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TOURISM SERVICES

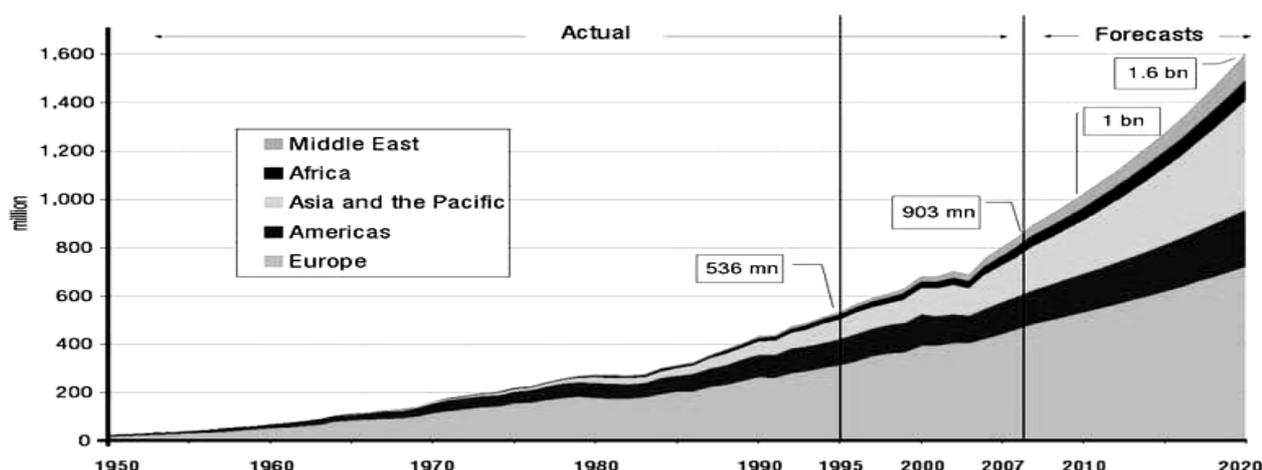
Background Note by the Secretariat¹

1. This Note has been prepared at the request of the Council for Trade in Services, with a view to stimulating discussions in the Council on the tourism sector. It provides background information and updates a previous note on trade in tourism services (S/C/W/51, dated 23 September 1998). This Note focuses on developments and issues considered to be most relevant to the GATS. It is not intended to provide a comprehensive account of the sector. For the purpose of conciseness, the focus of this note continues to be on international tourism (as defined below), rather than on domestic tourism or tourism in general.

I. INTRODUCTION

2. Over more than 50 years, international tourism has proven to be remarkably resilient, with high rates of sustained growth, especially in developing countries (Table I). Broadly defined, tourism can be regarded as the world's largest industry and one of the fastest-growing, accounting for over one-third of the value of global services trade. Surprisingly, however, tourism is actually far less globalized than might be commonly assumed.

Table 1: International Tourist Arrivals, 1950-2020



Source: World Tourism Organization ^a

^a *World Tourism Highlights*, 2008 Edition, p.11.

3. Tourism's multi-sectoral linkages are both a strength and potential source of weakness: they offer extensive opportunities for poverty alleviation and economic diversification, but inefficiencies

¹ This document has been prepared under the Secretariat's own responsibility and without prejudice to the positions of Members and to their rights and obligations under the WTO.

or inappropriate regulation in particular sectors can reduce overall competitiveness. A current example of this could be the rapidly growing international market for health tourism. Tourism is also a highly "perishable" commodity, in the sense that unsold airline seats, hotel rooms, etc., have no residual value. Immigration and entry/exit control regulations have a direct influence on the supply on international tourists, and the industry is vulnerable to temporary shocks, such as terrorism or health crises. Important challenges facing the industry also include the lack of adequate infrastructure, global warming and other environmental issues, and social/cultural concerns.

4. Tourism is highly labour-intensive, and an important (actual and potential) source of employment, including in remote and rural areas. The expansion of low-cost air travel has radically transformed tourism as a whole; nonetheless, it is argued that the current system of bilateral aviation agreements continues to limit tourism potential. One of the most characteristic aspects of international tourism is the cross-border movement of consumers, i.e., the "user" coming to the supplier. This permits even unskilled workers in remote areas to become exporters of tourism services. Not surprisingly, the sector had already attracted negotiators' attention during the Uruguay Round.²

5. In the context of the GATS negotiations under the Doha Development Agenda, one of the earliest documents was a proposal for a GATS Annex on Tourism, sponsored originally by the Dominican Republic, El Salvador and Honduras.³ The proposal has two main aspects: more comprehensive treatment of the tourism sector (with respect to classification issues), and the prevention of anti-competitive practices.⁴ To help address the issues raised in the proposal, a WTO Symposium on Tourism Services was held in 2001.⁵

II. DESCRIPTION OF THE SECTOR

6. International tourism is defined by the World Tourism Organisation (UNWTO) as occurring when a traveller crosses an international border, and spends at least one night in the country visited, but less than one year (Annex Table I). While leisure travel is the most prevalent type of international tourism, other major subcategories include business and professional travel, visiting friends and relatives, religious travel and pilgrimages, and health treatments.

