

 **TOURISM**



CCO BRIEF ON TOURISM

**COMCEC COORDINATION OFFICE
November 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 2017 tourist arrivals grew by 7 percent, reaching 1.3 billion. Eighty-seven million more tourists traveled in 2017 compared with the previous year. The number is expected to grow by 3 percent annually and reach 1.8 billion by 2030.

International tourism receipts have also demonstrated an upward trend. Global international tourism receipts reached \$1.33 trillion in 2017, up from \$1.22 trillion in 2016.²

Table 1. International Tourist Arrivals and Tourism Receipts

	2000	2005	2010	2015	2016	2017
Number of tourists (millions)	674	809	953	1.189	1.235	1.322
Annual change (percent)	8.1	5.9	6.5	4.5	3.9	7
Tourism receipts (billion dollars)	495	701	961	1.196	1.220	1.332

Source: UNWTO

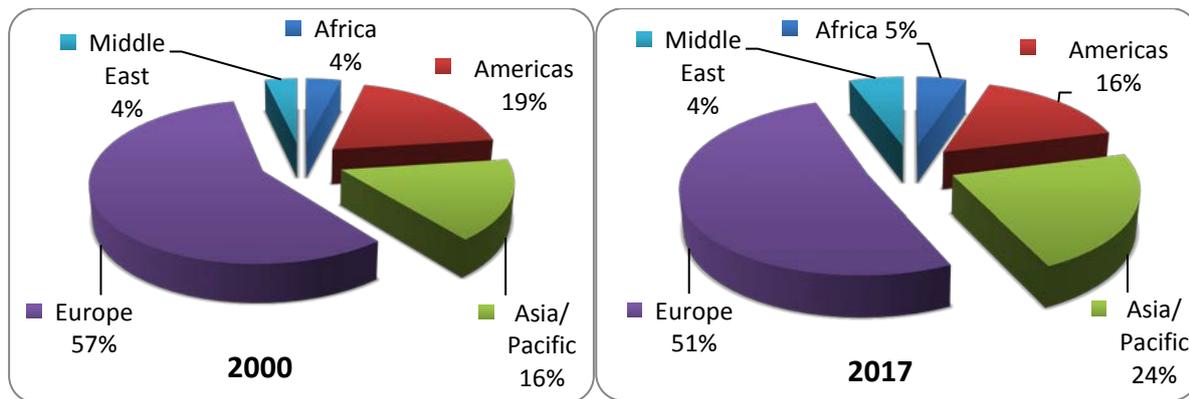
The Share of International Tourism by Region

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, 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

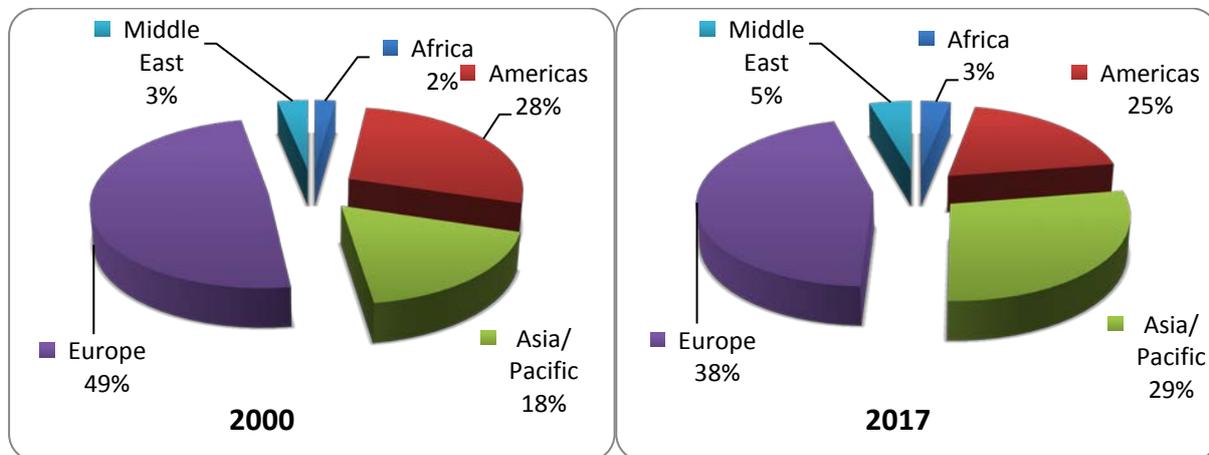
² UNWTO Tourism Highlights, 2017

Figure 1: Tourist Arrivals by Region (2000-2017)



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 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 2010-2016 period, as shown in Figure 3, both tourist arrivals and tourism receipts increased.

