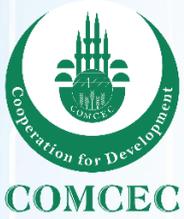


 **TOURISM**



CCO BRIEF ON TOURISM

COMCEC COORDINATION OFFICE
November 2020

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 2017.¹

Recent Trends in International Tourism

The tourism industry has continued to grow with the increasing number of tourists. In 2018 tourist arrivals grew by 5,4 percent, reaching 1.4 billion. Seventy-two million more tourists traveled in 2018 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 \$1.45 trillion in 2018, up from \$1.34 trillion in 2017.²

Table 1. International Tourist Arrivals and Tourism Receipts

	2000	2005	2010	2016	2017	2018
Number of tourists (millions)	674	809	953	1.235	1.322	1.401
Annual change (percent)	8.1	5.9	6.5	3.9	7	5,4
Tourism receipts (billion dollars)	495	701	961	1.220	1.332	1.451

Source: UNWTO

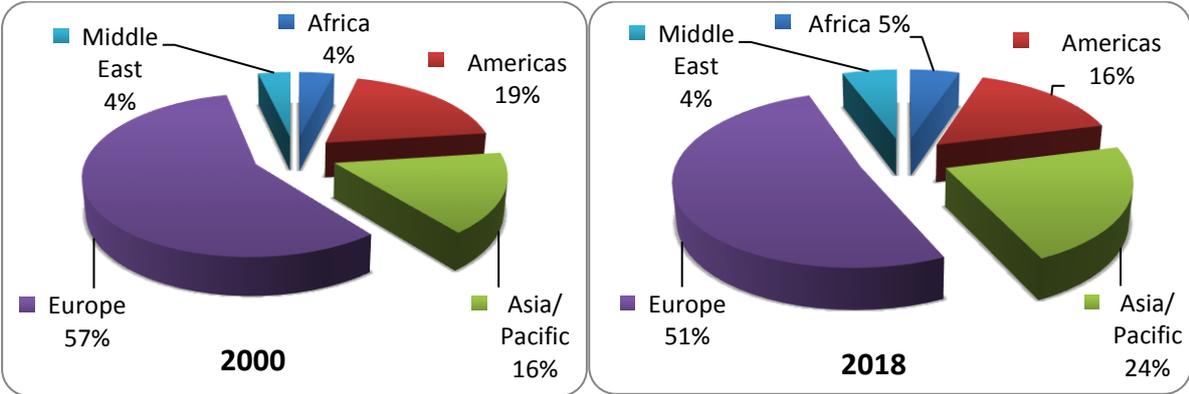
The Share of International Tourism by Region

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, 2019

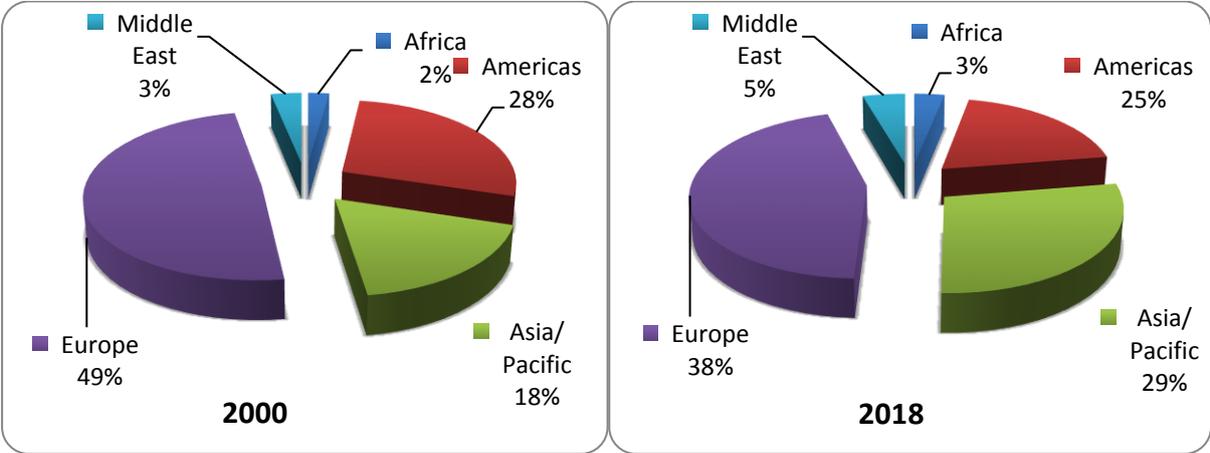
² UNWTO Tourism Highlights, 2019

Figure 1: Tourist Arrivals by Region (2000-2018)



