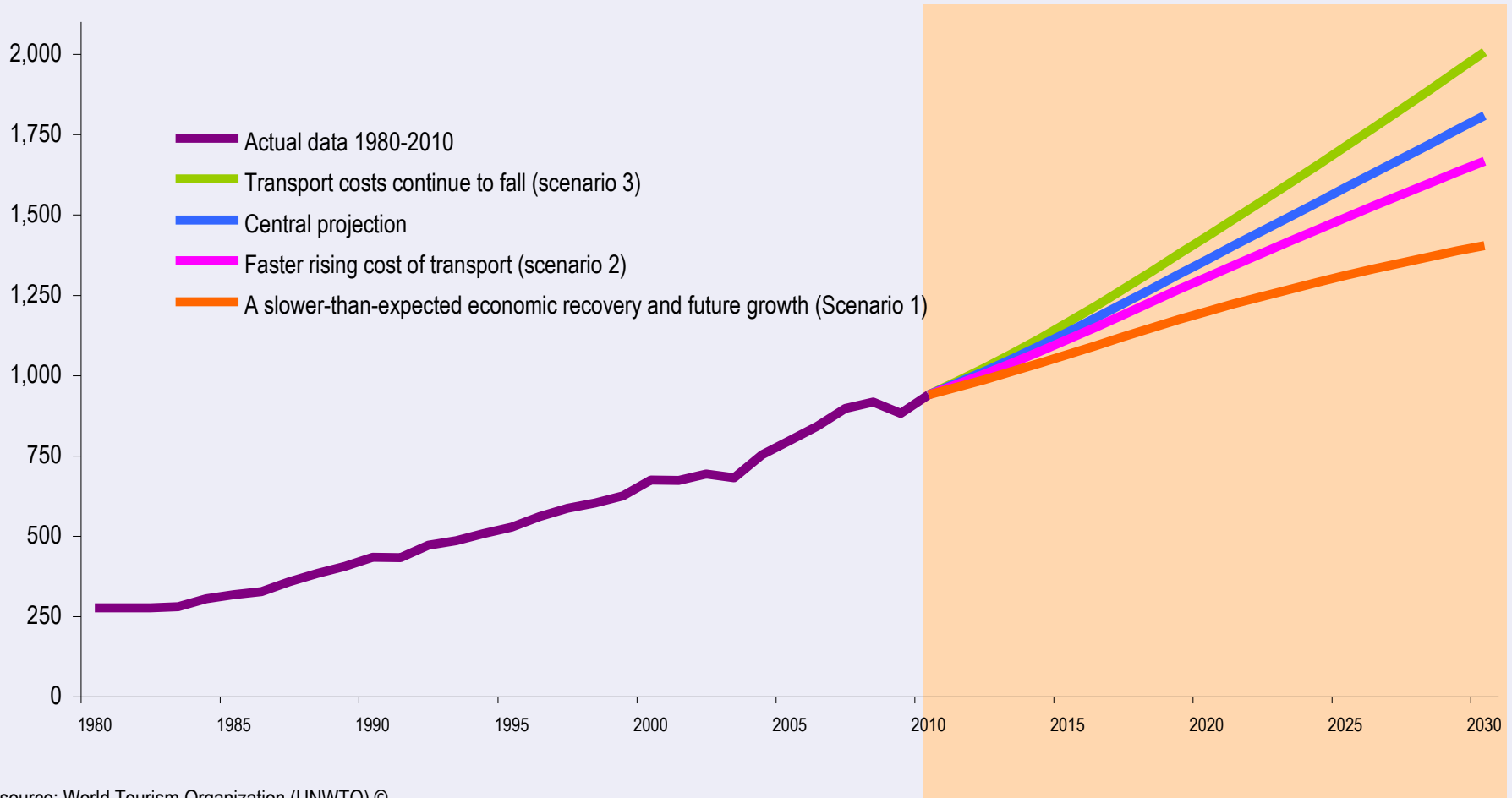


source: World Tourism Organization (UNWTO) ©

# What if assumptions change?

Tourism Towards 2030: global projection and sensitivity analysis

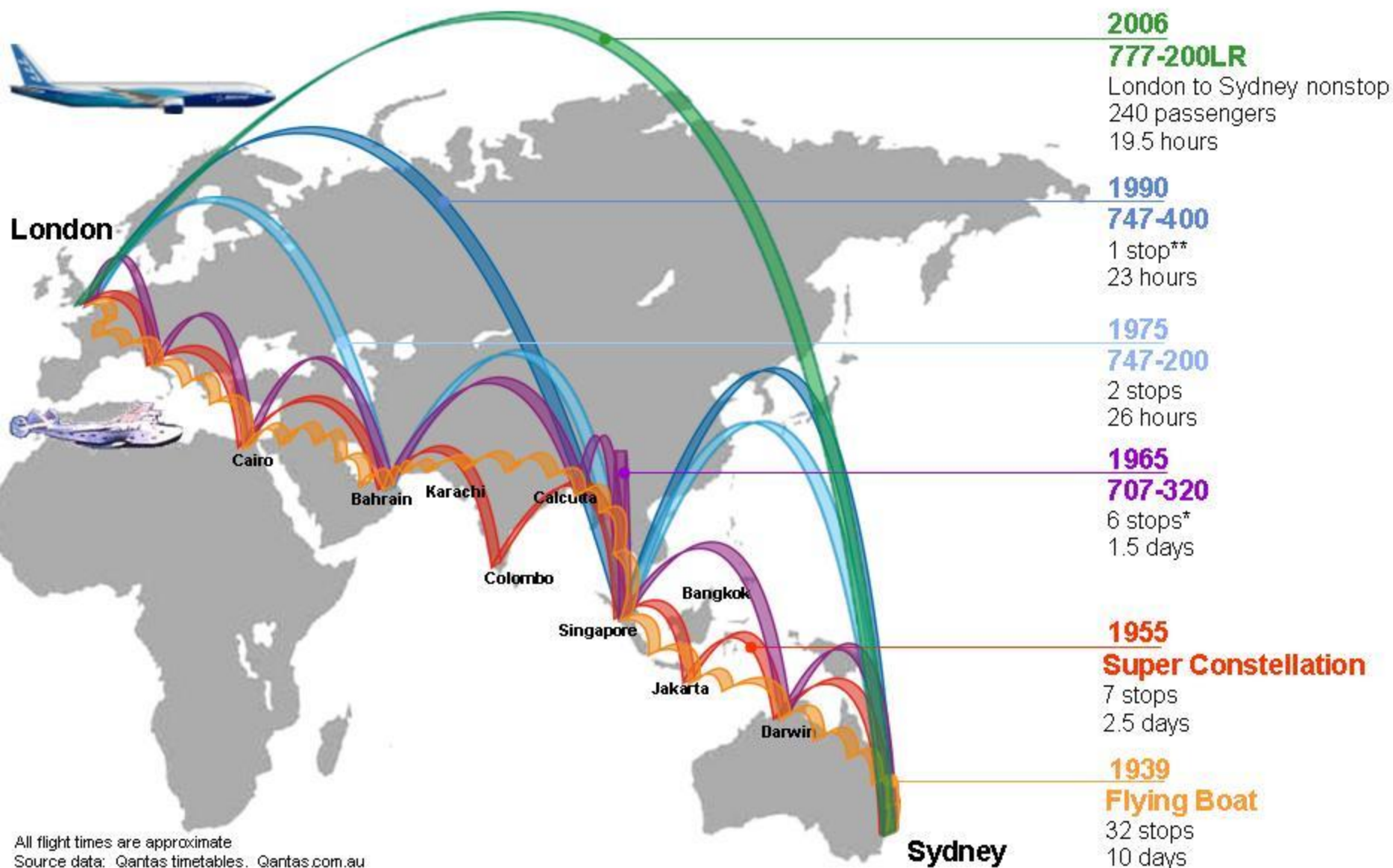
International Tourist Arrivals, million



source: World Tourism Organization (UNWTO) ©



# Breakthroughs in airplane capabilities give airlines additional choices to improve service



# Cost of air transport has strongly decreased

Wages vs airfares

time taken to earn the lowest Sydney-London return airfare





...and we keep on flying



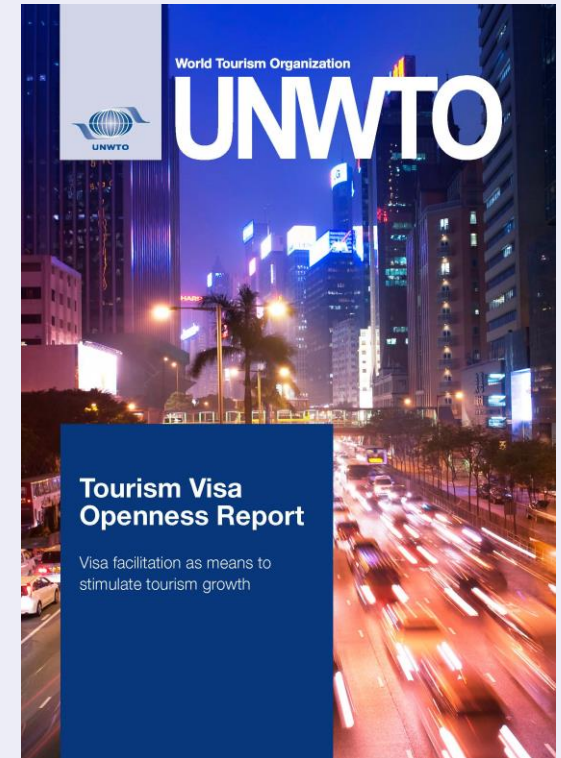
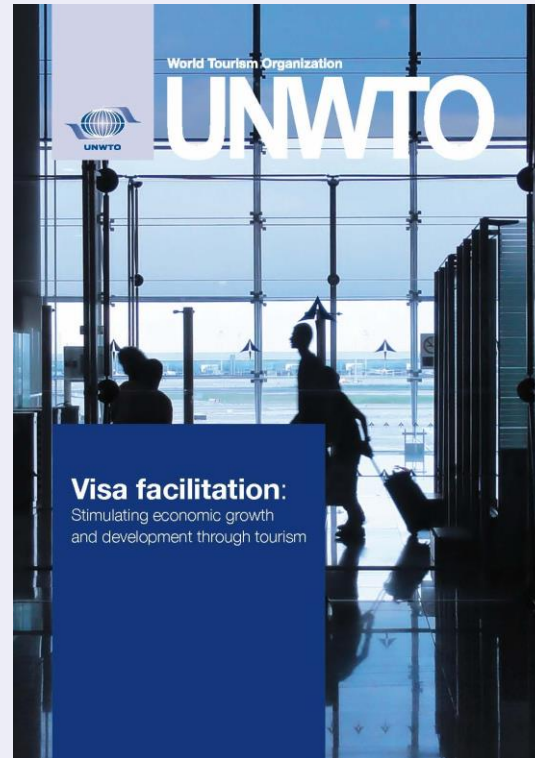


**Visa  
facilitation**



