

 **TOURISM**

OIC/COMCEC



CCO BRIEF ON TOURISM

COMCEC COORDINATION OFFICE
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CCO BRIEF ON TOURISM

Tourism industry is an important socio-economic tool for both developed and developing countries. It has multiple links to the other economic sectors and it is related to more than 185 supply-side economic activities, with direct and indirect effects.

Governments are increasingly recognizing tourism as a resilient activity with the capacity to stimulate economies and help to achieve many national economic objectives. In recent years, tourism has consistently demonstrated the ability to create employment, stimulate capital markets, attract foreign investments, earn foreign currency, and add value locally, nationally and regionally.

Tourism has been growing faster than world trade over the past four years. The merchandise trade in the World has been growing by 2-3 percent a year while tourism growing 3,5-4,5 percent. Tourism industry accounted for 7 percent of total goods and services in 2016.¹

Recent Trends in International Tourism

Tourism industry continued to grow with increasing number of tourists. In 2016 tourist arrivals grew by 3,9 percent and reached to 1.2 billion despite challenges. 45 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 have reached \$1.26 trillion in 2015, up from \$1.25 trillion in 2014 and it is expected to reach \$1.29 trillion in 2016.²

Table 1. International Tourist Arrivals and Tourism Receipts

	2000	2005	2010	2013	2014	2015	2016
Number of tourists (millions of people)	674	809	950	1,088	1,134	1,186	1,235
Annual change (percent)	8.1	5.9	6.5	4.6	4.2	4.6	3.9
Tourism receipts (billion dollars)	495	706	986	1,241	1,309	1,260	1,297*

Source: UNWTO World Tourism Barometer-Volume 15, January 2017 (Forecast)*

The Share of International Tourism by Region

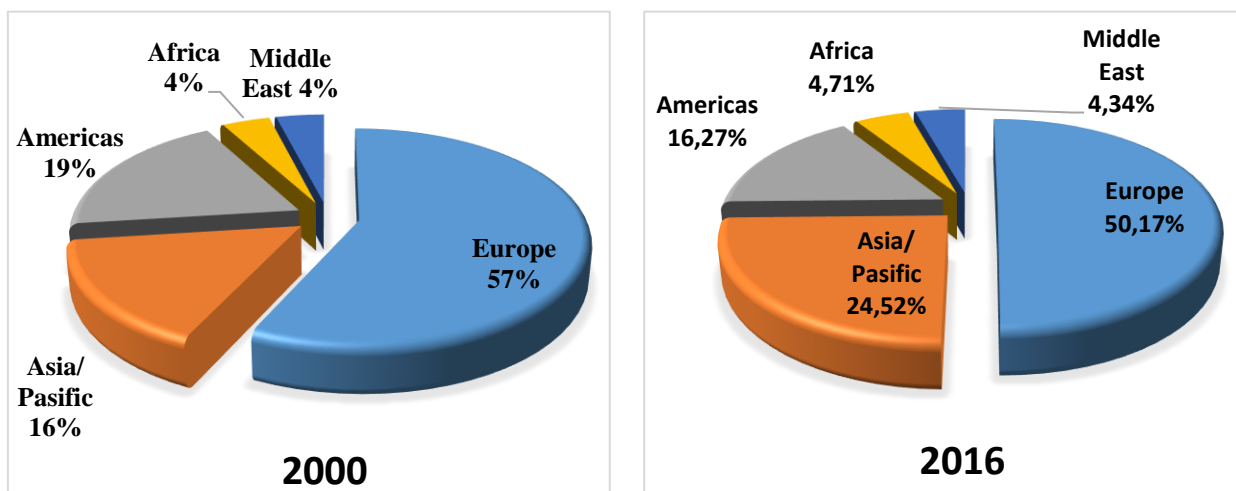
In recent decades, international tourism activity has demonstrated continuing geographical spread and diversification of tourist destinations. New tourist-receiving markets have been emerging in the developing regions of Asia, the Pacific, the Middle East and Africa. This rapid expansion of new markets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