Source: UNWTO

Figure 2: Tourism Receipts by Region (2000-2018)



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 2019, the direct contribution of Travel and Tourism to GDP in 2018 was \$589,3 billion (8,8 percent of GDP) in the OIC member states.. 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 44.2 million jobs in 2017 (7.4 percent of total employment) and it is estimated to reach 59.4 million in 2029.

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.

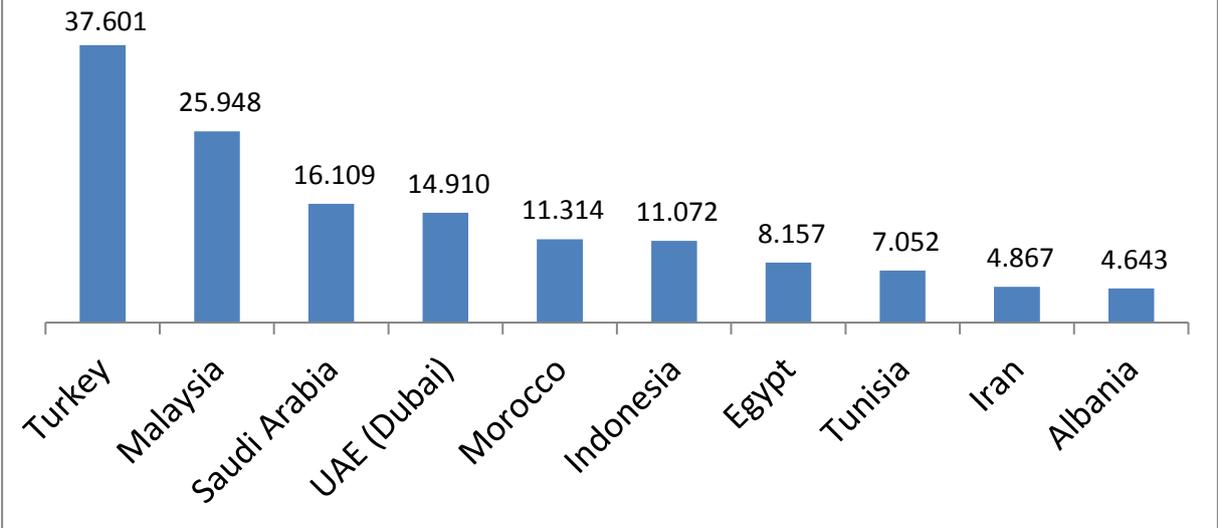
Figure 3. Tourist Arrivals and Tourism Receipts in the OIC Member Countries

Source: UNWTO and COMCEC *Tourism Outlook 2018*

According to Figure 3, the number of tourist arrivals in the Member Countries increased to 187 million in 2017, corresponding to a 14.2 percent share in the total international tourist arrivals worldwide. International tourism receipts amounted to \$150 billion in the same year, corresponding to a 11.2 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), Morocco, Indonesia, Egypt, Tunisia, Iran and Albania were the top 10 international tourist destinations in the OIC in 2017, hosting 141.9 million international arrivals.