# UNWTO and partners working closely with stakeholders to move agenda forward

A number of meetings have taken place and three reports have been prepared taking stock of and analysing the current situation:



For more information and download of reports, see <http://rcm.unwto.org/en/content/facilitation-tourist-travel>



# Visa facilitation: striking a balance

## Visas provide essential functions

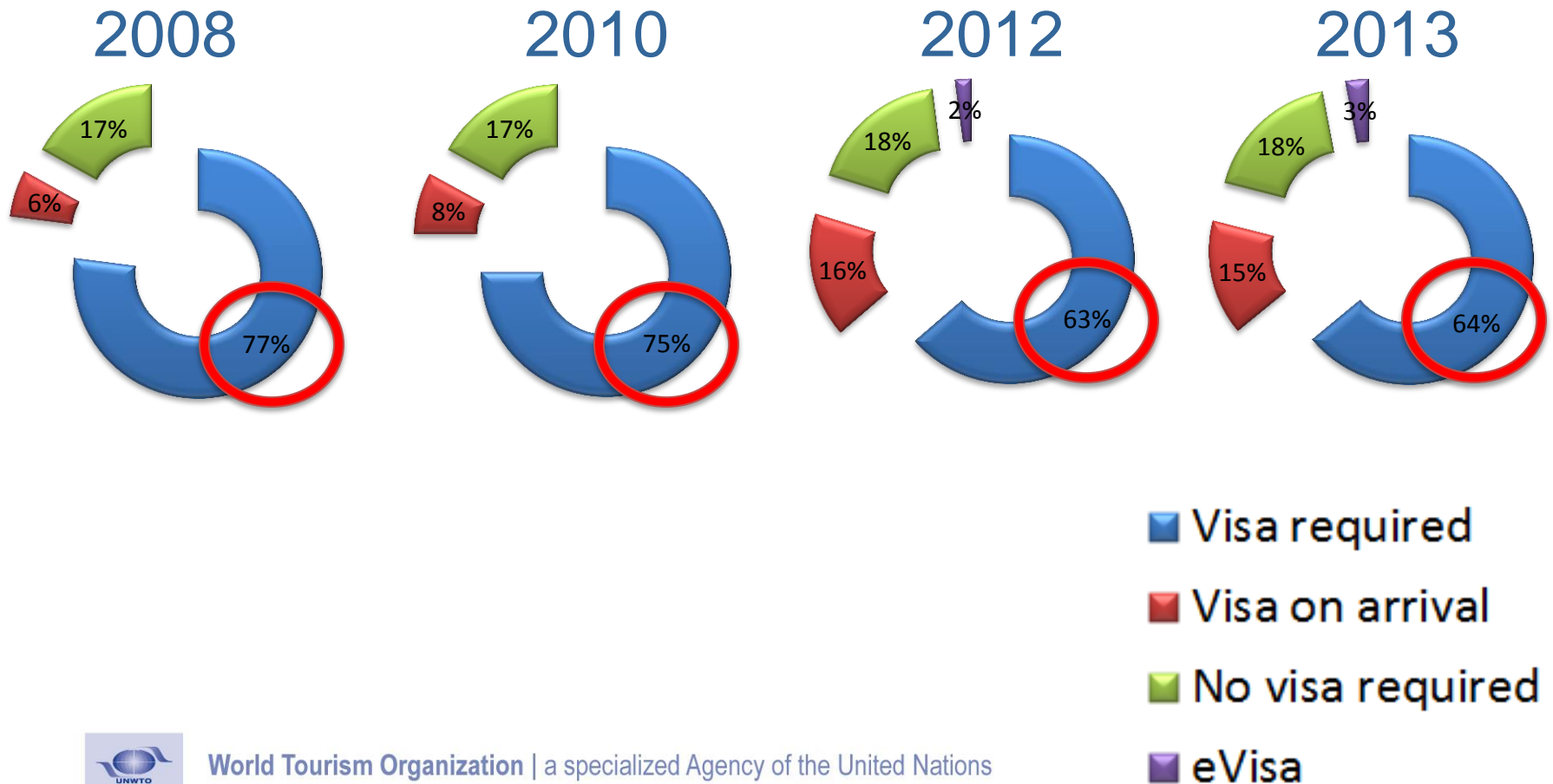
- security
  - immigration control
  - limitation of stay and activities
  - reciprocity
  - revenues
- => however ... visas can be a constraint to int'l travel and its benefits**

## Benefits of openness

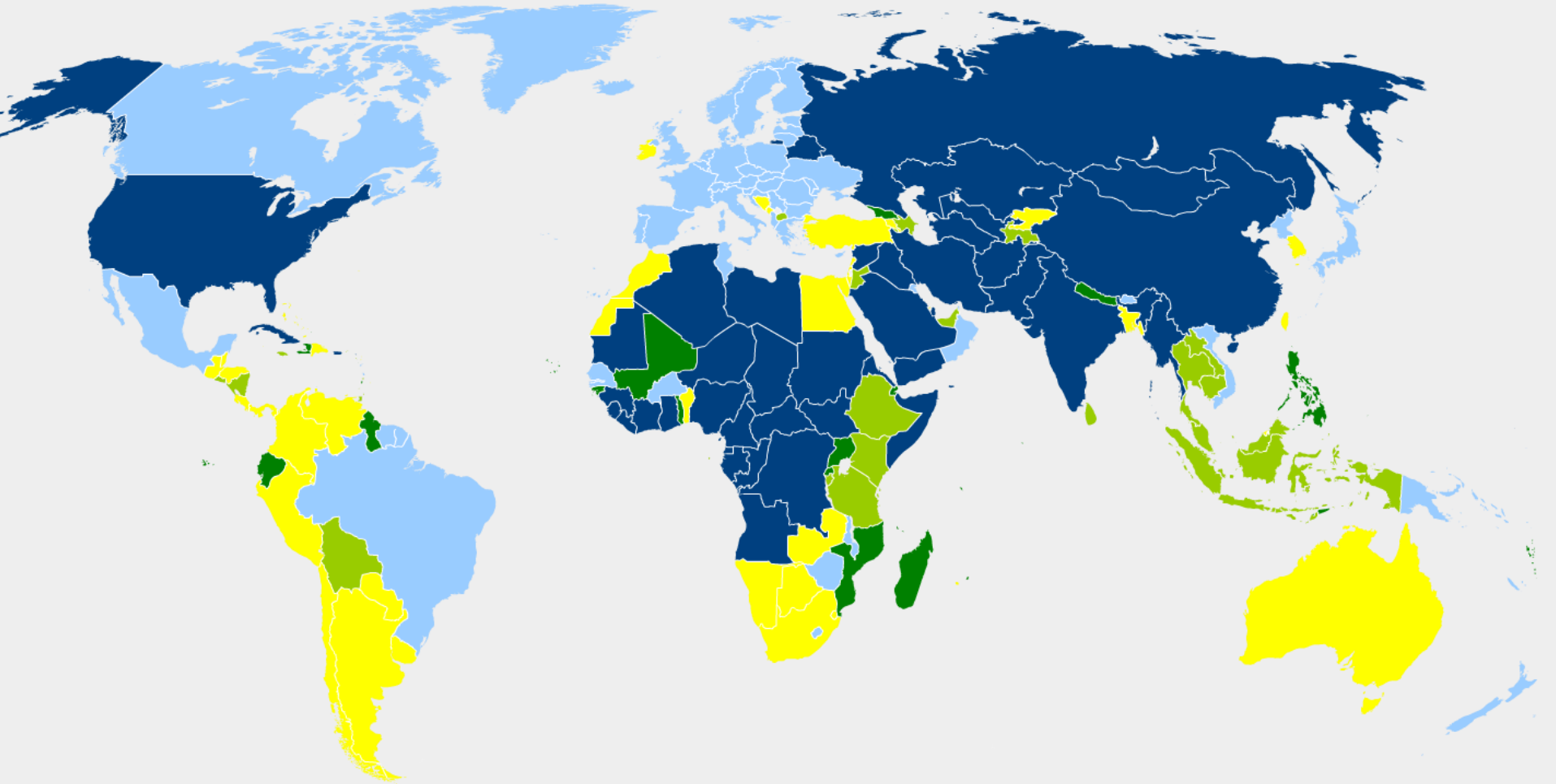
- tourism, but also:
- doing business
- trade and investment
- infrastructure development
- attracting and retaining talent
- education, cultural exchange and 'soft diplomacy'

