

VIEWPOINT



5TH GLOBAL TRAVEL & TOURISM SUMMIT MOVES EAST TO INDIA

HAVING FIRMLY POSITIONED ITSELF AS THE PREMIER EVENT FOR OUR INDUSTRY, THE 5TH GLOBAL TRAVEL & TOURISM SUMMIT WILL CONVENE ON 8-10 APRIL 2005 IN NEW DELHI, INDIA.

WTTC AT WORLD TRAVEL MARKET 2004

MONDAY 8 NOVEMBER

17.00 - 18.00

Preview Debate for the 5th
Global Travel & Tourism Summit
World Stage, S8

Moderated by Gwenan Edwards
BBC World

Panellists include:

Ron Andruff

President & CEO, Tralliance Corporation

Stelios Haji-Ioannou

Founder and Chairman, easyGroup.com

JT Kuhlman

Chief Executive Officer,

One & Only Resorts

Wang Ping

Chairman, Chamber of Tourism, All-China

Federation of Industry Commerce

Vincent Wolfington

Chairman, Carey International &

Chairman WTTC

Peter Wong

Chairman, MK Corporation

TUESDAY 9 NOVEMBER

10.30 - 11.20

Airline Business Conference:
The Future of Travel: Transformation

Jean-Claude Baumgarten, President
WTTC speaks on "The expansion of
low-cost response from Europe's travel
giants recapturing the leisure traveller"

11.30 - 12.30

PATWA Seminar

New Press Centre, Platinum Suite,
Room 5

Jean-Claude Baumgarten, President
WTTC speaks on "Heritage, Environment
and Mountains A Sustainable Strategy for
Global Tourism"

As the industry's highest profile event, the Summit provides a unique platform for discussion between leaders of the global private sector, senior government officials and the media from around the world. Together, these leaders and their decisions help to shape the future of one of the largest industries on earth - Travel & Tourism.

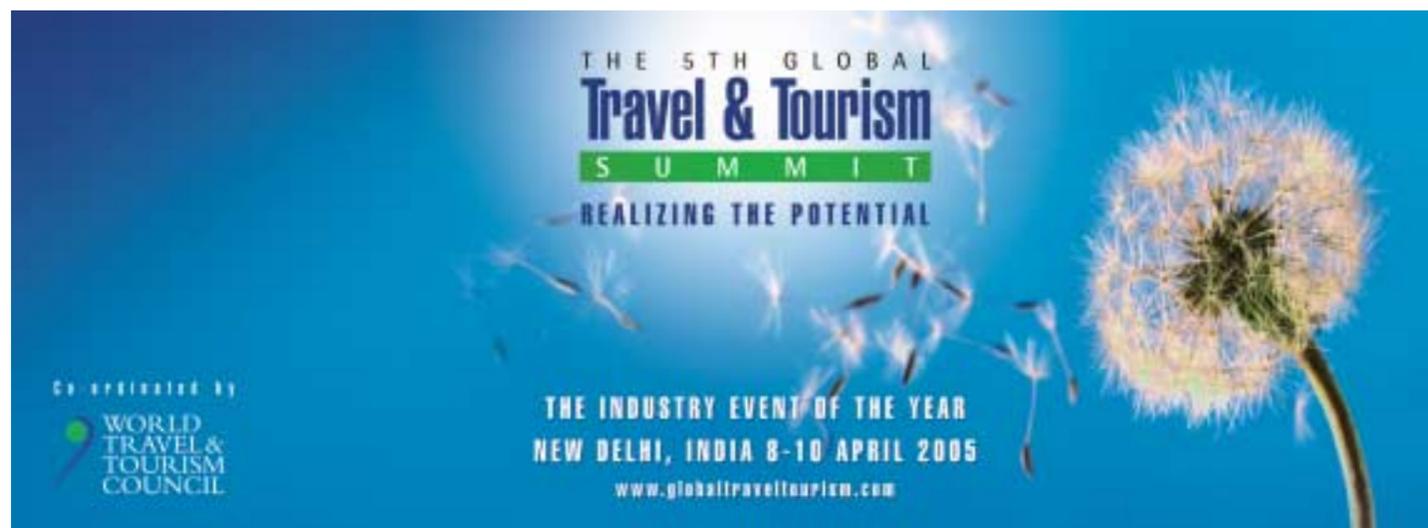
Several countries entered a competitive bid with the aim of hosting the 5th Global Travel & Tourism Summit and the WTTC Executive Committee convened a special meeting to decide the winning destination.

Jean-Claude Baumgarten, WTTC President said "We were delighted to accept the invitation of India to host the Summit in New Delhi in April 2005. India is a truly remarkable country which offers enormous potential for Travel & Tourism growth - potential which has been ignored for years."

According to WTTC's exclusive TSA Research, India is one of the fastest growing tourism economies in the world today. Growing at an estimated 8.8 per cent annualized real growth over the next ten years, India is the second fastest growing Travel & Tourism economy in the world. By 2014, India's Travel & Tourism economy is expected to generate US\$90.4 billion of total demand and nearly 28 million jobs.

Lalit Suri, Chairman & Managing Director, Bharat Hotels added, "As a board Member of WTTC and Chairman of the India Initiative established by WTTC some five years ago, I look forward to welcoming the 5th Global Travel & Tourism Summit to New Delhi in 2005".

The event in 2005 will be based upon WTTC's groundbreaking 'in-the-round' format, which promotes genuine, lively discussion, and encourages leaders of the industry to express their opinions candidly.



FOCUS ON 'REALIZING THE POTENTIAL'

Under the theme 'Realizing the Potential' industry leaders at the Summit 2005 will focus on ways in which businesses, regions, countries and local communities can unlock the full social and economic potential of the industry.

WTTC research shows that by 2014, Travel & Tourism could generate 10.9 per cent of world GDP and some 260 million jobs, which represent 8.6 per cent of total employment worldwide.

Beyond the significant economic potential of the industry to stimulate development across all sectors of the industry and all regions of the world, Travel & Tourism is uniquely placed to encourage close contact between peoples

and cultures. The industry can therefore promote greater international understanding, tolerance and respect of different cultures, religions and values.

There is a growing consciousness that Travel & Tourism is not just a 'nice to have' but a 'need to have' activity in our global economy and community. However, many destinations and organizations are failing to let loose the true potential of the industry.

The list of leaders participating in the 5th Global Travel & Tourism Summit and the programme can be viewed, as it develops, on www.globaltraveltourism.com

HOSTED BY QATAR AIRWAYS, THE 4TH GLOBAL TRAVEL & TOURISM SUMMIT IN DOHA, QATAR ATTRACTED OVER 600 PRIVATE AND PUBLIC SECTOR DECISION-MAKERS AND JOURNALISTS FROM AROUND SIXTY COUNTRIES. UNDER THE THEME DRIVING CHANGE, THE SUMMIT FEATURED AN IMPRESSIVE LIST OF WELL-KNOWN SPEAKERS FROM DIFFERENT SECTORS OF THE INDUSTRY AND GOVERNMENT, AND REPRESENTING ALL REGIONS OF THE WORLD.

