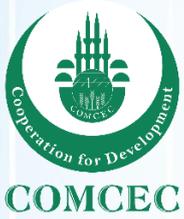




OIC/COMCEC



CCO BRIEF ON TOURISM

COMCEC COORDINATION OFFICE
November 2017

CCO BRIEF ON TOURISM

The tourism industry has particular importance both for developed and developing countries. It has multiple links with other economic sectors and is associated with more than 185 supply-side economic activities, directly and indirectly.

In recent years, tourism has consistently demonstrated the ability to create employment, stimulate capital markets, attract foreign investments, and add value locally, nationally and regionally. For the past five years, tourism has grown faster than world trade. While world merchandise trade has recorded annual growth of 2-3 percent, the tourism sector has achieved 3.5-4.5 percent annual growth. The tourism industry accounted for 7 percent of total goods and services in 2016.¹

Recent Trends in International Tourism

The tourism industry has continued to grow with the increasing number of tourists. In 2016 tourist arrivals grew by 3.9 percent, reaching 1.2 billion. Forty-five million more tourists traveled in 2016 compared with the previous year. The number is expected to grow by 3 percent annually to reach 1.8 billion by 2030.

International tourism receipts have also demonstrated an upward trend. Global international tourism receipts reached \$1.19 trillion in 2015, up from \$1.25 trillion in 2014 and reached \$1.22 trillion in 2016.²

Table 1. International Tourist Arrivals and Tourism Receipts

	2000	2005	2010	2014	2015	2016
Number of tourists (millions)	674	809	953	1.137	1.189	1.235
Annual change (percent)	8.1	5.9	6.5	4.0	4.5	3.9
Tourism receipts (billion dollars)	495	701	961	1.252	1.196	1.220

Source: UNWTO

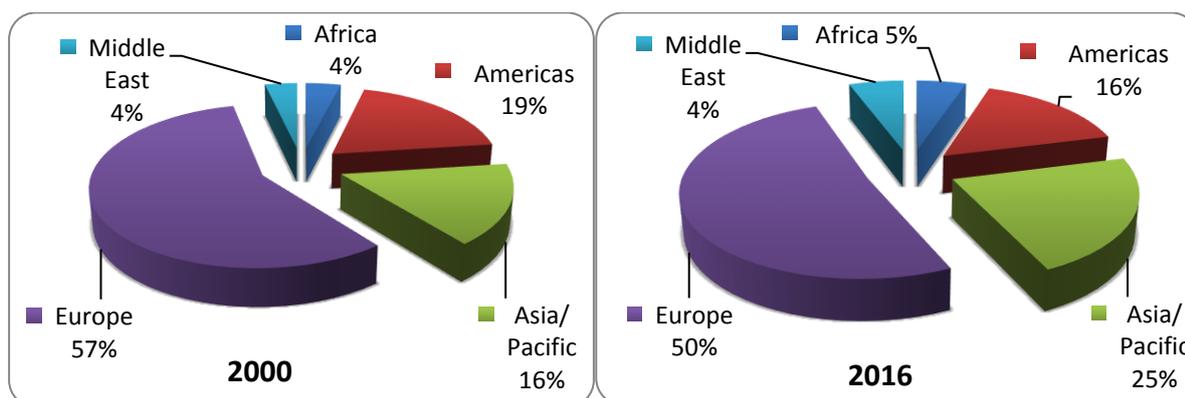
The Share of International Tourism by Region

In recent decades, international tourism activity has demonstrated the 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 competition in the tourism sector. As demonstrated in Figure 1 and 2, the share of traditional popular destinations, in terms of tourist arrivals and tourism receipts, such as the Americas and Europe in the tourism sector, has been declining in favor of the Middle East, Africa and the Asia Pacific regions with regard to tourist arrivals, as well as tourism receipts.