# World Population Affected, 2008-2013

Request for traditional visa decreased from 77% to 64%



# 2013 Openness Index

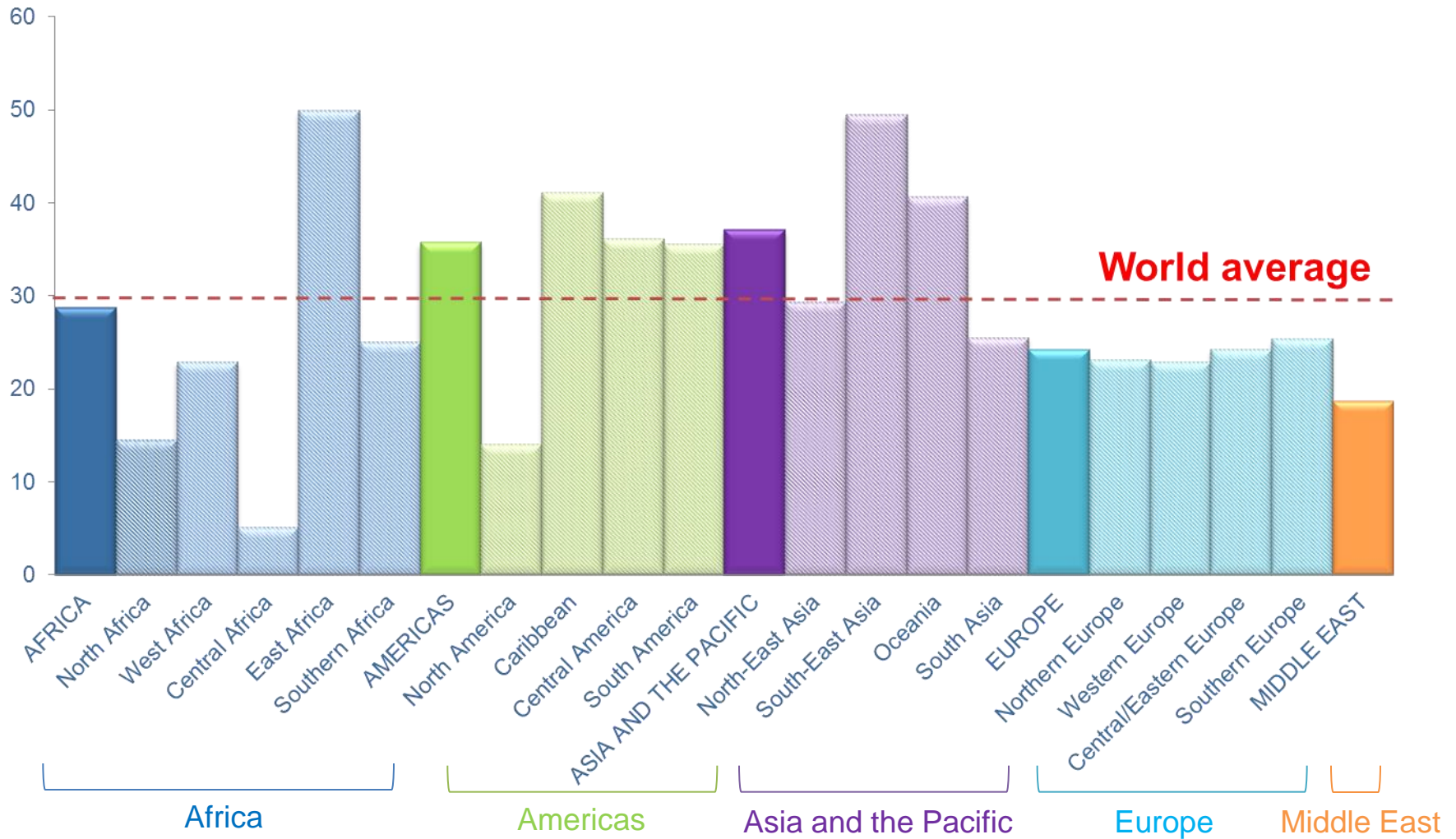


Dark blue 0-10, Light blue 11-23, Yellow 24-39, Light green 40-69, Dark green 70-100



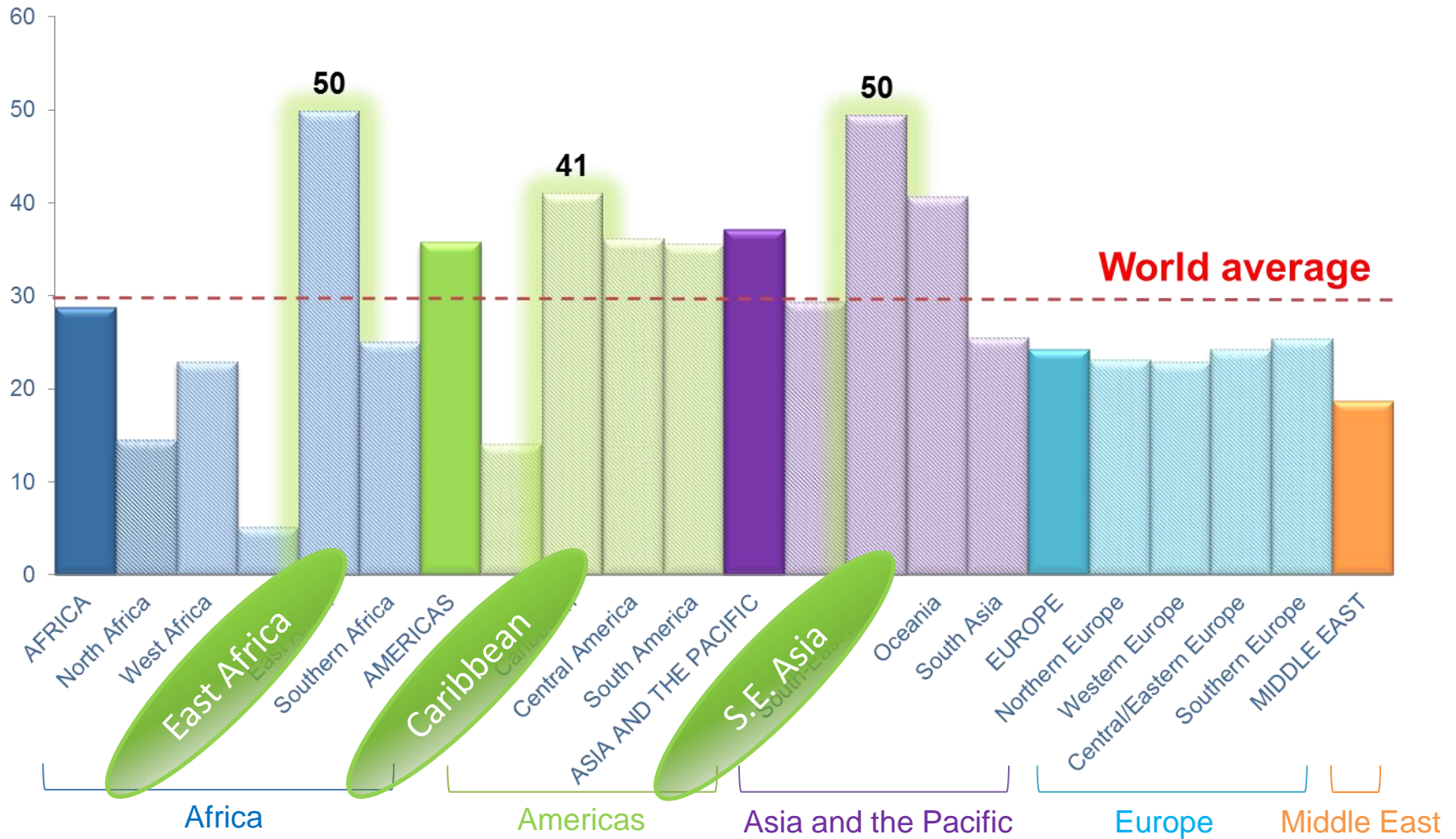
**World Tourism Organization** | a specialized Agency of the United Nations