WTTC LIFTS GLOBE ON NEW FORMAT



Nik Gowing, BBC, moderating the discussion on the "Power of News" panel with Francesco Frangialli, Secretary General, World Tourism Organization and Kazem Behbehani, Assistant Director General, World Health Organization

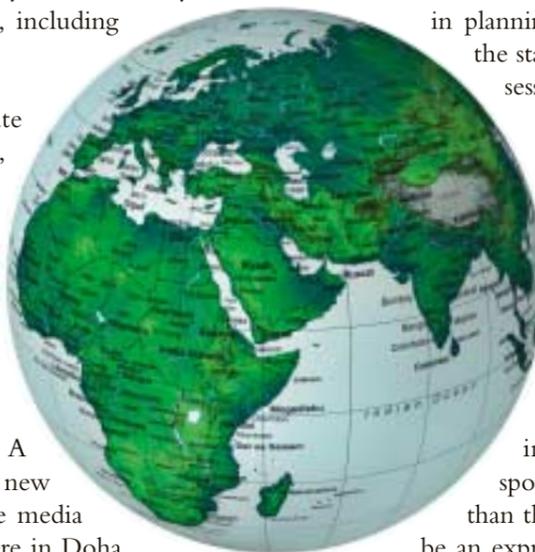
The World Travel & Tourism Council unveiled a dynamic new format at their Global Summit in Doha, Qatar this year. The new format was designed in order to promote genuine, lively discussion, to encourage leaders of the industry to express their opinions candidly and to drive change.

Unlike the majority of commercial and political conferences that are effectively a procession of speeches with a small amount of time built in for questions, the Summit revolved around a series of highly interactive discussions moderated by internationally recognized journalists and TV presenters, including Nik Gowing of BBC World.

Summit host, Akbar al Baker, CEO of Qatar Airways and Chairman of Qatar Tourism Authority.

BBC World's Nik Gowing worked closely with WTTC in planning the Summit's dramatic format and took the stage as the main moderator of the conference sessions.

WTTC Vice President, Corporate Development, Ufi Ibrahim commented, "WTTC's principal reason for this new format was that the Summit attracts high-level delegates who all speak with equal voices of authority. WTTC's format succeeded in providing a platform for all voices to be heard from all parts of the industry."



Peter Greenberg of NBC and Arnie Weissmann of Travel Weekly (US) also moderated fast-paced sessions, which focused on safety, security measures, travel advisories and government fiscal policy.

Jean-Claude Baumgarten said, "We will continue to develop our ground-breaking format for future Summits. Our intention is to inject dynamism and spontaneity into all sessions. However, more than that, we want the outcome of the Summit to be an expression of what the industry considers to be the main challenges it faces and a consensus view on the changes that will be required to drive the success of our industry in the long-term."

WTTC Chairman, Vincent A Wolfington, said of the format "WTTC's new format encourages the involvement of the media and has sparked some lively discussions here in Doha. The debut of this format has been highly successful and will be a feature of WTTC Summits to come." Mr Wolfington, who is Chairman of Carey International, opened the event alongside

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WHAT THE MEDIA SAY

"What a difference a year can make. Though elements of "the perfect storm" still linger to varying degrees, the impact has lessened considerably."

Arnie Weissmann, *Travel Weekly*, US

"India's prospect as a favoured destination is looking up. The World Travel & Tourism Council at the Doha summit this week projected Destination India's annual growth as 8.8 per cent, per annum over the next ten years."

Times of India

"A senior official of the World Travel & Tourism Council yesterday called upon the European Union to help its 10 new member nations to develop their travel and tourism industry to the full potential."

The Peninsula, 2 May 2004

"Yes, travel is a surging force for peace. But peace is not general all over the world. Let's not get carried away and shrug off the threats. Better to travel smart and prepared."

Joe Sharkey, *New York Times*.

FOCUS ON INDIA & SPAIN

Some 130 delegates met for a special meeting on the second morning of the Summit in Doha to discuss WTTC's national initiatives in India and Spain.



Jose Luis Zoreda, CEO, Exceltur, Jean-Claude Baumgarten, President, WTTC, N K Singh, Member, Planning Commission of India on the panel at the Joint Madrid and India Breakfast

INDIA AWAKENING - A WORLD OF OPPORTUNITY

Mr NK Singh, Member of the Planning Commission of India and Mr Lalit Suri MP, Chairman of the WTTC India Initiative and Chairman & MD, Bharat Hotels, outlined in a presentation to the assembled audience the opportunities that exist in the development of the Indian economy. The presentation detailed a GDP growth rate of 10.4 per cent in India, in the quarter ending December 2003. This was one of the highest growth rates among all economies of the world.

The Travel & Tourism industry can have a huge impact on this growth and WTTC forecasts Travel & Tourism demand growth of 8.8 per cent, per annum, over the next decade. The growth of the industry depends on investment in the country's tourism infrastructure, its airlines, airports and hotels, according to Mr Singh and Mr Suri.

The Incredible India campaign by the Indian Tourist Office has made a major contribution to heightened awareness of India as a safe and desirable tourism destination.

SPANISH TOURISM BOUNCING BACK

The Head of Finance, Economy & Tourism Development for the City of Madrid reassured the gathered delegates that Spain is a safe tourism destination. Miguel Angel Villanueva focussed on what

measures have been taken to avoid further terrorist attacks since the March 11 Madrid bombings. He cited a "new Madrid, which requires a new type of quality tourism, which can go hand in hand with culture, social activities or business".

The wedding of HRH Prince Felipe in Madrid just two months after the bomb attacks was expected to show to the world a return to normality in the city.

José Luis Zoreda, CEO of Exceltur, an organization which represents the private sector of the Spanish Travel & Tourism industry, spoke of a normalized country since the attacks, which have been aided by economic stability in the country and a smooth political transition from the recent elections. He added that Spain had fully recovered its "passion for life".

POINTS OF VIEW

"There are certain markets in the world where we are in fact not permitted to reduce our prices. We are restricted by governments not to reduce our price."

Alan Burnett, Regional Director, Africa, Middle East, Central & South Africa, British Airways plc

"Just open up your skies. Allow everybody from anywhere to fly in and out as many times as they like a day, for whatever price they like."

Stelios Haji-Ioannou, Founder and Chairman, easyGroup

"I think many Europeans will think twice about coming to the US."