7. Under the WTO's *Services Sectoral Classification List* (WTO document MTN.GNS/W/120), the scope of "Tourism and Travel Related Services" is distinctly limited in scope, comprising only hotels and restaurants, travel agencies and tour operators, and tourist guide services (complemented by a residual "Other" category). Numerous other tourism services - such as computer reservation systems; cruise ships and many other transport services; hotel construction; car rentals; certain distribution, business, and financial services; as well as most recreational, cultural and sporting

² During the Uruguay Round, a Working Group on Tourism Services was formed, and a number of meetings held. At the request of the Working Group, the Secretariat circulated a document entitled *Trade in Tourism Services*, dated 4 July 1990 (MTN.GNS/W/61). The paper provided an overview of: tourism-related activities; forms of trade in tourism services; motivations and objectives for regulation; and existing regulations. Some basic statistics were presented, as well as background information on the World Tourism Organization, an inter-governmental United Nations affiliated institution. A second Secretariat paper, *Classification of Tourism-Related Services*, is dated 23 October 1990 (MTN.GNS/TOUR/W/1/Rev. 1).

³ Communication from the Dominican Republic, El Salvador, and Honduras - *Preparations for the 1999 Ministerial Conference* (WTO document S/C/W/127 and Corr.1, 14 October 1999 & 3 November 1999).

⁴ For further details see *Tourism Services*, Information Note by the Secretariat, WTO document JOB(05)/229, 12 October 2005.

⁵ The Symposium had five main themes: sectoral linkages, relevance of Tourism Satellite Accounts (TSA); structure of existing commitments; implications of rapid technological change; The competitive environment; and implications for negotiations. Symposium documents and presentations are available on the WTO website, at http://www.wto.org/english/tratop_e/serv_e/symp_tourism_serv_feb01_e.htm.

services - have been placed within other W/120 sectoral categories (Annex Table II).⁶ While this complicates the task of negotiating tourism-related GATS commitments, it often makes sense from a regulatory perspective (e.g. having the transport ministry establish and administer safety standards for tourism buses).

8. As category 9 of the *Services Sectoral Classification List*, "Tourism and Travel Related Services", is divided into four sub-sectors, the first three of which have associated listings (and definitions) under the United Nations' "Provisional Central Product Classification" (CPC): A. Hotels and restaurants (including catering) (CPC 641-643); B. Travel agencies and tour operators services (CPC 7471); C. Tourist guides services (CPC 7472); and D. Other. CPC 641 (Hotel and other lodging services) is further sub-divided into CPC 6411 (Hotel lodging services), CPC 6412 (Motel lodging services) and CPC 6419 (Other lodging services), the last of which is further separated to include holiday camp services, youth hostels, etc. CPC 642 (Food serving services) is divided into full restaurant services (CPC 6421), self-service facilities (CPC 6422), catering services (CPC 6423) and other (CPC 6429). The CPC 643 classification (Beverage serving services for consumption on the premises) is composed of services without entertainment (CPC 6431) and those with entertainment (CPC 6432). Travel agencies and tour operators services (CPC 7471 and Tourist guides services (CPC 7472) are not further subdivided.⁷

9. Attempting to precisely define or measure tourism remains a difficult task.⁸ In an effort to improve understanding, the "OECD Tourism Economic Accounts" were developed, and in 1993 the International Forum on Tourism Statistics was established by the OECD and Eurostat to further the exchange of views. In cooperation with the UNWTO, an *Annex on Tourism Related Services* was created and added to the provisional CPC (on pages 164-168). The Annex collects the relevant tourism-related categories from the main body of the CPC. Current efforts are focused on the development of "Tourism Satellite Accounts" (TSA) in order to provide for an improved analytical framework as well as comparable international accounts (Box I).

10. The UNWTO notes that TSA has been formally accepted by the United Nations and associated agencies (such as OECD, Eurostat, IMF, ILO, etc.) as an international standard to measure tourism's macroeconomic contribution. Also, the International Monetary Fund (IMF) uses TSA as the Balance of Payments-related framework in relation to tourism as a set of international traded services, as well as the International Labour Organization (ILO) in regard to the measurement of tourism-related employment. Nonetheless, as noted at a recent OECD conference, most TSAs currently face

⁶ See, for example, Communication from the Dominican Republic, El Salvador, and Honduras – *The Cluster of Tourism Industries* (WTO document S/CSS/W/19, 5 December 2000).

⁷ As previously noted by the Secretariat, adoption of CPC Rev. 1 for tourism would not result in any great changes: "As far as hotels and restaurants are concerned the only changes are the aggregation of hotels and motels (only five Members have offered only one of those two items and would have to redraft their entries), and the aggregation of beverages services with and without entertainment (no redraft of entries needed as the five Members that have gone into that detail have offered them both). As far as travel agencies, tour operators and tourist guides are concerned, the only change is the disaggregation of *travel agencies and tour operators services* (p 74710) into three categories: *travel agency* (r 67811), *tour operators* (r 67812) and *tourist information services* (r 67813). This may possibly encourage commitments to be made on those subsectors as they would no longer have to be taken as a block." *A Qualitative Assessment of the Relevance of the Changes Resulting from CPC Rev.1 for Trade Negotiating Purposes* (WTO document S/CSC/W/9, 9 October 1997, p.3).