¹ UNWTO Tourism Highlights, 2016

² UNWTO Tourism Highlights, 2016

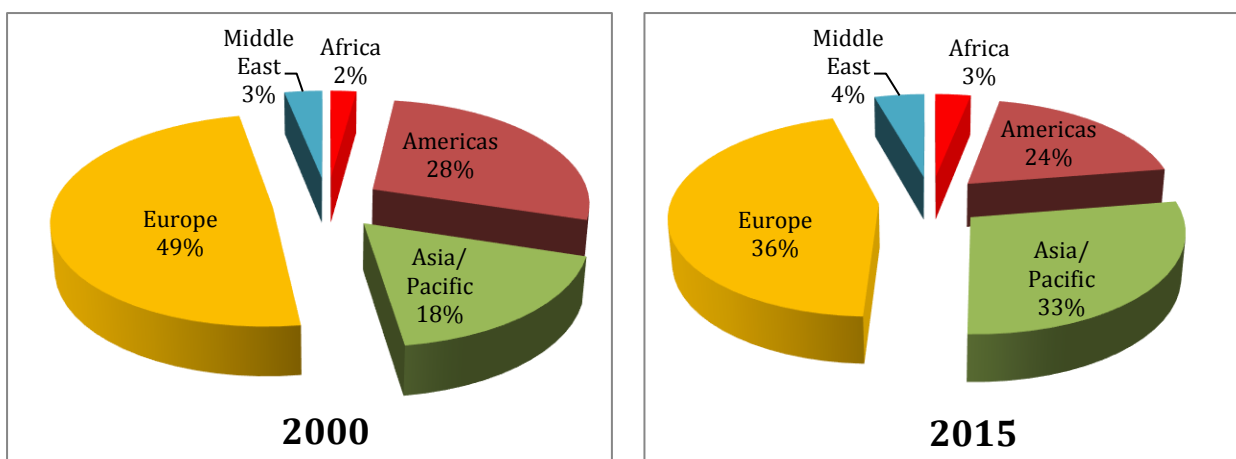
declining in favor of the Middle East, Africa and the Asia Pacific regions in terms of tourist arrivals as well as tourism receipts.

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



Source: UNWTO World Tourism Barometer-Volume 15, January 2017

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

Moreover, according to the said report, Travel and Tourism generated approximately 15.4 million jobs directly in 2015 (2.8 percent of total employment) and it is estimated to grow by 1.7 percent and to reach 15.7 million (2.7 percent of total employment) in 2016. Total contribution of travel and tourism to employment in the OIC member states has been 39.7 million jobs in 2015 (7.1 percent 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 had increased.

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



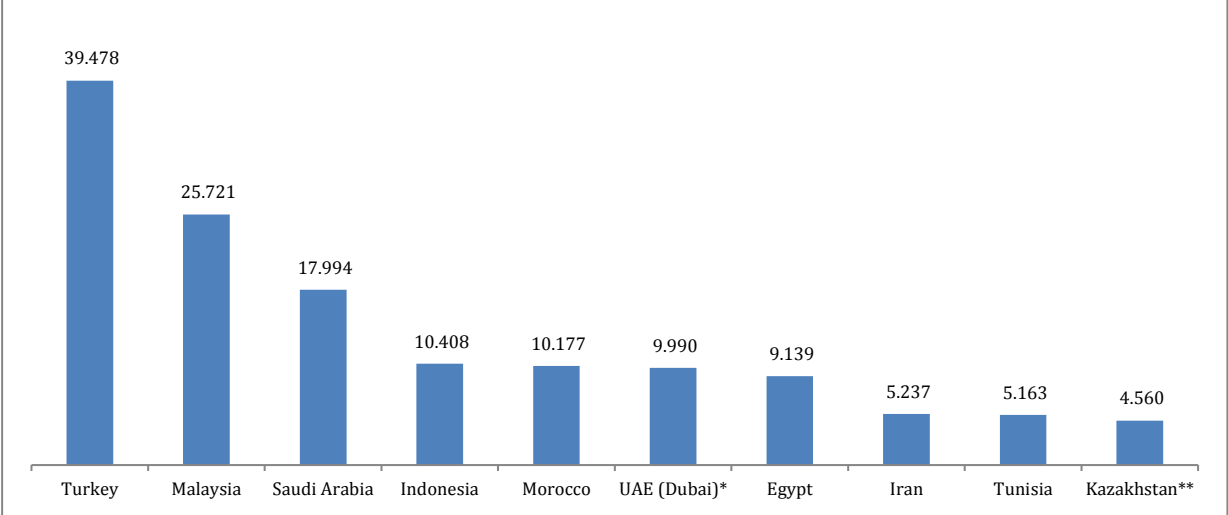
Source: UNWTO and COMCEC Tourism Outlook 2016

As shown in Figure 3, the number of tourist arrivals in the Member Countries increased to 173 million in 2015, corresponding to 14.6 percent share in the total international tourist arrivals worldwide. International tourism receipts amounted to \$135 billion in the same year corresponding to 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 in the OIC 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)



