

# VIEWPOINT



## GLOBAL TRAVEL & TOURISM SUMMIT 2003: BUILDING 'NEW TOURISM'

### WTTC AT WORLD TRAVEL MARKET

Wednesday, 13 November

09.00-10.30 ExCel Centre  
City Side Room 16

#### Tourism Security Meeting (By invitation only)

Panellists include:

**Vince Wolfington**,  
Chairman, Carey International;

**Gunter Ihlau**,  
Director International Relations, TUI;

**Lord King of Bridgewater**,

**Dr Taleb Rifai**,  
Minister of Tourism & Antiquities,  
Kingdom of Jordan

14.30-15.30 ExCel Centre  
City Side Room 16

#### The Moral Maze: Turning a Sense of Moral Responsibility into a Profitable Business (Everybody welcome)

A panel session with Members of WTTC presenting case studies highlighting good practice in corporate social responsibility (CSR). Panellists include:

**Paul Blackney**,  
CEO Worldspan;

**Volker Bühring**,  
HR Managing Director, Accor;

**Pia Heidenmark**,  
Director of Responsible Business,  
Rezidor - Radisson SAS;

**Phil Purslow**,  
Head of Environmental Affairs,  
Six Continents;

**Paul Wenck**,  
Director of Operations, Abercrombie  
& Kent Destination Management;

**Chris Wermann**,  
Director of Communications,  
Avis Europe.

WTTC, in conjunction with the Portuguese Tourist Office, is sponsoring the Press Lounge.



Sir Ian Prosser, Chairman of Six Continents PLC and Chairman of WTTC

The last 12 months have been the most challenging period faced by the global Travel & Tourism industry in modern history. The terrorist attacks of September 11, 2001 in the USA, and further incidents last month in Bali and Moscow, the prolonged global recession and the looming prospect of war with Iraq have all contributed to dampened Travel & Tourism demand. Although the impact has varied widely across different markets/sectors and destinations, it is being felt throughout the entire industry.

The pressure on individual companies is enormous, and their struggle to keep costs in line with revenue will continue for some time. To counteract the negative image that this gives, and to draw attention to the fact that the long-term outlook for our industry is very positive, we must show a united front and speak with a single global voice.

The World Summit on Sustainable Development held in Johannesburg clearly demonstrated that it is difficult to reach a global consensus on sustainable development and poverty alleviation. Countries are facing two alternatives, either to levy new taxes and introduce legislation, or to call on the private sector for solutions. WTTC has made its position clear on both approaches and many of our Members have already undertaken considerable steps to create a better environment and to promote corporate social responsibility.

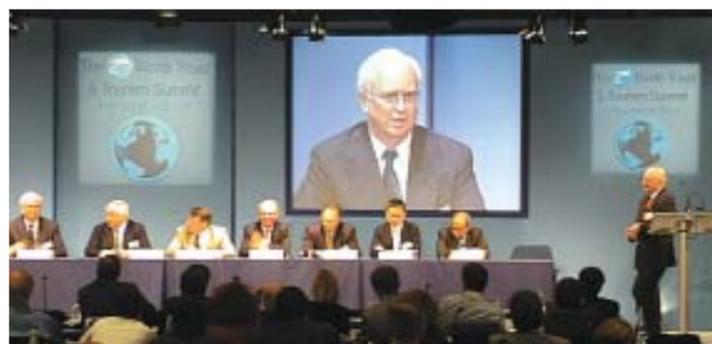
In the face of all the global economic, political and social challenges, our industry needs to broadcast a message of strength, unity, and resilience. As the only global organization that represents the private sector across all parts of the industry worldwide, WTTC is well placed to broadcast this message.

This explains the theme of WTTC's next AGM and Summit – 'New Tourism'. The Council's former policy framework, the Millennium Vision, was a leading document referred to by governments and the Travel & Tourism industry. WTTC intends to use the Summit to deliver a new blueprint for the future of the industry, which will be launched in Vilamoura, Portugal, from May 15-16, 2003. Neil Armstrong – the first man to walk on the moon – has agreed to be the keynote speaker at the Summit.

WTTC Members, governments, international organizations and the media will share in discussions about the new perspective and requirements needed for our industry so that it can meet the challenges of the future and provide the world with sustainable growth.

The AGM and Summit will provide a forum where WTTC can help to reposition the industry and create a new platform for some of our much-needed objectives:

- the need to speak with one voice about the importance of our industry
- the need for public-private sector partnerships
- the need to balance the sometimes conflicting imperatives of economic, social and environmental sustainability
- the need to create an environment without barriers to growth so that companies and the industry as a whole will be able to play a positive role in the future development of the planet.



Panellists debate key issues at the 2nd Travel & Tourism Summit in Vilamoura

These discussions and debates will be concluded with a declaration on key aspects of this New Tourism – from the new consumer and new travel behaviour to new forms of investment, new approaches to sustainable development, new ministries of tourism, and new approaches to public-private sector partnership. This declaration (Vilamoura Declaration III) will be a blueprint for the future of the industry.