⁸ One observer states "Better statistics are essential if we want to grasp better how 'the biggest industry on earth' works. While this is easier said than done (as UNWTO efforts to set up a TSA system show), there is much more statistical production than meets the eye. The issue is often one of better dissemination." (Julio Aramberri, *The future of tourism and globalization: Some critical remarks*, Futures (2008), doi:10.1016/j.futures.2008.11.015, p.2 (journal homepage: www.elsevier.com/locate/futures)).

several shortcomings, including complexity and lack of timeliness, and consequently remain under-used.⁹

Box 1. Tourism Satellite Accounts (TSA)

As emphasized by the UNWTO, statistical information is the prerequisite for consistent economic analysis. Moreover, while the development component of tourism is generally accepted (i.e. a set of varied economic activities and products, many of which overlap with other industries and sectors), the lack of reliable tourism statistics and subsequent analysis of its macro-economic contribution remains an important barrier to defining and fostering tourism policies.

"Satellite account" is a term developed by the United Nations to measure the size of economic sectors that are not defined as industries in national accounts. Tourism, for example, is regarded as an amalgam of industries such as transportation, accommodation, food and beverage services, recreation and entertainment and travel agencies. The key aspect is associating tourist purchases to the total supply of these goods and services within a country.

TSA are used to provide the following data: tourism's contribution of GDP; tourism's ranking compared to other economic sectors; the number of jobs created by tourism in an economy; the amount of tourism investment; tax revenues generated by tourism industries; tourism consumption; tourism's impact on a nation's balance of payments; and characteristics of tourism human resources.

Twelve tourism industries are identified as part of TSA:

1. Accommodation for visitors
2. Food and beverage serving industry
3. Railway passenger transport
4. Road passenger transport
5. Water passenger transport
6. Air passenger transport
7. Transport equipment rental
8. Travel agencies and other reservation services industry
9. Cultural industry
10. Sports and recreational industry
11. Retail trade of country-specific tourism characteristic goods
12. Country-specific tourism characteristic industries

(Each industry is defined in terms of the UN International Classification of Economic Activities (ISIC Rev.4).)

As part of the TSA development process, the UNWTO considers it essential to develop the System of Tourism Statistics (STS). STS should be understood as that part of the national statistical system providing reliable, consistent and appropriate statistical information on the socio-economic aspects related to tourism, integrated within all the economic and social statistics related to other fields, at different territorial levels. The new International Recommendations for Tourism Statistics 2008 (IRTS 2008) and 2008 Tourism Satellite Account: Recommended Methodological Framework (TSA:RMF 2008) constitute the updated reference framework for the STS. As a consequence, they should be used as a basis for harmonization, coordination and integration of available tourism statistical information.

Main sources: UNWTO, *TSA Basic concepts* (available online at <http://www.unwto.org/statistics/tsa/project/concepts.pdf>), *TSA project* (available online at <http://www.unwto.org/statistics/tsa/project.htm>), and *System of Tourism Statistics* (available online at <http://www.unwto.org/statistics/sts/description.htm>).

⁹ *Increasing the Use of Tourism Satellite Account Data for Business and Policy*, presentation by Alain Dupeyras, OECD (available online at http://www.forumstat.tourisme.gouv.fr/ftp/S5_8_DUPEYRAS.ppt#6). Also, despite the fact that TSAs are under construction or in use in 84 countries, only 44 responses were received to a recent UNWTO questionnaire (*TSA Data Around the World*, Preliminary version, March 2009, p. 8, available online at http://www.unwto.org/statistics/bali/tsa_data.pdf).

III. ECONOMIC AND TRADE PROFILE OF THE SECTOR

A. LONGER-TERM TRENDS

11. Over the past six decades, tourism experienced continued growth and diversification, becoming one of the world's largest and fastest-growing economic sectors.¹⁰ More and more destinations have opened up over time and invested in tourism development, turning modern tourism into a key driver for socioeconomic progress. Tourism has become one of the major international trade categories, and the export income generated by international tourism currently ranks fourth after fuels, chemicals and automotive products. For many developing countries, it is one of the main income sources and the number one export category, creating much-needed employment and opportunities for development.

12. The 2008 edition of the UNWTO's *Tourism Highlights* reported that, by 2007, international tourist arrivals (preliminary estimates) had reached 903 million (Annex Table III), from 25 million in 1950 (Table I (p.1)). Overall export income generated by these arrivals (international tourism receipts and passenger transport) grew at a similar pace, overtaking the world economy, to over US\$1 trillion by 2007, or almost US\$3 billion per day.¹¹ While, in 1950, the top 15 destinations absorbed 98 per cent of all international tourist arrivals, by 1970 the proportion was 75 per cent, falling to 57 per cent by 2007, reflecting the emergence of new destinations, many of them in developing countries. Demonstrating the resiliency of international tourism, growth in international arrivals between 1995 and 2007 averaged over 4 per cent annually, despite stagnation between 2001 and 2003 due to terrorism, SARS and the economic downturn. By 2010, international arrivals are expected to reach 1 billion, and 1.6 billion by 2020 (Table I).

