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**Towards inclusive and sustainable growth and
development: What can the tourism sector
contribute?**

UNCTAD XIII pre-Conference event

Summary prepared by the UNCTAD secretariat

Towards inclusive and sustainable growth and development: What can the tourism sector contribute?

1. Opening statements were made by Mr. Supachai Panitchpakdi, Secretary-General of UNCTAD; Mr. Ahmed Al-Nuaimi, Chair, Qatar Tourism Authority; Mr. Márcio Favilla, Executive Director, World Tourism Organization (UNWTO); and Mr. Cheick Sidi Diarra, Under-Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

2. The panellists were Ms. Liz Rosanna Crámer Campos, Minister, Executive Secretary, National Ministry of Tourism, Paraguay; Mr. Sorasak Pan, Secretary of State, Cambodia; Mr. Márcio Favilla, Executive Director, UNWTO; and Mr. Anthony Mothae Maruping, Ambassador and Permanent Representative of Lesotho to the United Nations and other international organizations in Geneva.

3. Panellists considered tourism as part of the creative industries, and emphasized that tourism was not about the exploitation of natural and cultural assets for short-term gains. Rather, the aspect of sustainability was considered to be key in unlocking the potential contribution of the tourism sector to inclusive and sustainable growth and development. There was agreement that tourism strategies should take full account of the current and future economic, social and environmental impacts of tourism activities, addressing the needs of visitors, the private sector, the environment, and host communities. The role of leadership in this process was emphasized, as was the need for coordination among relevant international organizations, as exemplified by the Steering Committee for Tourism Development, and the need for cooperation with bilateral and multilateral donors.

4. The issue of leakages was debated. Leakages were seen not only in terms of losses of financial revenue from tourism, but also in terms of potential losses of cultural identity and natural assets due to overexploitation and/or inappropriate regulation. It was noted that imports for tourism infrastructure and activities – even if these were consumables – should benefit from the same tax and duty exemptions that were applied to imports of capital goods.

5. While it was recognized that certain imports of inputs for tourism activities were unavoidable, speakers stressed the need for stronger linkages with other sectors of the domestic economy. Encouraging local inputs to the tourism industry stood out as a common goal of utmost importance, on which all panellists agreed. Local enterprise development was described as an integral part of any investment policy, alongside incentives to foreign investors. Promoting a balanced (“optimum”) mix of local entrepreneurship and foreign direct investment (FDI) was presented as a highly advisable development objective for the sector, which needed local linkages to counterbalance unavoidable leakages. The latter (notably profit repatriation resulting from FDI) was cited as the “normal price to pay” for the benefit of state-of-the-art technology transfers, and for being able to offer international standards of hospitality.

6. However, all panellists admitted that their countries still had “homework” to do in order to arrive at a reasonable “origin mix”, as it was in the nature of developing countries, particularly the least developed countries (LDCs), to have a limited ability to meet the needs of the increasingly sophisticated hospitality industry.

7. The catalytic role of tourism for structural change and economic diversification, particularly in LDCs and in small island developing States (SIDS), was highlighted. The fact that two countries that had recently graduated from the LDC category had a strong

tourism sector underlined the importance of tourism for the achievement of development goals agreed in the Barbados and Istanbul Programmes of Action.

8. Panellists shared national experiences in tourism development, for example specialization in Meetings, Incentives, Conferences and Events (MICE) tourism or in sports tourism. Such a strategy required a coordinated approach across the tourism industry and with other bodies to ensure the keeping open of all avenues of communication and the sharing of information and intelligence.

9. Other panellists emphasized the synergies and advantages that resulted from a regional approach, where, in particular, small tourism markets benefited from cross-border tourism flows. Such regional cooperation in organizing and marketing joint tourism products was an area of broad consensus among the panellists. All of them cited powerful examples of shared benefits – from projects along a spectacular river basin involving five different Asian countries, to waterfalls with a shared multiplier effect among neighbouring countries in Africa.

10. Securing the best possible local input to tourism growth in the area of human resource development was also amply discussed. Sensitizing school leavers to tourism careers, vocational training and tourism-related studies in general (scholarship policy) was portrayed as a normal facet of a sound tourism development policy, probably a sine qua non for promoting a sense of ownership and emulation among nationals. The development of a class of skilled nationals was seen as an essential parameter of the tourism development equation.

11. Overall, promoting a class of local entrepreneurs, local employees and local suppliers stood out, from the panel, as the most critical overall challenge that tourism policymakers were confronted with.

12. Public–private partnership (particularly in the area of air transport) was discussed in generally positive terms, not only because it could be an effective investment and management option, but also because it generated a culture of dialogue and cooperation that could serve many other purposes of no lesser importance for competitive tourism development.

13. E-tourism and the use of new social media was another area of convergence among speakers, who stressed the importance of enabling tourism players to circumvent the problem of marketing costs – one of the main obstacles to international competitiveness in the global tourism arena. The work of UNCTAD in that regard – as in several others – was acknowledged, and the spontaneous orientation that the debate took, focusing on factors geared towards tourism development as a poverty reduction avenue, demonstrated the acute relevance to the integrated United Nations approach to tourism development of several subprogrammes of UNCTAD.