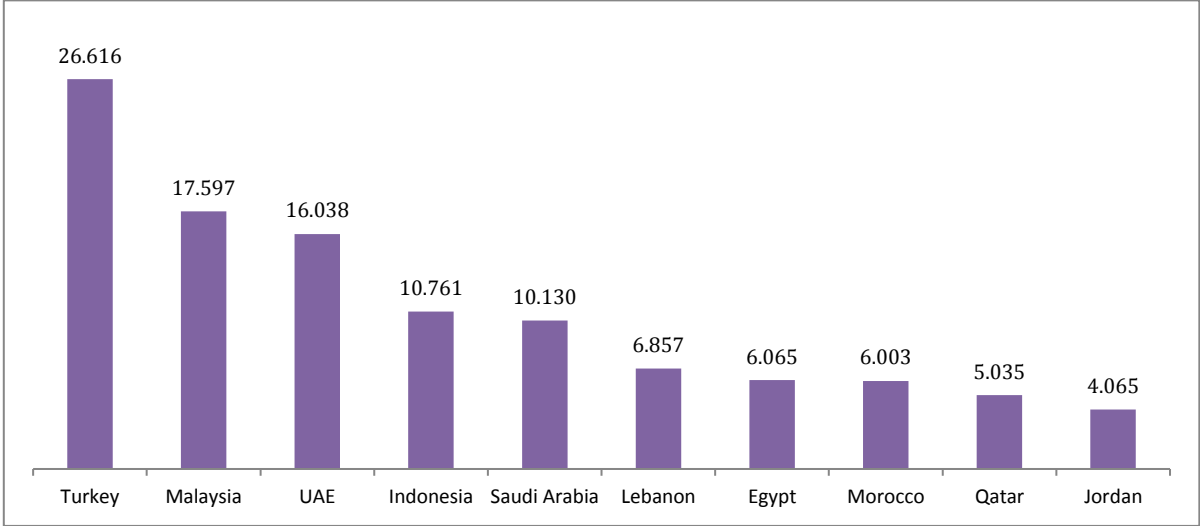
Source: UNWTO, Tourism Highlights 2016 & Republic of Turkey Ministry of Culture and Tourism

* 2013 data

**2014 data

Concerning the international tourism receipts, top 10 Member Countries, shown in Figure 5, earned US\$ 109 billion in 2015. 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 Tourism Sector:

Tourism industry in the OIC Member Countries has not reached its potential. There are some obstacles through the path to be globally competitive in tourism industry.

Firstly, transportation infrastructure in the member countries is not adequate. It is necessary to have advanced roads and highways in order to be competitive in the tourism industry. Moreover the hotels in the member countries do not sufficiently meet the Muslim tourists' needs, particularly, for the tourists who are Halal conscious, and prefer Muslim-Friendly services during their vacation.

Furthermore the tourism industry is vulnerable to internal and external shocks. In order to recover from crises, member countries needs to develop sound strategies.

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 a growing market as 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 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 would increase to 2.2 billion by 2030 which will be one of the key growth catalysts of Muslim Friendly Tourism (MFT)³. According to the analytical study specifically prepared for the 7th Meeting of the COMCEC 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 the general picture of MFT in the OIC, the OIC Member Countries represented 10.3 percent of global international tourism receipts, which was \$129.7 billion in 2015.

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 about \$151 billion in 2015 and is expected to reach \$243 billion in 2021. Muslim outbound tourism expenditure from OIC member countries was \$108.8 billion in 2015 and it is expected to reach \$179.5 billion in 2021.

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

Muslims represented more than 70 percent of the total outbound expenditure from the OIC member countries in 2015. ⁴

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.

Regulating MFT Accommodation Establishments

Since the 32nd Session of the COMCEC, the 9th Meeting of the Tourism Working Group was held on February 16th, 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 are identified as Muslim-friendly with either focused or mixed offerings. About 60 percent of them are 4 and 5 star hotels. Furthermore, only 58 MFT accommodation establishments serve halal food only as well as provide halal products and services targeting Muslim consumers.

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

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 has come up with COMCEC MFT Guideline for Regulating Accommodation Establishments.

The COMCEC MFT Guideline, 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 10th Meeting of the Tourism Working Group will be held on September 21st, 2017 in Ankara with the theme of “Risk and Crisis Management in Tourism Sector: Recovery from Crisis in the OIC Member Countries.”

COMCEC Project Funding on Tourism Sector

⁴ COMCEC Coordination Office (CCO), “Muslim Friendly Tourism: Regulating Accommodation Establishments in the OIC Member Countries”, February 2017.

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.

Within this framework, the following two projects have been 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. In this regard the following four projects are being implemented in 2017.

- Developing a Training and Certification Program for the Muslim Travel, Tourism and Hospitality Industry (proposed by Gambia)
- Enhancing Capacity Of Muslim Friendly Tourism Workforce (proposed by Mozambique)
- Enhancing The Capacity of Craft Producers & Customers Service in the OIC Member Countries (proposed by Sudan)
- Training Program on the Development and Promotion of Muslim Friendly Tourism in COMCEC Member Countries (proposed by SESRIC)

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