13. International tourism receipts (preliminary estimates) rose to US\$856 billion (€625 billion) in 2007 (Annex Table IV), corresponding to an increase in real terms of 5.6 per cent over 2006. In absolute terms, receipts increased by US\$114 billion, but only by €34 billion due to the devaluation of the US dollar against the euro and other world currencies. In real terms, i.e. adjusted for exchange rate fluctuations and inflation, growth reached 5.6 per cent. With this increase, international tourism revenues maintained the momentum of 2006 (5.1 per cent growth), resulting in a series of four consecutive years of substantial growth. For LDCs, both international visitor arrivals and revenues have grown rapidly in recent years, by 8.2 per cent and 12.0 per cent annually, respectively, between 2000 and 2005.¹² By comparison, worldwide growth of international tourism over the same time period was significantly lower, at 3.3 per cent and 7.1 per cent, respectively. Developing countries as a whole increased their share between 2000-2006 from 34.1 per cent to 39.5 per cent for international arrivals, and from 25.6 to 30.3 per cent of international receipts.

14. In 2007, just over half of all international tourist arrivals were motivated by leisure, recreation and holidays (51 per cent) – a total of 458 million. Business travel accounted for some 15 per cent (138 million), and 27 per cent represented travel for other purposes, such as visiting friends and

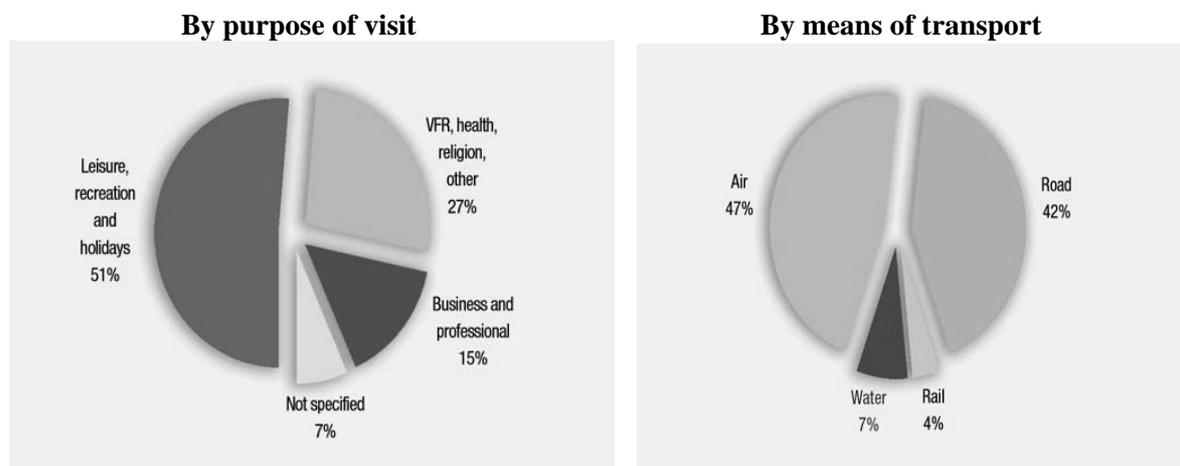
¹⁰ This and the following several paragraphs are based on UNWTO, *Tourism Highlights*, 2008 Edition.

¹¹ For destination countries, receipts from international tourism count as exports and cover transactions generated by same-day as well as overnight visitors. However, these do not include receipts from international passenger transport contracted from companies outside the travellers' countries of residence, which are reported in a separate category, 'International Passenger Transport'. Although the availability of comparable international data is somewhat limited, the export value of international passenger transport has in recent years been estimated at around 16 per cent of the combined receipts from international tourism and passenger transport, corresponding in 2007 to some US\$165 billion against US\$143 billion in 2006. This takes total receipts from international tourism, including international passenger transport, to over US\$1 trillion in 2007. In other words, almost US\$3 billion a day is earned by international tourism.

¹² WTO document WT/COMTD/LDC/W/41/Rev.1, *Market Access for Products and Services of Export Interest to Least-Developed Countries*, 21 February 2008, p. 19.

relatives (VFR), religious reasons/pilgrimages, health treatment, etc. (240 million). Slightly less than half of arrivals (47 per cent) travelled by air in 2007, while the remainder (53 per cent) arrived by surface transport— whether by road (42 per cent), rail (4 per cent) or water (7 per cent) (Chart I). Over time, the trend has been for air transport to grow at a faster pace than surface transport, so the share of air transport is gradually increasing.

Chart 1: Inbound tourism, 2007



Source: World Tourism Organization ^a

^a *World Tourism Highlights*, 2008 Edition, p.3.

15. In terms of international arrivals, France continued to hold the lead position in 2007, ahead of Spain and the United States. In the ranking for international receipts, the same countries appeared in the top three places, but with the US ranking first and France third, while Spain maintained second place (Annex Table V). This highlights the fact that the US attracts a greater share of higher-spending long-haul tourists than its European competitors, which rely more on short-haul tourism. China, fourth in arrivals, remained fifth in terms of receipts, while the opposite was the case with Italy. The UK and Germany ranked sixth and seventh, in terms of both arrivals and receipts, while eighth to tenth places in terms of arrivals were taken by the Ukraine, Turkey and Mexico. Australia, Austria and Turkey closed the top ten in terms of receipts.¹³ The top ten tourism earners accounted for 50 per cent of the total estimated US\$856 billion of international tourism receipts, while their share of international tourist arrivals was slightly lower, at 46 per cent.