### CONTENTS:

**1** BUILDING 'NEW TOURISM'

**2** TRAVEL & TOURISM – ONE YEAR LATER

DCMS RECEIVES TSA/CGE MODEL FROM WTTC

**3** CORPORATE CITIZENSHIP MAKES GOOD BUSINESS SENSE

**4** 2002 AGM: TASK FORCE WHITE PAPERS RAISE AWARENESS OF KEY ISSUES

**6** NEW COUNTRY REPORTS

PUBLICATIONS

**7** RETREAT ADDRESSES MAJOR IMPEDIMENTS TO INDIA'S TOURISM GROWTH

**8** COMPETITIVE MONITOR UPGRADED AND EXPANDED FOR 2002

LAUNCH OF WTTC'S NEW WEBSITE

# TRAVEL & TOURISM – ONE YEAR LATER

*“This has been a year we will never forget and one we never want to repeat,”*

“This has been a year we will never forget and one we never want to repeat,” WTTC President Jean-Claude Baumgarten told members of the European Parliament meeting at a luncheon with representatives of the Travel & Tourism industry in Brussels on the anniversary of September 11.

Baumgarten reminded invited guests that the Council’s analysis of the impact of September 11 was criticized by the European Commission when the results were first released in March 2002. In fact, the findings were rejected, Baumgarten said, in favour of the more optimistic outlook of the World Tourism Organization (WTO).

Of course, the different sets of forecasts released by the two organizations were not strictly comparable. WTO’s focused on trends in international arrivals while WTTC’s projections, based on research that has much more of an economic and social dimension and include domestic tourism, were all about dollars and jobs – the contribution of Travel & Tourism to economic growth and employment generation.

“One year later, our forecasts have been proved realistic,” Baumgarten added. “They are still valid. They show that Travel & Tourism demand overall will fall by an estimated 7.4 per cent worldwide over 2001-02 compared with the growth that had initially been forecast for the two years.”

Geography did not immunize the European Union (EU) from the events in the USA, either – a strong reminder that Travel & Tourism is truly a global industry and that events in one part of the world will likely have a similar and immediate impact around the world.

The latest reports from Members of WTTC confirm that the 2002 summer season in Europe was depressed, with hotel occupancy down and many airlines still operating with heavily

reduced capacity. The impact on jobs has been equally sobering.

WTTC’s research points to a fall of 4.5 per cent of Travel & Tourism demand in the EU in 2001 and an additional drop of 3.1 per cent this year – in total, a loss of 7.5 per cent compared with the growth originally projected.

“This is a huge loss,” said Baumgarten, “especially for an industry already operating on conservative margins and consisting mainly of small to medium sized enterprises.”

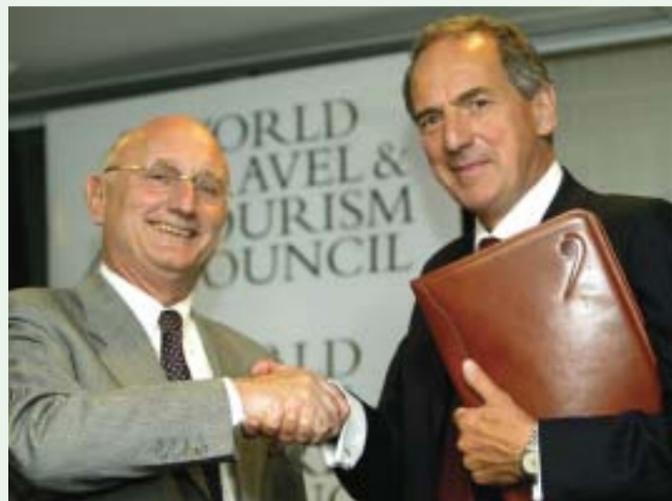
The loss could prove to be even greater as well, given the recent tragic events in Bali and Moscow, which have further dampened demand for outbound travel.

In an effort to stem any additional losses and help ensure that 2003 is indeed a year of recovery, WTTC is convening a high-level Tourism Security Forum Meeting during World Travel Market on November 13. The Forum will bring together Ministers of Tourism and security experts with Members of WTTC to create a plan of action for public and private partnership towards enhanced security measures which are internationally harmonized and applied globally. The invitation-only gathering will also identify ways of assisting national and local governments in formulating and implementing priority action programmes to reduce the risk of future attacks.

Among the expected participants at the meeting will be the heads of different international associations that are partners of WTTC, and which together form the Global Coalition set up one year ago to counteract the negative impacts of terrorism.

## DCMS RECEIVES TSA/CGE MODEL FROM WTTC

WTTC has donated its latest macroeconomic research model to the UK Government. The model was presented to Tourism Minister Dr Kim Howells on Tuesday, September 24.



WTTC President, Jean-Claude Baumgarten presents UK Minister of Tourism, Dr Kim Howells, with key software.

