



CAP/CSA/28/4_Report of Sec. Gen.

UNWTO COMMISSION FOR EAST ASIA AND THE PACIFIC
UNWTO COMMISSION FOR SOUTH ASIA
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Item 4 of the provisional agenda

REPORT OF THE SECRETARY-GENERAL

Note by the Secretary-General

In this document, the Secretary-General presents to the Joint Meeting of the two Commissions for Asia and the Pacific his review of major tourism trends, UNWTO's management vision and priorities as well as the status and advances in the administrative and financial matters of the Organization.

Report of the Secretary-General

Introduction

1. The present report to the 28th Joint Meeting of the UNWTO Commission for East Asia and the Pacific and the UNWTO Commission for South Asia addresses the following subjects:
 - A. International Tourism in 2015 and 2016;
 - B. Mainstreaming Tourism in the Global Agenda;
 - C. Key UNWTO activities in Asia and the Pacific
 - D. Administrative and Financial Matters.

A. International Tourism in 2015 and 2016

2. Demand for international tourism remained strong in 2015 despite all challenges.
3. International tourist arrivals reached 1,184 million, 50 million more than in 2014. With an increase of 4.4%, this was the sixth consecutive year of above-average growth in arrivals since the 2009 global economic crisis.
4. The growth in international tourism receipts followed that of arrivals fairly closely. Despite a weak and slow economic recovery, spending on international tourism grew significantly in 2015, proving the sector's relevance in stimulating economic growth, boosting exports and creating jobs for an increasing number of economies worldwide.
5. International tourism receipts increased by 3.6% in real terms (taking into account exchange rate fluctuations and inflation). Total exports from international tourism reached US\$ 1.4 trillion - US\$ 1,232 billion of which in travel receipts and the remaining in international passenger transport. For the fourth consecutive year, exports from international tourism grew faster than world merchandise trade, raising tourism's share in world's exports to 7% in 2015.
6. Looking into the different regions in terms of both indicators.
7. In arrivals, Europe (+5%) led growth in absolute and relative terms supported by a weaker euro vis-à-vis the US dollar and other main currencies.
8. Asia and the Pacific (+5%) recorded 13 million more international tourist arrivals to reach 277 million, with uneven results across destinations.
9. International tourist arrivals in the Americas grew by 5% to reach 191 million, consolidating the strong results of 2014.
10. International tourist arrivals in the Middle East grew by an estimated 3% to a total of 54 million, consolidating the recovery initiated in 2014

11. Limited available data for Africa points to a 3% decrease in international arrivals, reaching a total of 53 million.
12. As per international tourism receipts, unusually strong exchange rate fluctuations seriously influenced receipts for individual destinations and regions, expressed in current US dollars.
13. Taking into account exchange rate fluctuations and inflation, receipts in Asia and the Pacific, the Americas and the Middle East all grew by 4%, while growth in Europe was around 3% and in Africa around 2% which is a very positive results considering the stagnation in arrivals.
14. As per outbound tourism as measured by international tourism expenditure, available data show that a few leading source markets, namely China, the USA and the UK, drove tourism expenditure in 2015 supported by a strong currency and economy.
15. For 2016, UNWTO forecasts international tourist arrivals to grow between 3.5% and 4.5%.
16. Data for the first two months of 2016 show a 5% increase in international tourist arrivals. Arrivals were up by 4% in Europe, 8% in Asia and the Pacific, 7% in the Americas and 6% in Africa. Limited data available shows an estimated 10% decline in the Middle East (data for Africa and Middle East must be taken with caution as there is limited data available)
17. Several factors add increased volatility to current prospects, including ongoing geopolitical tensions, security concerns, strong currency fluctuations, unexpected stock market and financial flow movements, significant drop in commodity prices, including oil, and a slower than expected growth, namely in emerging economies.
18. The above us all of the importance of working further to enhance the resilience of tourism destinations and build up capacity on crisis preparedness, management and recovery.