16. In recent years, outbound tourism has increasingly been driven by emerging markets (Annex Table VI). In the 2007 ranking of international tourism spending, China moved to fifth place, with an expenditure on tourism abroad of nearly US\$30 billion. Japan fell from fifth to seventh position, behind Italy, having been the world's third largest spender ten years ago. The first four places remained unchanged, with Germany leading (US\$83 billion), followed by the US, the UK and France. The Russian Federation moved to ninth position, behind Canada and ahead of the Republic of Korea, following its 22 per cent growth in spending abroad in 2007. Among the world's top ten spenders, apart from the Russian Federation, the strongest growth came from China (+23 per cent), Canada (+14 per cent) and the Republic of Korea (+11 per cent). Only one market, Japan, recorded negative growth (-0.2 per cent in yen). Among the other source countries in the top ten, Germany, the world's major spender on tourism, turned in the weakest performance (but this was still +3 per cent in euro terms), with the remainder achieving increases of between 5 per cent and 8 per cent for the year. 2007

¹³ Due attention should be paid to the fact that receipts are expressed in US dollars and, as a result of the considerable US dollar depreciation during 2007, many destinations' receipts were magnified in dollar terms.

was another strong year for emerging markets: outside the top ten, source countries that increased international tourism expenditure by over 15 per cent were Saudi Arabia, Brazil, Egypt, Malaysia, Hungary, Argentina, Indonesia, South Africa, Turkey, the Czech Republic, Ireland and the Ukraine.

17. In terms of foreign direct investment, one of the more surprising findings of UNCTAD's research on tourism-related FDI is that tourism is actually one of the less-globalized industries:

On the basis of the data available, at the global level, FDI in tourism is actually quite low, compared to other activities in which FDI is more prevalent and compared to domestic investment. The combined outward tourism FDI stocks of the world's top ten source countries are around US\$88.2 billion – approximately 1.5 per cent of these countries' total outward FDI stocks. Secondly, the share that is directed towards developing countries is also small. Official data are mostly lacking but, on the basis of countries reporting to UNCTAD, the United Nations repository of official FDI information, it appears that developing countries receive about one third of tourism FDI inflows.

Developing countries were the target of 21 per cent of world tourism related mergers and acquisitions (M&As) during the years 2002–2005, and hosted 70 per cent of all tourism-related 'greenfield' investments. Much of this investment is 'south-south' – again reflecting general trends in the world of FDI that extend beyond the tourism sector. Hong Kong China, India, Jamaica, Malaysia, Mauritius, Singapore and South Africa, for example, are all appearing as new sources of outward tourism FDI in their regions and beyond, in addition to more long-standing investors from the Arab countries.¹⁴

18. A recent article has claimed that, as important as the dynamics (economic and otherwise) unleashed by tourism are, they elicit slower integration than finance, banking, movies, television or the internet.¹⁵ The majority of international tourism arrivals, as measured by the UNWTO, occur overwhelmingly in the same continent where they originate; i.e. intra-regional arrivals outnumber inter-continental arrivals. Consequently, most African tourists remain in Africa, most Asians in Asia, etc. Within all five regions of the world, over 70 per cent of tourists stayed within their continent of origin. As could be expected, this was especially true in Europe, given its statistical overweight.

19. If visitor exports were divided between intra-regional and long-haul, according to the UNWTO ratio of 75/25, it would mean that domestic tourism accounted for 80 per cent of total tourism travel, while intra-regional travel (international travel within the same continent) would reach 15 per cent, with long-haul travel reaching only about 5 per cent of the total. Overall, the article concluded that "tourism will indeed be one of the ways in which globalization will proceed in the near future. However, it will not be its stronghold."¹⁶ Movements of people for travel and tourism will not easily go beyond their national borders; when they do, tourists generally stay on their own continent, and only a small minority venture further. In addition, this last group will not only go to the most exotic destinations. A sizeable share of long-haul travel will still be by business people shuttling between Europe, North America and East Asia.

¹⁴ Diana Barrowclough, *Foreign Investment in Tourism and Small Island Developing States*, *Tourism Economics*, 2007, 13 (4), p. 617.

¹⁵ Julio Aramberri, *The future of tourism and globalization: Some critical remarks*, *Futures* (2008), doi:10.1016/j.futures.2008.11.015.

¹⁶ Aramberri, p.9.