The model, the most sophisticated yet to be developed by WTTC, simulates a Tourism Satellite Account (TSA) for the UK within a Computable General Equilibrium (CGE) framework. It provides an estimation of the total contribution of Travel & Tourism activity on jobs and the economy within the UK, not only within the tourism industry itself but also its consequent impact on other sectors. It enables the impact of different policy options or external factors to be measured.

For 12 years, WTTC has pioneered the measurement of the full impact of Travel & Tourism activity on the economies of 160 countries, using simulated TSAs. Now that a standard methodology has been approved by the United Nations Statistical Commission, and is being adopted by an increasing number of governments around the world, WTTC has further developed its research by setting a simulated TSA within a CGE framework.

CGE models show the inter-relationship between Travel & Tourism and other parts of the economy, incorporating equations for the analysis of output, employment, costs, etc across all the sectors in an economy, allowing for the various ways they interact – not just through the supply chain (input-output), but also through channels such as wages, interest rates, exchange rates, etc. CGE models are particularly important to the treasury and finance departments of national governments.

WTTC has tested this latest model on the UK economy and is giving it to the Department of Culture, Media & Sport (DCMS) free of charge, on the condition that DCMS uses the model to assist in analysis and policy formulation.

Explaining the reasoning behind this gift, Jean-Claude Baumgarten, President of WTTC, said: “Had this model been available to the UK Government 18 months ago, the potential impact of the foot-and-mouth crisis could have been recognized much sooner.

“Furthermore, the model could have been used to explore the effectiveness or otherwise of a range of possible responses, such as emergency marketing campaigns or tax credits.”

Receiving the model on behalf of DCMS, Dr Howells thanked WTTC and added: “The UK Government recognizes the importance of the Travel & Tourism industry to the UK economy. However this model demonstrates that demand for Travel & Tourism services could have a much wider knock-on effect throughout the economy than has been understood previously. We are grateful to receive this model and will certainly put it to good use to test out the policy measures that we are proposing to support the industry”.

# CORPORATE CITIZENSHIP MAKES GOOD BUSINESS SENSE

As governments increasingly recognize the importance of Travel & Tourism to the global economy, they are also beginning to make it part of their vision for addressing some of the world's foremost challenges – bridging the gap between the 'haves' and the 'have-nots' and protecting our natural, social and cultural heritage.

In the past 50 years, economic globalization has helped to generate unprecedented prosperity. At the same time, the world faces enormous and critical challenges. Persistent poverty in many areas, mismanaged economic development, environmental degradation, social inequities, disappearing cultural heritage – all threaten to undermine the progress that has been made.

In response, world leaders are focusing on the problem of how to achieve long-term sustainable development – pursuing needed economic growth in the present, while preserving the natural and human environment on which quality of life and future growth depend.

Consumers, investors, employees, governments and the media – all the stakeholders who have a direct impact on a company's bottom line – increasingly believe that business has social responsibilities that go well beyond commercial responsibilities and its traditional role of wealth generation and profit-making.

As a result, the marketplace is now demanding that companies demonstrate corporate citizenship, or what is now more commonly termed corporate social responsibility (CSR). Consumers are incorporating ethical criteria into their buying decisions, socially responsible investments are on the rise, and there is a proliferation of guidelines issued by governments and non-governmental organizations.

While there is no single definition of CSR, it clearly no longer refers solely to charitable contributions detached from a company's core business. It means adopting open and transparent business practices that are based on ethical values. And it means managing all aspects of operations for their impact not just on shareholders, but also on employees, communities and the environment. Ultimately, CSR is about delivering sustainable value to society at large, as well as to shareholders, for the long-term benefit of both business and society.

More and more companies are seeing the value of CSR, and integrating management and accounting practices, such as 'triple bottom-line reporting', in which social and environmental results are measured and reported next to financial results, into their business. Given the leadership roles that Members of WTTC play in the business world, it is not surprising that many of them are at the forefront of the current shifts in the way corporations do business.

As a means of further encouraging leadership in CSR within the Travel & Tourism industry, WTTC has compiled a new report, *Corporate Social Leadership in Travel & Tourism*, which looks at what industry needs to do to promote sustainability and includes examples of initiatives led by WTTC Members.

The report will be launched at a seminar on CSR organized by WTTC at World Travel Market on 13 November from 14.30 to 15.30. Entitled *The Moral Maze: How to Turn a Sense of Moral Responsibility into a Profitable Business*, the seminar will feature six WTTC Members who will present their experiences.

