



CCO BRIEF ON TOURISM

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Tourism is an important economic sector due to its key role in generating economic activity, employment and export revenues. It is also crucial for economic development and alleviating poverty, especially in developing economies. While the sector showed a decreasing trend during the global economic slowdowns and crisis, tourist arrivals as well as tourism receipts have demonstrated an upward trend since the 1950s. International tourist arrivals increased from 25.3 million in 1950 to 1.18 billion in 2015 and international tourism receipts increased from USD 2.1 billion in 1950 to USD 1.25 trillion in 2014¹.

Recent Trends in International Tourism

The tourism sector has continued to increase its share in the world economy, particularly in the last decade. According to the UNWTO forecast, international tourist arrivals increased by 4.4% in 2015 to reach 1.18 billion arrivals. According to the UNWTO's long-term outlook and assessment of future tourism trends, the number of international tourist arrivals is expected to reach 1.4 billion by 2020, 1.5 billion by 2023 and 1.8 billion by 2030.

International tourism receipts have also demonstrated an upward trend. According to the UNWTO, during the 2000-2014 period, international tourism receipts increased from US\$ 476 billion in 2000 to US\$ 1.25 trillion in 2014.

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 | 1,184 |
| Annual change (percent) | 8.1 | 5.9 | 6.5 | 4.6 | 4.2 | 4.4 |
| Tourism receipts (billion dollars) | 495 | 703 | 966 | 1,199 | 1,250 | - |

* Forecast

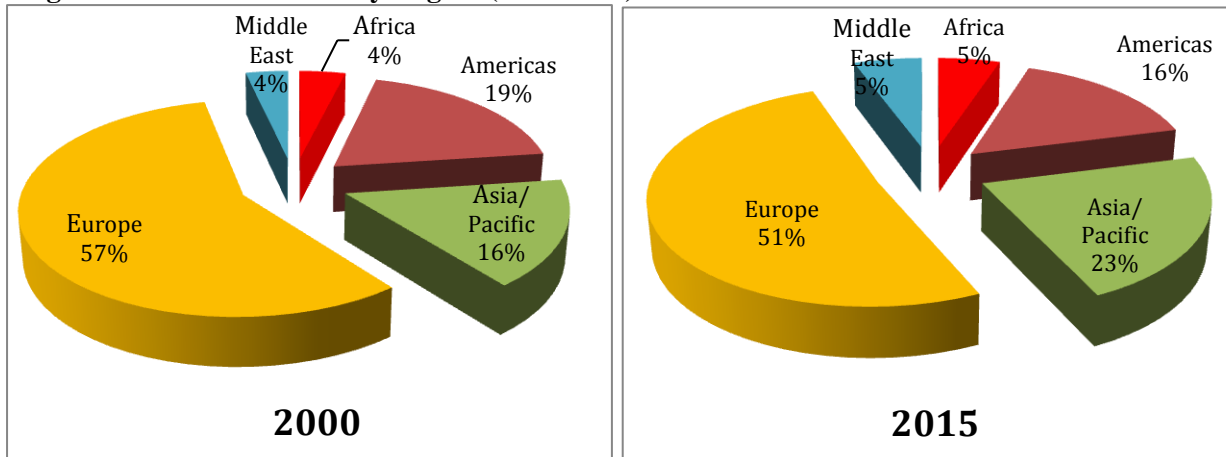
Source: UNWTO World Tourism Barometer-Volume 14

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 Figures 1 and 2, the share of traditional popular destinations, 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 in terms of tourist arrivals as well as tourism receipts.