Peter Yesawich, Managing Partner, Yesawich, Pepperdine, Brown & Russell - quoted in *USA Today*



Peter Yesawich, Managing Partner, YPB&R

"The interesting thing in the economy is that the two principal drivers of overall growth - the improving US economy and the very hot China economy - are also I think the two areas of the greatest uncertainty and risk."

Gene Sperling, former Economic Adviser to the White House



Gene Sperling, former Economic Adviser to the White House

"Once you are in a situation like we are in the Middle East (...), you need to have the dedication and the commitment to first of all educate your own people, let them know what the facts are and I believe there is (...) that respect you get from the visitors, if you let them know what's going on. The traveller is an intelligent person and they'd like to know."

HE Akel Biltaji, Advisor to HM King Abdullah the II of Jordan on Tourism and Foreign Investment Promotion

"I strongly believe that only industry leaders and the private sector can drive change but I think governments can help by adopting a new vision - to understand the problem and create a more friendly business environment and to educate people on issues like safety in travelling."

Luis Correia da Silva, Secretary of State for Tourism, Portugal

"There is a need for better coordination between governments and the travel industry. The French government has taken a number of steps to enhance security and improve information on health risks, including hotlines at airports for up-to-date information and advice on the web."

Gilles de Robien, Minister of Transport, France

TRAVEL: THE SUCCESS STORY OF E-COMMERCE

The power of technology will continue to drive change in consumer behaviour and the Travel & Tourism industry, according to industry experts.

At the 4th Global Travel & Tourism Summit, the discussions of the CEOs and Chairmen of the largest growth industry in the world came back time and again to the issue of technology and its influence on tourists' behaviour. As tourists, we use technology from the beginning to the end of the travel process. Television whets our travel appetites and transports us mentally to our destination. Our research into the destination continues on the internet and now more and more of us carry out our bookings over the internet.

Philippe Bourguignon, formerly of Club Méditerranée and the World Economic Forum and now Chairman of Aegis Media, spoke of the technological revolution in the Travel & Tourism sector at the Doha Summit. "In under ten years our industry had made more progress than during the previous 100 years," he said, and went on to clarify that Microsoft was less than 30 years old, that 15 years ago the internet did not exist and Google was just four years old. Bourguignon believes that, as a result of this revolution, "A good product is no longer enough: a brand, people and sophisticated computerisation systems are the keys to travel activities. To create opportunities for relaxation, more and more technology is needed." In other words, the revolution is only just beginning.

INTERNET DRIVING CHANGE

David Babai, Chairman of Gullivers Travel Associates (GTA), believes that the internet is the key driver of change. The online branch of GTA, Octopustravel.com, is testimony to this as it experiences rapid growth. His company have online travel guides where customers can research local customs and destination information before making the booking on-line.

Twenty per cent of all travel arrangements in the USA are made over the internet, according to David Scowsill, former CEO of Opodo. Delegates also heard that 30 per cent of Whitbread's Travel

Inn brand's reservations are made online and 10 per cent of the bookings of InterContinental Hotels Group and Marriott International are made through the internet. InterContinental expects figures to rise to 20 per cent over the next three years. Scowsill went on to explain that such figures are driving huge structural changes in the market, which is moving towards zero commission.

"A good product is no longer enough: a brand, people and sophisticated computerisation systems are the keys to travel activities. To create opportunities for relaxation, more and more technology is needed."

Philippe Bourguignon
Chairman, Aegis Media

Consultancy group Accenture, supports the statistics, saying that 35 per cent of the global spend on the internet is on travel products and Partner Alex Christou hailed travel as the success story of e-commerce. Ron Andruff, CEO of Tralliance, an organization which will facilitate commerce between the travel and tourism industry, and travellers in particular through the setting up of the recently approved ".travel" domain, believes that by 2005, US\$150 billion will be spent on travel online.

A MULTI-LEVEL REVOLUTION

Technology affects the industry at every level; Gordon McHenry, Director of Government & Community Relations for Boeing, spoke at the Summit of the changes in aircraft design. On Boeing's newest aeroplanes, they have implemented broadband technology and connectivity, enabling travellers to stay in touch when they are in the air. McHenry also underlined the importance of technology in terms of safety and security in air travel, with GPS satellite based technology to be introduced in air traffic management.

Technology is clearly high on the agenda of the top Travel & Tourism industry executives in terms of the development and structure of their businesses. Its presence and expansion can only result in driving further change in the sector, but this seems to be a two-way process. Customers are as reliant on technology as they are demanding of it and the revolution has only just begun.

NEWS IN BRIEF

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NEWS



QATAR TOURISM PLANS UNVEILED

Akbar Al Baker, CEO of Qatar Airways and Chairman of Qatar Tourism Authority unveiled plans for the country's tourism masterplan at the Doha Summit. The Masterplan aims to position Qatar as a leading high-quality tourism destination and will be funded by a US\$15 billion investment into an array of prestigious projects.

Speaking at the Summit, Mr Al Baker said "We expect tourism growth to more than double in the next six years, from the 400,000 visitors that presently visit Qatar to more than one million tourists in 2010".

WTTC's annual TSA research shows that in 2004 Qatar is expected to generate US\$4,760 million of economic activity, and 56,271 jobs, representing 17.6 per cent of total employment.

Akbar Al Baker, CEO, Qatar Airways, unveils the Qatar Tourism Masterplan to the WTTC members at the Annual General Meeting

PUBLIC-PRIVATE PARTNERSHIP: THE KEY TO SUCCESS?

Government Ministers at the 4th Global Travel & Tourism Summit spoke positively about co-operation between the public and private sectors. The World Travel & Tourism Council's *Blueprint for New Tourism* highlights the need to promote Travel & Tourism as a partnership and calls for "A shared pursuit of long-term growth and prosperity". The Blueprint's vision also relies on "Governments recognizing Travel & Tourism as a top priority". Below is an overview of various comments from the Ministers:

HE Akel Biltaji, Advisor to HM King Abdullah II of Jordan on Tourism and Foreign Investment Promotion

announced that the Jordanian government had finally decided to give money to the Jordanian Tourist Board, which is a private sector-run organization.

Dr Ali Alp, Deputy Undersecretary, Ministry of Culture & Tourism, Turkey

stressed that despite international terrorism, destinations were bouncing back very quickly. Even in 2003, Turkey had recorded some 5 per cent increase in tourist arrivals.



From left to right: Luis Correia da Silva, Secretary of State for Tourism, Portugal; Doug Baker, Deputy Assistant Secretary for Service Industries, Tourism & Finance, US Department of Commerce; Renee Webb, Minister of Tourism, Bermuda; Dr Ali Alp, Deputy Undersecretary, Ministry of Culture & Tourism, Turkey; HE Akel Biltaji, Advisor to HM King Abdullah II of Jordan on Tourism and Foreign Investment Promotion

Douglas Baker, Deputy Assistant Secretary for Service Industries, Tourism & Finance, US Department of Commerce

declared that the Department-run US Travel & Tourism Administration (USTTA) suffered from a lack of funding from Congress. The USTTA last year had US\$50 million appropriated to it, only to have most of that sum reallocated ten months later.

