



CCO BRIEF ON TOURISM

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Tourism industry is a critical sector for both developed and developing countries in terms of economic development, poverty alleviation and sustaining employment. Improvement of the tourism sector contributes to employment, raises national income and improves a country's balance of payments. It is also an important driver of growth and prosperity and can play a leading role in poverty reduction, particularly in developing countries and the least developed countries (LDCs). While the sector showed a decreasing trend during the global economic slowdowns and crisis, along the last six decades, it has witnessed an extraordinary growth in terms of tourist arrivals, as well as tourism receipts. International tourist arrivals increased from 25.3 million in 1950 to 1.19 billion in 2015 and international tourism receipts increased from USD 2.1 billion in 1950 to USD 1.26 trillion in 2015.¹

Recent Trends in International Tourism

During the last decade, the tourism sector has continued to increase its share in the world economy. According to the UNWTO forecast, international tourist arrivals grew by 4.6% in 2015 and reached 1.19 billion arrivals.

According to Tourism Towards 2030, UNWTO's long-term outlook and assessment of future tourism trends, the number of international tourist arrivals is expected to increase by 3.3% a year on average from 2010 to 2030. This represents some 43 million more international tourist arrivals every year, reaching a total of 1.4 billion arrivals by 2020, 1.5 billion arrivals by 2023 and 1.8 billion by 2030.

International tourism receipts have also demonstrated an upward trend. According to the UNWTO forecasts, during the 2000-2015 period, international tourism receipts increased from US\$ 495 billion in 2000 to US\$ 1.26 trillion in 2015.

Table 1. International Tourism Arrivals and Tourism Receipts

	2000	2005	2010	2013	2014	2015*
Number of tourists (millions of people)	674	809	950	1,088	1,134	1,186
Annual change (percent)	8.1	5.9	6.5	4.6	4.2	4.6
Tourism receipts (billion dollars)	495	706	986	1,241	1,309	1,260

* Forecast

Source: UNWTO World Tourism Barometer-Volume 14, July 2016

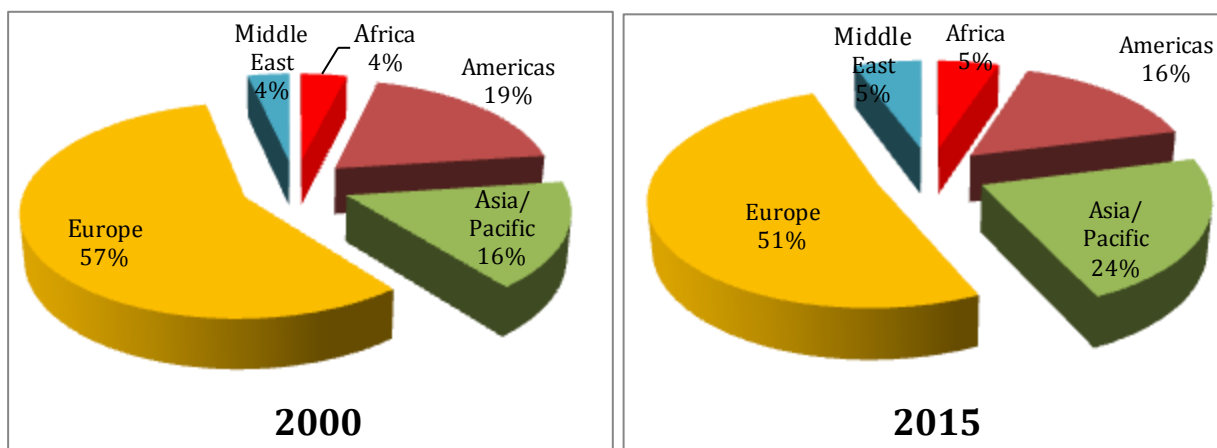
The Share of International Tourism by Region

In recent decades, international tourism activity has demonstrated continuing geographical spread and diversification of tourist destinations. New tourist-receiving markets have been emerging in the developing regions of Asia, the Pacific, the Middle East and Africa. This rapid expansion of new markets has increased the competition in the tourism sector. As demonstrated in Figure 1 and 2, the share of traditional popular destinations, such as the

