

## **National Tourism Administrations and their promotional entities**

### **Objectives**

- a. To analyse the organizational structures of the National Tourism Administrations (NTAs) of the UNWTO Member States of the Americas region.
- b. To analyse the structures, financing and organization of the tourism promotion entities (TPEs) of the UNWTO Member States of the Americas region.
- c. To compile the legislation of the Member States in the area of tourism.
- d. To lay down the foundation for comparative studies on this subject.

### **Methodology**

Two questionnaires were sent to the different National Tourism Administrations of the Member States during the month of December 2012 for the purpose of:

- a. Knowing their vision of tourism
- b. Knowing the objectives and priorities of the sector
- c. Determining the hierarchical position of the NTA within the government structures as well as its share in the budget (political importance)
- d. Determining the significance of tourism in GDP and in employment (economic importance)
- e. Knowing the levels of coordination among the different levels of governments and with the private sector
- f. Knowing the levels of knowledge, coordination and collaboration between the countries of the region
- g. Knowing the objectives, nature and position of tourism promotion entities
- h. Knowing the means and mechanisms of financing of promotion and the participation of the public sector, the private sector and the tourism destinations
- i. Knowing the spending per tourist on national and international promotion

### **Preliminary results**

1. The questionnaire was answered by 77% out of a total of 22 Member States.
2. **General findings**
  - a. 10 Ministries or Secretariats are exclusively devoted to tourism (59%) and report directly to the head of the executive branch. The vast majority are called Ministries and only two are called Secretariats (Mexico and Honduras).
  - b. 4 Ministries deal with activities other than tourism (23%) such as culture (Bolivia), Economy and Development (Chile), Trade and Industry (Colombia) and Foreign Trade (Peru). In each of these countries, however, there is a deputy minister or assistant secretary (Chile) dealing specifically with issues related to tourism.

- c. 3 countries (18%) use autonomous or decentralized bodies, or institutes that depend on specific sectors, such as Trade and Industry (Panama), Trade (Guatemala) or the Ministry of the Presidency (Costa Rica).
- d. In virtually every country there are laws or regulations governing tourism activity and National Plans for its development with time horizons up to 2020.
- e. In 94% of the countries tourism is considered as a priority in the national agenda, and is even identified as such in their legal systems.
- f. In 42% of the countries, there is no knowledge of what happens in tourism in other countries of the region and there are no reporting mechanisms.
- g. The budgets allocated to the National Tourism Administrations are insignificant in relation to the total budget of the countries.
- h. Countries consider tourism administrations as technical rather than policy-making areas. On average, the weight given to technical activity is 66% and 33% to policy action.

### **3. Share of GDP, ranking as source of foreign-exchange, and weight of national and international markets.**

- a. Share of GDP is very important and substantial. Of the countries that responded, 16 measure this, and one did not report due to the lack of a tourism satellite account (Argentina).
- b. Tourism's average share of GDP in the countries is 6%. Notable cases are the Bahamas where tourism accounts for 21% of GDP, and Paraguay where it only contributes 1%.
- c. As a source of foreign exchange:
  - i. 1st - Bahamas, Colombia, Guatemala, Panama and Uruguay
  - ii. 2nd - Dominican Republic
  - iii. 3rd - Peru and El Salvador
  - iv. 4th - Honduras, Chile and Argentina
  - v. 5th - Bolivia and Mexico
  - vi. 6th - Paraguay and Ecuador
- d. The domestic market has a greater weight in half of the countries surveyed (Argentina, Bolivia, Chile, Colombia, Ecuador, Mexico, Paraguay and Venezuela).
- e. The countries in which international tourism has more weight are the Bahamas, Costa Rica, El Salvador, Guatemala, Honduras, Panama, Dominican Republic and Uruguay.

### **4. Level of coordination between levels of government and the private sector in the countries and public sector participation.**

- a. Although there exist mechanisms, often established by law, which establish criteria of coordination between different levels of government and the private sector, they are not as efficient as they could be because there is no common agenda for action in most of the countries.

- b. All the countries surveyed believe that the role of national tourism administrations should focus on fostering the sector, developing infrastructure, boosting investment and coordination of the sector. To a lesser degree they believe that government activity should be interventionist or indicative.

