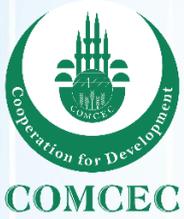


 **TOURISM**



CCO BRIEF ON TOURISM

COMCEC COORDINATION OFFICE
April 2018

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

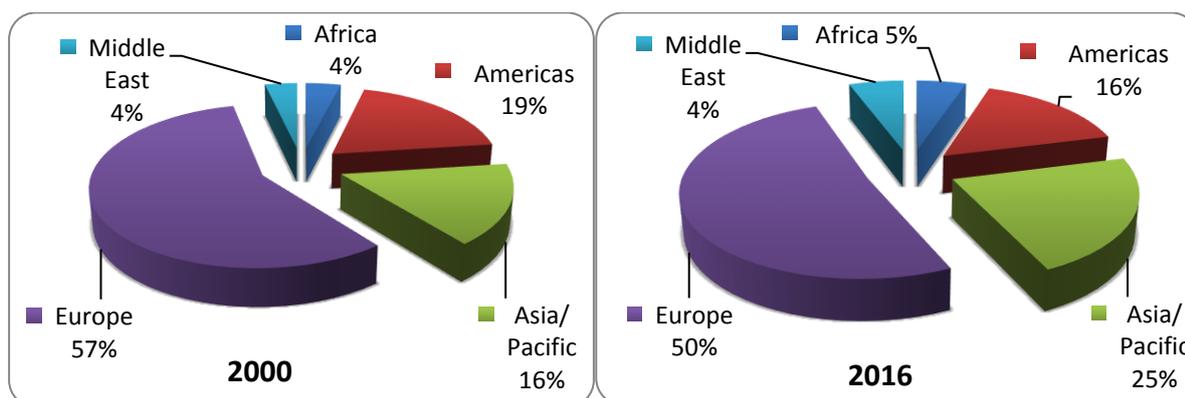
The Share of International Tourism by Region

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 destination, 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

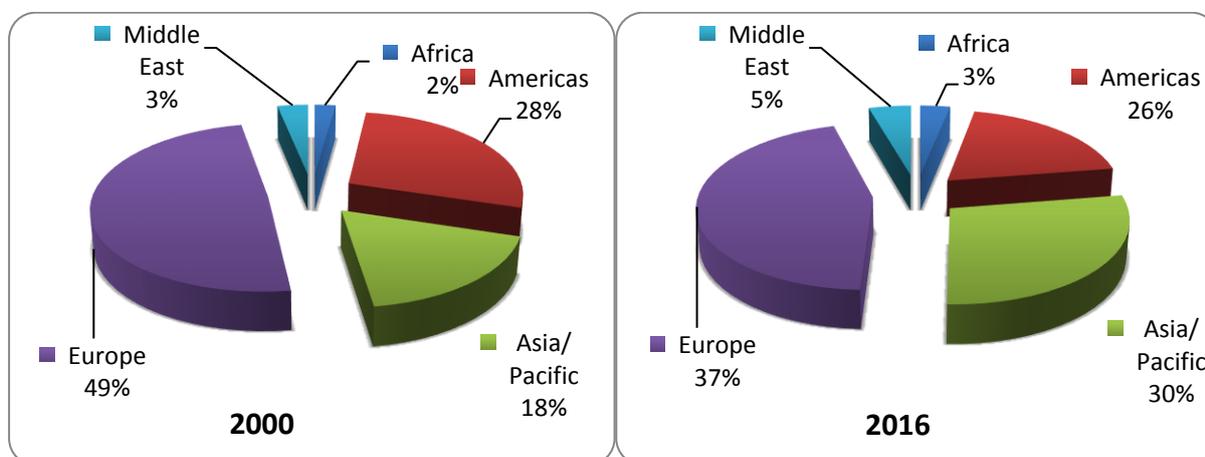
² UNWTO Tourism Highlights, 2017

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 2018, the direct contribution of Travel and Tourism to GDP in 2017 was \$212.8 billion (3.3 percent of GDP) in the OIC member states. It is forecasted to rise by 4.5 percent (\$222.5 billion) in 2018. Moreover, according to this report, Travel and Tourism generated approximately 16.8 million jobs directly in 2017 (2.8 percent of total employment) and it is estimated to grow by 2.7 percent and to reach 17.2 million in 2018. The total contribution of travel and tourism to employment in the OIC member states was 42.9 million jobs in 2017 (7.3 percent of total employment).