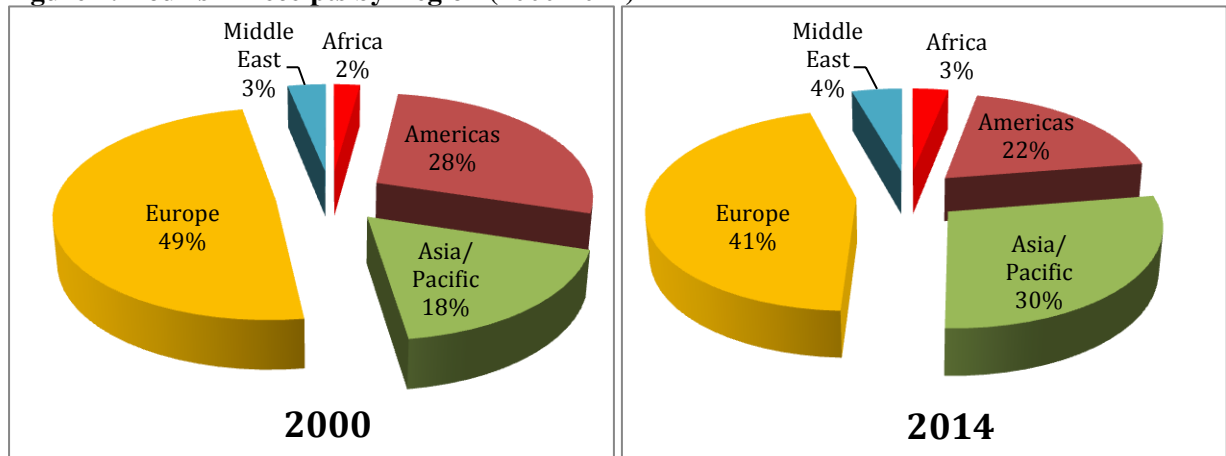
¹World Tourism Organization

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



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

Figure 2: Tourism Receipts by Region (2000-2014)

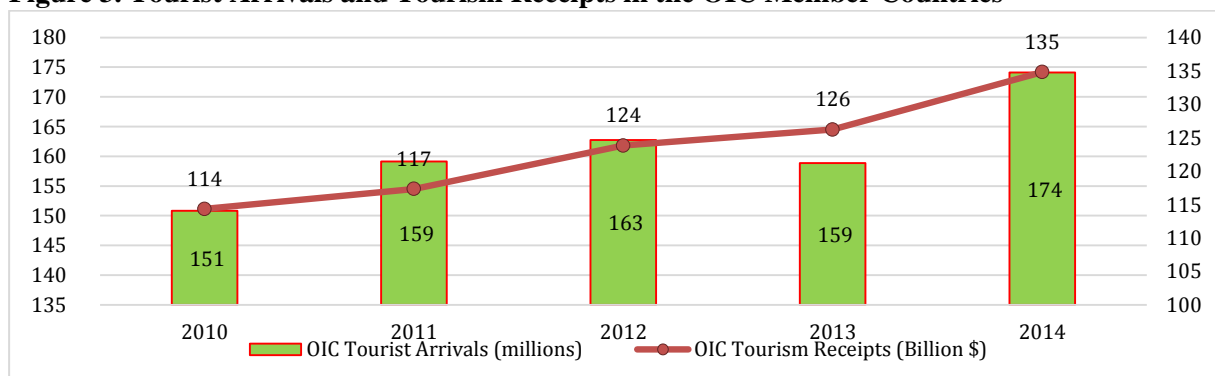


Source: UNWTO, World Tourism Barometer Volume 14, January 2016

Tourism Sector in the OIC Member Countries

International tourism activity in the OIC Member Countries has been growing in terms of both tourist arrivals and tourism receipts in recent years. During the 2005-2014 period, as shown in Figure 3, both tourist arrivals and tourism receipts increased, except for the decline in 2013.

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

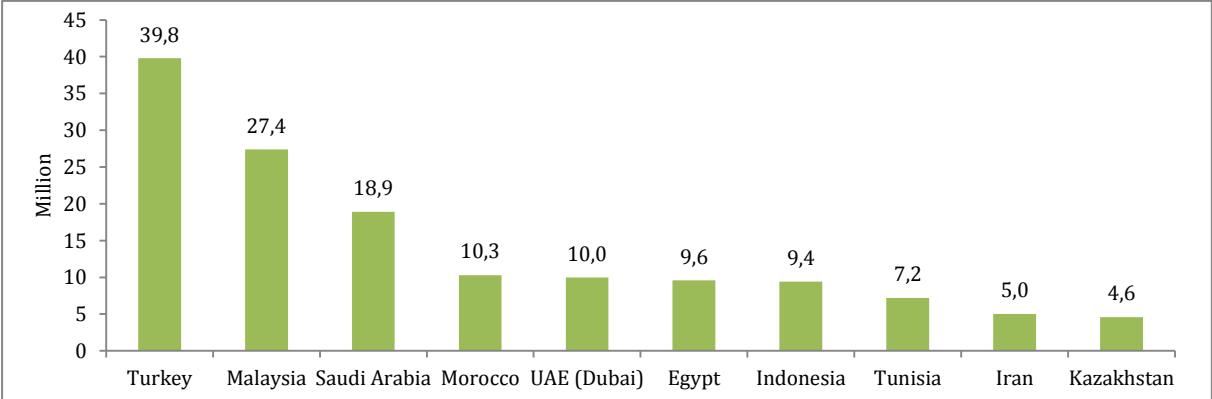


Source: adapted from SESRIC, 2015

As shown in Figure 3, the number of tourist arrivals in the Member Countries increased to 174 million in 2014, corresponding to a 15.3 per cent share in the total international tourist arrivals worldwide. International tourism receipts amounted to \$135 billion in the same year, corresponding to a 10.8 per cent share in the world’s total tourism receipts.