Luis Correia da Silva, Secretary of State for Tourism in Portugal declared that it was the private sector who were able to drive change but that governments could help by adopting a new vision. In Portugal, 60 per cent of government tourism funding is now allocated to regional agencies which are Public Private Partnerships. The remaining 40 per cent is allocated to generic marketing and promotion of 'brand Portugal'.

Renee Webb, Minister of Tourism, Bermuda

stated the importance of involving private sector stakeholders in Bermuda. The 'Bermuda Alliance for Tourism' is made up of such stakeholders and they work closely with the government there. She believes that the private sector knows best and that the government should act as a facilitator for Travel & Tourism growth.

IN BRIEF NEWS IN BRIEF NEWS IN BRIEF

ARABIAN NIGHTS



One of the Middle East's biggest stars, Nancy Ajram, delighted the delegates of the Gala Dinner of the Doha event with her modern twist on traditional Arabian music and her dazzling dance moves.

The Doha Golf Club played host to the magnificent soiree, with tables for the 800 dinner guests spread across the greens. The guests were welcomed through a mini-festival of Arabian traditions where they had camel rides, were decorated with typical henna tattoos and tasted delicious regional delicacies.

The evening began with a spectacular fireworks display and continued with audience participation from the Travel & Tourism industry leaders, who were enticed onto table tops by the belly

dancer in her finery, weaving her way through the audience. Vincent Wolfington and Jean-Claude Baumgarten, Chairman and President respectively of WTTC, honoured former Chairman, Sir Ian Prosser at the event and thanked him for his leadership between 2001 and 2004.

The Summit's entertainment had started off at the opening dinner the previous evening at the splendid Diplomatic Club in Doha and Qatar made sure that delegates took away further good memories of Middle Eastern hospitality with a sumptuous closing dinner at Doha's Ritz Carlton Hotel. Elham Al Madfai's fusion of Arabian and western music entertained the guests who went away from the Summit with the feeling that they had truly had a taste of what Doha has to offer.



COMMUNICATING IN CRISES

MEDIA HYSTERIA?

Travel advisories need to be much more diligent and realistic, according to Renee Webb, Minister of Tourism for Bermuda, addressing the Qatar Summit. Minister Webb criticized the media for sensationalizing the news and therefore detracting from the marketing efforts of tourism destinations.

A TNS survey carried out among delegates before the Summit supported the Minister's comments. Referring to the global media influence, of those surveyed, 43 per cent felt that the media was "moderately damaging" in its reporting and 36 per cent felt it to be "highly damaging".

The Summit's principal moderator Nik Gowing took issue with this condemnation of the media's treatment of travel advisories and it became a hot topic for debate during the course of the Summit. He wanted to investigate what he felt were delegates' "hang-ups" in their opinion of members of the media such as himself.

The opinions of the lead contributors in the session entitled *The Power of News* were not too contradictory and the need for information, be it from governments or the media, was made loud and clear.

SARS AND FOOT & MOUTH DISEASE

But do the media need to give some sort of perspective in their reporting of Travel Advisories? The answer from the panellists, even those who are members of the media, was a resounding "yes". According to Doug Gollan, Editor of *Elite Traveler* magazine, the media are constantly chasing their next big story which may not necessarily lead to exaggeration but can certainly create hysteria. In terms of how this can affect the Travel & Tourism industry, it is perhaps not possible to apportion blame on the media, but Mr Gollan talked of the impact of the reporting of SARS on the Fairmont Hotel in Toronto, where occupancy was just 8 per cent during the crisis. "During a specific period at that time in Toronto there were just ten deaths from SARS, whereas in the same period there had been five deaths from regular flu," says Gollan.

Peter Greenberg, who is not only the Travel Editor of NBC's *Today Programme* but also finds the time to be the Chief Correspondent for Discovery Networks and the Travel Channel, defended his own journalism at times of crisis. His message mainly goes out to north Americans who he describes as "the most geographically and culturally ignorant people on the planet" and he tries to convey that while there may be a crisis such as foot and mouth disease in the UK, it does not mean that "upon landing in England, you will be confronted by a frothing cow". He puts this point across by making his own contribution to the industry himself, travelling to the destination and filming from the crisis-hit area. At the beginning of the SARS crisis, his show was broadcast from a hotel lobby in Hong Kong.

Despite the detrimental effect that some believe travel advice, in whatever form, can have, it is important for governments to inform and Minister Webb herself even admitted that governments need the media and vice versa. Such advice is also vital to the business of travel insurance – in the US, insurance companies are required by law to put advice to travellers on their website. However, particularly in the case of governments, the information does need to be kept up to date. The Australian government recently contacted the World Tourism Organization when they were reviewing the travel advisories on their website, where they were recommending that Australians should not travel to as many as 132 countries around the world.

Recent crises around the world have added fuel to the World Travel & Tourism Council's key message of how important Travel & Tourism is to a country's economy. WTTC spoke with cautious optimism when releasing its 2004 TSA research in March this year, which forecast a return to growth after the past three devastating years. Comments at the Summit suggest that the advice given to travellers can impact the industry.

INFORMATION AND EDUCATION

One key message from the Summit was that the cause of the travel advisory should be addressed first and foremost. This extended to security measures such as the US Homeland Security provision. Chris Brown, CEO of TTF Australia underlined this message in an interview with Imtiaz Muqbil of Travel Impact Newswire. "I'd rather see us work on positive messages to address the problem instead of putting the wall up any higher," said Brown, who went on to suggest, "Use tourism to address terrorism. Use the exchange of people, ideas and culture as a way to end conflicts (...), rather than simply putting in more visas."

Ministers speaking at the Summit seemed united in their view that education and information is the key to re-establishing confidence in travelling. Doug Baker from the US Department of Commerce addressed the American government's latest passport and visa regulations stating that there is a need to ensure that people are who they say they are in their passports. He spoke of tourism and terrorism having unfortunately "become intertwined" and that in Al-Qaeda's recent list of targets, it not only lists countries but also particular professions – lawyers, economists and, significantly, tourists.

Minister Webb's criticism extends to travel advisories not only for security in a particular country or region, but also to health warnings issued by the World Health Organization (WHO).

WHO's Assistant Director General, Dr Kazem Behbehani responded to this with the announcement of a high-tech 'Situation Room', a name inspired by the White House Situation Room, which provides the US President and the National Security Council with intelligence and information to help formulate and implement national security policy. The WHO idea has a similar principle, but is designed to help the global Travel & Tourism



Imtiaz Muqbil, Travel Impact Newswire interviews Christopher Brown, CEO, Tourism Task Force Australia

industry, the media and consumers get 24-hour online information about the dangerous diseases that are widely predicted to be on the horizon.