¹ UNWTO Tourism Highlights, 2017

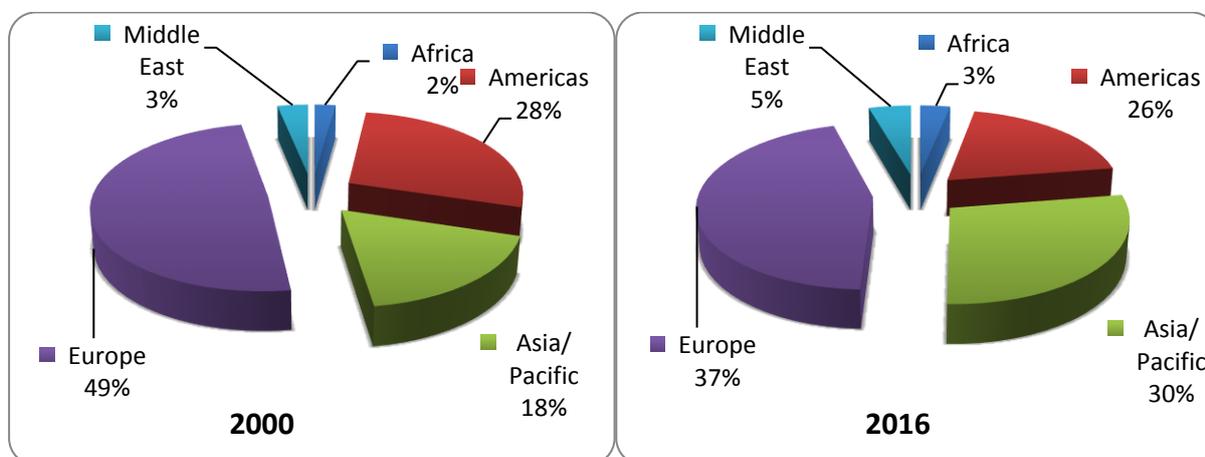
² UNWTO Tourism Highlights, 2017

Figure 1: Tourist Arrivals by Region (2000-2016)



Source: UNWTO

Figure 2: Tourism Receipts by Region (2000-2016)



Source: UNWTO

Tourism Sector in the OIC Member Countries

Tourism is also a crucial sector for the OIC in terms of income generation and its contribution to employment. As demonstrated in Table 2, according to the World Travel and Tourism Council (WTTC) Economic Impact Report 2017, the direct contribution of Travel and Tourism to GDP in 2016 was \$198.1 billion (3.2 percent of GDP) in the OIC member states. It is forecasted to rise by 3.8 percent (\$204.4 billion) in 2017.

Moreover, according to this report, Travel and Tourism generated approximately 13.3 million jobs directly in 2016 (2.4 percent of total employment) and it is estimated to grow by 1.3 percent and to reach 13.4 million in 2017. The total contribution of travel and tourism to employment in the OIC member states was 35.5 million jobs in 2016 (6.4 percent of total employment).

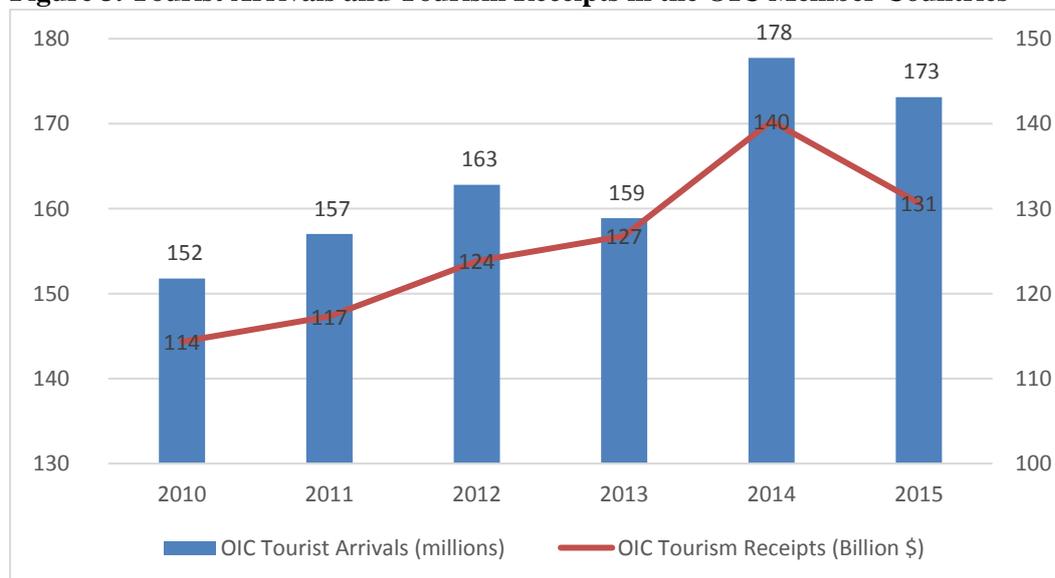
Table 2: Travel and Tourism Economic Impact in the OIC Member States