¹World Tourism Organization

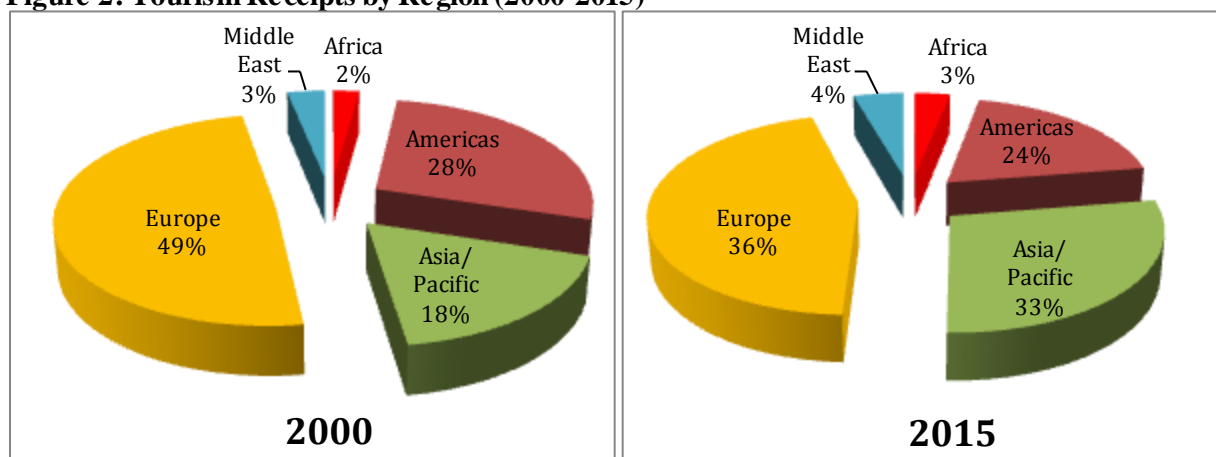
Americas and Europe in tourism sector has been declining in favor of the Middle East, Africa and the Asia Pacific regions in terms of tourist arrivals as well as tourism receipts.

Figure 1: Tourist Arrivals by Region (2000-2015)



Source: UNWTO, World Tourism Barometer Volume 14, July 2016

Figure 2: Tourism Receipts by Region (2000-2015)



Source: UNWTO, World Tourism Barometer Volume 14, July 2016

Tourism Sector in the OIC Member Countries

Tourism sector is also crucial for the OIC, having 21 LDCs as the Member Countries, in terms of income generation and its contribution to the employment. As demonstrated by Table 2, according to the World Travel and Tourism Council (WTTC) Economic Import Report 2016, the direct contribution of Travel & Tourism to GDP in 2015 was \$213.3 billion (3.4% of GDP) in the OIC member states. This is forecast to rise by 3.5% to \$220.9 billion in 2016.

Moreover, according to the report, Travel & Tourism generated approximately 15.4 million jobs directly in 2015 (2.8% of total employment) and this is forecast to grow by 1.7% in 2016, reaching 15.7 million (2.7% of total employment). This includes employment by hotels, travel agents, airlines and other passenger transportation services. Total contribution of travel and

tourism to employment in the OIC member states has been 39.7 million jobs in 2015 (7.1% of total employment).

