

CCO BRIEF ON TOURISM

Tourism industry has experienced continued expansion and diversification, becoming one of the most rapidly developing industries in the world. It is one of the critical sectors in both developed and developing economies for its contributions to economic development, poverty alleviation and sustaining employment. Accordingly, tourist arrivals as well as tourism receipts have demonstrated an upward trend since 1950s. International tourist arrivals increased from 25.3 million in 1950 to 1.13 billion in 2014 and international tourism receipts increased from USD 2.1 billion in 1950 to USD 1.25 trillion in 2014.¹

Recent Trends in International Tourism

Tourism sector has continued to increase its share in the world economy particularly in the last decade. According to the UNWTO, international tourist arrivals grew by 4.3% in 2014 and reached 1.13 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	2011	2012	2013	2014	2015*
Number of tourists (millions of people)	678	809	949	997	1.038	1.087	1.133	1.175
Annual change (percent)	8,1	5,9	6,5	5,1	4,2	4,7	4,3	3-4
Tourism receipts (billion dollars)	476	681	931	1.042	1.078	1.197	1.246	-
Annual change (percent)	-	-	9,4	12,0	3,2	7,4	3,8	-

* Forecast

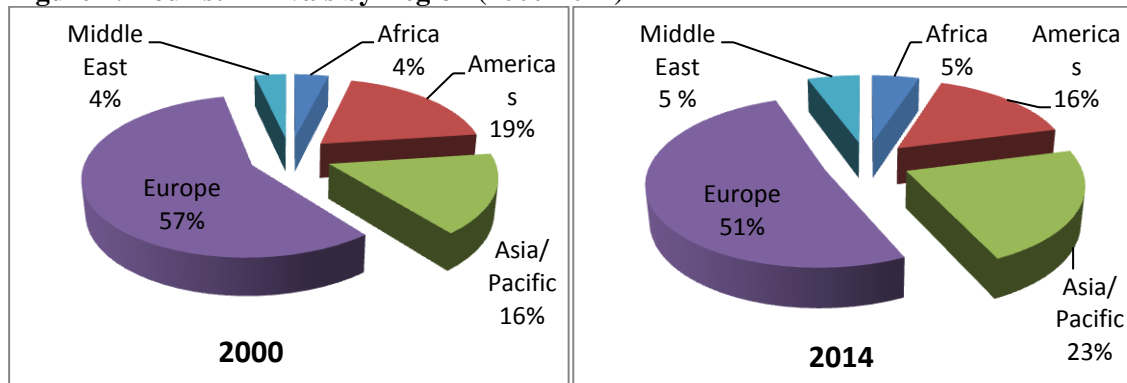
Source: World Tourism Organization

The Share of International Tourism by Regions

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 such as the Americas and Europe in 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.

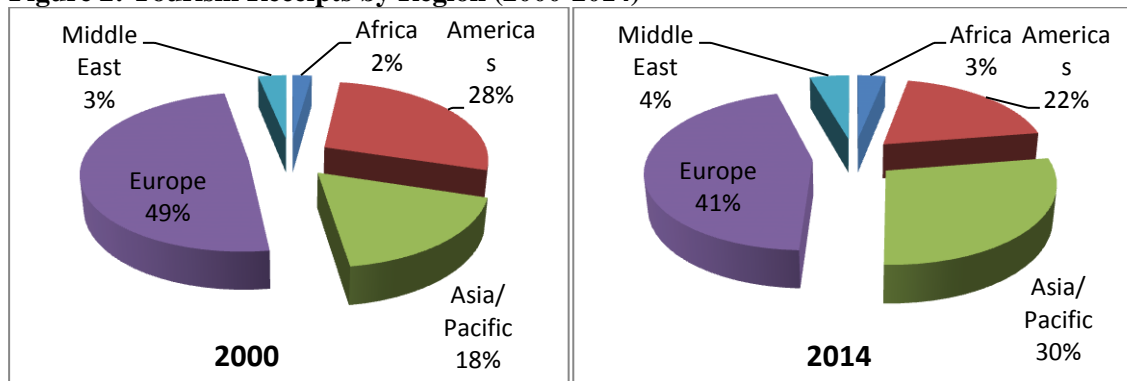
¹World Tourism Organization

Figure 1: Tourist Arrivals by Region (2000-2014)