## POINTS OF VIEW

*"Corporate social responsibility is part of the future for all companies. With the creative use of incentives and awards, the entrepreneurial spirit and market forces can be harnessed for the good of business and society."*

**Jean-Marc Espalioux,**  
Chairman of the Management Board & CEO, ACCOR

*"I am convinced that the Travel & Tourism industry has a huge opportunity to contribute to building a sustainable global society. By bringing people into contact with different cultures and environments across the globe, we can increase awareness of what the issues are and of what is needed for responsible practices."*

**Rod Eddington, Chief Executive, British Airways**

*"I've been in this business for a long time and know first hand that tourism is the economic cornerstone of many communities around the world. While a thriving tourism industry can provide a better livelihood for local people, it cannot be at the expense of the environment and local culture. Travel & Tourism has come a long way in the past decade in facing up to its social and environmental responsibility, and we are proud to be part of organizations such as WTTC that are 'raising the bar' for the industry."*

**J W Marriott Jr, Chairman & CEO,**  
Marriott International

*"We strongly believe that local people who live around our hotels, especially youth, are our future. In the hotel business we have a responsibility and an excellent opportunity to help people develop in ways that will contribute to the prosperity of the entire community and help individuals realize their dream of a better life. At the same time, this approach is good for our business – when you help people, they do their best for you."*

**Jean Gabriel Pérès, President & CEO,**  
Mövenpick Hotels

*"The company extends resources to benefit others as part of a philosophy that it is the right thing to do, and that economically healthy communities go hand-in-hand with business success."*

**William H Friesell, Chairman & CEO,**  
Diners Club International

*"At Radisson SAS our commitment to sustainable development and responsible tourism has developed considerably over the past ten years, and today we have made environmental and social responsibility a cornerstone of how we conduct business around the world. I am proud to say that our Responsible Business programme has resulted in significant achievements, both to improve the quality of life in the communities where we operate and to reduce our impact on the environment. I have no doubt that these achievements will help shape the future success of our company."*

**Kurt Ritter, President & CEO,**  
Radisson SAS Hotels & Resorts

*"Singapore Airlines has long recognized the value of building strong relationships with the many communities we serve. Today, our programmes are focused on sustained support that will make a difference in the lives of those for whom there is little other recourse."*

**Cheong Choong Kong, Deputy Chairman & CEO, Singapore Airlines**

*"As global companies become citizens of everywhere, each must be on guard that they don't become 'citizens of nowhere'. As a family-owned company, we have a deep sense of commitment to being good corporate citizens and promoting the sustainable development of local communities. We do this not only by creating value, but by placing the highest possible value on our employees, our communities and the environment."*

**Marilyn Carlson Nelson, Chairman & CEO,**  
Carlson Companies, Inc

# 2002 AGM: TASK FORCE WHITE PAPER AWARENESS OF KEY ISSUES

Delegates meeting in Paris in May, at WTTC's 2002 Annual General Meeting, reiterated the Council's mission, namely:

*“to raise awareness of the economic and social contribution of Travel & Tourism and to work with governments on policies that unlock the industry's potential to create jobs and generate prosperity.”*

In line with this mission, and within the Council's *Seven Strategic Priorities* policy framework, WTTC's four Task Forces presented White Papers in Paris, all aimed at raising awareness of particular issues that present opportunities for, or threats to, the growth of Travel & Tourism.

## HUMAN RESOURCES: *HR OPPORTUNITIES & CHALLENGES*

TASK FORCE CHAIRMAN:  
ALUN CATHCART,  
CHAIRMAN, AVIS EUROPE

The WTTC Human Resources Task Force White Paper, *HR Opportunities & Challenges*, shows that human resources (HR) is perhaps the single most critical issue facing the Travel & Tourism industry over the next ten years. Labour policies have been more traditionally concerned with the administration of the workforce than with its development. As a result, there are growing shortages of skilled people in all sectors of Travel & Tourism, and education and training systems are often ill adapted to the industry's needs.

As demand for Travel & Tourism grows, the industry will require an increased supply of skilled managers and staff in all sectors to deliver a consistent, quality product. Well-trained staff enhance the consumer experience, add value to the Travel & Tourism product, improve the image of individual companies and advance their own career developments.

Attracting and retaining good staff and ensuring consistent quality can only be achieved with management commitment to effective training. Investment in training and education will have long and lasting returns through increased productivity and improved staff performance. Yet the returns on this investment will only really be worthwhile if supported by appropriate government policies and measures, not only in education and training, but also in other areas such as infrastructure and transport planning, and labour market programmes.

*HR Opportunities & Challenges* makes six recommendations for government authorities:

- Take a leadership role in the development of HR;
- Recognize the important role that Travel & Tourism plays in the overall economy and provide an appropriate place in local, national or regional strategic planning;
- Facilitate urgent investment in education and training;
- Bridge the gap between education and industry;
- Promote Travel & Tourism careers – this will help stimulate interest in the industry as a source of employment;
- Develop comprehensive national/regional strategies to help the international competitiveness of the Travel & Tourism sector.

The findings of the WTTC HR White Paper reinforce the third of WTTC's *Seven Strategic Priorities* – namely, to 'communicate a positive image of the industry as a provider of jobs and career opportunities'.

## INFRASTRUCTURE: *INCREASING MOBILITY, EXPANDING INFRASTRUCTURE*

TASK FORCE CHAIRMAN:  
JEAN-CLAUDE BAUMGARTEN,  
PRESIDENT, WTTC

Adequate infrastructure development and improved accessibility are two of the most important prerequisites for the sustainable development of Travel & Tourism, according to the WTTC Infrastructure Task Force's White Paper, *Increasing Mobility, Expanding Infrastructure*. Matching infrastructure and customer demand is the fifth of WTTC's *Seven Strategic Priorities*.