#### **5. Objectives of tourism activity.**

- a. Among the objectives identified by the countries for the sector in general, with specificities for each of them that will be analysed more extensively at the end of the study, are:
  - i. Development of the international market
  - ii. Generating foreign exchange
  - iii. Redistribution of income
  - iv. Local development
  - v. Improving income among communities
  - vi. Regional development
  - vii. Preservation of heritage
  - viii. Boosting domestic private investment
  - ix. Boosting foreign investment
  - x. Development of the domestic market

#### **6. Central activities of National Tourism Administrations**

- a. This refers to the weight given by NTAs to the performance of their different activities and where they dedicate the most effort and budget.
  - i. Promotion
  - ii. Product development
  - iii. Planning
  - iv. Relationship with the private sector
  - v. Information and statistics
  - vi. Governance
  - vii. Defining strategy for the sector

#### **7. Priorities of the National Tourism Administrations**

- a. This refers to the activities or actions that are considered fundamental for the development of tourism in the region. In order, these are:
  - i. Connectivity
  - ii. Country image
  - iii. Product development
  - iv. Promotion of destinations
  - v. Travel facilitation

#### **8. International cooperation**

- a. The majority of countries have cooperation agreements with other countries in the area of tourism. The exception is the Bahamas which does not report the signing of any cooperation agreement or memorandum of understanding.

- b. Most countries (56%) consider cooperation as strictly technical while others (44%) consider it as a policy technique.
- c. There are multilateral agencies and / or cooperation bodies that can be harnessed more efficiently to boost tourism in the region. Among those identified by the countries are:
  - i. Mercosur
  - ii. Unasur
  - iii. Segib
  - iv. Association of Caribbean States
  - v. Pacific Alliance
  - vi. Amazon Cooperation Treaty Organization
  - vii. Andean Integration (Argentina, Chile, Peru and Ecuador)
  - viii. OAS
  - ix. UNDP
  - x. Mundo Maya
  - xi. SITCA
  - xii. Central American Tourism Council
  - xiii. USAAID
  - xiv. OAS
  - xv. APEC
  - xvi. SWISS CONTACT
- d. International cooperation, as a whole, has great potential to boost the development of tourism in the region. A total of 179 agreements were identified, signed by countries regionally distributed as follows:
  - i. 18 with Asia-Pacific
  - ii. 37 with Europe.
  - iii. 110 with the Americas
  - iv. 5 with Africa.
  - v. 9 with the Middle East

## **9. Tourism promotion**

- a. Out of all the countries that responded to the questionnaire, NTAs directly carried out tourism promotion in 59% of them, while in the rest (41%) this is carried out through autonomous or semi-autonomous agencies (Chile, Colombia, El Salvador, Mexico, Peru and Venezuela).
- b. Owing to its legal nature Mexico is the only country with a public-private entity called the Consejo de Promoción Turística de México (CPTM) in which both sectors participate with financial contributions.

## **10. Relationship between country brand and promotion**

- a. The relationship between tourism promotion and country branding is very close in defining promotional strategy at the international and national levels. Indeed, tourism promotion in 8 countries of the region depends on the management of the country brand management, while the promotion is

independent from it in just 3 countries (Costa Rica, Ecuador and Panama), with promotion in the rest being related to branding.

- b. In most countries (10) the private sector participates in the definition of tourism promotion strategy, as is the case in some destinations in particular.

#### **11. Financing of promotional campaigns**

- a. There is no single model with regard to the criteria for financing tourism promotion.
- b. The mechanisms generally used by some countries are:
  - i. Air, river and maritime travel taxes.
  - ii. Fees paid by foreign visitors.
  - iii. Taxes on operating income of service providers.
  - iv. Tax on the value of air, land or maritime tickets acquired in the country.
  - v. Tax on accommodation.
  - vi. Fee upon departure from the country.
  - vii. Fee for tourists upon arrival to the country
  - viii. Tax on room accommodation.
  - ix. On gross revenue of tourism service providers.
- c. It is important to note that some of the countries finance promotion actions only through public funds not derived from specific taxes on tourism activity.

#### **12. Spending on promotion per tourist**

- a. As for the relationship between promotional spending per national and international tourist, spending on the promotion of international tourist represents, on average, about 70% of what is spent per domestic tourist.
- b. Performance criteria for both investments are not considered by the countries.