Source: UNWTO, 2015

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

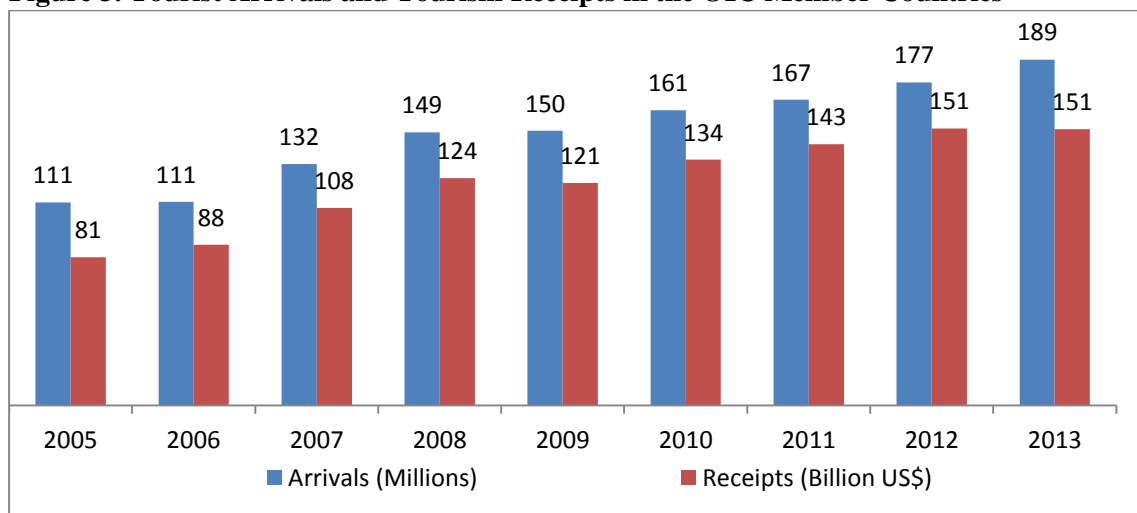


Source: UNWTO, Tourism Highlights 2013 Edition & Tourism Barometer Volume 13 April 2015

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 2005-2013 period, as shown in Figure 3, both tourist arrivals and tourism receipts increased.

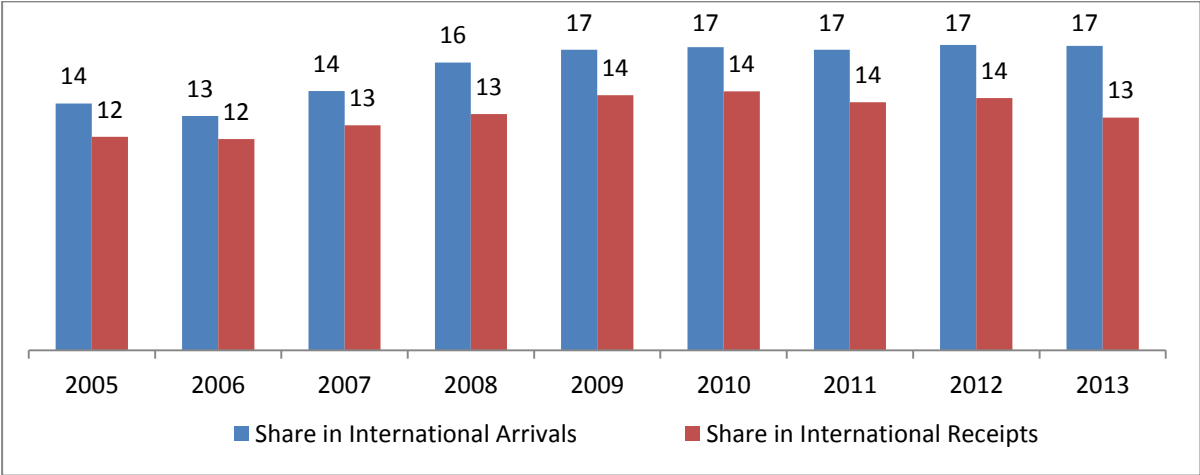
Figure 3. Tourist Arrivals and Tourism Receipts in the OIC Member Countries



Source: adapted from SESRIC, 2015

The number of tourist arrivals of the Member Countries increased to 189 million in 2013, corresponding to a 17 per cent share in the total international tourist arrivals worldwide, as shown in Figure 3 and 4. International tourism receipts amounted to \$151 billion in the same year corresponding to a 13 per cent share in world’s total tourism receipts. Tourism receipts remained same in 2013 and the share in tourism receipts of Member States decreased in international tourism market.