As shown in Figure 4, the distribution of the tourist arrivals and tourism receipts 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 2014. 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 2014.

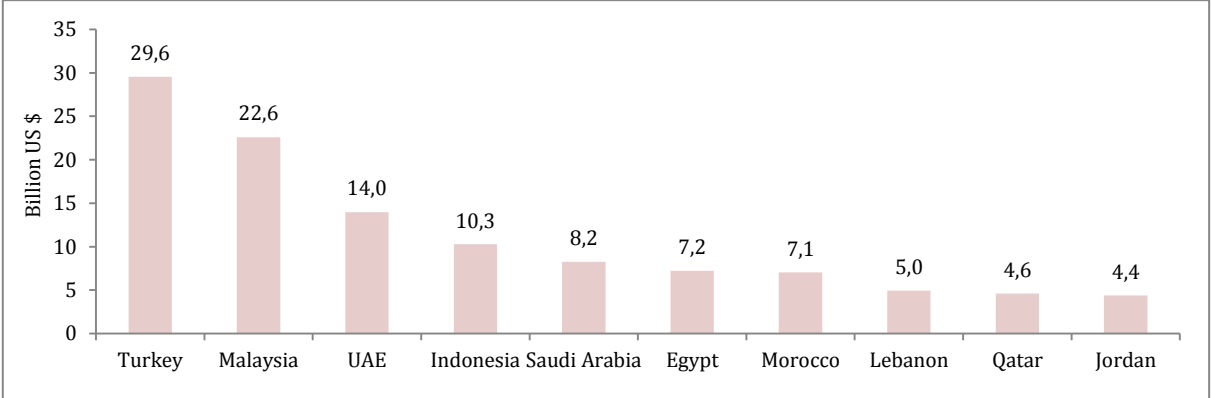
Figure 4. Top 10 OIC Tourism Destinations in International Tourist Arrivals (2014)



Source: UNWTO, *Tourism Barometer*, Volume 14, January 2016

Concerning the international tourism receipts, Figure 5 indicates that tourism receipts in the OIC Member Countries are concentrated in a small number of countries, almost the same countries of the main tourist destinations. These top 10 Member Countries earned USD 113 billion in international tourism receipts in 2014. It is worth mentioning that among these countries, Turkey and Malaysia also ranked 12th and 13th, respectively, among the world top tourism earners in 2014.

Figure 5. Top 10 OIC Tourism Destinations in International Tourism Receipts in 2014



Source: UNWTO, *Tourism Barometer*, Volume 14, 2016 January

According to a recent study of the World Economic Forum, entitled “Travel and Tourism (T&T) Competitiveness Index Report 2015²”, there are only 4 Member Countries in the first 50 countries which are ranked according to their competitiveness in the travel and tourism sector. Table 2 demonstrates that the United Arab Emirates has the highest rank among the OIC Member Countries, with a rank of 24 and a score of 4.43 out of 5. Most of the Members do not have enough competitive advantage for their tourism sector (see Annex 1). This study has shown the necessity of increasing tourism competitiveness in the Member Countries.

Table 2. The T&T Competitiveness Index 2015 Results for the Top 5 Member Countries

| Economy | Rank | Score | Change since 2013 |
|-----------------------------|-------------|--------------|--------------------------|
| United Arab Emirates | 24 | 4,43 | 4 |
| Malaysia | 25 | 4,41 | 9 |
| Qatar | 43 | 4,09 | -2 |
| Turkey | 44 | 4,08 | 2 |
| Indonesia | 50 | 4,04 | |

Source: WEF, 2015

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 processes 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 the private sector and local communities, remains underutilized. Furthermore, deficiencies in tourism product diversification and lack of effective marketing strategies impede raising the awareness about the existing tourism destinations of the OIC Member Countries.

Muslim-Friendly Tourism

Muslim Friendly Tourism (MFT) has become an important sub-category of tourism for Muslim travelers. A growing number of Muslim travelers have become recently more Halal conscientious and prefer Muslim-Friendly services while having 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 month of

²Published by the World Economic Forum and covers 141 economies in the world. 40 out of 141 economies are OIC Member Countries. The Report uses four sub-indexes, such as enabling environment, T&T policy and enabling conditions, infrastructure and T&T human, cultural, and natural resources.

Ramadan, recreational facilities with privacy and a decent environment for families, etc.) are of particular importance.

The Muslim population and their spendable/expendable income is growing. According to a research, 1 out of 3 people born between 1990 and 2030 will be Muslim. Hence, the Muslim population could increase to 2.2 billion by 2030, which will be one of key catalysts for the growth of Muslim Friendly Tourism (MFT)³.