The SARS crisis last year and the lack of information thereon sparked a media frenzy resulting in global fear and uncertainty of travelling to the affected areas. The Travel & Tourism industry suffered devastating consequences as a result of the SARS crisis. WTTC forecast that it would result in over 4 million jobs lost in China, Hong Kong, Singapore and Vietnam collectively and as much as a 43 per cent loss to Travel & Tourism GDP in Singapore, 41.1 per cent in Hong Kong and 24.5 per cent and 14.5 per cent in China and Vietnam respectively.

Returning to the issue of media hysteria, Dr Behbehani was reluctant to comment but felt sure that, had the media not reported, there would have been more lives lost from the disease.

Moderating *The Ministers' Panel*, Peter Greenberg pointed out that Bermuda can at times be in the fortunate position of benefiting from travel advisories issued on other destinations. Tourism Minister Webb agreed with this, stating that with the closest land mass 700 miles away and its resulting perception as being far from conflict areas, Bermuda has in fact done very well since 9/11, with 2004 being a "bumper year".

Conversely, public perception of travel to a country such as Jordan or Qatar is affected by whatever happens in the entire region. Greenberg commented that "Most of my friends think I'm suicidal for coming here." One delegate questioned the fact that when an event takes place in Spain, it is reported as taking place in Spain but when an incident occurs in no matter which country in the Middle East, we hear of it having taken place in the Middle East. Akel Biltaji, speaking in his capacity as advisor to King Abdullah II of Jordan, says that they are constantly diligent and careful in Jordan. They are "knocking on doors" persuading the rest of the world that it is safe to travel there.

A CHANGE OF OPINION?

The general consensus among participants was that while the need for information is there, the means of portraying it needs to be addressed. Nik Gowing brought the attention back to Minister Webb and asked her whether having heard all the comments during the course of the day, she would like to dilute her earlier criticism of media reporting. Her answer, to Mr Gowing's disappointment in his defence of his colleagues around the world, was no. Reporting should be fair and messages should be put into context rather than left leading to unnecessary hysteria.

"I'd rather see us work on positive messages to address the problem instead of putting the wall up any higher (...) Use tourism to address terrorism. Use the exchange of people, ideas and culture as a way to end conflicts (...), rather than simply putting in more visas."

Christopher Brown
Managing Director & CEO
Tourism Task Force Australia

WTTC PARTNERS WITH CHATHAM HOUSE FOR CONFERENCE: GLOBAL TOURISM IN THE 21ST CENTURY

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Chatham House (The Royal Institute of International Affairs) is a globally renowned centre of excellence for research, analysis and discussion of international affairs. The Chatham House Sustainable Development Programme brings together business, government, academic and NGO experts to carry out and publish research and stimulate debate on energy, environment, climate change and corporate responsibility issues with international implications.



The conference is an extension to the Sustainable Development Programme, and given the great importance of Travel & Tourism and its impact on economies, jobs and development it is fitting that the 2005 conference should focus on our industry.

WTTC has been working closely with Chatham House to develop the conference which will take place in London on 7-8 February 2005. Entitled "Global Tourism in the 21st Century:

Managing environmental, social and business risks", the conference will bring together leaders from the international tourism industry, governments and experts in international relations to discuss the major opportunities and challenges of doing business in tourism in the 21st Century.

Several WTTC Members and partners will be contributing to the conference, including Alain Demissy, President of the Executive Committee, Mondial Assistance; Adrian Cooper, Managing Director, Oxford Economic Forecasting; Andrew Sentance, Chief Economist and Head of Environmental Affairs, British Airways; and Jose Luis Zoreda, CEO, Exceltur.

For further information on Chatham House or the conference please visit www.chathamhouse.org.uk/tourism2005.

CHINA: WTTC PROJECTS FORGE AHEAD

WORLD TOURISM MARKETING SUMMIT; THE POWER OF MARKETING

WTTC, in the role of Lead Global Patron, is organizing the First World Tourism Marketing Summit in partnership with the World Trade University Global Secretariat and the City of Nanjing which will take place in Nanjing, China 21-23 November 2004. The Summit promises to create an arena in which Tourism executives and entrepreneurs can forge new relationships and forward-thinking strategies. The Summit aims to bridge both public and private sector, East and West to harness discussions which can be enriched by the breadth of experience and expertise.



The Summit is timed perfectly to coincide with China International Travel Market which runs from the 25-28 November 2004 in Shanghai and for which the organizers will provide transfers should delegates wish to attend.

Peter Wong, Chairman, M.K. Corporation
Vincent A Wolfington, Chairman and CEO,
Carey International

Confirmed speakers include:

David Clifton, Managing Director, Interval International
Glen Davidson, Senior Vice President,
American International Group, Inc
Gwenan Edwards, Presenter, BBC World
Douglas Gollan, President and Editor-in-Chief,
Elite Traveler Magazine
Peter Greenberg, Travel Editor, NBC News
He Guangwei, Chairman, China National Tourism Authority
Michael Hobson, Senior Vice President, Sales and Marketing,
Mandarin Oriental Hotel Group
Soren Langelund, Head of Business Development,
Octopustravel.com
Paul Kirwin, President & Managing Director,
Carlson Hotels Asia Pacific
Jill McDonald, Marketing Director, British Airways
Frank O'Neill, Director, Asia Pacific, Mondial Assistance
Ms Berthia Parle, President, Caribbean Hotels Association
Martin Waechter, Chief Marketing Officer,
Shangri-La Hotels & Resorts
Arnie Weissmann, Editor in Chief, Travel Weekly, USA

The Summit will cover many subjects relevant to Travel & Tourism in the domain of marketing to both the inbound and outbound market with an in-depth analysis on the role of the media. The Summit also provides the opportunity for optimum delegate participation in the sessions through a variety of interactive workshops focusing on topics which range from the role of culture and heritage to the potential for insurance in emerging tourism markets; from a showcase of tourism marketing success stories to a session on eco-friendly tourism.

For more information on the program and for online registration please go to <http://wtms.wtuglobal.org>.

OTHER ACTIVITIES

WTTC's presence in China has been steadily growing since February earlier this year when WTTC held its last meeting in Shanghai. A high-profile has been maintained at various events such as the 2nd PECC Ecotourism Forum held in Shangri-La, Yunnan province, WEF China Business Summit, Beijing and the 2004 Beijing Forum for International Cooperation on Modern Tourism Trends 'The Future of Travel is Here'.



Peter Wong, Chairman, M.K Corporation Ltd, Mrs Wang Ping, President, The Tourism Chamber of Commerce (TCC), Mr Jean-Claude Baumgarten, President WTTC, Ms Pansy Ho, Managing Director, Shun Tak Holdings Ltd and Mr Hao XuKuan, Vice Chairman of TCC, having signed an MOU on the future cooperation between WTTC and TCC.

