

Worldwide Travel and Tourism: One Industry, One Voice, One Major Economic Impact

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HIGHLIGHTS

A report from the inaugural World Travel & Tourism Council The Americas Summit, held in Riviera Maya, Mexico

Those who are part of the international business meetings community know that organizations investing in business travel and participating in meetings have a greater chance of achieving their business goals than those that do not.

Imagine the impact when political leaders acknowledge the same from their perspective: Governments that support travel and tourism by working with the private sector in this industry have a greater chance of creating jobs and achieving economic goals than those that do not.

At the inaugural <u>World Travel & Tourism Council The Americas Summit</u> held in May in Riviera Maya, Mexico, top-level tourism ministers and leaders from the public and private sector held a joint meeting to answer the question: What is the economic impact of tourism? "We are far too important an industry not to speak with one united voice," said David Scowsill, president and CEO of WTTC during the summit, emphasizing the ability of travel and tourism to generate jobs, boost economic prosperity, and influence sustainability worldwide.

Scowsill also highlighted that travel and tourism is typically one of the largest employers in most countries. In 2011, travel and tourism accounted for 9 percent of GDP globally, according to data from WTTC, providing 255 million jobs. That's one in 12 jobs on the planet. And this is expected to continue to grow at about 3 percent this year, eventually increasing to one in 10 jobs. Meanwhile, the <u>United Nations World Travel Organization</u> released an eye-catching statistic: We'll reach the milestone of 1 billion international travelers in 2012. At The Americas Summit, both WTTC and UNWTO expressed that they will continue to join efforts to break down barriers to travel sector growth.

They lived up to their word in June, issuing a call to attendees of the G20 world leaders meeting in Los Cabos, Mexico, to rely on tourism as an engine for economic growth. According to a research study conducted by WTTC and UNWTO, G20 economies could boost their international tourist numbers by an additional 122 million, generate an extra \$206 billion in tourism exports, and create more than five million additional jobs by 2015 by improving visa processes and entry formalities.

In a joint statement, WTTC's Scowsill and UNWTO Secretary General Taleb Rifai said, "Travel and tourism have the potential to create millions of new jobs and billions of dollars of GDP in G20 countries. We call on the world leaders to take the necessary steps to realize that potential through removing unnecessary visa restrictions."

Easy Access to Visas Is a Must

If you want to know how great an impact a difficult visa process can have, consider the United States. Roger Dow, president and CEO, <u>U.S. Travel Association</u>, points to 2010 data that shows the U.S. lost 78 million overseas arrivals, representing \$606 billion in total spending and 470,000 jobs, over 10 years.

To address this, the U.S. is finally implementing Brand USA, a joint public and private international tourism campaign to attract visitors. U.S. President Barack Obama also signed an executive order in January that announced a national travel and tourism strategy to make the visa process more efficient. The goal: Welcome 100 million international visitors to the U.S. by 2021. The initiative outlines plans for shortened visa interview wait times and a streamlined visa process overall.

Immigration and Customs Should Welcome Visitors

Security rules that have been put in place worldwide—but in the U.S. in particular—during the past 10 years are not perceived as welcoming. Rather, international visitors perceive they are treated with caution and suspicion. Billionaire Carlos Slim, a VIP attendee of the summit, offered his own solution that would likely resonate with most travelers: Countries should make the arrival process "feel like a party." Who wouldn't agree with that?



Infrastructure is Key to Tourism

Attracting tourism requires a commitment to infrastructure: airports and roads. Summit host Mexico exemplifies this commitment, and its economy has clearly benefited. Quintana Roo Governor Roberto Borge Angulo explained that Mexico's top-notch infrastructure also allows visitors more opportunity to travel between destinations during a single visit. Don't wait to invest, added Angela Gittens, director general for Airports Council International. "That's going to strangle those economies" that do not invest she said.

Opening Skies Will Expand Opportunities

Open skies means increased international airline competition within the Americas and elsewhere. But it hasn't yet been widely embraced. "Any change in aviation, as in any industry, brings winners and losers," said Jeff Poole, director of government and industry affairs at the International Air Transport Association. It also reduces some of the leverage governments use to increase taxes and regulation.

Alex de Gunten, executive director of the Latin American and Caribbean Air Transportation Association framed the challenge. "We find in the [Latin American and Caribbean] region that there are a lot of barriers," Gunten said. "They think aviation is a luxury. They put taxes on tourists who arrive, and on the airports."

Finding a Way for Growth to Mesh With Sustainability

There's the idea of being committed to adopting environmentally friendly standards and practices, and then there's the idea of making it part of the fabric of a community. Jose Koechlin, chairman and CEO of Inkaterra (Peru), which was a winner of one of the 2012 Tourism for Tomorrow Awards at WTTC The Global Summit in Japan, said that if you do not involve communities in the long term, they will not have a "social memory" for conservation or their own longevity. Inkaterra boasts long-term conservation stewardship of 38,000 acres of rainforest in the Amazon basin and 25 acres of cloud forest within the Machu Picchu Historical Sanctuary. Founded in 1975, Inkaterra has grown into a renowned biodiversity research and conservation tourism company operating five hotels in the Sanctuary of Machu Picchu and the Madre de Dios area of the Amazon rainforest.

The Travel Industry Needs New Talent and New Thinking

To be ready for the tourism growth that lies ahead, the tourism industry—and destinations in particular—will need to have people who are trained and prepared to create the visitor experience. Nancy Johnson, chair of the American Hotel & Lodging Association, and others at WTTC The Americas Summit emphasized the importance of fostering professional development for women and creating a more diverse workforce.

In addition to attracting a highly qualified workforce, travel and tourism will need to evolve in its approach to destination marketing by relying on social media, qualified reviews, and innovative technologies.

The Impact of Travel and Tourism is Real

Mexico's President Felipe Calderon was optimistic about the benefits for those countries that embrace this industry. "The message must be that tourism means jobs and economic growth," President Calderon said. Mexico's Secretary of Tourism Gloria Guevara was equally optimistic and predicted that more governments will begin to embrace international tourism in the years ahead. Mexico has experienced growth and tourism plays a vital role in its economy, so it was fitting that Secretary Guevara served as host for this first WTTC regional summit in the Americas.

WTTC The Americas Summit was held at the Grand Velas Riviera Maya, May 16–18, 2012.

Based in Chicago, Rob Hard is publisher of <u>Business Travel Destinations</u>, exploring international destinations, hotels, venues, and services for business travel, meetings, and events. Reach him at editor @rhcommunications.com.

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