TECHNICAL NOTE

THE 13TH UNWTO ASIA/PACIFIC EXECUTIVE TRAINING PROGRAM ON TOURISM POLICY AND STRATEGY

Tourism and Innovation: New Opportunities for Growth and Development

Tuesday 25th June to Friday 28th June, 2019
Jeju, Republic of Korea

Regional Department for Asia and the Pacific

World Tourism Organization
1. Background

Since 2006, the UNWTO has convened the Asia and the Pacific Executive Training Program on Tourism Policy and Strategy annually. This Executive Training Programme is the only programme of its kind in the region and is renowned for its stimulating content and thought-provoking discussions. The theme and subject of the Programme changes each year and has historically had far-reaching impacts both for the host destination and the attendees.

The delegates who attend the Executive Training Programme are high-level officials within their respective governments across the Asia and the Pacific region. Through a series of lectures, group discussions, debates, presentations and technical tours, the Training Programme provides a welcoming forum in which public sector tourism executives gain a better understanding of the latest trends in tourism management. It also provides a platform for sharing knowledge and experience, to learn of successful practices in policy and strategy formulation and implementation. The Training Programme gives participants the opportunity to improve their strategic tourism management skills and, through a newfound network of regional contacts, continue to develop these skills going forward.

Attending the Executive Training Programme is the opportune chance to learn about the most important issues in the tourism industry and engage with other high-level officials. Participants are able to design and formulate policies and programmes in their respective destinations to further stimulate tourism growth and enable the industry to be a viable force for good.

2. Context

In the era of globalization, countries and destinations are increasingly concerned with promoting greater growth and development, thus, creation of more jobs and eradicating poverty. This concern has made tourism a potent vehicle to promote competitiveness, growth and creation of jobs towards a better living condition for all. In this respect, national and local authorities in destinations have begun to explore various ways to harness the vital and significant role of tourism.

Consistent with the industry’s growth over the decades, innovation have driven the industry to diversity its products, services, and markets; as well as define more economic opportunities and jobs across the supply chain. Innovation has enabled destination growth through application of new processes and creation of new products, new markets, and new forms of organization most especially in the accommodation, travel and tours, and meetings and events. This has contributed to increasing the tourist demand and generating more revenues for destinations.

Understanding how innovation arises and how new practices are adopted across the tourism industry, and which policies can support them, is important for national and local tourism development in order to harness its full potential towards destination growth and development. It is now even more important given the new wave of digitalization and automation that is rapidly directing towards specialization, customization, and personalization of visitor experiences.

Unlocking the enormous growth potential of tourism and innovation for fostering economic prosperity and jobs is also being pursued in accordance with the Sustainable Development Goals (SDGs). Accordingly, destinations are encouraged to promote sustained economic
growth by achieving higher levels of productivity and technological innovation that contribute to entrepreneurship and job creation. The goal is to achieve full and productive employment, and decent work, for all women and men by 2030.

In its recent report, the World Tourism Organization (UNWTO) reported that international tourist arrivals in 2018 increased by 6% to 1.4 billion, which is above the 3.9% growth registered in the global economy. Asia and the Pacific is among the fastest growing regions with 343 million international arrivals with 6% percent growth.

Total contribution of tourism for 2018 was registered at US$ 8.8 trillion, accounting for 10.4 % of world’s total Gross Domestic Product (GDP). In 2018, the tourism sector contributed 319 million jobs, representing one in ten of all jobs globally (WTTC 2018).

The robust growth of tourism affirms what the UNWTO has forecasted for the sector as one of the most powerful drivers of economic growth and employment globally. The long-term projection by the UNWTO is that there will be 1.8 billion international arrivals by 2030. This growth will be accelerated by more affordable air travel, technological changes and innovation, new businesses models and greater visa facilitation around the word. Promoting demand growth will also mean increasing employment in the tourism industry.

Among the factors that stimulated growth in tourism is the sharing economy which has brought the adoption of new digital technologies to promote peer-to-peer tourism services apart from the traditional tourism services. This has stimulated new economic activities and jobs in related sectors, such as accommodation, transportation, tour operation, events, among others. Globally, the sharing economy has an estimated worth of US$ 26 billion in 2013 and has been growing at a rapid pace. This exceptional progression is expected to reach US$ 335 billion by 2025. With sharing economy continually growing, it will undoubtedly be a big contributor to job creation, most especially in the hotel and transport services. The challenge is whether governments are responding accordingly to support the growth of this new business model to allow for creation of more decent jobs.