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 to 116 million and this number will increase to 180 million within five years. Regarding tourism expenditure, Muslim travelers' spending was about USD 120 billion in 2014 and it is expected to reach USD 212 billion in 2020. This growth underlines the importance of Muslim tourists travelling for leisure, adventure and exploration in the 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 traveler spending of the Member Countries was about USD 52 billion in 2014 and, according to the estimations, it will reach USD 95.7 billion in 2020.

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, COMCEC has devoted three WG Meetings (7th, 8th and 9th) to the theme of Muslim-Friendly Tourism.

7th Meeting of the COMCEC Tourism Working Group

Since the 31st Session of the COMCEC, the 7th Meeting of the Tourism Working Group was held on 4 February 2016 with the theme of “Muslim Friendly Tourism: Understanding the Demand and Supply Sides in the OIC Member Countries”. The Tourism Working Group provided the opportunity to thoroughly discuss the main concepts and the general overview of 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 that 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 about the 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.*

³ COMCEC Coordination Office (CCO), “Muslim-Friendly Tourism: Understanding the Demand and Supply Sides in the OIC Member Countries”, February 2016.

- *Developing healthcare services and facilities for the MFT market through identifying the different strengths of the OIC Region, building specialization hubs and developing alternative/traditional treatments and wellness programs.*
- *Launching an alliance among the Muslim-friendly travel agents/tour operators targeting MFT markets.*

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).

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

COMCEC Project Funding: Important Asset for Developing Tourism Cooperation

The Member Countries that have 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 purposes and be designed in accordance with the objectives and 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, an Ecovillage Design Education Report was prepared.

The Third Project Call was made in September 2015. In this framework, the following two projects will be implemented in 2016:

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

The COMCEC Coordination Office will make the fourth call for project proposals in September 2016. More detailed information on the 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 the 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, 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 of 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 İstanbul 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 the challenges faced by the private sector in the Member Countries in promoting MFT products and services. The participants emphasized the importance of raising awareness about MFT, not only in the OIC Member Countries, but also in the Non-OIC world. In this regard, the participants highlighted the significance of the 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 a 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.

ANNEX 1: T&T Competitiveness Index 2015 for OIC Member Countries⁴

| ECONOMY | RANK 2015 | SCORE | CHANGE SINCE 2013 |
|----------------------|-----------|-------|-------------------|
| United Arab Emirates | 24 | 4.43 | 4 |
| Malaysia | 25 | 4.41 | 9 |
| Qatar | 43 | 4.09 | -2 |
| Turkey | 44 | 4.08 | 2 |
| Indonesia | 50 | 4.04 | 20 |
| Bahrain | 60 | 3.85 | -5 |
| Morocco | 62 | 3.81 | 9 |
| Saudi Arabia | 64 | 3.80 | -2 |
| Oman | 65 | 3.79 | -8 |
| Jordan | 77 | 3.59 | -17 |
| Tunisia | 79 | 3.54 | n/a |
| Egypt | 83 | 3.49 | 2 |
| Azerbaijan | 84 | 3.48 | -6 |
| Kazakhstan | 85 | 3.48 | 3 |
| Lebanon | 94 | 3.35 | -25 |
| Iran | 97 | 3.32 | 1 |
| Suriname | 101 | 3.28 | -1 |
| Kuwait | 103 | 3.26 | -2 |
| Guyana | 104 | 3.26 | -1 |
| Albania | 106 | 3.22 | -29 |
| Gambia | 109 | 3.20 | -17 |
| Senegal | 112 | 3.14 | -5 |
| Uganda | 114 | 3.11 | 2 |
| Kyrgyz Republic | 116 | 3.08 | -5 |
| Côte d'Ivoire | 117 | 3.05 | 9 |
| Tajikistan | 119 | 3.03 | -5 |
| Cameroon | 122 | 2.95 | -1 |
| Algeria | 123 | 2.93 | 9 |
| Pakistan | 125 | 2.92 | -3 |
| Bangladesh | 127 | 2.90 | -4 |
| Mali | 128 | 2.87 | 1 |
| Mozambique | 130 | 2.81 | -5 |
| Nigeria | 131 | 2.79 | -4 |
| Sierra Leone | 132 | 2.77 | 5 |
| Burkina Faso | 136 | 2.67 | -8 |
| Mauritania | 137 | 2.64 | -3 |
| Yemen | 138 | 2.62 | -5 |
| Guinea | 140 | 2.58 | -4 |
| Chad | 141 | 2.43 | n/a |

Source: World Economic Forum, *The Travel & Tourism Competitiveness Report 2015*

⁴ COMCEC Tourism Outlook 2015.