COMCEC	2016	2016 % of total
Direct contribution to GDP (\$ billion)¹	198.1	3.2
Total contribution to GDP (\$ billion)²	542.4	8.7
Direct contribution to employment (thousand jobs)	13,257	2.4
Total contribution to employment (thousand jobs)	35,514	6.4

1-2016 constant prices and exchange rates; 2-2017 real growth adjusted for inflation (%)

Source: WTTC, Economic Impact 2017 Report-COMCEC

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

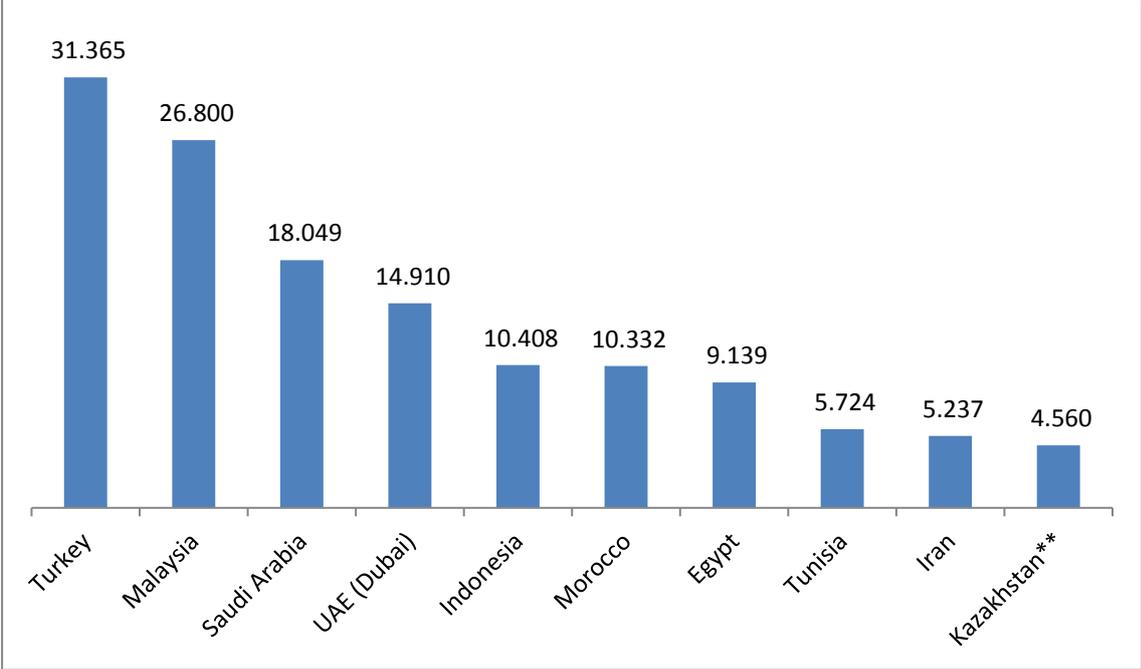
Figure 3. Tourist Arrivals and Tourism Receipts in the OIC Member Countries

Source: UNWTO and COMCEC Tourism Outlook 2017

As shown in Figure 3, the number of tourist arrivals in 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 the global total of tourism receipts.

As shown in Figure 4, the distribution of tourist arrivals among the OIC Member States has demonstrated that international tourism is concentrated in a few Member Countries. In terms of tourist arrivals, Turkey, Malaysia, Saudi Arabia, United Arab Emirates (UAE), Indonesia, Morocco, Egypt, Tunisia, Iran and Kazakhstan were the top 10 international tourist destinations in the OIC in 2016, hosting 136.5 million international arrivals in that year.