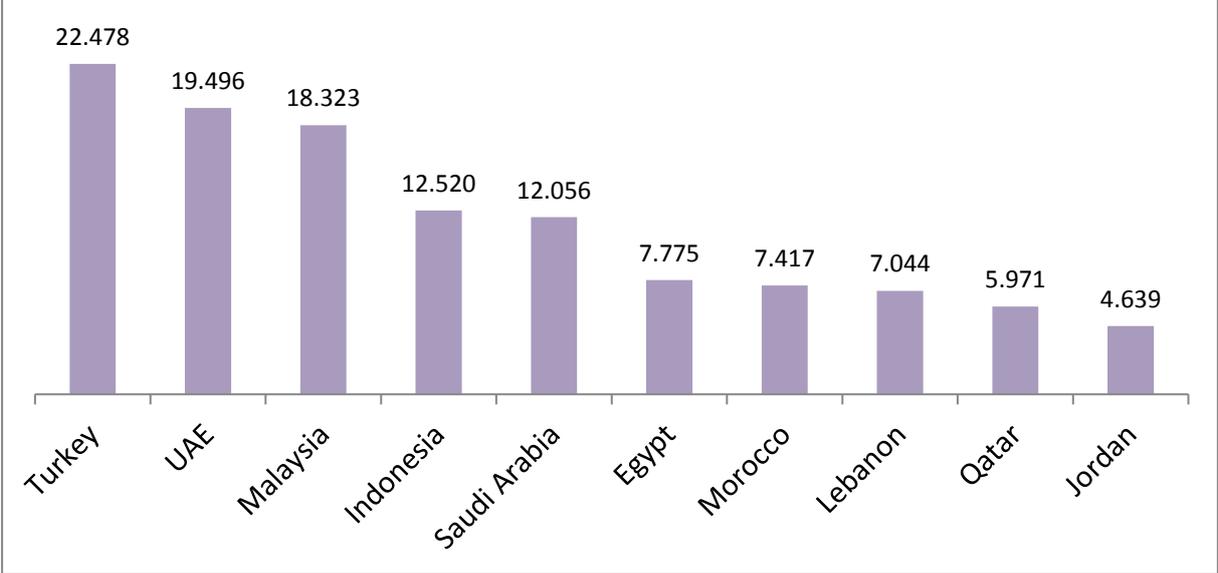
Figure 4. Top 10 OIC Tourism Destinations in International Tourist Arrivals (Thousands) (2017)



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\$ 118 billion in 2017.

Figure 5. Top 10 OIC Tourism Destinations in terms of International Tourism Receipts in 2017 (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 area of Tourism that is medical tourism, , the COMCEC has devoted its 15th meeting on this subject.

Medical Tourism

Since the 35th Session of the COMCEC, the 15th Meeting of the Tourism Working Group was held on September 24th-25th, 2020 in a virtual –only format with the theme of “Medical Tourism in the OIC Member Countries.” Tourism Working Group has discussed the main concepts related to medical tourism and the overview of the subject in the world and the OIC.

According to the research report prepared for this meeting, Medical tourism is an industry which promises growth under the most dire economic consequences due to its responsiveness to the immediate needs of individuals, namely health. The medical tourism market was valued at 95.8 billion US dollars in 2018 and it is projected to reach 165.3 billion US dollars by 2023. To provide a general outlook, the medical tourism market is projected to grow at a compounded annual growth rate (CAGR) of 14 to 15 percent in terms of market size. The average number of patients received is expected to increase at a rate of 8 to 10 percent annually during the 2017-2023 period

Medical tourism globally has become a billion-dollar industry in relation to the increasing number of people who travel to other countries to get healthcare services. Today, millions of people travel abroad for medical purposes. Various factors such as cost effectiveness, better quality in services, less waiting time, availability of treatments, alternative therapies and natural endowments play a role in their decision to receive medical treatment away from home country..

Inadequate health infrastructure, poor service quality, limited institutional and human capacity, restrictive visa procedures and insufficient incentive schemes are some of the major challenges faced by the OIC member countries with respect to the medical tourism.

After intensive deliberations, the 15th Meeting of Tourism Working Group has come up with the following policy recommendations:

- Encouraging marketing and branding activities in order to boost the image of the destination country with a view to attract international patients

- Using online platforms for customized marketing strategies towards target groups
- Promoting development/implementation of exchange programs among the OIC Member Countries for medical personnel in order to boost knowledge and experience sharing
- Encouraging bilateral or regional/multilateral arrangements (such as patient exchange programs, pre-diagnosis services, alliances between healthcare providers and streamlining health insurance schemes etc.) between public/private stakeholders including insurances and hospitals in order to sustain the exchange of patients.
- Establishing a database on health tourism for the use of OIC member countries for further cooperation in terms of patient-treatment exchange and capacity building in healthcare provision

The reports and presentations submitted to the Working Group are available on the COMCEC web page. (<http://www.comcec.org/>)

In line with the relevant resolution of the 35. COMCEC Ministerial Session, the 15th meeting of the COMCEC Tourism Working Group, in its second day, considered the preparations for the Ministerial Exchange of Views Sessions of the 36th COMCEC Meeting to be held with the theme of “Promoting Entrepreneurship for Tourism Industry Competitiveness”.