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

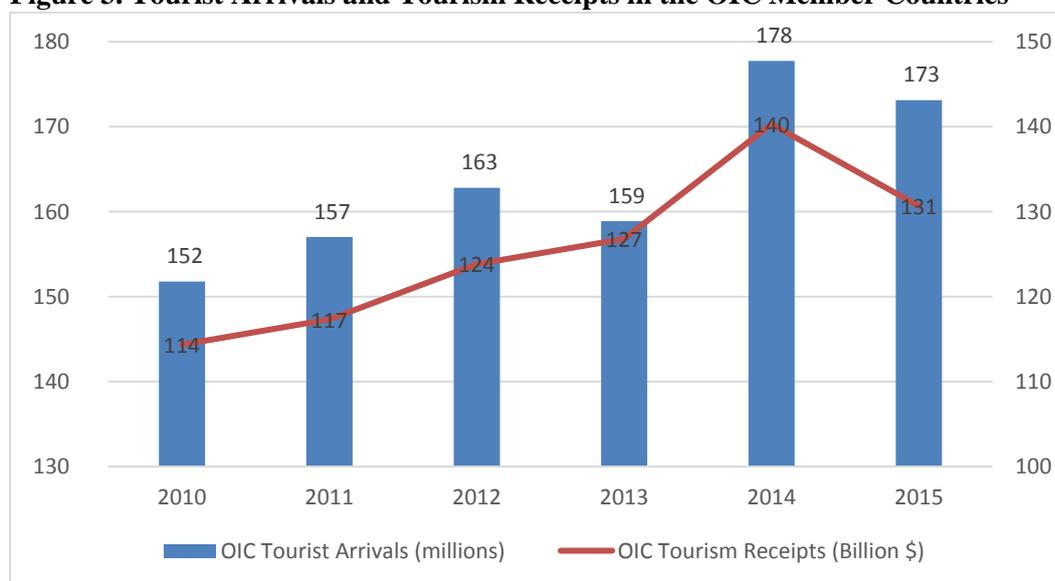
OIC	2017	2017 % of total
Direct contribution to GDP (\$ billion)¹	212.8	3.32
Total contribution to GDP (\$ billion)²	561.5	8.7
Direct contribution to employment (thousand jobs)	16.801	2.8
Total contribution to employment (thousand jobs)	42.982	6.4

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

Source: WTTC, Economic Impact 2018 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