B. CURRENT ECONOMIC ENVIRONMENT

20. For many small developing countries, international tourism is crucial: it accounts for about 80 per cent of total goods and services exports for Samoa, 70 per cent for the Maldives, 56 per cent for Sao Tome and Principe, and 43 per cent for Vanuatu.¹⁷ The importance of tourism is especially evident for LDCs: the share of travel exports in total services exports was 53 per cent in 2006, up from 47 per cent in 2000.¹⁸ As noted by the ILO, "The growing significance of tourism to developing countries is closely linked to the role of employment in promoting the Millennium Development Goals (MDGs)".¹⁹

21. According to estimates by the World Travel and Tourism Council (WTTC), an organization composed of executives from the travel and tourism industries, travel and tourism in 2009 employed nearly 220 million people worldwide (about 7.6 per cent of total employment, or 1 in every 13 jobs), generating 9.4 per cent of global GDP (US\$5,474 bn). Reflecting a deteriorating economic environment, this was a substantial decline from 2008 levels of over 225 million workers and a 9.6 per cent share of global GDP.²⁰

22. While travel and tourism, despite occasional downturns, had seen a rapid rise over the previous decade, it suffered a marked downturn in the second half of 2008. By the end of that year, many countries were experiencing a contraction in travel and tourism demand, and global recession had an increasing impact on the industry's performance – even in emerging markets. The WTTC projected that the travel and tourism economy's GDP would contract by 3.5 per cent in 2009, and remain weak in 2010 with only marginal growth forecast (0.25 per cent). Its contribution to world GDP was predicted to fall further in the next two years to just over 9 per cent. Job losses were also likely to be significant, with employment falling by around 10 million over the next two years – to around 215 million in 2010 – before subsequently recovering.

23. Travel and tourism investment, as well as corporate travel, were expected to be the hardest hit in the economic downturn, with the credit crunch causing firms to scrutinise all deferrable costs. Real investment spending was forecast to decline by 5.25 per cent in 2009 and a further 1.25 per cent in 2010. Even greater falls were expected in corporate travel over the next two years (of 7.25 per cent and 4.25 per cent, respectively). Residents' travel and tourism spending was likely to be least affected, but nonetheless a decline of 3 per cent was projected for 2009, despite the substitution of domestic travel for some foreign trips.

¹⁷ World Tourism Organization, *Tourism and Least Developed Countries: A Sustainable Opportunity to Reduce Poverty*, 2006, p.7.

¹⁸ WTO document WT/COMTD/LDC/W/41/Rev.1, *Market Access for Products and Services of Export Interest to Least-Developed Countries*, 21 February 2008, p. 17.

¹⁹ For least developed and island-developing countries, the ILO paper notes that tourism is one of the few options, if not the only one, for export-oriented development in the medium-term. ILO Sectoral Activities Programme, *Toolkit For Social Dialogue In The Tourism Industry*, Geneva 2007, p.13.

²⁰ This and the following three paragraphs are based on WTTC, *Travel and Tourism Economic Impact*, Executive Summary 2009 (available online at <http://www.wttc.org>). The measurement of the economic impact of travel and tourism developed by WTTC is based on simulated Tourism Satellite Account (TSA) methodology. The methodology is stated by WTTC to be analogous to that used for the production of national income accounts, following the TSA concepts of contained in the 2008 United Nations *Recommended Methodological Framework* (RMF). The RMF's Tourism Direct Gross Domestic Product (TDGDP) measure is considered broadly equivalent to the Travel & Tourism Direct Industry measures given by WTTC/Oxford Economics. The WTTC Travel & Tourism Economy GDP data is produced by adding to the direct industry measure the value added created indirectly in the industry's supply chain, plus investment and collective government and non-visitor export spending.

24. Nevertheless, the WTTC expects prospects for travel and tourism to remain strong, led by renewed expansion in emerging countries – both as tourism destinations and as an increasing source of international and domestic visitors – together with the growing priority accorded by people in developed countries to leisure tourism. Emerging economies, in particular, were expected to be engines of growth, boosting both international travel – with China alone set to provide over 100 million visitors for other destinations. Overall, the travel and tourism economy was forecast to grow by 4 per cent per annum in real terms between 2009 and 2019. The contribution of travel and tourism to global GDP was expected to rise to 9.5 per cent (US\$10,478 bn) by 2019, and the contribution to employment was expected to rise to over 275 million jobs (8.4 per cent of total employment or 1 in every 11.8 jobs) by 2019.

25. The UNWTO also expected international tourism to decline in 2009, by between 2 and 3 per cent. For 2008 as a whole, international tourist arrivals were reported as 924 million, up 16 million over 2007, representing growth of 2 per cent. The second half of 2008 saw growth come to a standstill, with the number of international arrivals declining slightly – a trend which was expected to continue in 2009.²¹

26. The UNWTO has observed that, in general, the growth of international tourism arrivals significantly outpaces growth of economic output as measured by Gross Domestic Product (GDP). In years when world economic growth exceeds 4 per cent, the growth of tourism volume tends to be higher. However, when GDP growth falls below 2 per cent, tourism growth tends to be even lower.²²

C. NEW ORIENTATIONS: ECO- AND HEALTH TOURISM

27. According to the UNWTO, sustainable tourism is roughly defined as the meeting of the needs of present tourists and host regions, while protecting and enhancing opportunities for the future. "Sustainable development" has been defined as "a sustained improvement in the fulfilment of the needs of a population without exerting a negative impact on the environment", and "ecotourism" defined as "responsible travel to natural areas which conserves the environment and improves the welfare of local people."²³ Although mass tourism has often been blamed for undermining the socio-economic basis of "traditional" local life, positive effects of tourism can actually include the revival of local arts and handicrafts, as well as the use of tourism revenues to finance environmental protection.