Table 2: Estimates for Travel and Tourism Economic Impact in OIC Member States

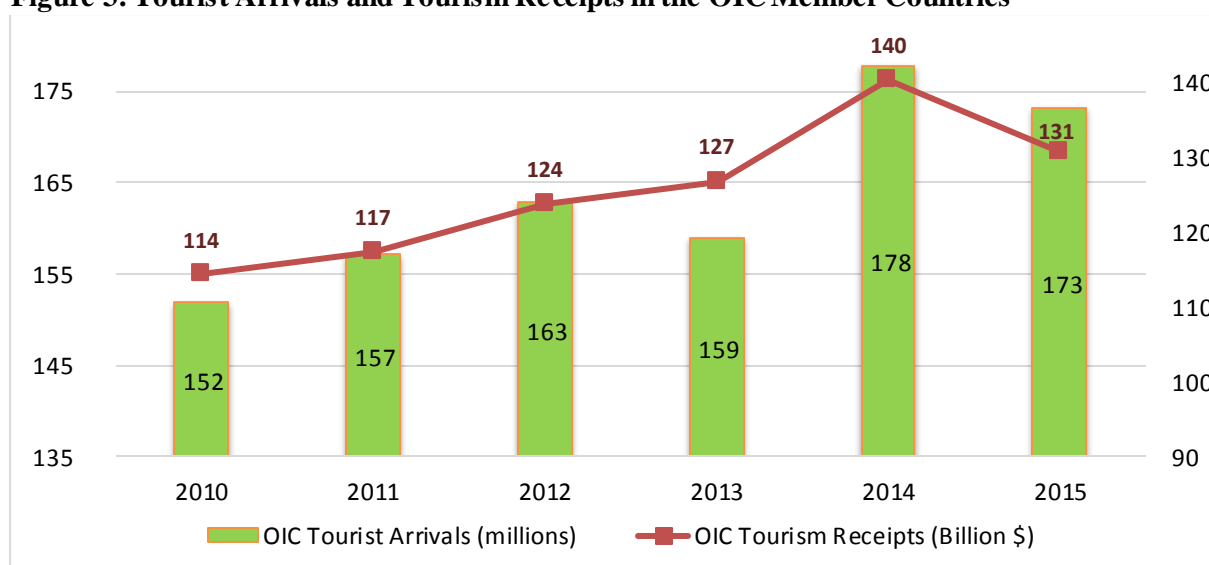
	2015	2015 % of total
Direct contribution to GDP (\$ billion) ¹	213.3	3.4
Total contribution to GDP (\$ billion) ²	551.2	8.7
Direct contribution to employment (thousand jobs)	15,393	2.8
Total contribution to employment (thousand jobs)	39,716	7.1

¹2015 constant prices and exchange rates; ²2016 real growth adjusted for inflation (%);

Source: WTTC, Economic Impact 2016 Report-COMCEC

International tourism activity in the OIC Member Countries has also been growing in terms of both tourist arrivals and tourism receipts in recent years. During the 2010-2015 period, as shown in Figure 3, both tourist arrivals and tourism receipts increased in general.

Figure 3. Tourist Arrivals and Tourism Receipts in the OIC Member Countries



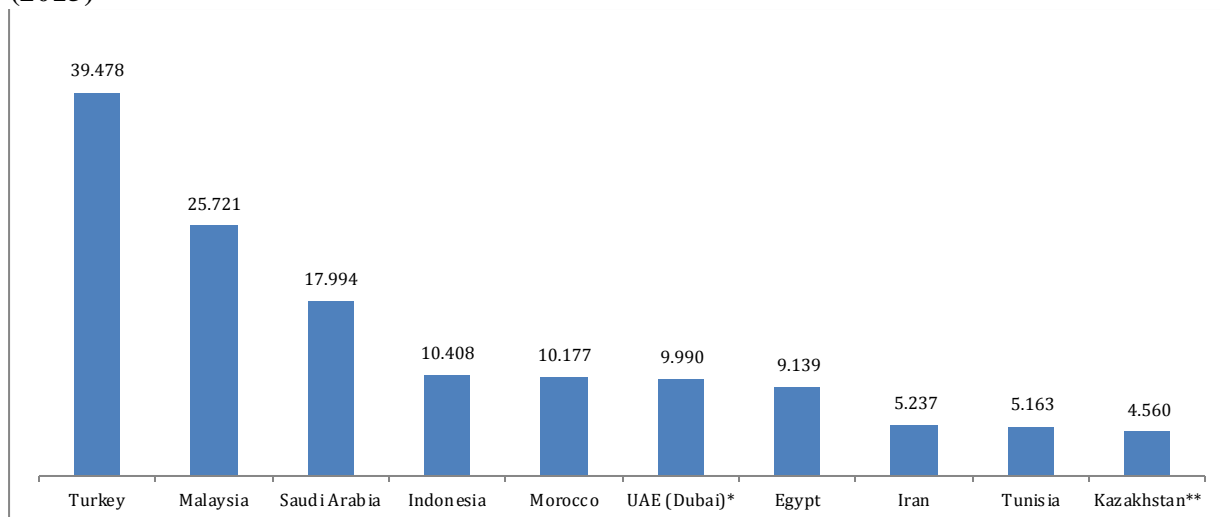
Source: UNWTO and COMCEC Tourism Outlook 2016

As shown in Figure 3, the number of tourist arrivals of the Member Countries increased to 173 million in 2015, corresponding to a 14.6 per cent share in the total international tourist arrivals worldwide. International tourism receipts amounted to \$135 billion in the same year corresponding to a 10.7 per cent share in world's total tourism receipts.