B. Mainstreaming Tourism in the Global Agenda

19. The **UNWTO/WTTC Open Letter on Travel and Tourism** campaign continues to advance. Since its inception in 2011, a total of 82 Heads of State and Government have been presented with the Open Letter. The initiative aims to promote the role of the sector at the highest level, foster cross-cutting policy coordination on tourism issues and raise awareness among decision makers of pressing challenges facing the sector. In Asia and the Pacific, a total of 16 countries have so far adhered to this initiative (by date of acceptance: Indonesia, China, Republic of Korea, Malaysia, Brunei, The Philippines, Vietnam, Thailand, Myanmar, Mongolia, India, Laos, Cambodia, Iran, Maldives, Bangladesh).
20. The **seventh Meeting of the G20 Tourism Ministers** was held in Beijing, China on 20 May 2016 in the framework of the Chinese Presidency of the G20 and coinciding with the First World Conference on Tourism for Development organized by UNWTO and the Government of the People's Republic of China. The Meeting will focus on the theme of 'Sustainable Tourism – An Effective Tool for Inclusive Development'. In the final Declaration, G20 countries agreed to:
 - advance the contribution of tourism to the 2030 Agenda for Sustainable Development and the SDGs;

- develop tourism policies that contribute to a more open world economy, promote innovation, resource efficiency, quality jobs and a higher level of cooperation, integration and inclusive development;
- enhance broader cooperation to address the common challenges of promoting safety and security while facilitating travel;
- in domestic policies: foster public-private sector partnerships and promote governance structures that integrate the private sector and local residents;
- in domestic policies foster inclusive labour markets that promote quality jobs, skills and human resources development and socially responsible tourism enterprise.
- 6 in domestic policies: encourage integrated and action-oriented cross-cutting policies;
- promote a higher level of investment and financing for development in tourism and welcome the contribution that Official Development Assistance (ODA) and Aid for Trade (Aft) make towards the development of tourism
- encourage the G20 to consider travel and tourism as an important sector for its capacity to deliver on the objectives set by the G20 of building new sources of growth and development;

21. The Secretariat continues to work to position tourism higher in the United Nations system agenda as well as that of other relevant international and regional organizations. In this framework, it is worth highlighting:

(a) Inclusion of tourism in the **Sustainable Development Goals (SDGs)**: As a result of concerted efforts of the UNWTO Secretariat and Member States, tourism is included as a target under three of the SDGs - SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; SDG 12: Sustainable Consumption and Production and SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development. The tourism targets are specially:

- Target 8.9: ‘By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products’;
- Target 12.b: ‘Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products’; and
- Target 14.7: ‘By 2030, increase the economic benefits to small island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism’.

Nonetheless, it is important to stress that given its cross-cutting nature tourism is well positioned to contribute to all of the 17 SDGs

UNWTO is an observer to the Inter-agency Expert Group on SDG Indicators which has produced a proposal of indicators to measures the SDGs targets.

(b) The preparation for the celebrations of **2017 as the International Year of Tourism for Development and Peace**: The United Nations (UN) General Assembly has approved the adoption of 2017 as the International Year of Sustainable Tourism for Development.

The resolution, adopted on 4 December 2015, recognizes “the importance of international tourism, and particularly of the designation of an international year of sustainable tourism for development, in fostering better understanding among peoples everywhere, in leading to a greater awareness of the rich heritage of various civilizations and in bringing about a better appreciation of the inherent values of different cultures, thereby contributing to the strengthening of peace in the world”.

The declaration by the UN of 2017 as the International Year of Sustainable Tourism for Development is a unique opportunity to advance the contribution of the tourism sector to the three pillars of sustainability – economic, social and environmental, while raising awareness of the true dimensions of a sector which is often undervalued.

As the lead UN agency for this initiative, UNWTO will work with on the organization and implementation of the International Year, in collaboration with Governments, relevant organizations of the UN system, other international and regional organizations and all other relevant stakeholders.

Detailed information on the preparations is provided under agenda item 9.

(c) The **First Conference on Tourism and Development** organized by UNWTO and the People’s Republic of China on the theme of ‘Tourism for Peace and Development’ which took place last 19 May was a key opportunity to advance the debate at the highest level on how tourism can contribute to the SDGs as well as set the preparation of the celebrations of the International Year of Sustainable Tourism for Development, which was formally presented on the occasion.

The Conference was a landmark in the positioning of tourism at the highest level in view of the presence of China’s Premier. Opening the event, the Premier stressed the importance of tourism to support economic growth, fight poverty and build peace.

In a very important speech the Premier called upon “developed countries to provide more assistance, either through official channels or by means of trade promotion, to help the least developed countries improve their capability of tourism development, while developing countries should incorporate the goal of poverty alleviation in their tourism policies”

(d) UNWTO continues to progress the work of the **10 Year Framework of Programmes on Sustainable Consumption and Production (10YFP)**. Sustainable Tourism is, together with Consumer Information; Sustainable Lifestyles and Education; Sustainable Public Procurement and Sustainable Buildings and Construction; one of the initial five programmes included in the 10YFP. The Sustainable Tourism Programme is led by UNWTO with the Governments of France (Ministry of Ecology, Sustainable Development and Energy), the Republic of Korea (Ministry of Culture, Tourism and Sports) and Morocco (Ministry of Tourism) serving as Co-Leads.