# 2013 Status – Openness Score



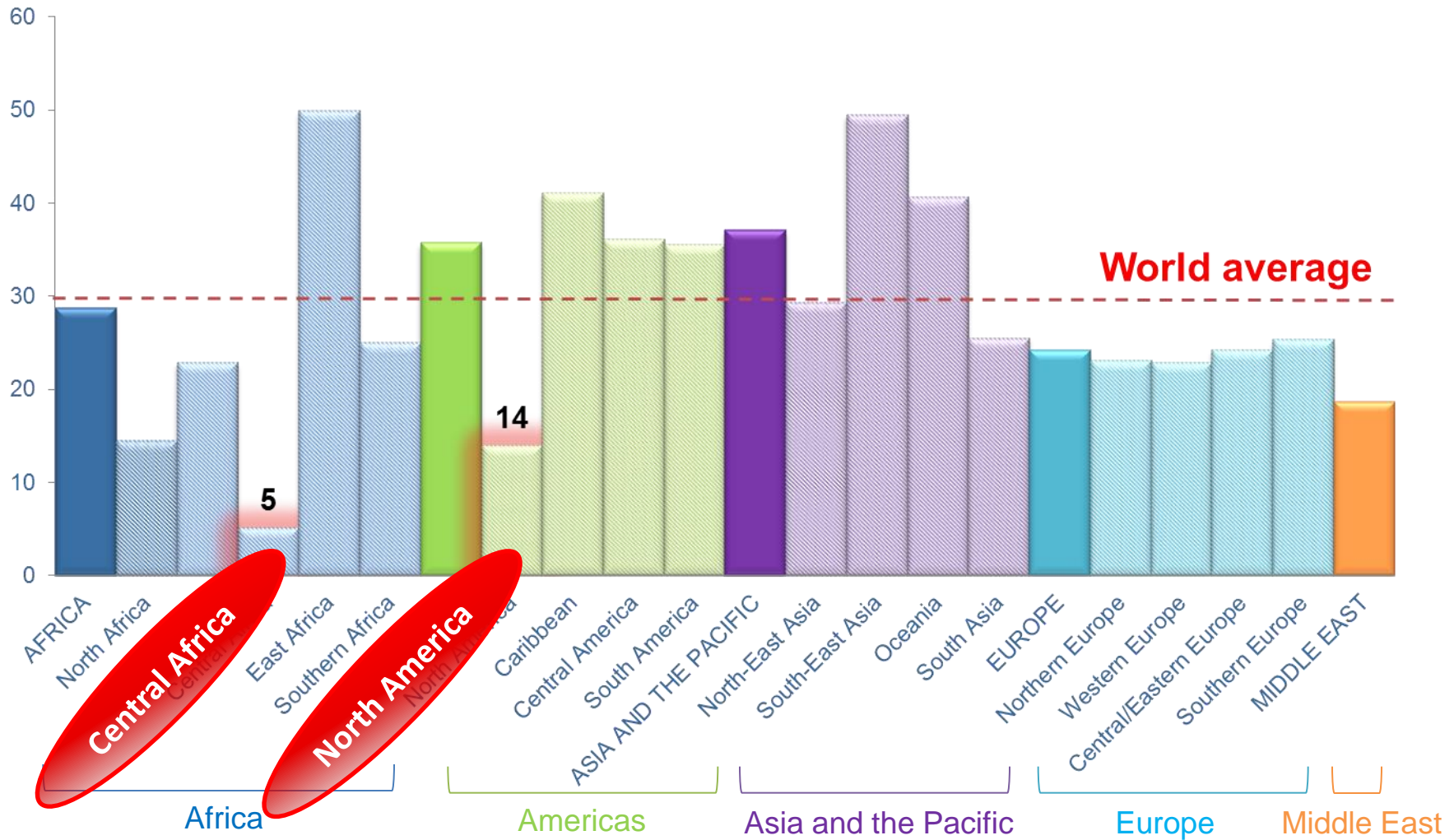


# 2013 Status – Most Open Destinations





# 2013 Status: Most Restrictive Destinations



# Destinations Improving Visa Procedures, 2010-2013

## 195-180 Improvements

- Niue
- Micronesia
- Palau
- Sao Tome and Principe
- Djibouti
- Haiti
- Mozambique
- Azerbaijan
- Rwanda
- Guinea-Bissau

## 179-128 Improvements

- Burundi
- Togo
- Cape Verde
- Mali
- Uganda
- Guyana
- Lao (P.D.R.)
- United Arab Emirates
- Kenya
- United Republic of Tanzania

## 127-75 Improvements

- Ecuador
- Bolivia
- Macao
- Armenia
- Sri Lanka
- Georgia
- Nicaragua
- Montserrat
- Tajikistan
- Mauritius



# Drivers of Change

- 44 destinations significantly facilitated the visa process (20 or more countries improved)
- Between 2010 and 2013 visa requirements were facilitated for 5,930 destination-source market pairs
- Significant changes (20 or more) were predominant
- Most common change was visa on arrival (60% of all changes)



# 87 States Represented at the 1963 Conference

Afghanistan, Algeria, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Byelorussian Soviet Socialist Republic, Cambodia, Cameroon, Canada, Ceylon, Chad, Chile, China, Colombia, Congo(Leopold-Ville), Costa Rica, Cuba, Cyprus, Czechoslovakia, Denmark, Dominican Republic, El Salvador, Federal Republic of Germany, Finland, France, Greece, Guatemala, Holy See, Hungary, India, Indonesia, Iran, Iraq, Ireland, Israel, Italy, Japan, Jordan, Kuwait, Lebanon, Liberia, Libya, Luxembourg, Madagascar, Mali, Mexico, Morocco, Nepal, Netherlands, New Zealand, Niger, Nigeria, Norway, Pakistan, Paraguay, Peru, Philippines, Poland, Portugal, Republic of Korea, Romania, San Marino, Saudi Arabia, Senegal, Somalia, Republic of South Africa, Spain, Sudan, Sweden, Switzerland, Syria, Thailand, Trinidad and Tobago, Tunisia, Turkey, Uganda, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United Arab Republic, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela, Yugoslavia.



# UN Conference on Int'l Travel and Tourism

States agreed:

*“Governments should extend to the maximum number of countries the practice of abolishing, through bilateral agreements or by unilateral decision, the requirement of entry visas for temporary visitors.”*



# Visa Facilitation in G20 Economies

- 5% to 25% international tourist arrivals growth
- Up to US\$ 206 billion in tourism receipts
- Up to 5.1 million additional jobs by 2015



# Mexico G20 Leaders' Declaration

The G20 Leaders recognized at their June 2012 Summit in Mexico the role of tourism as

*“a vehicle for job creation, economic growth and development”*

and, furthermore, they committed themselves to

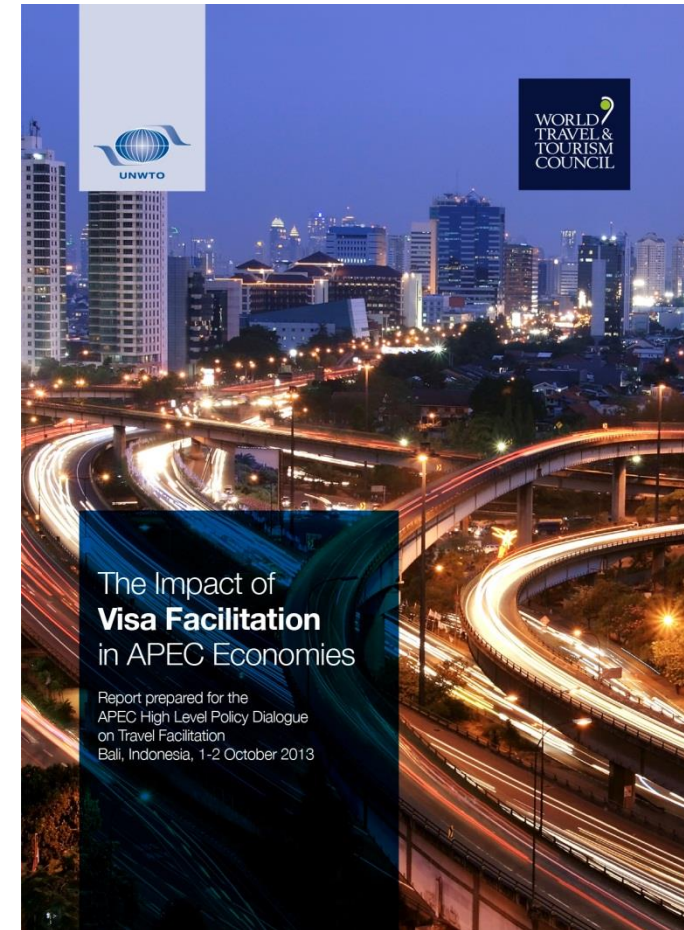
*“work towards developing travel facilitation initiatives in support of job creation, quality work, poverty reduction and global growth.”*