As shown in Figure 4, the distribution of the tourist arrivals among the OIC Member States has demonstrated the fact that international tourism in the Member Countries is concentrated in a few countries. In terms of tourist arrivals, Turkey, Malaysia, Saudi Arabia, Morocco, United Arab Emirates (UAE), Egypt, Indonesia, Tunisia, Iran and Kazakhstan were the top 10

international tourist destinations among the Member Countries in 2015. These 10 countries together hosted 142.2 million international arrivals in 2014. It is worth mentioning that among these countries, Turkey and Malaysia also ranked 6th and 11th, respectively, among the world top tourist destinations in 2015.

Figure 4. Top 10 OIC Tourism Destinations in International Tourist Arrivals (Thousands) (2015)



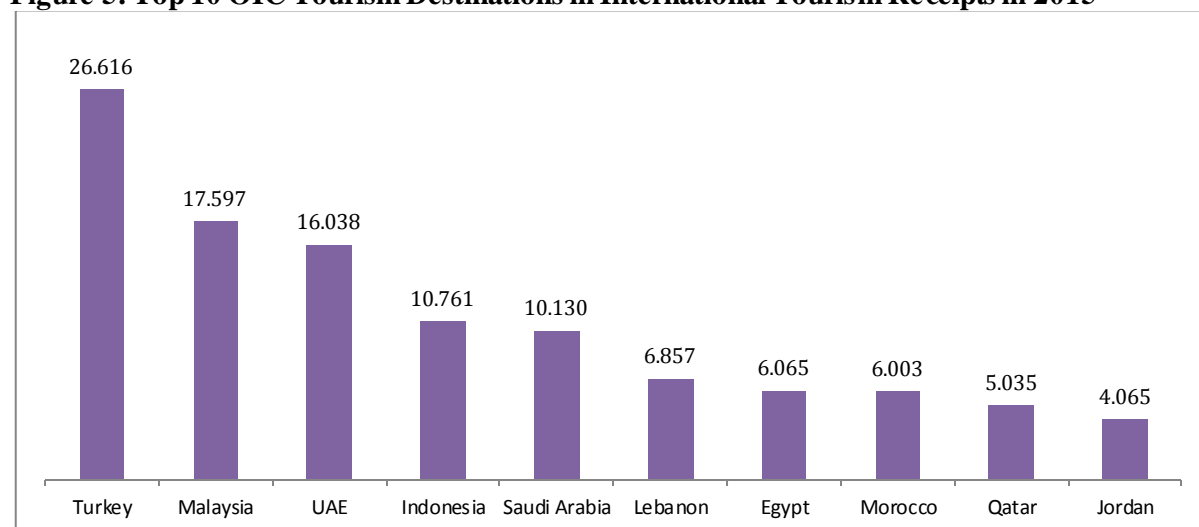
Source: UNWTO, Tourism Highlights 2016 & Republic of Turkey Ministry of Culture and Tourism

* 2013 data

**2014 data

Concerning the international tourism receipts, top 10 Member Countries, shown in Figure 5, earned US\$ 109 billion as international tourism receipts in 2015. It was US\$ 110 billion in 2014, but this does not mean that tourism receipts declined in real terms. Unusual strong exchange rate fluctuations lead to lower tourism receipts data in dollar terms. It is also worth mentioning that among these countries, Turkey and Malaysia were also ranked 12th and 16th, respectively among the Top world tourism earners in 2015.

Figure 5. Top 10 OIC Tourism Destinations in International Tourism Receipts in 2015



Source: UNWTO, Tourism Highlights 2016

Main Challenges faced by the Member Countries in the Tourism Sector:

The share of the Member Countries in the global tourism sector is behind its potential. There are many challenges faced by the Member Countries for developing their tourism sector and making it internationally competitive.

First of all, in many Member Countries, tourism related infrastructure such as transportation and communication networks or accommodation facilities are insufficient and below international standards. In addition, there are serious deficiencies in terms of qualified human resources.

Moreover, bureaucratic and lengthy visa procedures restrain the movement of people across the Member Countries. Weak public institutions and cumbersome bureaucratic process hinder tourism investments.