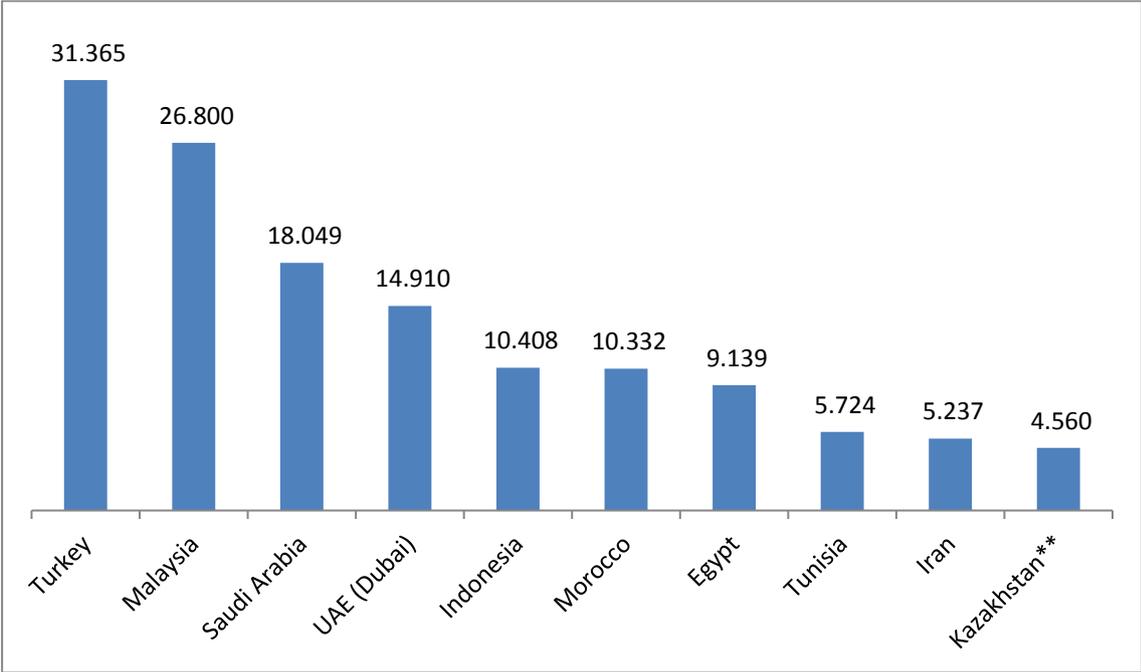


Source: UNWTO and COMCEC Tourism Outlook 2017

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 percent 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.

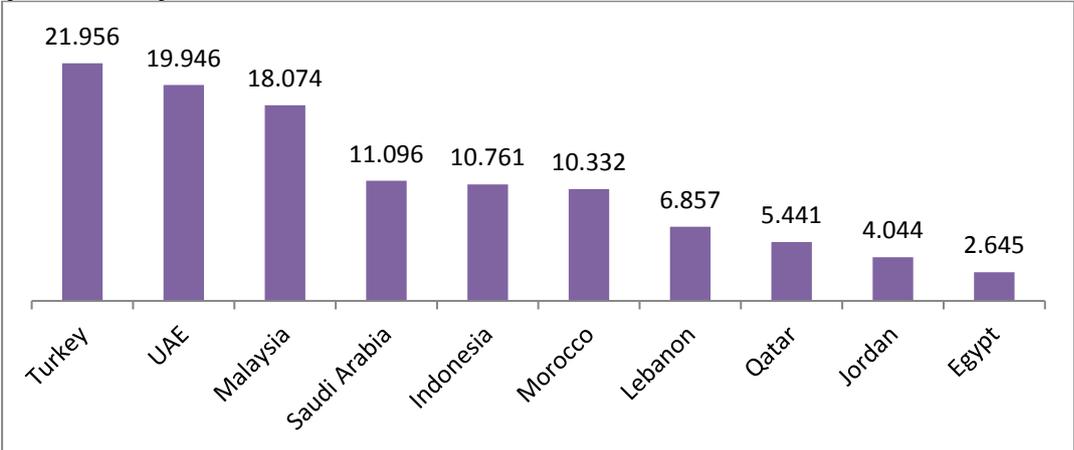
Figure 4. Top 10 OIC Tourism Destinations in International Tourist Arrivals (Thousands) (2016)



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 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 emerging issue on destination governance including planning, marketing and managing the destinations and the need for having the necessary infrastructure in the member

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

countries in order to meet the needs of tourists, the COMCEC has devoted three WG Meetings (11th, 12th and 13th) to the theme of Destination Governance.

Destination Development and Institutionalization Strategies Since the 33rd Session of the COMCEC, the 11th Meeting of the Tourism Working Group was held on February 15th, 2018 in Ankara, Turkey with the theme of “Destination Development and Institutionalization Strategies in the OIC Member Countries.” Tourism Working Group has discussed the main concepts related to destination development and institutionalization strategies and the overview of the subject in the world and the OIC.