Another factor is the expansion of the Micro, Small and Medium-sized Enterprises (MSMEs) in the tourism industry. In many destinations, MSMEs account for approximately 90% of all firms with employment estimated at 70% of jobs on average. In emerging economies, SMEs contribute up to 45% of total employment. However, when taking the contribution of informal businesses, MSMEs in emerging destinations largely contribute to more than half of employment. The MSMEs have grown significantly because of innovation not only in reaching more markets due to digital marketing but improving delivery of services. Digitization and technological advancement have changed the role of MSMEs in the development of tourism. With market diversification, MSMEs have thrived developing new forms of tourist production services, such as bed and breakfasts, tour operation, and transport services. In less-visited and new destinations which are yet to be dominated by large tourism companies, MSMEs are seen as the best option for provision of accommodation and other services. MSMEs are also great stimulator for growth and development.

Congruent to MSME growth is rise of tourism startups which have greatly captured tourists’ preference for easy access to information, efficient transaction, and low prices. In the last five years, startups mostly in short-term rental, travel and tourism apps, marketplaces for “experiences” and other travel or hospitality tech platforms have stimulated increased visitor
demand. Startups have employed more workers in recent years, providing them higher wages and salaries, and growth opportunities.

Maximizing the growth of MSMEs and startups is imperative if tourism is to be a big catalyst for development and job generation. But what are the challenges facing the MSMEs and startups? Are governments providing the enabling environment and support for these new sources of economic revenue and jobs in the industry?

Finally, engaging the private sector to develop tourism strategies for innovation towards growth and development has become more essential than ever. The business community has been mentioned in the SDGs as important collaborator to support national and local government initiatives in destinations to maximize innovation and use of digital technology to tap new markets, diversify products, and increase profitability; thus, facilitating economic progress and generating more jobs and employment.

3. Training Programme Objective

The overall theme for the 13th UNWTO Asia/Pacific Executive Training Programme is Tourism and Innovation: New Opportunities for Growth and Development, which as previously described is a pressing topic for destinations across the globe.

The programme is specifically designed to support tourism policy makers and managers. It aims to strengthen effective and responsive policies and strategies that in turn must adapt to changing priorities and concerns at the national and destination levels.

The overall objectives of the training programme are to deepen participants’ understanding of how tourism and innovation can benefit destinations and result in growth and development, while at the same time creating more jobs with focus on the following areas:

- How national tourism authorities can develop policies and strategies to support innovation in the tourism sector;
- How tourism leaders can promote to increase growth and development in tourist destinations in accord with SDGs;
- How tourism officials can integrate digital capacity programs so that current and new workers will be able to benefit from the digital growth in tourism;
- How the private sector can provide more opportunities for innovation across the value chain;
- How public and private sectors can work together to harness the increasing digitalization and technological advancement to foster growth, development and jobs; and
- How relevant agencies can adjust education and training programs to attract more people to work in the tourism industry.

Moreover, the training program strives to enable UNWTO’s Asia and the Pacific Member Countries to share successful tourism good practices on tourism innovation toward destination growth and development. The ultimate aim is to strengthen the capacity of destinations at the regional, sub-regional, national and destination levels.
4. Executive Training Programme Overview

The 2019 Asia/Pacific Executive Training Programme will kick off on 25 June with the Opening Ceremony, Forum on Tourism and Innovation towards Growth and Development, and Country presentations and discussions. The opening day for both the morning and afternoon sessions may be open to local participants to broaden the discussion. During the Country presentation segment, participants will provide an overview of their respective policies and practices as they relate to tourism and innovation. These country presentations will detail national policies, strategies, initiatives and programs to support innovation towards better delivery of tourism services, marketing destinations, and personalizing tourism experiences; and spur destination growth and development as well as creation of jobs.

Day two of the Training Programme (26 June) will have invited experts to discuss two very important topics on Sharing Economy on Building Opportunities for Growth and Job Creation, and Jobs and Economic Growth Arising from Tourism Startups, Micro, Small and Medium-sized Enterprises. In the first session, the typologies of sharing economy will be examined and its ability to stimulate tourism demand, expand supply for facilities and services, and develop non-traditional and new types of jobs, most especially for local communities in destinations. In the second topic, technological advancement and personalization of products and services in the tourism industry will be discussed and investigated on how it has enabled job creation in rural and unpopular destinations, most especially for women, youth, indigenous people, and persons with disabilities. Both sessions will also tackle how governments are supporting these developments towards promoting increase destination competitiveness and growth.

On 27 June, the third day of the Training Programme, an expert will discuss Engaging the Private Sector to Develop Strategies to Foster Innovation which will look into good innovation practices and solutions from the business community that has been successful in driving economic growth and job creation across the value chain of the tourism industry. The session will also discuss the various ways on how the private sector is collaborating with national tourism administration and, education and training agencies to build a foundation for technological innovation in digital marketing and social media.

The last day of the Training Programme on 28 June will consist of a Technical Tour organized by the Ministry of Culture, Sports and Tourism of the Republic of Korea. This tour and other social events are a wonderful opportunity for delegates to experience the culture and beauty of Jeju Island and network with tourism leaders across Asia and the Pacific region.