Infrastructure development has not kept up with Travel & Tourism demand. This has led to severe capacity constraints, which act as an obstacle to the sustainable development of the industry.

Governments that fail to address these challenges, or that choose to constrain growth, will face increasing difficulties at the macro level and lose their competitive share of Travel & Tourism growth. This in turn will have a negative impact on their economies.

At the local level inaction will lead to congestion of the skies, airports and roads, increases in prices for consumers and costs to businesses, and possibly deepened environmental impacts.

Escalating capacity constraints have reached acute levels, particularly in the USA and Europe. Various solutions to the problem have been proposed by different stakeholders, but implementation of these proposals is restrained by lack of political will.

The white paper highlights key priority areas for infrastructure development, emphasizing the need for public-private sector partnerships to work towards effective and timely solutions. The report contains a comprehensive case study based on Amsterdam Schiphol Airport, which was given the WTTC '*Breaking Barriers*' award at WTTC's AGM in Paris in May. The award was given to Schiphol for its successful efforts in developing infrastructure to improve Travel & Tourism in the Netherlands, while ensuring improved quality in the surrounding environment.

As a follow-up to *Increasing Mobility, Expanding Infrastructure*, the Task Force now intends to produce a 'vision' paper on the future of air transport in the USA and Europe. Task Force Member, Gordon McHenry of Boeing Commercial Airplanes, is working in close cooperation with WTTC on the development of this. The paper will be addressed to the US government and the European Commission, Parliament and Member Governments.

④ *'communicate a positive image of the industry as a provider of jobs and career opportunities'.*

# PERS RAISE UES

## INFORMATION TECHNOLOGY/ E-COMMERCE: *ENABLING THROUGH TECHNOLOGY*

TASK FORCE CHAIRMAN:  
PAOLO MANTEGAZZA,  
PRESIDENT & CEO, GLOBUS & COSMOS

Although Travel & Tourism Internet transactions are increasing rapidly, growth is constrained by a multitude of complex and incompatible systems developed largely in the pre-Internet era. The challenge facing the IT/E-Commerce Task Force was to find a route towards making it easy for the consumer to directly view, assemble and purchase Travel & Tourism products and services.

The Task Force focused on two primary tasks – both in line with the sixth of the Council's *Seven Strategic Priorities*, namely to 'facilitate access to capital resources and technological advancement'.

The first of these was the preparation of a white paper developed with the help of Accenture, a global management and technology consulting organization and a WTTC Member company. The paper, *Enabling Through Technology*, covers aspects such as:

- Moving away from global distribution systems that are primarily based on transactions towards the provision of customer-oriented information, such as the Internet;
- Finding simplified and seamless payment mechanisms;
- Addressing the need for clear processes and standardization, especially in communication channels;
- Influencing investment in IT in Travel & Tourism; and
- The challenge of achieving this vision in an industry dominated by small and medium sized enterprises.

The second task was to collect information on stakeholders conducting research into the inter-relationship between Travel & Tourism and IT and e-commerce, with a view to supporting those that have the potential to make progress towards the Task Force's vision.

## TAX POLICY: *TAXING INTELLIGENTLY*

TASK FORCE CHAIRMAN:  
RICHARD KELLEY,  
CHAIRMAN, OUTRIGGER  
ENTERPRISES

The role of the Taxation Task Force over the past 18 months has been to review selected government tax proposals affecting the Travel & Tourism industry at national and regional levels.

The Michigan-based World Travel & Tourism Tax Policy Center, established by WTTC, monitors legislation proposed by national or state governments. In consultation with the Task Force, it selects sample proposals on which it prepares detailed dossiers. The proposed tax is vetted against WTTC's *Principles of Intelligent Taxation*, which provide a framework for establishing constructive rather than regressive taxation.

The Task Force, which comprises academics and government officials with responsibility for the sector, then holds a telephone meeting to debate the proposed tax and votes to support or lobby against the tax.

The first study, conducted during October 2001, resulted in a unanimous vote by Members to oppose a proposal to extend a hotel tax rate of up to five per cent in all the counties of Michigan State. In its second study the Task Force examined the legislation proposed in the US Senate to help stimulate demand in America's Travel & Tourism industry following September 11. This time the Task Force endorsed the proposal.

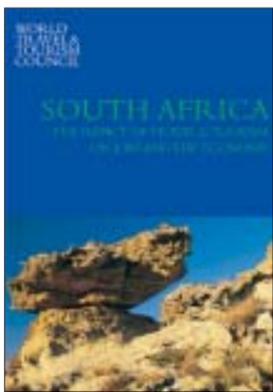
Both these case studies are presented in brief in the WTTC Taxation Task Force White Paper, *Taxing Intelligently*. The paper also sets out WTTC's *Principles of Intelligent Taxation*, in line with the fourth of WTTC's *Seven Strategic Priorities*, namely to encourage free access, open markets, open skies and the removal of barriers to growth.