According to the research report prepared for this meeting, Destination Management Organizations (DMO) play a critical role in implementing a country’s tourism strategy. DMOs are shifting away from being predominantly government entities over the past 40 years to public-private partnerships, with their functions predominantly centered around product development and promotion, stakeholder engagement and at more sophisticated levels, resource stewardship and strategy. Product development is a critical function of DMOs and is often the first step in building an enduring tourism proposition.

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

- Centralization of destination management
- DMOs focusing primarily on destination promotion and not enough on product development
- Lack of guaranteed funding
- Need to strengthen and formalize stakeholder engagement
- Need to strengthen resource stewardship

The 11th Meeting of Tourism Working Group has come up with the following policy recommendations:

- Encouraging the establishment of/Strengthening local and regional public-private Destination Management Organizations (DMOs) with the assignment of responsibilities related to destination planning, development, marketing and management.
- Planning supply and demand as well as identifying and monitoring KPIs for ensuring sustainable tourism development at the destination.
- Encouraging self-funding of DMOs and improving efficiency as well as transparency in utilization and management of resources.
- Promoting destinations through forming the OIC country alliances and the alliances with external stakeholders.

Moreover, the Tourism Working Group, in its 12th Meeting to be held on September 13th, 2018 in Ankara will focus on “Destination Marketing 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 the Member States that have already registered with the Tourism Working Group.

In 2017, four projects were supported in tourism cooperation area under the COMCEC Project Funding. 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 program in Muslim friendly tourism, thereby improving the capacity of both personnel and establishments. The training program was organized in Banjul with the participation from Nigeria, Senegal and the Gambia. The training program began with the lecture on “Understanding MFT: Concepts, Definitions and Trends” in which the basics of the MFT were introduced and roles of governments regarding the improvement and sustainability of MFT were discussed. In addition, a mosque and a MFT compliant hotel were visited within the project. The last day of the training focused on the marketing and promotion of MFT by using the example of MFT Hotels in Malaysia. With the scope of this project, trainees, who will serve as trainers in the future, acquired necessary knowledge on MFT issues.

The second project was “Enhancing the Capacity of the Muslim Friendly Tourism Workforce” and its aim 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 which included a workshop and a training program. While the training was mainly about tourism planning and management, the core objective of the workshop was to increase awareness on Muslim friendly tourism in the OIC Member Countries. With the participation of 35 participants, the three-day training program provided lectures on “Concepts and Foundations of Tourism”, “Understanding Tourist Motivations” and “Organization of Tourist Accommodations in line with MFT Principles”. The workshop, which aimed at raising awareness on MFT through sharing experiences among the OIC Member Countries on policies, strategies and regulations on MFT, created a basis for the training program. The main discussion topic of the workshop was “how the OIC Member Countries can benefit from MFT in order to increase the number of arrivals of international tourists, increase revenues and create employment”.

The third project, implemented by the SESRIC, was a “Training Program on the Development and Promotion of Muslim Friendly Tourism in the COMCEC Member Countries.” The project was designed to facilitate the transfer of knowledge on development and promotion of Muslim friendly tourism in the OIC 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 which targeted 30 government officials from countries that

did not benefit from the potential of Muslim friendly tourism. The three-day training program focused on policy recommendations and roadmap for promoting MFT in the OIC countries. In addition, a study visit to Kızılcahamam was organized to enable participants to observe MFT implementations.

The last tourism project of 2017 was “Enhancing the Capacity of Craft Producers and Customer Services in the OIC Member Countries” and 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. The project included a fifteen-day training program, which was held at the Sudan National Museum, the Fine Arts College and the Alyradh Training Centre, and technical visits to four different places. Before practical work, all participants’ knowledge on raw materials for making handicrafts were deepened and all participants had a chance to see the Omdurman traditional market in order to get an idea about the ancient Sudanese civilization, see the way how the Sudanese formed their handicrafts and how they commercialized them. In practical part of the training, participants were able to imitate what had been seen during the technical visits and visit to the Museum.