28. Strong motivations for environmental protection exist at both the industry and client levels. Many private tourism-related firms, notably hotels, have instituted various types of environmental programmes. In 1995, the WTTC, the UNWTO and the Earth Council released a joint environment plan, entitled *Agenda 21 for the Travel and Tourism Industry: Towards Sustainable Development*. The plan covers such issues as waste utilisation, energy and non-renewable resource conservation, water management, local community involvement customer awareness and staff education and training. Also included are mechanisms for the development of consultative arrangements between government, industry, local communities and environmental interests.²⁴ An example of initiatives at the governmental level is the ECoNETT environmental communications network of the European Community.

²¹ UNWTO, *International Tourism Challenged by Deteriorating World Economy*, 27 January 2009 (http://www.unwto.org/media/news/en/press_det.php?id=3481&idioma=E).

²² UNWTO, *Tourism and the world economy* (<http://www.unwto.org/facts/eng/economy.htm>).

²³ Wolfgang Hein, *Tourism and Sustainable Development*, 1997, Hamburg, p.7. It is important to note that even ecotourism typically involves the use of fossil fuels and the emission of greenhouse gases as tourists travel to and from their destinations.

²⁴ WTTC (<http://www.wttc.org/>).

29. With tourism accounting for some 5 per cent of carbon emissions, the UNWTO has stated that the sector is committed to respond to climate change by adaptation, mitigation and new technology. Better conservation, reduced congestion, renewable energy, clean biofuels, climate proofing of buildings, as well as green consumer awareness and staff training are regarded as clear opportunities for hospitality and transport companies to move to a more sustainable economy.²⁵

30. Definition issues, and a lack of statistical data, also affect the rapidly emerging field of health tourism. Generally speaking, the health and wellness cluster can be considered as composed of three main sub-clusters: medical tourism services, wellness and retirement. Medical tourism includes hospitals and specialty clinics (cosmetology, eye and dental care and treatment); the wellness group covers spas, holistic and alternative and traditional medicine; while the retirement sub-cluster's stakeholders include retirement villages, nursing homes, property or community developers among others.²⁶

31. As one observer notes, "It is indeed striking how very little is actually known on the extent to which health services are traded internationally. While some anecdotes exist with regard to the trade of specific narrow sub-sectors in healthcare, very modest knowledge exists on the magnitude of international trade in health services."²⁷ According to an estimate, medical tourists in Thailand spent US\$1.6 billion in 2003; it has also been predicted that India will earn as much as US\$2 billion from medical tourism by 2012.

32. Economics is said to be effectively calibrating the rise of medical tourism. Price differentials between most Asian states and more developed countries are considerable, and are evidently continuing to diverge. For complex surgery, the differences can be very large: in 2003, for example, a child in the United States with a hole in her heart was faced with a potential bill of around US\$70,000, but the operation was carried out in Bangalore, India at a cost equivalent to US\$4,400. Some Japanese companies are said to send their employees to Thailand and Singapore for annual physical examinations, as the savings on medical fees and high-quality medical care make the airfare secondary. For provincial Japanese companies the cost is apparently little more than that of travelling to Tokyo, with the medical reports written in Japanese and images sent electronically to Japan.²⁸

33. While economic benefits are regarded as central to medical tourism, they are not the only factors. Waiting lists for non-essential surgery such as knee reconstructions are said to be as long as 18 months in the UK and other countries. In India the whole procedure can be done in under a week

²⁵ UNWTO, *Tourism and the G20 Summit* (available online at <http://www.unwto.org/G20.php?lang=E>). UNWTO information on sustainable development is available online at (http://www.unwto.org/frameset/frame_sustainable.html). UNWTO Assistant Secretary-General and Spokesperson, Geoffrey Lipman, has stated "The industry – transportation; hospitality and travel services - is increasingly committed to climate response. Our carbon emissions at some 5 per cent of the total are significant but manageable, with adaptation and new technology. Poor countries, who need more visitors for their development agenda, will also need special financial support to help them make the changes necessary to become climate neutral. Investment in Green Tourism – climate proofing hotels, clean biofuels for transport and widespread education/training programmes will pay massive dividends and send positive signals to consumers around the world." UNWTO, *Placing Tourism and Travel in Global Stimulus Packages and the Green Economy* (available online at http://www.unwto.org/media/news/en/press_det.php?id=3841&idioma=E).

²⁶ GTZ, *Global Health and International Negotiations*, Health Brief, 2009.

²⁷ Lior Herman, *Assessing International Trade in Healthcare Services*, ECIPE Working Paper No. 03/2009. Another author concurs, stating "Measures of the flows of medical tourists vary enormously, partly because this defies easy categorisation (either in terms of patients and/or accompanying family members etc.) and partly because no statistics distinguish it." John Connell, *Medical tourism: Sea, sun, sand and ... surgery*, *Tourism Management* 27 (2006) 1093–1100.

²⁸ Main source of this and the following three paragraphs is Connell, *Medical tourism: Sea, sun, sand and ... surgery*, *Tourism Management* 27 (2006) 1093–1100.

and patients sent home after a further 10 days. Such surgery, regarded as nonessential or low priority in certain countries, might be necessary for certain forms of employment, and hence worth travelling for. Since for a significant proportion of patients there may be a lengthy period of recuperation, the rewards to the tourism industry, and especially the hotel sector, are considerable.