# Visa Facilitation in APEC Economies

- 9% to 13% international tourist arrivals growth
- Between US\$ 62 billion and US\$ 89 billion in tourism receipts
- 1.8 million to 2.6 million additional jobs by 2016





# Areas of opportunity for visa facilitation: Recommendations

- **Improve delivery of information** (Availability and reliability of information – multiple languages, useful information)
- **Facilitate processes** to obtain visas (Tackle bottlenecks such as personal interviews, needed documents, wait times etc.)
- **Differentiated treatment** to facilitate tourist travel (For means of transportation (e.g. cruise ship passengers) or specific geographical areas or ports of entries)
- **Institute eVisa programmes or visa upon arrival** (If exempting from entry visa is not possible)
- **Establish regional agreements** (To move freely between member countries once admitted by one of them)





**Connectivity**

# Connectivity

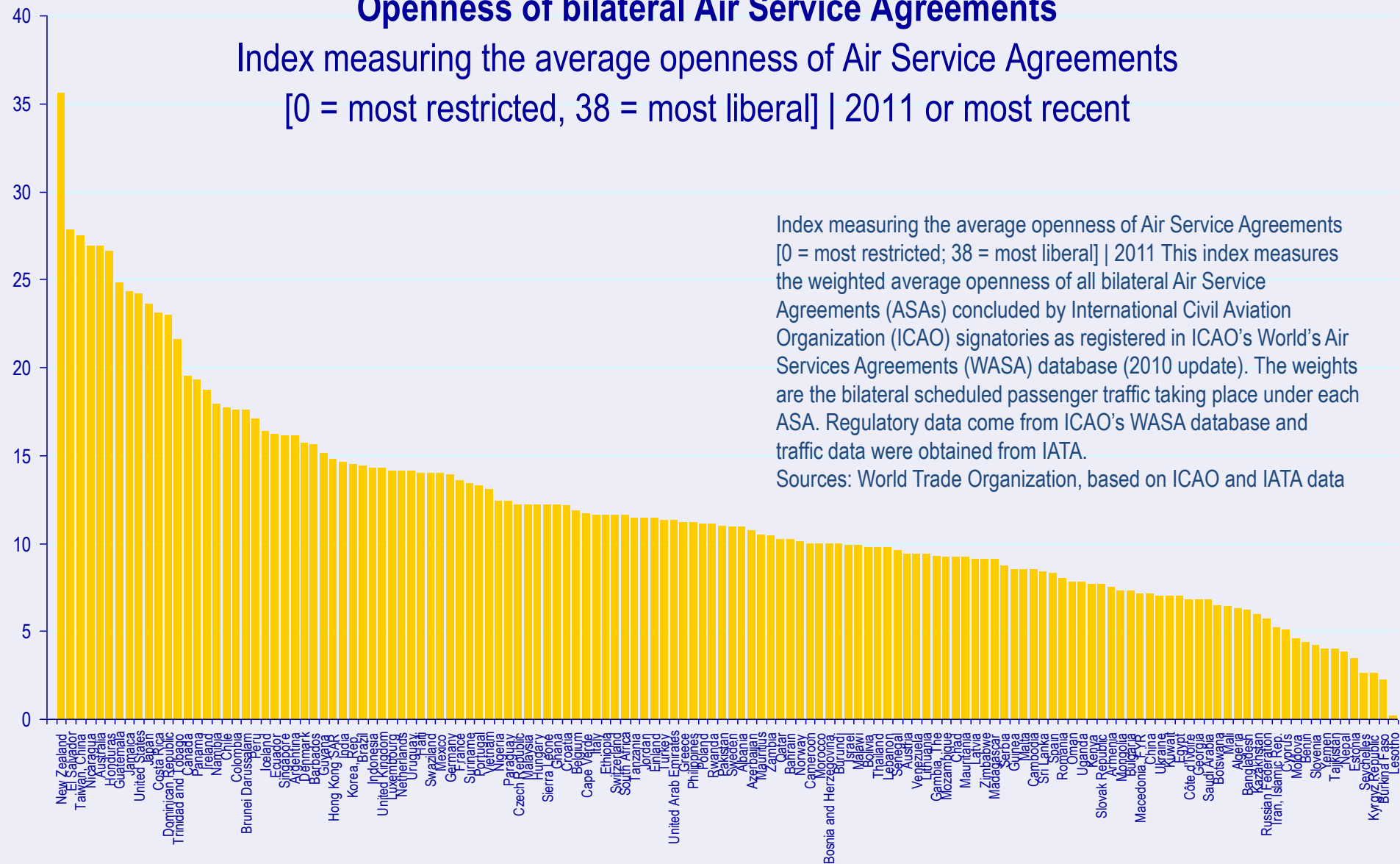
- **51% of international tourists arrive at their destination by air → air transport and tourism are closely interconnected**
- **Opportunity for open skies policies and increased cooperation between tourism and aviation authorities**

# Openness of bilateral Air Service Agreements

## Openness of bilateral Air Service Agreements

## Index measuring the average openness of Air Service Agreements

[0 = most restricted, 38 = most liberal] | 2011 or most recent







# Taxation

Pieter Bruegel the Younger  
*Paying the Tax (The Tax Collector)*  
oil on panel, 1620-1640



# Ticket taxes and airport charges

## Ticket taxes and airport charges

Index of relative cost of access (ticket taxes and airport charges) to international air transport services | [0 = highest cost, 100 = lowest cost] | 2012 or most recent



# Taxation

- Trend to impose taxes on tourism and tourists
- Higher taxes tend to translate into higher prices for international and domestic tourists
- Tourists are not voters in destinations but ... create the jobs for the voters
- Export sector competing with the exports of other countries
- Tourism uses public goods, hence must contribute with its fair share
- Intelligent taxation, avoiding secondary negative effects
- Leisure tourism shows higher price sensitivity







**Thank you very much  
for your attention!**

**World Tourism Organization  
(UNWTO)**

**[www.unwto.org](http://www.unwto.org)**



# Tourism Towards 2030

- A broad research project in continuation of UNWTO's work in the area of long-term forecasting initiated in the 1990s.
- Objectives:
  - **Assist** UNWTO Members in formulating policies and long-term strategic plans
  - **Provide** a global reference on tourism future development
  - **Reinforce** UNWTO's role in agenda setting for tourism-related subjects
  - **Constitute** a reference for UNWTO strategic documents, programme of work and activities
- Central in the study are the projections for international tourism flows in the two decades 2010-2030
  - Data series on international tourist arrivals as reported by destination countries are used as the key indicator, taking into account subregion of destination, region of origin, mode of transport and purpose of visit for the period 1980-2010
  - The quantitative forecast is based on a causal econometric model with international tourist arrivals as the dependent variable and as independent variables growth of Gross Domestic Product (GDP), a proxy for traveller affluence and business travel potential, and also cost of transport

# Changes in markets: general

- Further diversification of tourism products, although some forms of tourism might reach saturation
- Demographic changes:
  - aging population
  - change in composition of families
  - Immigration / emigration
- Growth in VFR
- Increase in independent travel and 'do it yourself'
- New opportunities offered by
  - Low cost carriers: broadening of market
  - Internet: facilitating flexibility and transparency
- Use of non-hotel accommodation and 2nd home