In this regard, the 15th Meeting of TWG has come up with a set of policy recommendations under the following headings the Ministerial Exchange of Views Sessions of the 36th COMCEC Meeting :

- Public Investments and Infra-structure
- Capacity Building, Certification and Training
- Financing & Subsidization
- Legislative Actions
- Risk Management
- Sustainability
- Intra-OIC Collaboration

The Impacts of Covid-19 on Tourism in the OIC Member Countries

Tourism sector, by its very nature, has been affected most severely by the pandemic. In fact, it is considered one of the hardest hit sectors by the Covid 19 outbreak. According to the World Tourism Organisation (UNWTO), the international tourist arrivals would decrease by twenty percent (20%) to thirty percent (30%) in 2020 as compared to 2019. This is equivalent to a loss of 300 to 450 billion USD in international tourism receipts.

Given the significance of the subject, the COMCEC Tourism Working Group conducted a Consultative Meeting on July 9th, 2020 and elaborated on the existing as well as potential impacts of Covid-19 on Tourism sector in the OIC member countries. The Working Group

deliberated on the capacity building and experience sharing opportunities among our Member Countries.

Within this framework, the participants highlighted the following areas/subjects:

- Strategic risk and crisis management in tourism,
- Regional online training on digital marketing and promotion,
- Tourism marketing and promotion,
- Promoting cooperation in the area of tourism statistics,
- Training on tourism product diversification,
- Revitalization of the medical tourism sector in the OIC Member States,
- Establishing a tourism exchange platform (i.e online tourism exhibition)
- Encouraging bilateral border arrangements in tourism sector between OIC Member Countries.
- Encouraging the utilization of modern technologies (e.g. self-service systems, robots) in tourism service provision for curbing the spread of COVID-19 virus.
- Developing safe and clean destination brands in the OIC Region.
- Redesigning tourism products and processes amid Covid-19 and future epidemics

Moreover, the Tourism Working Group, in its 16th Meeting to be held on 2021, will focus on “Mitigation Strategies for Tourism after Covid-19”.

COMCEC Project Funding

COMCEC Project Funding (CPF) is the other important instrument of the Strategy. Projects financed under the CPF need to serve multilateral cooperation and must be designed in accordance with the objectives and the expected outcomes defined by the Strategy in its tourism section. Projects also play important roles in realization of the policy recommendations formulated by the member countries during the TWG meetings.

Under the sixth call for project proposals, five projects were implemented by the Azerbaijan, Gambia, Mozambique, Mali, and ICDT in 2019.

The first project titled as “Destination Management Organization: Conceptual Framework for Azerbaijan, Cameroon and Iran” was implemented by Azerbaijan State Tourism Agency. The project aimed at developing a conceptual destination management organization framework for Azerbaijan, Cameroon and Iran. The project consisted of producing a research report in which the output of the field visits conducted within the project was reflected.

The second project, “Training of Accommodation Providers in the OIC Member Countries on Muslim Friendly Tourism Standards and Quality Service Provision”, was implemented by the Gambia. The purpose of this project was to familiarize the accommodation service providers in the Gambia and in other OIC Members with the Muslim Friendly Tourism (MFT) and to make these countries capable of regulating their accommodation establishments in line with MFT standards. The training program, which included inputs gathered through the study visit to Malaysia, was held in the province of Banjul. With a 5-day training program, 20 trainees from the Gambia, Nigeria, and Senegal were trained on MFT standards for hotels in terms of necessary customer services for Muslim customers.

The third project titled “Improving Human Capacity on Muslim Friendly Tourism for Regulating Accommodation Establishments in the OIC Member Countries” was implemented by the Ministry of Culture and Tourism of Mozambique with the partnership of Malaysia, Nigeria, Sudan, and Uganda. The aim of this project was to enable participants to regulate the accommodation establishments in the light of MFT Guidelines, to establish a national level harmonization platform for halal products and therefore increasing Member Countries' institutional capacities. In this context, a training program was organized for enhancing capacity of the 15 participants from the public sector, tour operators and travel agents on the Muslim Friendly Tourism.