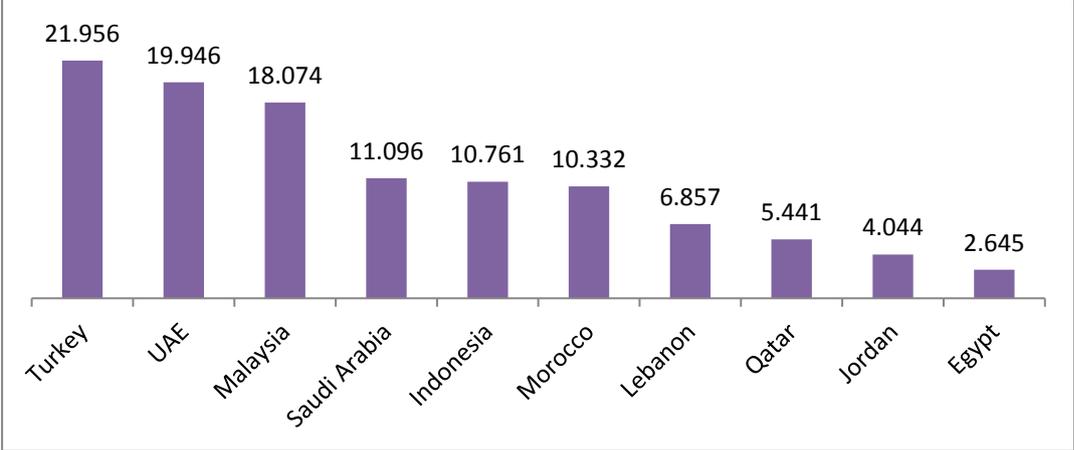
Figure 4. Top 10 OIC Tourism Destinations in International Tourist Arrivals (Thousands) (2016)



Source: UNWTO, Tourism Highlights & Republic of Turkey Ministry of Culture and Tourism
 ** 2013 data

With regard to international tourism receipts, the top 10 Member Countries, as shown in Figure 5, earned US\$ 111 billion in international tourism receipts during 2016.

Figure 5. Top 10 OIC Tourism Destinations in terms of International Tourism Receipts in 2016 (Million US \$)



Source: UNWTO, Tourism Highlights 2017

Main Challenges faced by the Member Countries in Tourism Sector:

In the OIC Member Countries the tourism industry has not reached its full potential and there are some obstacles that are preventing it from doing so.

Transportation infrastructure in the member countries is not adequate. Moreover, hotels in the member countries do not sufficiently meet the needs of Muslim tourists. Furthermore, the tourism industry is vulnerable to internal and external shocks.

Since the tourism sector is mainly driven by the public sector in several of the member countries, the potential of the relevant stakeholders, such as the private sector remains underutilized. Deficiencies in tourism prevent diversification and this together with a lack of effective marketing strategies are also important challenges for the tourism industry in the OIC Region.

Muslim-Friendly Tourism

Muslim Friendly Tourism (MFT) is a growing market as the number of Muslim travelers increase. 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 Ramadan, recreational facilities with privacy and a suitable environment for the family) is of particular importance. The Muslim population is growing, as is their spendable/expendable income. According to 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). Regarding the general picture of MFT in the OIC, the OIC Member Countries represented 10.3 percent of global international tourism receipts, which in 2015 was \$129.7 billion.

The research report specifically prepared for the 9th Meeting of the COMCEC Tourism Working Group highlights that Muslim inbound tourism arrivals in the OIC Member Countries were estimated to be 53.8 million in 2016 and 74.8 million in 2020. Muslims represented approximately 30 percent of the OIC inbound tourism arrivals in 2015.