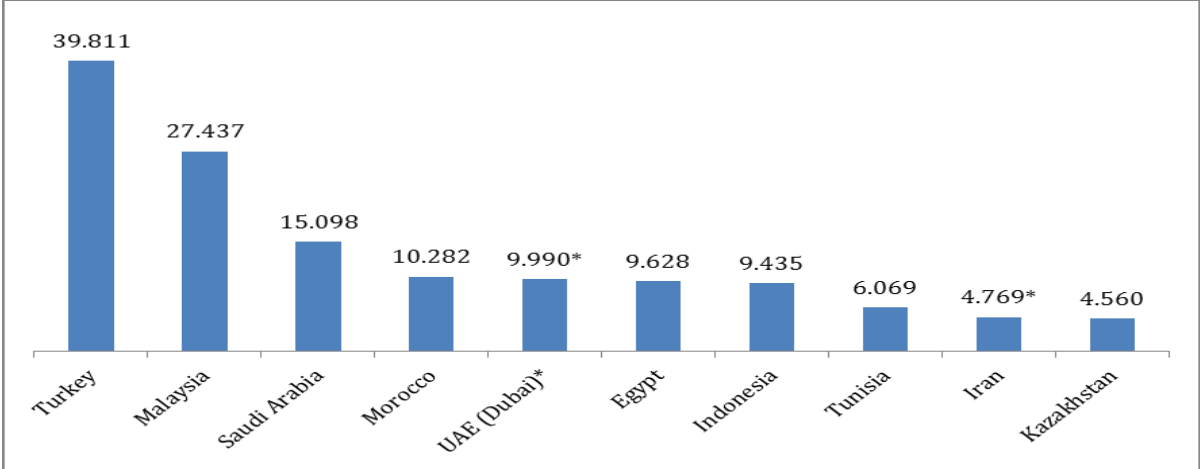
Figure 4. Share of the OIC Member Countries in International Arrivals and International Receipts (%)



Source: adapted from SESRIC, 2015

As shown in Figure 5, 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 137.1 million international arrivals in 2014 which means there was a 5.5% increase compared to 2013 in these countries. It is worth mentioning that among these countries, Turkey and Malaysia also ranked 6th and 12th, respectively, among the world top tourist destinations in 2014.

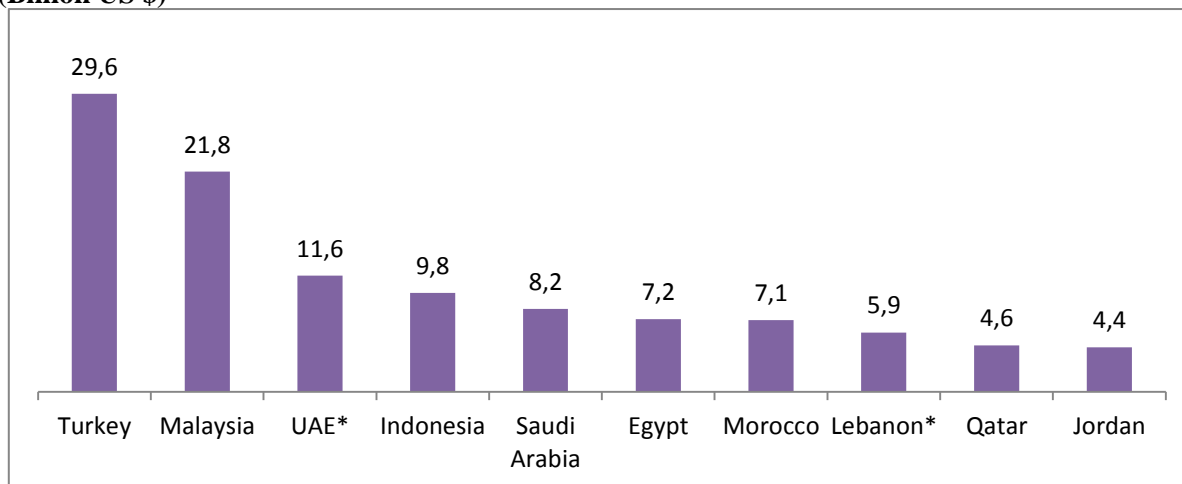
Figure 5. Top 10 OIC Tourism Destinations in International Tourist Arrivals (Thousand) (2014)



Source: UNWTO, Tourism Barometer, Volume 13, 2015 June; *2013 data

Concerning the international tourism receipts, Figure 6 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 US\$ 110 billion as 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 6. Top 10 OIC Tourism Destinations in International Tourism Receipts in 2014 (Billion US \$)



Source: UNWTO, 2015

*2013 data

According to a recent study of 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 travel and tourism sector. Table 2 demonstrates that United Arab Emirates has the highest rank among the OIC Member Countries with a rank of 24th and a score of 4.43 out of 5. Most of the Members do not have enough competitive advantage for 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 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

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

Main Challenges in the Tourism Sector of the OIC Member Countries

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 communications 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 process 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 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.