Since the tourism sector is mainly driven by the public sector in some of the member countries, the potential of relevant stakeholders, such as private sector and local communities remains underutilized. Furthermore, deficiencies in tourism product diversification and lack of effective marketing strategies impede raising the awareness of the existing tourism destinations of the OIC Member Countries.

Muslim-Friendly Tourism

Muslim Friendly Tourism (MFT) is an important sub-category of tourism for Muslim travelers. A growing number of Muslim travelers have recently become more Halal conscious, and prefer Muslim-Friendly services during their vacation. In this respect, meeting the faith-based needs of the Muslim tourists (such as certified halal food, clean prayer and ablution facilities, iftar and sahoor services during the Holy Ramadhan, recreational facilities with privacy and a decent environment for the family etc.) are of particular importance.

Muslim population and their spendable/expendable income is growing. According to a research, the Muslim population could increase to 2.2 billion by 2030 which will be one of the key growth catalysts of Muslim Friendly Tourism (MFT)². According to the analytical study specifically prepared for the 7th Meeting of the COCMEC Tourism Working Group, in 2014, the total number of Muslim tourists was estimated to reach 116 million, and this number would increase to 180 million within five years. Regarding tourism expenditure, Muslim travelers spending was about 120 billion US Dollars in 2014 and it is expected to reach 212 billion US Dollars in 2020. This growth underlines the importance of Muslim tourists travelling for leisure, adventure and exploration in tourism sector.

Regarding the general picture of MFT in the OIC, the total number of Muslim visitor arrivals to the OIC Member Countries was 64 million in 2014 and this number is expected to reach 98 million in 2020. Moreover, Muslim travelers spending of the Member Countries was about 52 billion US Dollar in 2014 and according to the estimations, it will reach 95.7 billion US Dollar in 2020.

² COMCEC Coordination Office (CCO), "Muslim Friendly Tourism: Understanding the Demand and Supply Sides in the OIC Member Countries", February 2016.

COMCEC Tourism Cooperation

Enhancing cooperation among the member countries in the field of Muslim-Friendly Tourism is of particular importance for the realization of one of the important expected outcomes of the COMCEC Strategy, which is “diversified tourism products and destinations.” Considering the growing MFT market and the need for having necessary infrastructure in the member countries to cater for the specific faith-based needs of Muslim travelers, the COMCEC has devoted three WG Meetings (7th, 8th and 9th) to the theme of Muslim-Friendly Tourism.

7th and 8th Meetings of the COMCEC Tourism Working Group

Since the 31st Session of the COMCEC, the 7th Meeting of the Tourism Working Group was held on February 4th, 2016 with the theme of “Muslim Friendly Tourism: Understanding the Demand and Supply Sides in the OIC Member Countries.” Tourism Working Group had the opportunity to thoroughly discuss the main concepts and the general overview of the Muslim-friendly tourism from a policy perspective.

In line with the recommendations of the analytical study as well as the responses of the Member Countries to the policy questions, which were circulated before the Meeting, the Working Group put forward the following policy recommendations:

- *Developing basic guidelines for improving the basic MFT related services*
- *Increasing awareness of MFT market among the travel industry stakeholders through standardizing terminology used in MFT, introducing market awareness and customer service training programmes and utilizing social media for promotion and marketing.*
- *Developing healthcare services and facilities for the MFT market through identifying the different strengths of the OIC Region, building specialization hubs, developing alternative/traditional treatments and wellness programs*
- *Launching an alliance among the Muslim-friendly travel agents/ tour operators targeting MFT market*

The Analytical Study as well as the Proceedings of the Meeting and the presentations made during the Meeting are available on the COMCEC website (www.comcec.org).

Moreover, the 8th Meeting of the Tourism Working Group was held on September 1st, 2016 in Ankara with the theme of “Muslim Friendly Tourism (MFT): Developing and Marketing MFT Products and Services in the OIC Member Countries.”

MFT products and services are starting to multiply and diversify. New players have entered the MFT market adding to the global supply of MFT products and services, especially in the accommodation and food and beverages areas. Additionally, new product offerings have been created recently to accommodate Muslim travelers’ needs including Muslim-friendly cruises, airlines and mobile travel applications. The analytical study titled “Muslim Friendly Tourism (MFT): Developing and Marketing MFT Products and Services in the OIC Member Countries” specifically prepared for this meeting analyzed the products and services in the segment of food and beverage, accommodation, transportation, activities, travel services. Moreover, successful case studies are presented to give insight to member states to improve themselves in developing and marketing MFT products and services.