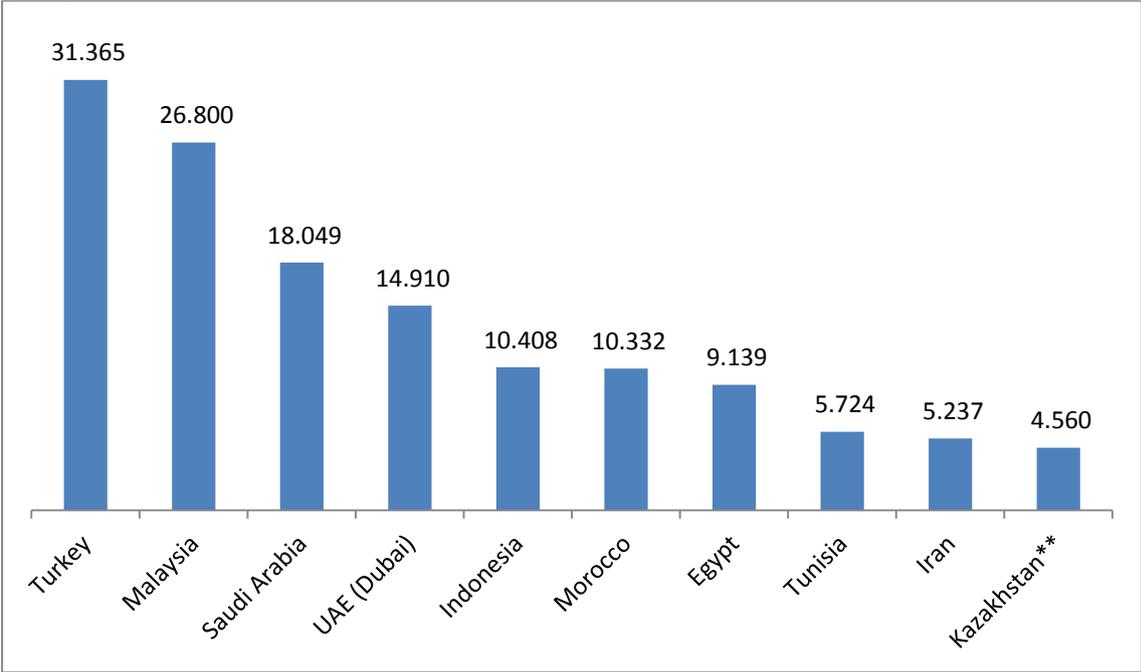
Figure 3. Tourist Arrivals and Tourism Receipts in the OIC Member Countries

Source: UNWTO and COMCEC *Tourism Outlook 2018*

As shown in Figure 3, the number of tourist arrivals in the Member Countries increased to 178 million in 2016, corresponding to a 14.4 percent share in the total international tourist arrivals worldwide. International tourism receipts amounted to \$138 billion in the same year, corresponding to a 10 percent 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.

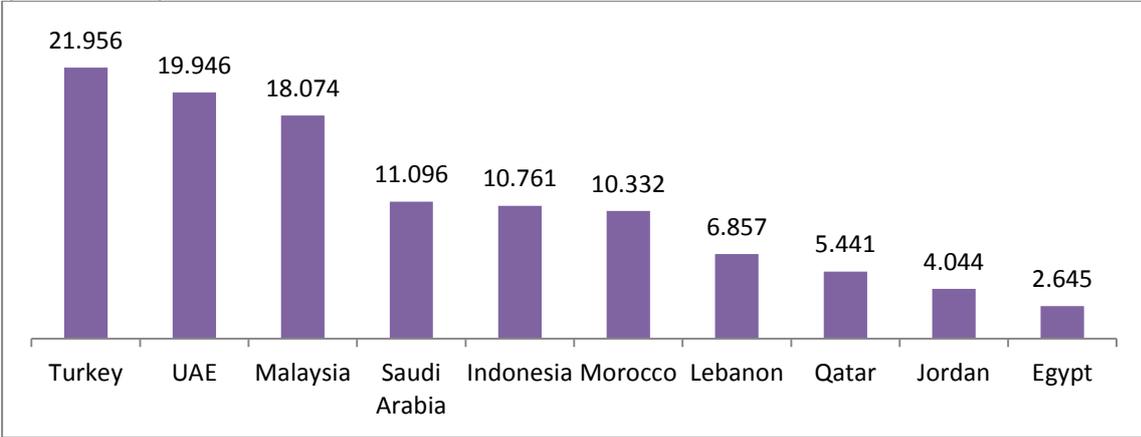
Figure 4. Top 10 OIC Tourism Destinations in International Tourist Arrivals (Thousands) (2016)



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 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:

The tourism industry has not reached its full potential in the OIC Region and there are some major obstacles faced by the Member Countries. Transportation infrastructure in the member countries is not adequate. Moreover, hotels in the member countries do not sufficiently meet the demand of 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 member countries, the potential of the relevant stakeholders, such as private sector, remains underutilized. Deficiencies in tourism prevent diversification and lack of effective marketing strategies are also important challenges for the tourism industry in the OIC Region.