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NEW COUNTRY STUDY FOR RUSSIA

The Executive Committee of the World Travel & Tourism Council has agreed that WTTC should carry out a country study for Russia in 2004/2005 to raise awareness of and capitalize on the immense opportunity for Travel & Tourism growth and development.

The WTTC Country Report for Russia is scheduled to be the latest in a series of reports - most recently China and Hong Kong in 2003 and South Africa in 2002 - produced by WTTC using standard's developed by the United Nations Statistics Commission (called "Tourism Satellite Accounting") and a detailed independent policy assessment and recommendations by leading Travel & Tourism analysts. Copies of the China and Hong Kong report can be downloaded for inspection from the WTTC website (www.wttc.org).

THE POLICY RESEARCH AND STEERING COMMITTEE

Research on the policy situation for Russia is expected to begin in late 2004. The policy analysis and recommendations will be carefully vetted by a WTTC Steering Committee specifically organized for this purpose. The Committee is expected to follow the China model totaling more than 40 interested participants who assisted in a review of the initial outline and draft policy assessment.

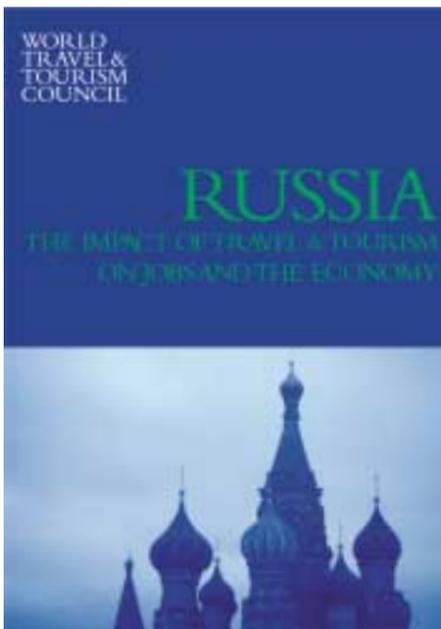
THE REPORT LAUNCH AND PR/COMMUNICATIONS

Following the China model, which included a three-day road show tour of Beijing, Shanghai and Hong Kong, it is expected that the Russia Report in English and Russian languages will be formally launched at a series of high-level events organized for government, industry and media representatives in early 2005.

In China, the launch of the report resulted in more than 100 news (print and broadcast media) articles including Wall Street Journal, Financial Times, New York Times and South China Morning News. After six months more than 25,000 copies of the China/Hong Kong Report had been downloaded from the WTTC website and more than 5000 hard copies had been distributed in country and abroad.

FURTHER INFORMATION

WTTC welcomes any parties interested in joining this project as a member of the steering committee or sponsor to contact WTTC at lisafox@wttc.org



CARIBBEAN: WTTC COUNTRY REPORT AND THE WAY AHEAD

WTTC completed a major new Country Report in mid-June for the 23 national economies of the Caribbean. The Caribbean Report was commissioned by the Caribbean Hotel Association and sponsors included American Express Company, Air Jamaica, American Airlines and Sandals. The report was delivered to the Caribbean Hotel Investment Conference (CHIC) in San Juan and the Caribbean Media Exchange in St. Lucia. The CHA later delivered the report to the Annual Meeting of the CARICOM Heads of State in Grenada. The report specifically addressed Travel & Tourism policy issues, which were common to the Caribbean economies in general and many others that were particularly limiting to a number of the individual economies including raising the level of awareness of the industry's impact on the economy, improving long-term tourism planning to increase investor confidence, and building Travel & Tourism into national strategies to alleviate poverty and build sustainability into communities.

WTTC CALLS ON GLOBAL TRAVEL & TOURISM COMMUNITY TO SUPPORT HURRICANE RELIEF EFFORTS IN THE CARIBBEAN, FLORIDA AND ALABAMA

WTTC joined with the Caribbean Hotel Association (CHA) earlier this year to share its sympathy with and support for the people of the Caribbean, Florida and Alabama, which bore the ferocious power of Hurricanes Jeanne, Ivan, Frances and Charley.

WTTC encourages its Members and colleagues in the travel industry around the world to support the relief efforts that have been undertaken by CHA and others to provide assistance to the Bahamas, Cayman Islands, Grenada, Jamaica, Florida and Alabama. Details of how to help can be found on the CHA website at www.caribbeanhotels.org/Updates/hurricanereel.htm

In some cases, such as Grenada, the damage has been severe and the loss to the Travel & Tourism industry, the Grenadian economy and the people of the Spice Island is horrific. Because nearly one third of the Grenada economy depends on Travel & Tourism, the

Hurricane is expected to have a major short-term negative impact. Recovery and rebuilding is already underway, but it will be some time before Grenada and other communities that have been hit are back to business as usual.

Jean-Claude Baumgarten, President of WTTC said, "We stand with Grenada and the many other Caribbean and United States communities that have been hit by these terrible storms. This is a close-knit community and when one of us is in trouble, the rest of the community is there to help."

"We also encourage visitors to continue with existing or future plans for travel to the unaffected areas of the Caribbean, Florida and Alabama to show their support for business as usual and help provide the continuity of economic activity that will support these communities as they assist their neighbours in the recovery."

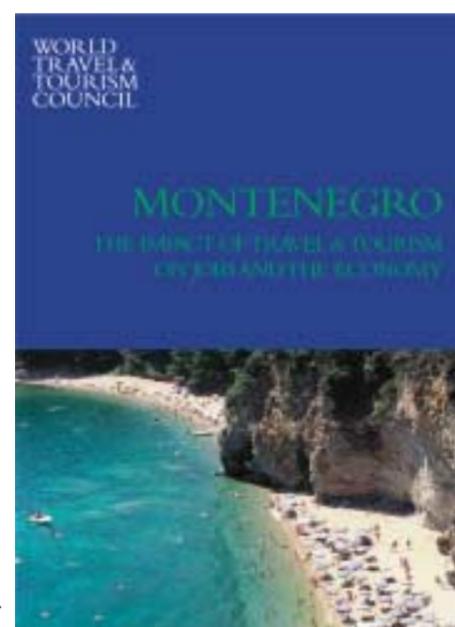
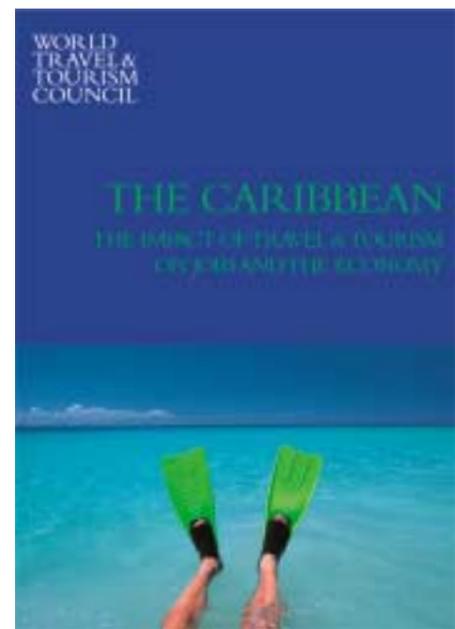
WTTC PRESENTS REPORT TO PRIME MINISTER OF MONTENEGRO