The fourth project titled “Capacity Building on Destination Management Organizations of OIC Member Countries” was implemented by Mali with the partnership of Burkina Faso, Côte d'Ivoire, Guinea, Mauritania, Niger, Senegal and Togo. The project aimed at equipping the relevant actors in charge of the management and tourism promotion of eight West African countries with destination management skills by conducting a training program. The training program on destination management organizations was held in the province of Bamako with 22 participants from the beneficiary countries.

The last project titled “Developing Muslim-Friendly Tourism (MFT) in Guyana and Suriname” was implemented by ICDT. The purpose of this project was to raise awareness of MFT in Guyana and Suriname with a view to enhance the MFT ecosystem in these two countries through a training program. The training program was organized to raise awareness about the standards and guidelines of MFT with the participation of 63 trainees from Guyana and Suriname.

Moreover, under the 7th Call for Project Proposals, 3 projects were selected to be financed by the CCO in 2020. These projects, however, are yet to be completed due to delays arising from international travel restrictions imposed by the COVID 19 pandemic. Hence, all of the projects are expected to be finalized in 2021. The selected projects to be completed under the 7th Call are as follows;

The project titled “Capacity Building of Destination Management Organizations (DMO) Stakeholders” will be implemented by Cameroon in partnership with Azerbaijan, Burkina Faso, Nigeria and Senegal. The project aims at enhancing the capacity of DMO stakeholders by conducting a training program.

The second project titled “Community-Based Tourism through the Promotion of Heritage Sites” will be implemented by Uganda in partnership with Gambia, Malaysia, Mozambique and Nigeria. The objective of this project is to enhance the capacity of different stakeholders on community based tourism as well as new product development and encouraging local participation.

Moreover, Turkey will implement the project titled “Revitalizing Mevlana's Travel Route” with two partner countries, Afghanistan and Iran in 2021. This project aims at restoring Mevlana’s travel route involving two countries together with the project owner country.

8th Call for Project Proposals on the other hand started on September 1st, 2020. Relevant documents are available on the COMCEC website. (project.comcec.org)

COMCEC Al-Quds Program

Furthermore, considering the current situation and special conditions in Palestine, especially in Al-Quds Al-Sharif, and the resolutions of the recent Extraordinary Islamic Summits on Al-Quds, the CCO has initiated the Al-Quds Program, which focuses on destination development and management as well as community based tourism in Al-Quds. Implemented in collaboration with the Ministry of National Economy of Palestine, the program consists of several projects to be carried out between 2020 and 2022. The first two projects have been initiated in 2020.

The first two projects have been initiated in 2020. Under the first project titled “*Analyzing the Tourism Infrastructure and Developing a Tourism Destination Road Map for Al-Quds*”, the CCO has been conducting a research study for analyzing the tourism infrastructure and developing a tourism destination roadmap for Al Quds. Within the framework of this research study, the current situation of the tourism infrastructure in Al-Quds (hotels, restaurants, transportation, human resources, guides, tour operators, etc.) will be assessed, the most urgent areas that need investment will be determined as well as the cultural assets and facilities that could be included in the tourism offering of Al-Quds will be analysed. The project also contains assessment of the number and capacity of tourism facilities and workers in Al-Quds, the need for training of sector professionals and craftsmen. The Project will ultimately provide a SWOT analysis and mission, vision and objective for a tourism destination and communication strategy for Al-Quds.

The second project, titled “*Supporting Institutional Capacity of Al-Quds Tourism and Heritage Council*” aims at improving the institutionalization and sustainable financing mechanism of the Al-Quds Tourism and Heritage Council (ATHC) to be a well-functioning destination management organization for Al-Quds. The project foresees a conceptual study for determining ATHC personnel training needs, developing training modules and deliver training programs, recommending a DMO organizational structure, HR needs and sustainable self-funding opportunities. Within this scope, after making the training needs assessment for ATHC staff regarding competencies and qualifications required, an online training program will be

organized for the ATHC personnel in i) destination management and competitiveness, ii) tourism and cultural heritage planning and iii) tourism product development strategies.

Both projects are expected to be finalized by the end of 2020. Remaining projects are planned to be implemented between 2021 and 2022.

Other Ongoing Activities

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

- The 8th Meeting of the OIC/COMCEC Private Sector Tourism Forum was held in November 11th 2020, in a virtual-only format with the theme of “Al Quds as a Special Destination”.
- 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).