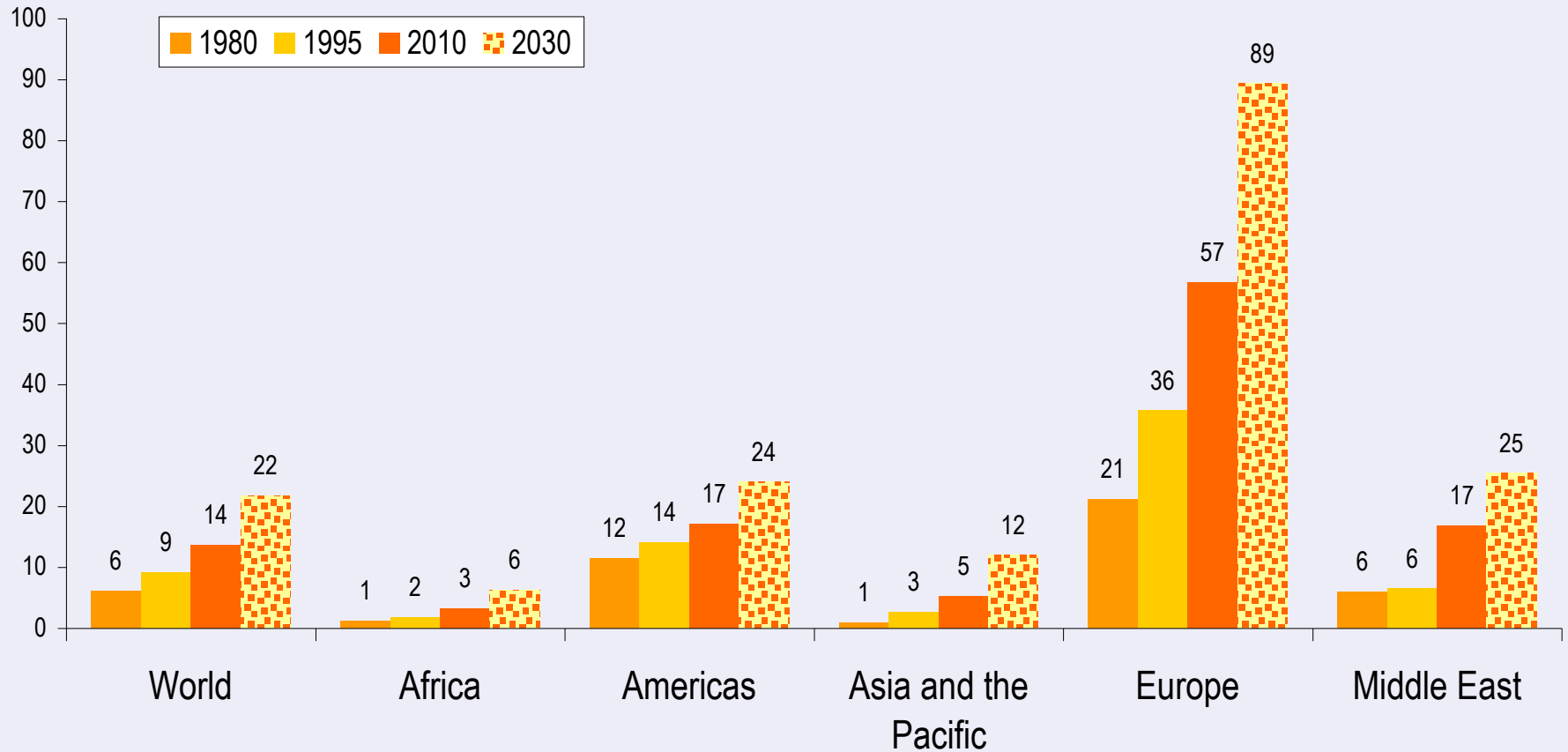
# Changes in markets: shrinking world

- Continued growth of demand and supply
- Proliferation of destinations and source markets
- Increase in participation and trip frequency
- Also further away, within region and interregional:
  - trips to other regions grow at faster pace (5.4% a year between 1995-2020) than within own region (3.8% a year)
- A truly global market has developed
  - Economic Integration/Globalisation
  - Cost of transport going down or growing at slower pace than accommodation and other costs
  - On the supply side: many destinations with ambitious expansion plans
  - Intensified competition

# Outbound tourism to be highest in Europe and still low in Asia and Pacific

Outbound tourism by region of origin

International Tourist Arrivals generated per 100 population



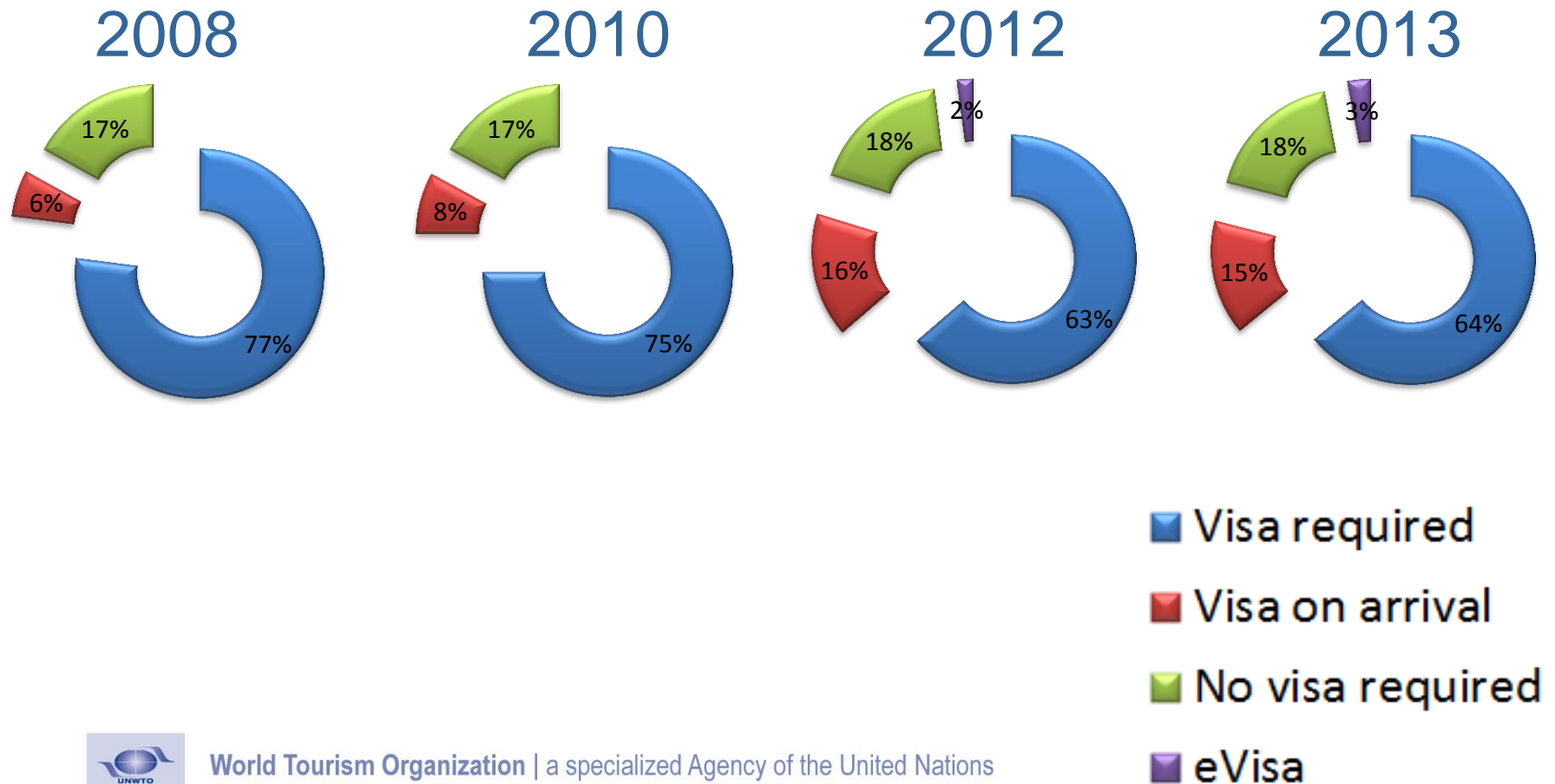
# *Tourism Towards 2030* in one page

- *Tourism Towards 2030* shows that there is still a great potential for further expansion in coming decades; emerging as well as established destinations can benefit from this trend and opportunity, provided they shape the adequate conditions and policies with regard to business environment, infrastructure, facilitation, marketing and human resources
- Along with opportunities, challenges also arise in maximising social and economic benefits and minimising negative impacts

**Long-term tourism growth pattern: more moderate, sustainable and inclusive**



# World Population Affected, 2008-2013



# The Least Restrictive Destinations

## Openness: 100

Cook Islands  
Dominica  
Micronesia  
Niue

## Openness: 99-80

Haiti  
Macao (China)  
Philippines  
Georgia  
Hong Kong (China)  
Mauritius  
Turks and Caicos  
Islands

## Openness: 79-70

Fiji  
Guyana  
Montserrat  
Seychelles  
Saint Vincent and the Grenadines  
Vanuatu  
Rwanda  
Ecuador  
Mali  
Cape Verde  
Guinea-Bissau  
Mozambique  
Nepal  
Togo  
Uganda  
Timor-Leste  
Samoa  
Tuvalu  
Palau  
Maldives  
Comoros Islands  
Madagascar  
Djibouti