COMCEC Tourism Cooperation

Tourism is defined by the COMCEC Strategy as one of its cooperation areas. The Strategic Objective is “Developing a sustainable and competitive tourism sector in the OIC Member Countries.” With a view to achieving this objective, the Strategy envisages five output areas, namely regulatory framework; training and capacity building programs; private sector involvement; community based tourism programs and marketing strategies.

COMCEC Tourism Working Group

Within the framework of the operationalization of the COMCEC Strategy, the Tourism Working Group was established and has convened six times till now. Since the 30th Session of the COMCEC, the 5th Meeting of the Tourism Working Group was held on February 5th, 2015 with the theme of “Travel Facilitation for Enhancing Mobility in the OIC Member Countries.” Tourism Working Group provided the opportunity to thoroughly discuss travel facilitation issues 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, which were circulated before the Meeting, the Working Group put forward the following policy recommendations:

- *Encouraging visa facilitation among the Member Countries*
- *Developing air linkages and increasing the airline capacity*

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 6th Meeting of the Tourism Working Group was held on September 3rd, 2015 with the theme of “Effective Tourism Marketing Strategies: ICT-Based Solutions for the OIC Member Countries.” The Representatives of the Member States have shared their experiences, achievements and challenges on ICT-based tourism marketing in their respective countries. The Meeting has considered the Studies "Effective Tourism Marketing Strategies: ICT-Based Solutions for the OIC Member Countries" commissioned by the COMCEC Coordination Office and the "COMCEC Tourism Outlook 2015" prepared by the COMCEC Coordination Office. The Meeting has come up with a set of policy recommendations:

- *Building and Strengthening a Skilled Workforce on ICT-Based Tourism Marketing in the Member Countries*
- *Enhancing cooperation between the government and private sector on ICT usage and diffusion in tourism marketing*
- *Developing comprehensive and effective digital marketing strategies in the Member Countries*

Proceedings as well as all the publications and presentations related to the Meeting are available on the COMCEC web-site. (www.comcec.org).

Regarding the schedule of the subsequent meeting of the Tourism Working Group, the 7th Meeting of the Tourism Working Group will be held on February 4th, 2016 in Ankara with the theme of “Muslim Friendly Tourism (MFT): Understanding the Demand and Supply Side in the OIC Member Countries.”

Furthermore, 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.

In this regard, the 1st Project Call under the COMCEC Project Funding was made in September 2013. Within the framework of the first project call, the projects titled “Cities of Common Cultural Heritage” proposed by Azerbaijan and “Improving Statistical Capacities of Tourism Sector in COMCEC Mediterranean and Gulf Region” proposed by SESRIC were implemented successfully and completed in December 2014.

Moreover, the 2nd Project Call was made in September 2014 and members of the Tourism Working Group submitted projects to the COMCEC Coordination Office in this regard. The project titled “Strengthening Community Resilience through eco-tourism” proposed by the Gambia has been final listed and is being implemented in 2015 with Senegal and Guinea-Bissau.

Ongoing Activities

The other important activities carried out under the COMCEC in the field of tourism sector can be summarized as follows:

- The 3rd Meeting of the OIC/COMCEC Private Sector Tourism Forum was held on 29-30 January 2015 with the theme of “International Branding of Tourism Destinations in the OIC Member Countries.” The Forum underlined the importance of multi-stakeholder engagement as a critical success factor for tourism branding particularly through utilizing Public Private Partnerships and highlighted the importance of experience sharing, technical cooperation and capacity building programs among the Member Countries on tourism destination branding. On the sideline of the Forum, the private sector representatives of the Member Countries had the opportunity to conduct B2B Meetings with their counterparts.
- Workshop on “Exploring the Tourism Potential of Al-Quds Al-Sharif City” will be held on 24-25 November 2015 in Istanbul, Turkey
- The 2nd Tourism Fair of the OIC Member States will be held in Sharjah, United Arab Emirates on 8-10 December 2015.
- 9th Session of the Islamic Conference of Tourism Ministers will be held on 14-16 December 2015 in the Republic of Niger.

ANNEX 1: T&T Competitiveness Index 2015 for OIC Member Countries³

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	.381	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*

³ COMCEC Tourism Outlook 2015.