(e) **Promoting of safe and seamless travel**: UNWTO continues to work with the UN System, and namely with the United Nations Office on Drugs and Crime (UNODC), to bring the tourism and security agendas closer together and promote the full integration of tourism into emergency and security mechanisms thus promoting a safer travel framework while advancing the travel

facilitation agenda. In this context, a High Level Meeting on Tourism and Security was held in January 2016 in Madrid. The meeting concluded that:

- The current safety and security situation is a global problem and as such requires a global response;
- Countries targeted need collective support to get through the difficulty and to build the recovery;
- Clear communication is critical, including adequate media management;
- Public and private sector must plan, work, communicate, and respond together;
- Accurate and constantly updated travel advisories are critical;
- Experience and best practices must be shared, so that countries can learn from each other; and
- UNWTO is requested to create a task force to progress these discussions at a global level, which could ultimately lead to creating a safety and security charter for the tourism sector.

This issue was also the focus of the Thematic Debate held at the 103 Session of the Executive Council. On the occasion the creation of a Tourism and Security Task Force was discussed.

The Task Force would be a platform for the exchange of information and experiences. A detailed report of the debate will be available to all Members in the coming weeks.

(f) In order to bring the **tourism and aviation agendas** closer, UNWTO and ICAO have organized a High Level Forum on Tourism and Air Transport for Development on the side-lines of the 21st UNWTO General Assembly.

(g) The UNWTO's 4th International Conference on Tourism and the Media, held in Tunisia in December 2015, recalled the importance of bridging the gap between the **tourism and the media agendas**, namely in times of crises. These series of UNWTO Conferences aim to promote tourism higher in the media agenda, namely among generalist and economic media.

C. Key UNWTO activities in Asia-Pacific

22. In view of the two pillars of the Programme of Work and its priorities, the Secretariat has continued to implement the 2016 Programme of Work in the region.

23. A detailed report on the activities carried out by the Organization in the region since the last meeting of the UNWTO 51st CAP Meeting and the UNWTO 55th CSA Meeting (Medellin, Colombia in September 2015), is included in document CAP/CSA/28/6. In this framework it is worth highlighting the following activities:

- (a) The 2nd Euro-Asian Mountain Resorts Conference held in Ulsan, Republic of Korea in October 2015
- (b) The 4th Annual Conference of the Sustainable Tourism Observatories that took place in Zhengzhou, China in October 2015

- (c) The 10th UNWTO Asia-Pacific Executive Training Programme on Tourism Policy and Strategy held in Seoul, Republic of Korea in April 2016
- (d) The Reports on Mekong River-based Tourism Product Development and Sustainable Cruise Tourism in South-East Asia.

D. Administrative and Financial Matters

24. The year 2015 closed with contribution income balancing budgetary expenditures and enabling a partial reimbursement of the advance made by the Working Capital Fund in 2014. On a separate note, the United Nations Chief Executive Board for Coordination is reviewing a system-wide approach to the large liabilities raised by the After Service Health Insurance scheme of staff. This has proven to be a protracted issue, this review being a necessary step for its addressing.
25. Detailed reports on the financial and administrative matters of the Organization were presented and approved by the 103rd Executive Council.
26. In relation to Human Resources policies and following the review by the International Civil Service Commission, the United Nations General Assembly adopted in 2015 a new compensation scheme for staff, including the increase to 65 in the retirement age. This new scheme was presented at the 103rd Executive Council for its adoption by UNWTO.
27. Following the mandate by the General Assembly, a Working Group on reviewing the procedure for Amendment to the Statutes has been working on setting a mechanism to this end, as the current mechanism is leading to the undesirable situation of having to apply 'provisionally' any change to the statutes. The corresponding report was presented to the 103rd Executive Council.
28. The 21st General Assembly has ratified the New Headquarters Agreement with Spain, signed in 2015. Subsequently, the Spanish Government has also ratified it. Intensive consultations are now underway with the Spanish Authorities as per its implementation.
29. The Spanish Ministry of Foreign Affairs has designated UNWTO as the dean of the Group of International Organizations in Spain and the Secretary-General as the spoke person of the Group.