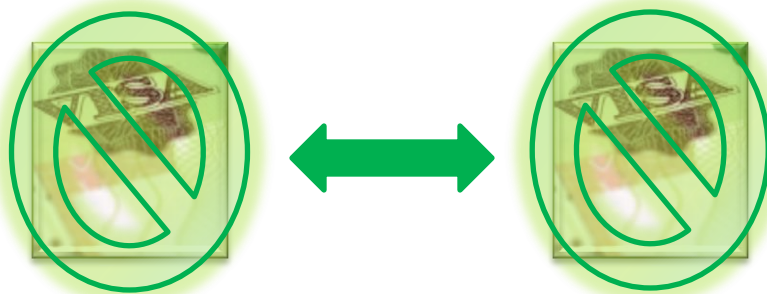
# Reciprocity

Selected Economic Blocs

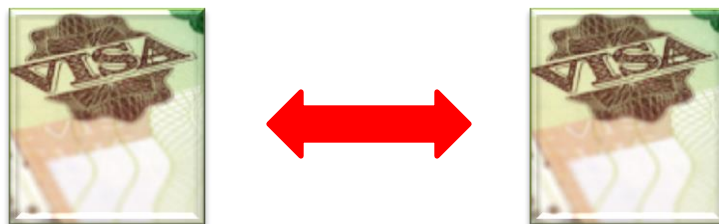


**World Tourism Organization** | a specialized Agency of the United Nations

# G20 Reciprocal Policies, 2013

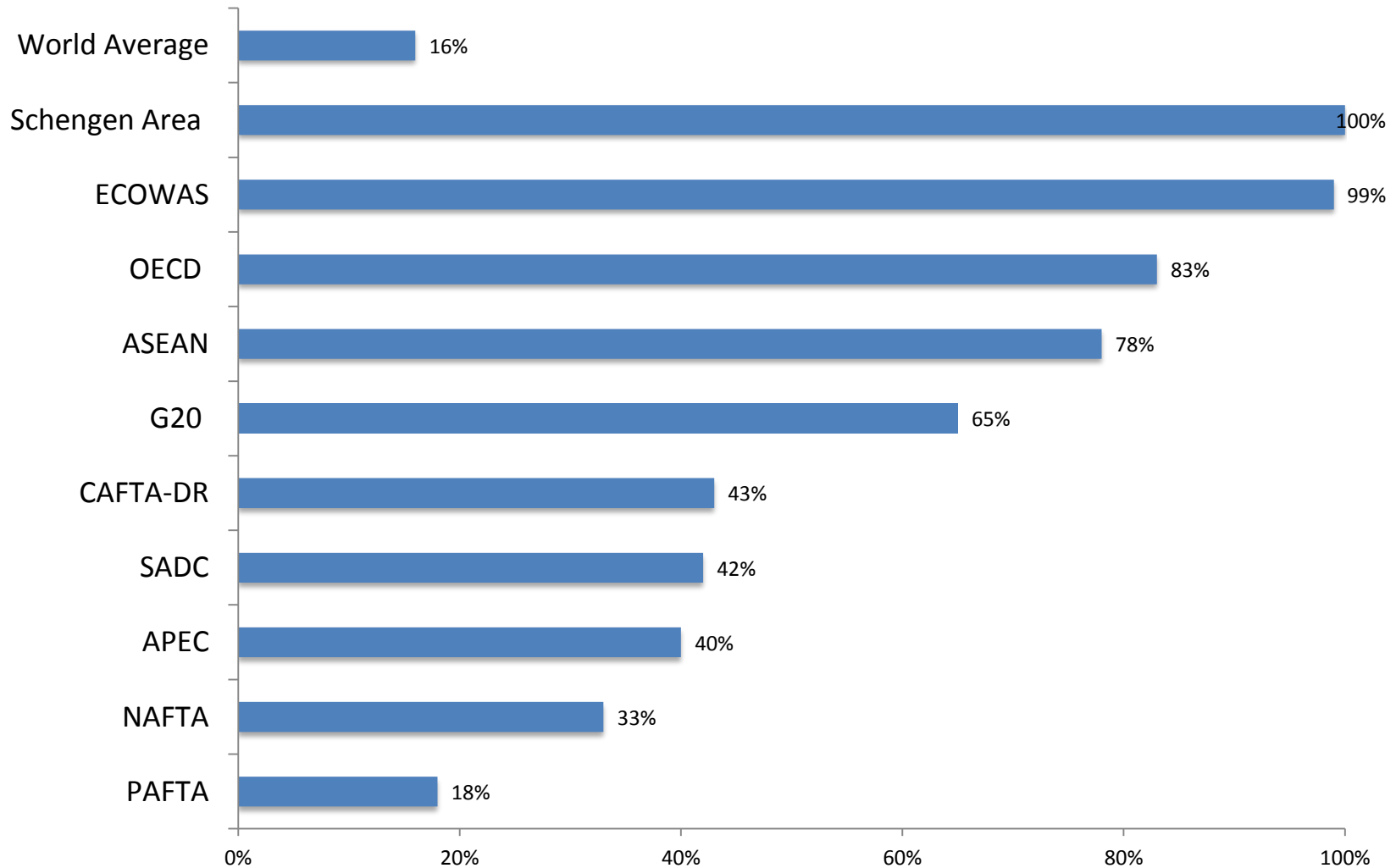


- **Open reciprocity** of 65% is **above** world average of 16%



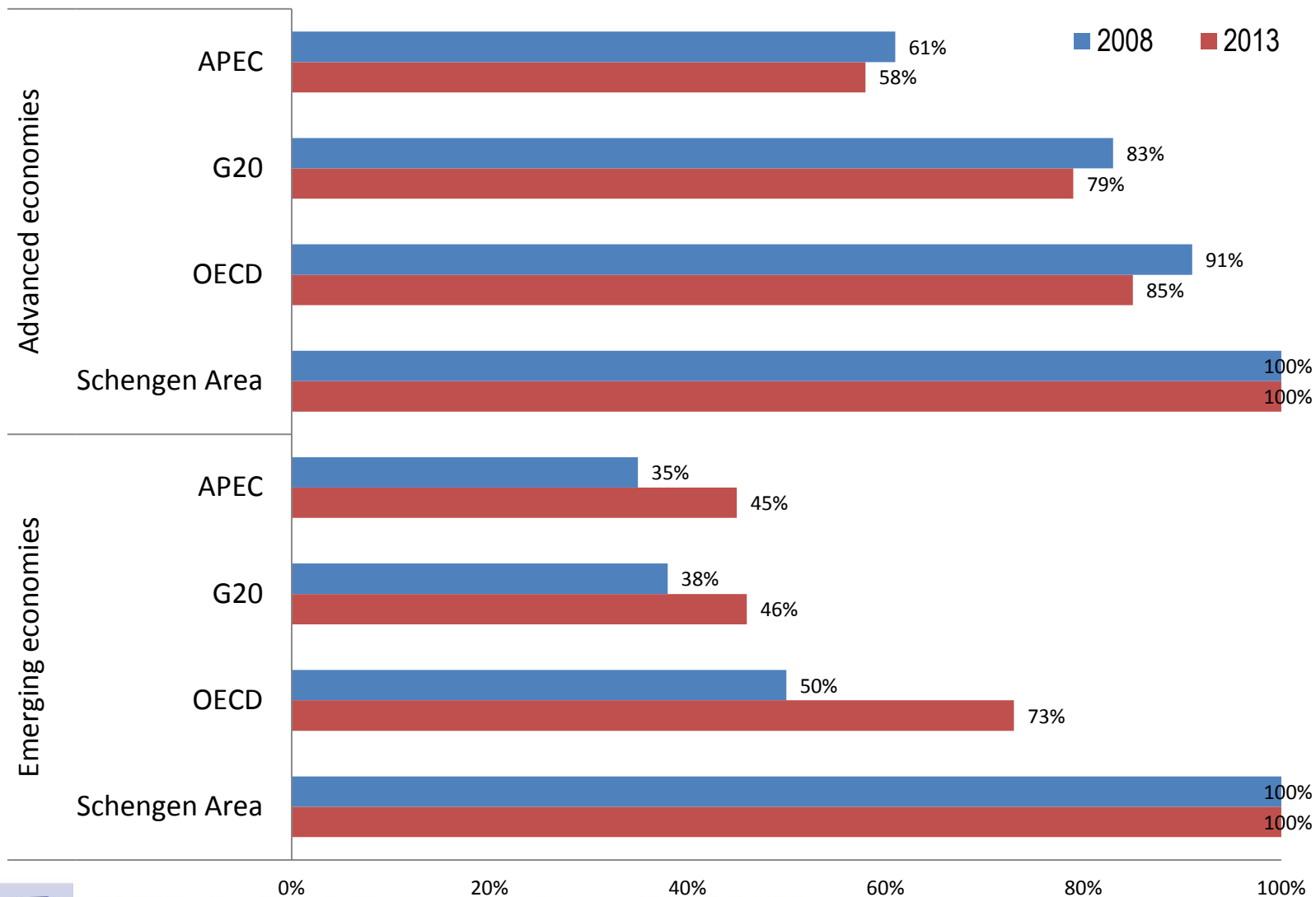
- Mutually **closed policies** are **below** world average of 36%