COMCEC Tourism Cooperation

COMCEC attaches utmost importance to develop the cooperation in tourism domain among the member countries. Taking into account the emerging issue on destination governance including its planning, marketing and managing aspects and the need for having the necessary infrastructure in the member countries in order to meet the needs of tourists, the COMCEC has devoted three WG Meetings (11th, 12th and 13th) to this subject.

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.

The reports and presentations submitted to the Working Group are available on the COMCEC web page. (<http://www.comcec.org/en/11th-meeting-of-the-comcec-tourism-working-group/>)

Destination Marketing Strategies

The effectiveness of the marketing activities can be maximized if the stakeholders are coordinated to offer a consistent message and align their efforts on a shared marketing vision of a destination. Considering various actors and factors involved in creation of the overall image, and self-serving bureaucracies of public marketing organizations, destinations need a holistic approach in marketing that would coordinate and lead various stakeholders, create economies of scale and integrate their efforts effectively. Marketing strategies are also important for destinations' overall success in the long term.

Considering the importance of the subject, COMCEC Tourism Working Group has devoted its 12th WG Meeting held on September 13th, 2018 in Ankara, Turkey to destination marketing strategies in tourism sector.

According to the research report submitted to the Meeting, destination marketing focuses on four key areas – (i) competitiveness, (ii) destination management organizations (DMOs), (iii) destination market planning process, and (iv) cross-cutting themes based upon technology, market research and collaboration. Funding of destination marketing is a critical issue for DMOs, which need the security of long term funding. Effective marketing and branding requires utilization of a range of tools including digital marketing activities, social media, mobile phone applications etc..

Based on intensive deliberations the Working Group highlighted following challenges.

- Lack of funding over the long term
- Lack of holistic approach including relevant stakeholders' cooperation
- Need for innovation and digitization
- Need for increasing competitiveness amongst suppliers
- Need for increasing demand seasonality

The 12th Meeting of Tourism Working Group has also come up with the following policy recommendations:

- Establishing/Empowering a central body (i.e. DMO) to position the destination at a desirable place among the competing destinations, to create the brand image of the destination, and to promote the destination through utilizing such tools as social media, digital marketing, trade fairs, public relations, and fam-trip organizations.
- Encouraging new product development (i.e. events, festivals and other suitable products) to mitigate the adverse effects of seasonality and the risks related to dependence on one product or a single market.
- Managing and regulating existing distribution channels, developing new distribution channels to prevent dependency and minimize power asymmetry between destination stakeholders as well as international intermediaries, and establishing strategic alliances with external stakeholders that would create synergies for the destination and other collaborators (i.e. airlines, event organizers etc).
- Promoting collection, storage, analyses and dissemination of market data on visitor characteristics, seasonality, distribution channels performance, source markets, trends etc., while respecting confidentiality and privacy of individuals, to improve the marketing effectiveness of the destination stakeholders as well as DMOs.
- Utilizing digital platforms, mobile applications and allocating special attention on social media channels for improving tourist experience, information credibility and interaction among visitors in destination marketing

Moreover, the Tourism Working Group, in its 13th Meeting to be held on February 13th, 2019, in Ankara, will focus on “Sustainable Destination Management 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, four 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 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, consisted of a five-day training program by which the participants acquired skills to define risks and use tools in order to invert the impact of the crisis. The project held in the province of Ouagadougou with the participation of 30 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 was 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 included ten far-reaching modules, held in the province of Bamako. With training program, 25 trainees from Burkina Faso, Mali, Niger, Mauritania and Senegal trained on how to develop and implement a crisis communication plan and how to set up a recovery plan.

The third project titled “the Community-Based Tourism through the Promotion of Heritage Sites for Poverty Alleviation” implemented by the Ministry of Culture and Tourism of Mozambique with the partnership of Sudan, Malaysia, Gambia and Uganda. The aim of this project was 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, which aim to enhance local communities’ skills in making quality tourism products, were implemented with 32 participants.

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 aimed 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 were organized. The study visit took 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 focused 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 cooperation 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 for 2019, and Gabala (Azerbaijan) as the OIC City of Tourism for 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.