*Taxing Intelligently* includes an introduction to the third case study, an analysis of the situation related to Value Added Tax (VAT) on accommodation and tourist services in the countries of the European Union (EU). The paper identified that there are widely varying VAT rates between EU member countries - from three to 25 per cent in the case of hotels and restaurants and from 12.5 to 25 per cent for car rental. This variation distorts the EU internal market and, in the case of those countries with high VAT rates, makes the tourism industry relatively uncompetitive. The Task Force subsequently voted in September 2002 to support initiatives aimed at encouraging harmonization of these rates.



WTTC Executive Committee Members and their partners took time out from the meeting at Disneyland Paris

*'encourage free access,  
open markets, open  
skies and the removal  
of barriers to growth'.*



South Africa Country Report  
launched August 2002

## NEW COUNTRY REPORTS

After signing an agreement with the Croatian Minister of Tourism to produce a Croatia country report – which is expected to be published by the end of 2002 – WTTC’s Executive Committee also selected two additional countries for comprehensive TSA and policy analysis this year, to be sponsored by the Council. The intention was to focus the attention of industry, government and the public on two dynamic Travel & Tourism economies – South Africa and China – which are on the threshold of significant growth.

Research for the **China report** is currently underway and the conclusions are due to be presented to the Chinese government and the local industry in early 2003. Preliminary findings suggest that China’s Government clearly recognizes the contribution of Travel & Tourism to the national economy and is committed to its growth. However, the full impact of Travel & Tourism is still not widely appreciated, and there appears to be insufficient understanding of the modalities necessary to ensure it successfully achieves its potential – for the benefit of all stakeholders.

Forecasts by WTTC and its research partner Oxford Economic Forecasting indicate that the growth prospects for China’s tourism are very good – in line with average annual GDP growth and well above the global average. Yet the potential impact could be even greater than forecast if the underlying policy framework is conducive to growth – if the government creates the underlying conditions for market confidence, dynamism and sustainability.

*The Impact of Travel & Tourism on Jobs & the Economy in South Africa* is the culmination of extensive economic and policy research sponsored by leading industry players, both globally and locally. WTTC’s South Africa Steering Committee felt that the time was right to deliver this research and initiate a national, provincial and local community effort that would transform a lacklustre outlook to one of high expectations.

Results from the report, which was presented to government and the industry during a Summit in Johannesburg in August, indicate that South Africa’s Travel & Tourism will require significant policy attention from national and provincial governments to build and maintain a competitive future for the industry. The report includes a series of policy recommendations ranging from tourism management to aviation policy, to safety

and security, which the Council believes are mission critical for South Africa’s Travel & Tourism success.

Delegates endorsed three key recommendations flowing from the WTTC Report. The first was that the country’s Travel & Tourism potential was far more likely to be realized through a centralized, autonomous, highly visible and influential Ministry of Tourism.

The report also called for more adequate funding of tourism so that more effective management and planning could be marshalled and dynamic marketing and promotion mobilized to build tourism in all its aspects.

The third key recommendation was that the responsibilities of South African Tourism, the national tourism organization, be broadened to achieve maximum coordination between all industry players, provide skilled market intelligence, and ensure effective interaction between national and provincial governments and the private sector.

“There is a sense that the Travel & Tourism industry in South Africa is standing at the threshold of significant growth and that the key players are determined to seize the opportunity and pull together,” Jean-Claude Baumgarten told delegates at the Summit. He urged stakeholders to coordinate their actions, starting in the area of promotion.

Ron Stringfellow, Executive Chairman of Southern Sun Hotels and a speaker at the Summit, said he had been impressed and encouraged by the commitment of the various speakers.

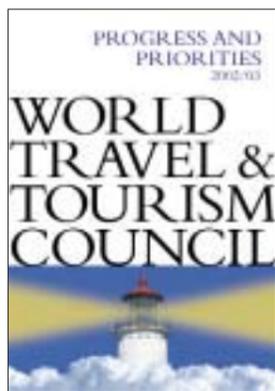
“There are obviously issues that still need to be resolved, but the foundations are in place to ensure that tourism can grow from strength to strength,” he said. “I have all the confidence in the world that the recent tourism boom can be sustainable.”

*“We expect a lot from this TSA. Tourism is considered a key industry in our country but we need to prove it. Without scientific measures, it is very difficult to convince governments to invest in Travel & Tourism.”*

Pave Zupan Ruskovic,  
Minister of Tourism for Croatia

## PUBLICATIONS

Many WTTC publications are available without charge in electronic format on the WTTC website, [www.wttc.org/resourcecentre](http://www.wttc.org/resourcecentre). Hard copies of past publications are also available for distribution. Contact [enquiries@wttc.org](mailto:enquiries@wttc.org) for further details. New reports published this year, in addition to those already mentioned elsewhere in this issue of **VIEWPOINT**, include:



### Progress & Priorities

The Council’s annual report highlights its Progress in the year 2001/02 and Priorities for the year ahead. The report also records WTTC’s response to September 11 and presents the key findings of its annual TSA research, recent initiatives to raise global awareness of the importance of Travel & Tourism, and the work of WTTC’s Task Forces. The report concludes by setting out the context for the Council’s work in 2002/03. [www.wttc.org](http://www.wttc.org)

### WTTC’s Annual Macroeconomic Research

WTTC’s 2002 Tourism Satellite Account (TSA) research, conducted by Oxford Economic Forecasting, includes simulated TSAs for more than 160 countries. The individual country, regional and world reports were launched in March 2002 and can be downloaded from the Council’s website at [www.wttc.org](http://www.wttc.org).