Global Muslim outbound tourism expenditure was approximately \$151 billion in 2015 and is expected to reach \$243 billion in 2021. Muslim outbound tourism expenditure from the OIC Member Countries was \$108.8 billion in 2015 and it is expected to reach \$179.5 billion in 2021. Muslims represented more than 70 percent of the total outbound expenditure from the the OIC Member Countries in 2015.³

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.” Taking into account the growing MFT market and the need for having the necessary infrastructure in the

³ COMCEC Coordination Office (CCO), “Muslim Friendly Tourism: Regulating Accommodation Establishments in the OIC Member Countries”, February 2017.

member countries in order to meet the faith-based needs of Muslim travelers, the COMCEC has devoted three WG Meetings (7th, 8th and 9th) to the theme of Muslim-Friendly Tourism.

Regulating MFT Accommodation Establishments

Since the 32nd Session of the COMCEC, the 9th Meeting of the Tourism Working Group was held on February 16, 2017 with the theme of “Muslim Friendly Tourism: Regulating Accommodation Establishments in the OIC Member Countries.” Tourism Working Group had the opportunity to thoroughly discuss the main concepts and the general overview of the MFT accommodation establishments.

According to the research report prepared for this meeting, 680 accommodation establishments have been identified as Muslim-friendly with either focused or mixed offerings. About 60 percent of these are 4 and 5 star hotels. Furthermore, only 58 MFT accommodation establishments exclusively serve halal food, as well as providing halal products and services that target Muslim consumers.

The findings of the survey conducted for the study with more than 500 consumers indicates that the respondents highlighted halal food, providing Qibla direction in rooms, offering Ramadan services, separate wellness areas for women and no alcohol service, as “extremely important” for inclusion in a MFT Standard/regulation.

In light of the findings of the research report, following challenges were highlighted by the Working Group.

- Different requirements/quality standards for MFT and conventional accommodation establishments,
- The existence of various MFT standards
- The complexity of evaluating Halal elements in the hospitality industry
- The shortage of experienced inspectors in the accommodation sector
- Low adoption rate of MFT standards by accommodation providers
- The complexity of the procedures for adoption, implementation and inspection

In line with the recommendations of the analytical study, as well as the discussions held during the meeting, the Working Group has come up with the COMCEC MFT Guidelines for Regulating Accommodation Establishments.

The COMCEC MFT Guidelines, Analytical Study, the Proceedings of the meeting and the presentations made during the meeting are available on the COMCEC website (www.comcec.org).

Risk and Crises Management in the Tourism Sector

In recent years, the tourism sector is facing a significant test and risk and crisis management has become an important issue for all stakeholders in the tourism industry. An increasing number of disasters and crises are affecting the tourism industry, ranging from natural to human-driven incidents. Almost every country is being affected by these crises or disasters. In other words, a crisis that occurs in one part of the world can affect tourism activities across the broader region or even worldwide.

Considering the importance of this, the COMCEC Tourism Working Group has devoted its 10th WG Meeting to risk and crisis management and recovery strategies in the tourism sector. The 10th Meeting of the Tourism Working Group was held on September 21st, 2017 in Ankara with the theme of “Risk and Crisis Management in the Tourism Sector: Recovery from Crisis in the OIC Member Countries.”

The research report specifically prepared for the meeting highlighted following challenges.

- Low level of usage of press releases and social media by public sector
- Lack of involvement of local communities into risk management
- The complexity of recovery strategies
- Lack of diversification of tourism activities
- The shortage of experienced and qualified labor in tourism sector
- Low level of communications and relations between private-public sector

The 10th Meeting of Tourism Working Group has come up with the following policy recommendations:

- Establishing a national committee/task force with the responsibility for tourism risk and crisis management, which will be formed by the national tourism authority of each country and include representation from the stakeholders.
- Increasing awareness of resilience and crisis, including the identified stages of a crisis and how to prepare for and respond to each stage.
- Analyze and understand the risks and plan for crisis, both in terms of external crises and risks affecting the tourism industry generally and individual businesses.
- Ensuring market awareness and positive destination perceptions, and developing new markets and products.

Moreover, the Tourism Working Group, in its 11th Meeting to be held on February 15th, 2018 in Ankara, will elaborate on Destination Development and Institutionalization Strategies in the OIC Member Countries.

COMCEC Project Funding in the Tourism Sector

Through its Project Funding Mechanism, the CCO provides grants to the selected projects proposed by the relevant OIC institutions and Member States that have already registered with the Tourism Working Group.