Following the initial release of the Montenegro forecasts and policy recommendations at ITB Berlin in March 2004, WTTC delivered the final report in English and Serbian to the Prime Minister of Montenegro on July 1 in Podgorica. The private meeting was followed by a well-attended presentation to national industry and government leaders, including several members of the cabinet and two Deputy Prime Ministers, and the media. The event was hosted by the Montenegro Minister of Tourism, Predrag Nenezic.

WTTC's President Jean-Claude Baumgarten congratulated the Minister for Montenegro being named as the fastest growing Travel & Tourism economy in the world according to the WTTC's latest 2004 TSA research. WTTC called on Montenegro to focus on attracting foreign investors to expand and renovate the Republic's tourism infrastructure, particularly hotel supply, as well as increasing the transparency in the privatization process, the rapid resolution of land ownership issues and the removal of red tape.

NEW ACTING SECRETARY GENERAL FOR WTTC INDIA INITIATIVE

WTTC is proud to announce that Rathi Vinay Jha, former Secretary of Tourism in the Ministry of Transport has taken up the role of Acting Secretary General for the WTTC India Initiative as of the 9 September. She will be playing a vital role in the preparations for the forthcoming Global Travel & Tourism Summit to take place in Delhi.



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WTTC RECOGNIZES BEST PRACTICE WITH THE TOURISM FOR TOMORROW AWARDS

THE LEADING EXAMPLES OF BEST PRACTICE, AS OUTLINED IN
WTTC'S *BLUEPRINT FOR NEW TOURISM*, WILL BE HONOURED
THROUGH THE TOURISM FOR TOMORROW AWARDS IN 2005.

TOURISM *for* TOMORROW
Awards 2005

10

BBC
WORLD

eTurboNews
eTN
LEADING GLOBAL TRAVEL NEWS

The Daily Telegraph
The Sunday Telegraph

travel
SPAN

worldroom
TRAVEL
TV

TRAVEL WEEKLY

Wanderlust

WTTC's *New Tourism* is based on a coherent partnership between public and private sectors. It is geared to delivering commercially successful products- but in a way that ensures benefits for everyone. Similarly, Tourism for Tomorrow looks beyond short term considerations and rewards initiatives that while being dedicated to making a profit, reflect leadership in terms of responsible Travel & Tourism development. This includes demonstrating a commitment to the principles of sustainable tourism, such as enhancing cultural heritage and diversity, protecting the natural environment, and providing economic benefits for destination communities.

There are four categories for entry. These are:

Destination Award: This is awarded to a destination of any size – from a small town to an entire country – but which must comprise more than one tourism business. The destination must have shown dedication to, and success in, maintaining a policy of sustainable management incorporating social, cultural, environmental and economic aspects as well as multi- stakeholder engagement. The winner must be able to demonstrate maximum positive benefits and minimum negative impacts, as well as the adoption of planning and policies that promote sustainability. Applicants may include governments, NGOs, businesses and community organizations representing the destination.

Conservation Award: Open to any tourism business, organization or attraction, contenders for this Award need to demonstrate that their efforts to ensure sustainable development have made a significant contribution to the conservation and preservation of natural and/or cultural heritage.

Investor in People Award: This is awarded to a tourism initiative that has demonstrated direct benefits to local people, including the transfer of industry skills that spread the benefits of Travel & Tourism widely and effectively. The winner of this award must show a positive contribution to capacity building required

for Travel & Tourism in destination areas and a commitment to developing careers, education and employee relations that result in economic and social benefits for local communities.

Global Tourism Business Award: Any company from any sector of Travel & Tourism – cruise lines, hotels, resort properties, etc – is eligible for this 'all-purpose' Award. But applicants must demonstrate sound environmental operations and management, including the education of guests about areas visited, support for cultural and historical preservation, and partnership with other private and public stakeholders. Their efforts to ensure sustainable development must have encompassed social, environmental and cultural concerns.

The judging process has been designed to ensure the high quality and integrity of the Awards. A panel of experts, headed by Costas Christ, Chairman of Bar Harbor, Maine, Chamber of Commerce will select the winners after all finalists have been verified on-site by a WTTC representative.

Upon his appointment as Chair of the judging panel, Mr Christ said "I am delighted to be working with WTTC on the relaunch of the Tourism for Tomorrow Awards. The Awards are a powerful vehicle to promote best practices across the industry and build broader awareness of sustainable tourism among governments, the private sector, and the travelling public."

Winners will benefit from a high-level of media exposure and will be invited to the awards ceremony that will take place at a special gala dinner at the 5th Global Travel & Tourism Summit in New Delhi, India. For further information on the Tourism for Tomorrow Awards and how to apply, please visit www.tourismfortomorrow.com.

All entries must be received by 10 December

WTTC EU MANIFESTO:

WELCOMING THE NEW EU MEMBER STATES WITH JOBS & GROWTH

Three million jobs and an additional EUR 46 billion of GDP - this is the latent potential of Travel & Tourism just waiting to be tapped in the ten new EU member states, according to WTTC's latest economic research. What is more, the research launched at the 4th Global Travel & Tourism Summit demonstrates that this growth can spring naturally from the inherent vigour of Travel & Tourism.

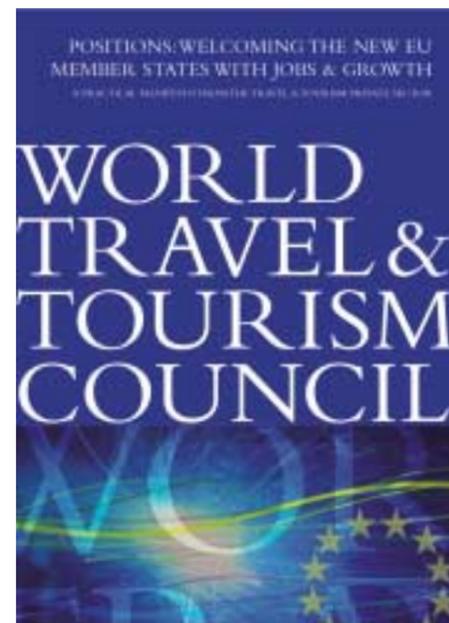
But these results cannot be left to chance. WTTC's EU Manifesto identifies how EU Institutions and Member States can ensure that the potential is achieved. Headed by a Steering Committee chaired by Dr Michael Frenzel, Chairman of TUI AG and WTTC Europe Chairman, the manifesto sets out clear policy guidelines for both the public and private sectors and calls for a conscious and consistent partnership - between private operators and governments, and among all levels of governments.