# Open Reciprocity – Selected Economic Blocs



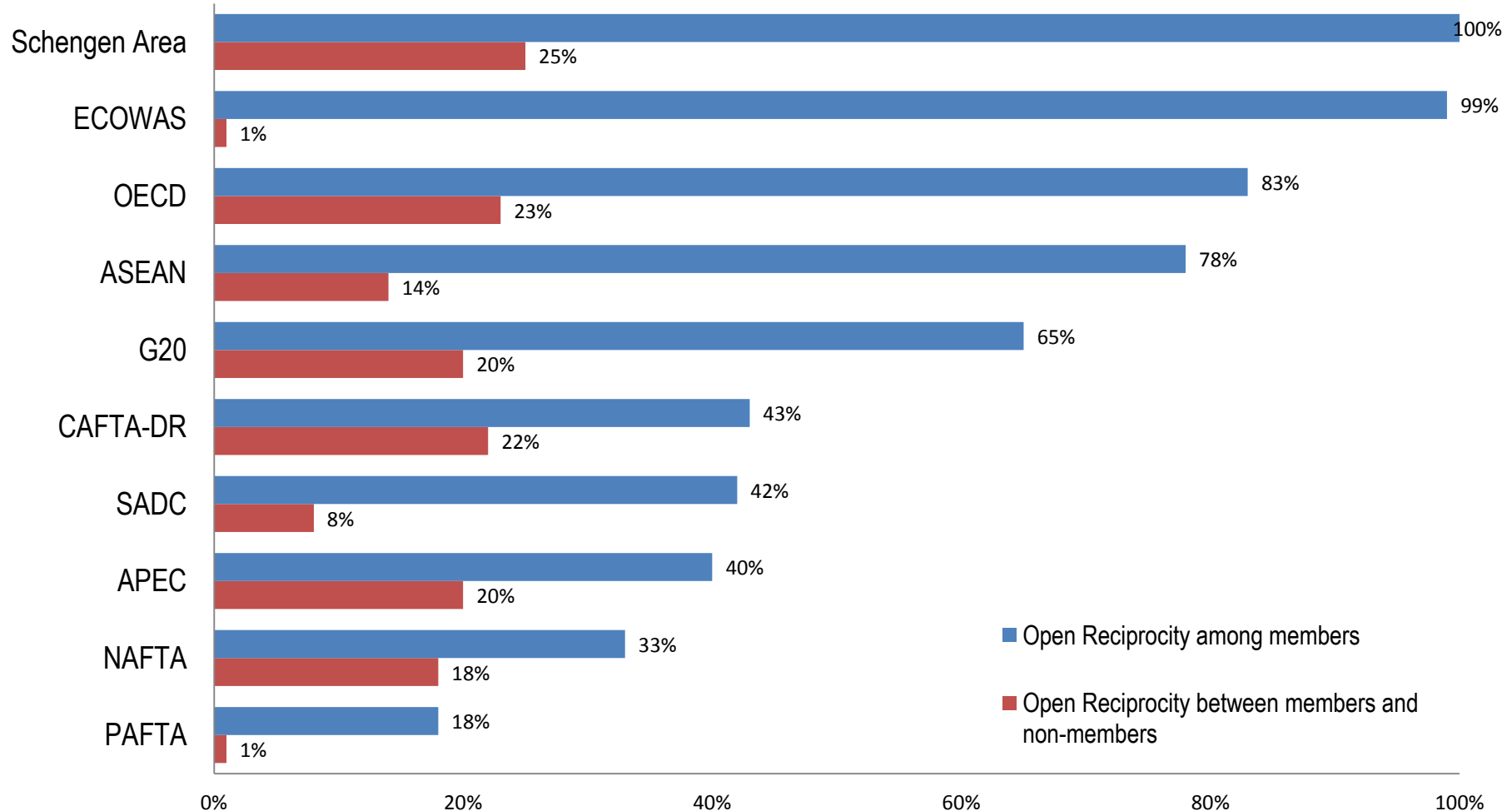


# Open Reciprocity, 2008-2013



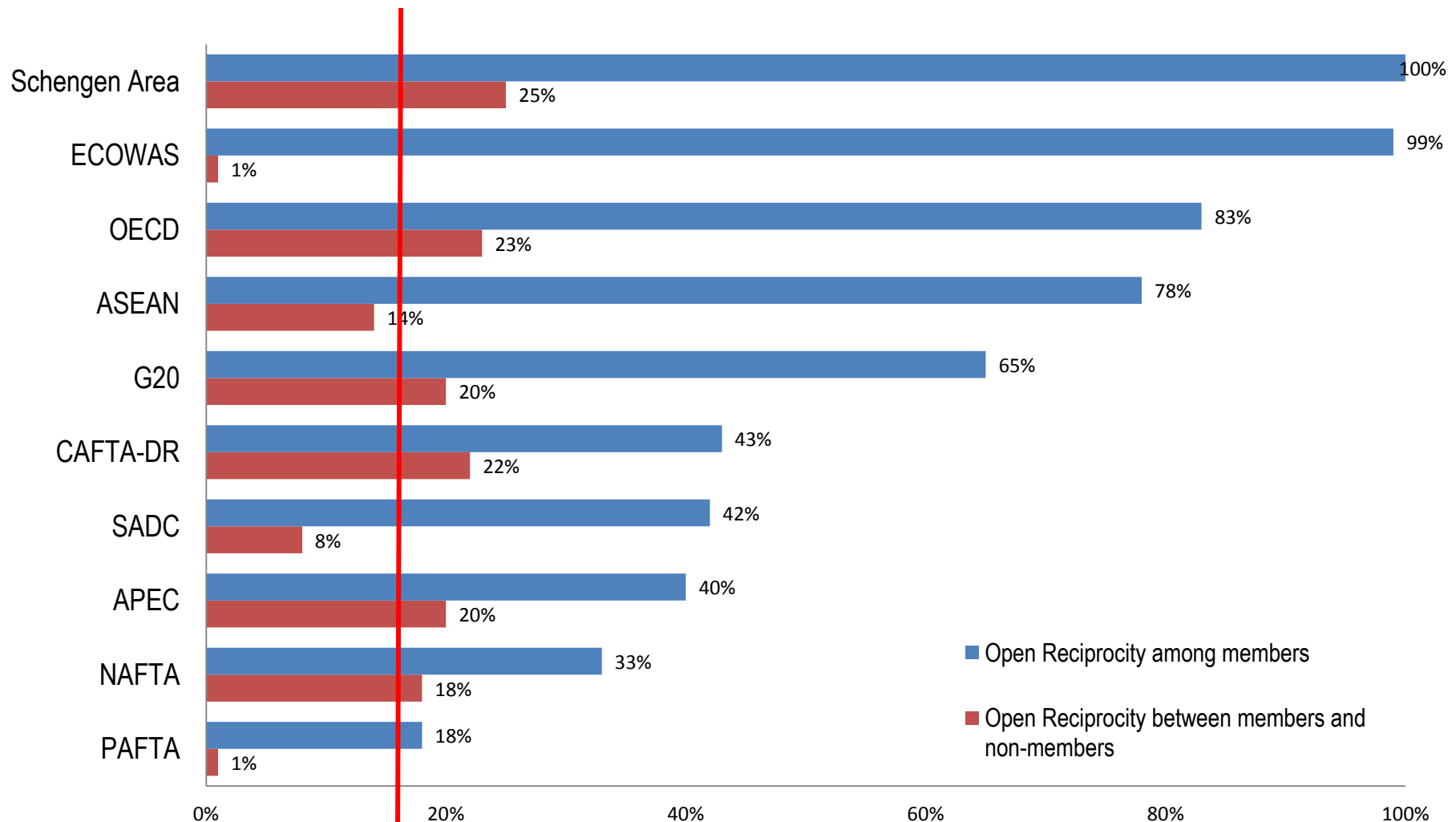
# Open Reciprocity, 2013

(among members and between members and non-members)



# Open Reciprocity, 2013

(among members and between members and non-members)



16% World average



World Tourism Organization | a specialized Agency of the United Nations

# Tourism in the global agenda

- **G20** recognizes for the first time Travel and Tourism as a **vehicle for job creation, economic growth and development**, and commits to **work towards developing travel facilitation initiatives in support of job creation, quality work, poverty reduction and global growth.** (G20 Declaration - June 2012)



- **Rio+20** recognizes the significant contribution of **sustainable tourism** to the three dimensions of **sustainable development**, its **linkages** to other sectors and its capacity to create **decent jobs and trade opportunities.**