In 2018, five projects have been final-listed in the tourism cooperation area. The first project titled “Strengthening the Resilience of Tourism Sector against Crises through Communication”, which will be implemented by the Ministry of Culture and Tourism of Burkina Faso, aims at benefitting from communication in order to minimize the impact of the crises to the tourism sector. The project, designed in light of the “Improving risk and crisis management in tourism sector” sectoral theme, consists of a five-day training program by which the participants will be able to define risks and use tools in order to invert the impact of the crisis. The project is planned to be held in the province of Ouagadougou with the participation of 10 experts from Côte d'Ivoire, Niger and Burkina Faso.

The second project is “Training on Crisis Communication in Tourism for the Selected OIC Member Countries” which is also designed in accordance with the “Improving risk and crisis management in tourism sector” sectoral theme. The purpose of this project is to enable five OIC Member States to be better equipped for dealing with any crisis in order to contribute not only to more effective crisis management but also to mitigate the impact, to shorten the period of recovery and to reinforce the brand image once the crisis has passed. The training program, which will include ten far-reaching modules, is planned to be held in the province of Bamako. With training program, 20 trainees from Burkina Faso, Mali, Niger, Mauritania and Senegal will be trained on how to develop and implement a crisis communication plan and how to set up a recovery plan.

The third project of 2018, which will be implemented by the Iranian Cultural Heritage, Handicrafts and Tourism Organization, is “Inclusion of Local Communities in Sustainable Muslim Friendly Tourism Parks in Selected OIC Member Countries”. The project, aiming at presenting a model, which synthesizes Muslim friendly tourism and community-based tourism, comprises of two activities: a training program and a study visit. The aim of the study visit to Kyrgyzstan, which is one of the partner countries of the project, is to provide input for the

training program regarding cultural, natural and ethnic aspects of local communities and opportunities and challenges related to them. The training program, which will be implemented within the context of the inputs collected from the study visit, is planned to take place in a selected park in Iran in order to provide practical experience during the training.

The fourth project titled “the Community-Based Tourism through the Promotion of Heritage Sites for Poverty Alleviation” will be implemented by the Ministry of Culture and Tourism of Mozambique with the partnership of Tunisia, Malaysia, Gambia and Uganda. The aim of this project is to enhance the capacities of the local communities, guides and relevant stakeholders in order for local communities to increase their tourism incomes thanks to the World Heritage Sites. In this context, a training program and a workshop to enhance local communities’ skills in making quality tourism products will be implemented.

The final project, designed as a continuation of the project titled “the Training Program on the Development and Promotion of Muslim Friendly Tourism in the COMCEC Member Countries” which was implemented in 2017 by the SESRIC, is called “Improving Islamic Tourism Ecosystem in OIC Member Countries: Destination and Industry Development”. The content of the project, which aims at increasing the capacity of the relevant government officials from Tourism Ministries/Departments of 13 selected OIC Countries via capacity building training program, was determined by giving a focus on destination and industry development. Within the context of the project, a training program and a study visit will be organized. The study visit will take place in Malatya, Turkey in order to explore the opportunity of being an Islamic tourism destination and identify the needs of industry development. The two-day training program together with a panel discussion is going to focus on planning process, identifying tourism and product development areas, developing an investment plan and human resource development.

Other Ongoing Activities

Other important activities carried out under tourism sector can be summarized as follows:

- The 10th Session of the Islamic Conference of Tourism Ministers (ICTM) was held on 5-7 February 2018 in Dhaka/Bangladesh. The ICTM approved the selection of Dhaka (Bangladesh) as the OIC City of Tourism, 2019, and Gabala (Azerbaijan) as the OIC City of Tourism, 2020. The session also welcomed the offer by the Republic of Azerbaijan host the 11th Session of the Islamic Conference of Tourism Ministers (ICTM) in 2020.

- The 6th Meeting of the OIC/COMCEC Private Sector Tourism Forum was held on 6 March 2018 in İstanbul, Turkey with the theme of “Cultural Heritage as a Tool for Sustainable Tourism in the OIC Member Countries”. The Forum emphasized the importance of raising awareness about cultural heritage and sustainable tourism within the Islamic World and beyond.