In 2016, the COMCEC financed two projects in the field of tourism cooperation. The first one, which was implemented by the Tourism Board of the Gambia, is called, “Enhancing the Capacity of Craft Producers in the OIC Member Countries.” This project consisted of two training programs. Its purpose was to build the innovative capacity of craft producers in designing and packaging craft products, as well as facilitating a sufficient transfer of knowledge among the OIC Member Countries. Between May 26 and June 17, 2016, courses were held for instructors in woodcarving and trainers in Tie, Dye and Batik. As a result of the courses, the trainees were equipped with the requisite skills and techniques to be able to prepare wood carving resources, identify and select a range of wood crafts in different styles.

The second project implemented in 2016 was called, “A Short Course on Strategies in Enhancing Tourism Workforce in Community-based Tourism within the OIC Member Countries”. The purpose of this project, which was implemented by the Ministry of Tourism and Culture of Malaysia, was to discuss, study and enhance the understanding on the concept of human capital enhancement in community-based tourism, from the perspective of sustainable tourism and development. Within this framework, a training program and a study visit were conducted. The training program organized in the province of Sandakan began with a lecture on “understanding the concept of community-based tourism,” in which the importance of community-based tourism in national economies was emphasized. This seven-day training program, which continued with a guided cultural trail, ended with a study tour for the trainees, so they could see the forest restoration sites that are crucial for community-based tourism in Kuala Lumpur.

In 2017, four projects were awarded a COMCEC Grant. The first project, implemented by the Tourism Board of the Gambia, was “Developing a Training and Certification Program for the Muslim Travel, Tourism and Hospitality Industry.” The purpose of this project was to accomplish a training and certificated program in Muslim friendly tourism, thereby improving the capacity of both personnel and establishments. Within this framework a training program was organized, the expected outcome of which comprised both theoretical and practical sessions to increase awareness in Muslim friendly service provision in the OIC Member Countries.

The second project was “Enhancing the Capacity of the Muslim Friendly Tourism Workforce,” the aim of which was to increase awareness regarding the policies, strategies, administrative and legal arrangements that support Muslim friendly tourism. The Ministry of Culture and Tourism of Mozambique carried out this project, in the context of which a workshop and a training program were organized. While the training was mainly about tourism planning and management, the core objective of the workshop was to increase awareness of Muslim friendly tourism in the OIC Member Countries.

The third project, implemented by the SESRIC, was a “Training Program on the Development and Promotion of Muslim Friendly Tourism in COMCEC Member Countries.” The project was envisaged to facilitate the transfer of knowledge on development and promotion of Muslim friendly tourism in COMCEC member countries, by sharing the experiences of Malaysia, Turkey and the United Arab Emirates in the development of successful Muslim friendly tourism policies, regulations, standards and marketing strategies. This project consisted of a training program that targeted thirty government officials from countries that did not benefit from the potential of Muslim friendly tourism due to resource allocation problems.

The final project was “Enhancing the Capacity of Craft Producers and Customer Services in the OIC Member Countries,” which was implemented by the Ministry of Tourism, Antiquities and Wildlife of Sudan. The aim of this project was to enhance the capacity of craft producers and customer services by training professionals. In this context a training program was organized, the outcomes of which were to enhance the local community’s skills in making tourism products, to improve living standards and to pave the way to creating new jobs.

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 December 21-23, 2015, in Niamey/Republic of Niger with the participation of 17 Member States. At the Conference, Al-Madinah al-Munawwara and Tabriz were selected as the OIC Cities of Tourism for 2017 and 2018, respectively. The People’s Republic of Bangladesh will host the 10th Session of the ICTM, in November 12-14, 2017.

- The 5th Meeting of the OIC/COMCEC Private Sector Tourism Forum was held on May 4, 2017, in Istanbul with the theme of “Crisis Communication and Management in Tourism: Recent Challenges and Solutions in the OIC Member Countries.” At this forum, participants discussed the current state of crisis management in the tourism sector of the OIC Member Countries, as well as the attendant prospects and challenges.