### Industry as a Partner for Sustainable Development

In preparation for the World Summit on Sustainable Development (WSSD) held in Johannesburg in August 2002, WTTC contributed to, and coordinated, a *Tourism Industry Report* in cooperation with the International Hotel & Restaurant Association, the International Council of Cruise Lines and the International Federation of Tour Operators. The publication was developed through a multi-stakeholder process facilitated by the United Nations Environment Programme (UNEP).

The report assesses tourism sustainability challenges that have remained unsolved since Rio 1992 and other challenges likely to arise in the future. It also underlines the need to strike a delicate balance between economic growth and the preservation and protection of the natural, social and cultural environments.



Retreat participants at the Amarvilas Hotel in Agra

## RETREAT ADDRESSES MAJOR IMPEDIMENTS TO INDIA'S TOURISM GROWTH

While the baseline forecasts for India's tourism are generally bullish, there are a number of weaknesses that need to be addressed if the country is to unlock its full Travel & Tourism potential – whether in terms of wealth generation or job creation.

This was one of the main conclusions of the two-day 'Retreat' organized by the WTTC India Initiative in Agra from August 23-25. The retreat – which brought together senior Members of India's Parliament and Government, leaders from the local tourism industry, international experts on crisis management and key media from the region – was the first ever public-private sector event involving all the major stakeholders in the country's Travel & Tourism industry.

"There is no doubt that India has enormous Travel & Tourism potential," said Yogesh Chandra, Secretary General of the WTTC India Initiative, in his summation of the two days of discussions and debate. "But, if the country is to achieve or – even better – surpass the baseline forecasts, certain key factors need to be assured."

***"There is no doubt that India has enormous Travel & Tourism potential"***

"These include a favourable fiscal policy, continuing incentives for investment, new infrastructure development, sustained and effective marketing and promotions, improved education and training, and product diversification," added Jean-Claude Baumgarten, WTTC President.

Among the major impediments to India's Travel & Tourism growth, the participants particularly highlighted the constraints of air access and visa problems. There was strong consensus, for example, as to the need to open up India's skies – in order to respond to existing demand for air travel and stimulate new demand.

"It is not always easy for governments to swallow their pride and take this kind of step," said Baumgarten, "regardless of whether reciprocal bilateral traffic rights can be obtained at the same time by the national carrier."

On the subject of visas, participants argued strongly in favour of new measures allowing tourists from major source markets, such as Europe, the USA and Japan, to obtain visas on arrival.



This view of the Taj Mahal greeted delegates of the Retreat each morning from their rooms at the Amarvilas Hotel

"This would go a long way to easing some of the bureaucratic hurdles that can collectively discourage people from travelling to a country," Baumgarten added.

Not surprisingly, the Agra Retreat also addressed the current tensions between India and Pakistan, and the possible implications of an escalation of these tensions on Travel & Tourism. A number of high-level international speakers from countries such as Sri Lanka, Indonesia and Jordan recounted their experiences in dealing with similar crises.

The two days of discussions culminated in the drafting of a Retreat Declaration containing recommendations for India's Prime Minister and Cabinet on clearly defined strategies to address the risk of such crises, as well as to develop positive measures to help unlock the country's Travel & Tourism potential. Most importantly, the Retreat participants unanimously agreed on the need to create a public-private sector Advisory Board to the PM's Cabinet.

**The next meeting of the WTTC India Initiative will be held in Goa from February 14-16, 2003.**

For further details or a copy of the Agra Report, please contact [www.wttc.org](http://www.wttc.org).

## WHAT THE PARTICIPANTS THOUGHT

### The public sector...

"We will continue to give support to the various studies and activities that are being carried out by WTTC."

**Shri. Jagmohan, Minister for Tourism & Culture, Government of India**

"Thank you for the opportunity to participate in the WTTC India retreat held at Amarvilas in Agra. I found the format of interaction and the general ambience very conducive to a free and frank exchange of views."

**Shri. K Roy Paul, Secretary, Ministry of Civil Aviation, Government of India**

"I look forward to greater co-operation and co-ordination between all of us, to implement the decisions taken, so that tourism could flourish in India."

**Mrs. Margaret Alva, Member of Parliament**

"I have always maintained that tourism should be viewed as a catalyst for accelerating economic development. It is not a luxury-oriented activity but a foreign exchange-earning and employment-generating source."