The manifesto urges the EU Council and the member states to make a firm policy commitment to give the highest priority to Travel & Tourism in short-term funding in 2005 and 2006, and in the 2007-2013 financial framework for the EU that is now under discussion. Furthermore, it spells out the need for consistent policy decisions across the board (from transport to tax, health and hygiene to leisure and law and order, and environment to macro-economics) to maximise the sector's potential.

The EU manifesto was launched by WTTC President, Jean-Claude Baumgarten and Lord Clement-Jones of DLA, who sponsored the project, at a press conference in Brussels in July 2004. "Action will also help restore the EU's reputation as a motor of prosperity and constructive change - with its citizens, and with the wider world. Success will demonstrate that large-scale and adventurous action can promote economic growth to bridge the gap between haves and have-nots", said Jean-Claude Baumgarten at the launch. "But it depends on a positive response from the EU institutions and from member states governments", he insisted.

WTTC Vice President of Corporate Development, Ufi Ibrahim, presented the findings of the research and the EU manifesto to an audience of European tourism government and industry representatives at the 3rd European Tourism Forum in Budapest, Hungary in October 2004.

Over the next six months, WTTC will undertake a roadshow of the new member states, meeting with the relevant ministers and tourism officials to ensure that they are aware of the latent potential of Travel & Tourism and to encourage them to act accordingly.



The EU Steering Committee is led by Dr Frenzel of TUI AG and the other Members of the Committee who are already experienced in Europe are:

Henrik Bartl
Managing Director, Aareal Bank

Alan Burnett
Regional Director, Africa, Middle East, C & S Asia,
British Airways

Lord Clement Jones
Partner, DLA

Sebastián Escarrer
Vice Chairman, Sol Meliá

Manuel Fernando Espirito Santo
Chairman, Espirito Santo Tourism

Jurgen Fischer
President, Europe, Middle East & Asia, Hilton

Geoffrey Kent
Chairman & CEO, Abercrombie & Kent

Hans Lerch
President & CEO, Kuoni

Tom Nutley
Chairman, Reed Travel Exhibitions

Alan Parker
Chief Executive, Whitbread

Serge Ragozin
General Manager of International Services, Accor

José Antonio Tazón
President & CEO, Amadeus

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MEMBER EVENTS

MARCH 2004 - APRIL 2005



Noel Irwin-Hentschel, Chairman & CEO, American Tours International LLC and Ufi Ibrahim, Vice President Corporate Development, WTTC

Around 50 Member companies were represented at the WTTC Annual General Meeting and 4th Global Travel & Tourism Summit in Doha, Qatar, this year. The AGM and Summit is the major networking event for Members in WTTC's calendar.



On the occasion of the International Hotel Investment Forum in March, WTTC co-hosted with Member CIBC World Markets an exclusive cocktail reception at the Ritz Carlton Hotel in Berlin. This was the second event of its kind and attracted WTTC Members and guests from the hotel industry.



Henry Silverman, Chairman, CEO & President, Cendant Corporation speaking at the Joint Travel Business Roundtable and WTTC Luncheon

The Executive, Audit and Membership Committees convened in New York on 5 October 2004 for their fall meetings, kindly hosted by Cendant at their Manhattan offices. The meetings were accompanied by the annual joint luncheon with Travel Business Roundtable, where Stuart Rothenberg was the guest speaker. As a political commentator, his lively presentation, enjoyed by the gathered Members and guests of both organizations, centred around the forthcoming US presidential election. Former WTTC Chairman Bob Burns and his wife Janice hosted a sumptuous evening reception at their New York home on the evening of October 5, to round off the day's events.

WTTC Members will meet again at the annual cocktail reception in London on November 9, during World Travel Market.

SPEAKING ENGAGEMENTS

Since the Doha Summit, WTTC has held speaking engagements at the events listed below:

Arabian Travel Market, Dubai, UAE – May 2004

Caribbean Hotel Investment Conference, Montego Bay, Jamaica – May 2004

International Golf Business Forum, Budapest, Hungary – May 2004

ECAC /AEA /ACI Europe South-East Europe Regional Air Transport Conference, Zagreb, Croatia – June 2004

7th International Forum on Tourism Statistics, Stockholm, Sweden – June 2004

Launch of WTTC Caribbean Report, Puerto Rico – June 2004

Communicating Environmental and Social Performance, Budapest, Hungary – June 2004

Launch of WTTC Montenegro Report, Montenegro Report, Montenegro – July 2004

Launch of WTTC EU Manifesto, Brussels, Belgium – July 2004

2nd PECC Eco-tourism and Ethnic Cultural Heritage Protection Forum, Yunnan, China – September 2004

WEF China Eco-tourism Summit, Beijing, China – September 2004

GRI Summit: European Real Estate Investment and Development, Paris, France – September 2004

World Tourism Day Symposium, Kuala Lumpur, Malaysia – September 2004

AWTTE (Arab World Travel & Tourism Exchange), Beirut, Lebanon – October 2004

APEC Ministerial Meeting, Chile – October 2004

EU Tourism Forum, Budapest, Hungary – October 2004

FORTHCOMING WTTC EVENTS 2004 AND 2005

8-11 November

World Travel Market

- Preview debate for 5th Global Travel & Tourism Summit

Summit

- WTTC Cocktail reception

21-23 November

World Tourism Marketing Summit, Nanjing, China

7-8 February

Chatham House Conference,

Global Tourism in the 21st Century:

Managing environmental, social and business risks

15 March

Cocktail reception at IHIF

7-10 April

WTTC AGM and 5th Global Travel & Tourism Summit, New Delhi, India



Alicia Wolfington, Robert H Burns, Chairman, Robert H Burns Holdings Ltd, Vincent A Wolfington, Chairman, Carey International and Senator Jim Sasser



Jean-Claude Baumgarten, President, WTTC and Stelios Haji-Ioannou, Chairman and Founder, easyGroup.com



Mike Batt, President & CEO, Carlson Leisure Group, Alan Burnett OBE, Regional Director, Africa, Middle East, Central & South Africa, British Airways plc and Geoffrey Kent, Chairman & CEO, Abercrombie & Kent

WORLD TRAVEL & TOURISM COUNCIL

1-2 Queen Victoria Terrace
Sovereign Court
London E1W 3HA
Tel: +44 20 7481 8007
Fax: +44 20 7488 1008
enquiries@wttc.org
www.wttc.org