The 8th Meeting of Tourism Working Group has come up with the following policy recommendations:

- *Developing a national Muslim Friendly Tourism strategy that links to the country's overall tourism goals through focusing on building stakeholder awareness, establishing a dedicated MFT body/committee and developing a national MFT products/services and marketing development strategy*
- *Conducting government-led MFT-focused destination marketing through developing an MFT branding and positioning for the benefit of local service providers and measuring the potential of a destination for MFT by funding/organizing short-term campaigns.*
- *Supporting SMEs through developing training and mentorship programs*
- *Developing bilateral tourism cooperation within the OIC through technical knowledge exchange and joint promotion efforts for MFT destinations*

Moreover, the 9th Meeting of the Tourism Working Group will also elaborate on the issues of Muslim Friendly Tourism specifically on “Muslim Friendly Tourism (MFT): Regulations for Accommodation Establishments in the OIC Member Countries” on February 16th, 2017 in Ankara.

COMCEC Project Funding on Tourism Sector

The member countries, having registered to the Tourism Working Group, have the chance to propose multilateral cooperation projects within the framework of the COMCEC Project Funding, which is another important implementation instrument of the Strategy. The projects to be financed under the COMCEC Project Funding need to serve multilateral cooperation and be designed in accordance with the objectives and the expected outcomes defined by the Strategy in its tourism section.

In this regard, within the scope of the 2nd Project Call, the project titled “Strengthening Community Resilience through eco-tourism” proposed by the Gambia was implemented in 2015 with two project partners, namely Senegal and Guinea-Bissau. Under this project, study visits to ten villages were conducted. Moreover, Ecovillage Design Education Programmes were held with the participation of 35 residents from these villages. At the end of this project, Ecovillage Design Education Report was prepared.

The Third Project Call was made in September 2015. Within this framework, the following two projects are being implemented in 2016.

- Short course on strategies in enhancing tourism workforce in community-based tourism within OIC Member Countries (proposed by Malaysia)
- Enhancing the capacity of craft producers in OIC Member Countries- (proposed by the Gambia)

The COMCEC Coordination Office made the fourth call for project proposals in September 2016. More detailed information on COMCEC Project Funding mechanism can be reached through the COMCEC PCM Website: (pcm.comcec.org).

Other Ongoing Activities

The other important activities carried out under the COMCEC in the field of tourism sector can be summarized as follows:

- The 9th Session of the Islamic Conference of Tourism Ministers (ICTM) was held on 21-23 December 2015 in Niamey/Republic of Niger with the participation of 17 Member States. In the Conference, Al-Madinah al-Munawwara and Tabriz were selected as the OIC Cities of Tourism for 2017 and 2018, respectively. The participants also deliberated on the important issues on tourism, such as Islamic tourism, tourism occupational skill development and travel facilitation among the OIC Member Countries. The 10th Session of the ICTM, will be hosted by the People's Republic of Bangladesh in 2017.
- The 4th Meeting of the OIC/COMCEC Private Sector Tourism Forum was held on 14-15 January 2016 in Istanbul with the theme of "Promoting Muslim Friendly Tourism (MFT) Products and Services in the OIC Member Countries." In this forum, the participants discussed the current state of international tourism in the OIC Member Countries as well as prospects and challenges in this regard. Moreover, the participants also deliberated on the global trends and policies in promoting MFT products and services and challenges faced by the private sector in the member countries in promoting MFT products and services. The participants emphasized the importance of raising the awareness about MFT, not only in the OIC Member Countries, but also in Non-OIC World. In this regard, the participants highlighted the significance of effective utilization of the existing mechanisms under the OIC/COMCEC, such as SMIIC's technical Committee on tourism, for enhancing cooperation in MFT.
- SESRIC organized the Workshop on "Exploring the Tourism Potential of Al-Quds Al-Sharif City" on 24-25 November 2015 in Istanbul, Turkey.
- The 2nd Tourism Fair of the OIC Member States was held in Sharjah, United Arab Emirates on 8-10 December 2015.