**Dr Nitish Sengupta, Member of Parliament**

Letter to India's Prime Minister about the India retreat:

"The most important recommendation that emerged from the retreat was that, in order to make Travel & Tourism India's major economic driver, a Cabinet Sub-Committee on Tourism should be created under your Chairmanship, with Ministers of Finance, External Affairs, Civil Aviation, Planning Commission and Tourism as Members. This Sub-Committee of the Cabinet should take all important decisions affecting Travel & Tourism such as visas on arrival, improvement of airports and airlines, investment on tourism infrastructure, and lowering of taxation on the industry.

All members of Parliament, cutting across party lines, were in favour of this proposal and have asked me to recommend it to you for favourable consideration.

[Before the Retreat] I was not aware of the importance of the tourism sector. I am now convinced, however, that this is one of the most important means for our economic future and a creator of jobs in urban and rural areas."

**Shri. Amar Singh, Member of Parliament**

### ... and the private sector

"WTTC need to be congratulated on an excellent initiative taken to support India branding efforts. I was deeply impressed with the high level of participation and the commitment of all who came together to spend a most productive weekend."

**Mr. Renton de Alwis, Secretary General/CEO - Ceylon Chamber of Commerce, Sri Lanka**

"Kudos to WTTC for having conceived and convened such a high-calibre and timely retreat. Exposing national policy-makers to the truths of Travel & Tourism is an imperative the private sector in many countries has neglected for too long! I would like to suggest a similar WTTC event for Indonesia as soon as possible."

**Mr. Alwin Zecha, Executive Chairman, Pacific Leisure, Thailand**

"Before one can suggest solutions, one must identify the problems. The WTTC Agra Retreat clearly succeeded in that regard. It provided a forum in which the challenges faced by Indian tourism were forcefully outlined by a diverse group of experts. And yes, potential solutions were also given an airing. Ideally, at the next such gathering, a broad consensus can be reached in prioritizing those problems, as well as in developing practical solutions that most profitably meet the goals of private enterprise and public interest. I, for one, found reason to be optimistic."

**Mr. Mark Orwoll, Managing Editor, Travel & Leisure, New York, NY, USA**

# COMPETITIVENESS MONITOR UPGRADED AND EXPANDED FOR 2002

The World Travel & Tourism Competitiveness Monitor, launched in 2001, is a databank of indicators and indices that provide a representation of the extent to which over 200 countries offer a competitive environment for Travel & Tourism development.

This year, the Monitor provides information about Travel & Tourism for an expanded range of countries, as well as a new set of competitiveness indices. The indicators include economic development, price competitiveness, infrastructure development, the environment, technology advancement, human resources, openness and social development.

The Monitor uses a traffic light system to indicate the relative positions – rather than the absolute performance – of different countries. Green, amber and red lights indicate, respectively, above average, average and below average performance. The Monitor is an interactive tool that allows the user to select different lower and upper width bands by changing the percentages of countries in 'green' and 'red' so as to reflect narrower or wider definitions of relative competitiveness.

The updated Monitor, which can be consulted on WTTC's website at [www.wttc.org/competitivenessmonitor](http://www.wttc.org/competitivenessmonitor),

is based on the results of collaborative research between WTTC and the Cristal DeHaan Tourism and Travel Research Institute at the University of Nottingham.

***“This valuable new information  
will help the industry anticipate  
and interpret future trends”***

It is hoped that the Monitor will be of value to industry, investors, academics and other interested parties. In particular, we hope that it will help government policy makers to recognize the crucial role they play in maximizing the contribution of sustainable Travel & Tourism for the benefit of all stakeholders.



Executive Committee Meeting, 20 September 2002  
Villa Feltrinelli, Lake Garda, Italy

WTTC Executive Committee Members met at Villa Feltrinelli on Lake Garda in Italy for a two day meeting hosted by former WTTC Chairman, Bob Burns. The meeting focused on a strategic review of WTTC's mission, and highlighted a number of areas for priority action, including safety, crisis management and increased corporate social responsibility.

## LAUNCH OF WTTC'S NEW WEBSITE

WTTC's redesigned and upgraded website is being launched on November 13. In addition to featuring a completely new layout, the revamped site will provide more information on the Council's activities, as well as including downloadable copies of all reports published by WTTC and photographs for use by the media and other organizations.

We welcome your comments about the new website, as well as any suggestions you may have for future enhancements.

[www.wttc.org](http://www.wttc.org)



Thanks to Gullivers Travel Associates /  
Octopustravel.com, Member of WTTC, for  
development of this new website.

Website Contents © World Travel & Tourism Council Developed by  
octopustravel.com limited 2002

**WORLD  
TRAVEL &  
TOURISM  
COUNCIL**

1-2 QUEEN VICTORIA TERRACE  
SOVEREIGN COURT  
LONDON E1W 3HA  
UNITED KINGDOM  
TEL: +44 (0) 870 727 9882  
+44 (0) 20 7481 8007  
FAX: +44 (0) 870 728 9882  
+44 (0) 20 7488 1008  
E-MAIL: [enquiries@wttc.org](mailto:enquiries@wttc.org)  
[www.wttc.org](http://www.wttc.org)