34. Medical tourism is predicted to increase even faster in the future, as medical care continues to be increasingly privatised and cost differentials remain in place. Western insurance companies could encourage overseas treatment to reduce their own costs. The number of countries seeking to develop medical tourism is said to continue to grow rapidly; among the countries already considered to be hubs of health tourism are India, Thailand, Costa Rica, Columbia, Hungary, Poland, Lithuania, Malaysia, Jordan and Tunisia. The largest international private medical service group in India, Apollo, had 37 hospitals in India in 2004, partnerships in hospitals in Kuwait, Sri Lanka and Nigeria, and plans for others in Dubai, Bangladesh, Pakistan, Tanzania, Ghana, Singapore, Philippines, London and Chicago as privatised corporations grew and international linkages intensified.²⁹

35. It must be noted that the expansion of private sector medical services, including medical tourism, may be at some cost to the public sector, where patients have very limited ability to pay, if skilled health workers move out of that sector. Ethical issues could become increasingly significant, both in terms of equity and in the more competitive involvement of the market in medical care.

IV. REGULATORY STRUCTURE AND RELEVANT TRADE RESTRICTIONS

36. In 2004, the Tourism Working Group established by the Asia Pacific Economic Cooperation (APEC) published a study entitled, *APEC Tourism Impediments Study Stage 2*, which includes case studies on Canada, Chile, Indonesia, Peru and the Philippines. The conclusions listed three particularly challenging impediments to the long-term growth of international tourism:

- (a) The relatively low profile tourism has in most political environments. The complex nature of tourism means that numerous government and even non-governmental organizations have impacts on the health of the tourism sector. However, tourism is often not a recognized area of concern for these organizations, so their actions can easily and negatively affect the health of tourism unintentionally;
- (b) Tourism is highly fragmented, with tourism enterprises belonging to a number of very different industries such as transportation, accommodation, food services, travel trade (tour operators and travel agencies), recreation and entertainment. It is difficult, if not impossible, for the so-called tourism industry to speak with one voice to government in an effort to articulate the needs of the private sector; and
- (c) Tourism is highly vulnerable to external forces, including acts of terrorism, economic trends, natural disasters, weather and climate, and developments in competing destinations.³⁰

²⁹ With regard to supply-side options for developing countries to increase participation in medical tourism, one article makes the following suggestions: obtaining hospital accreditation from the Joint Commission International; and obtaining internationally recognized accreditation for medical professionals, such as the United States Medical Licensing Exam (Aaditya Matoo and Randeep Rathindran, *Does Health Insurance Impede Trade in Health Care Services*, World Bank Policy Research Working Paper 3667, July 2005, pp. 23-24.

³⁰ APEC, *APEC Tourism Impediments Study Stage 2* (TWG/01/2004), December 2004, p.100) (available online at http://www.apec.org/apec/publications/all_publications/tourism_working_group.html). In 1990, the OECD published an *Inventory of Obstacles to International Tourism* in the OECD area. The study concluded that, by comparison with other service sectors, the tourism sector in OECD countries was

37. Typically issued in response to natural disasters, health crises or terrorism, travel warnings can be devastating for tourism. Consequently, the UNWTO in 2005 adopted the *Guidelines On Travel Advisories*, which address the procedures used when formulating and administering travel warnings, emphasising the need for transparency, accuracy, etc.³¹ Growth of the tourism sector, including the increased movement of natural persons, has also led to increased demand for the development of international standards. The UNWTO has worked to develop a range of quality standards, commencing with those to be applied to tourism destinations. The International Organization for Standardization (ISO) has also formed a working group to examine standards on terminology for hotel accommodations.³²

38. While not frequently documented, especially with respect to developing country destinations, other possible trade barriers include anti-competitive practices by airlines or tour operators. A recent OECD report has noted that anticompetitive practices in tourism and related sectors can be a bottleneck to the development of the industry. Such practices can arise at different stages of the tourism value-added chain, according to the type of service supplied. Preliminary research has identified some key anticompetitive measures affecting trade in tourism, including cartels, abuse of dominant position and of buying power, and attempts to monopolise. These practices tend to undermine the inherently positive economic effects of tourism.³³

39. The OECD report also notes that the vertical relationship between holiday package providers, retailers and tourism service suppliers can be an important source of anticompetitive behaviour. International tour operators act as the wholesalers of tourism products, such as transport, accommodation or organised excursions, provided in destination countries by local suppliers, while travel agents in origin markets act as the retailers. The tour operators segment of the industry is dominated by a few large international firms and has featured increasing vertical integration in recent years. Other segments of the industry, especially local suppliers such as independent hotels, restaurants and tourist guides, are characterised by a large number of SMEs.³⁴ Scope for anticompetitive practices may also arise in related industries. For example, large airlines have in some cases been accused of abusing their market power to the detriment of local suppliers.³⁵

40. As earlier noted by UNCTAD, developing country tourism exports are hindered by the long distances of many developing countries from the main tourist-generating centres, and the high airfares caused by low air traffic density. Protectionist aviation policies, stated the WTTC, severely constrain the development of tourism. According to a WTTC official, "Aviation protectionism pulls customers away from the whole travel and tourism chain – from hotels, resorts, car rentals, computer reservations systems, entertainment, cultural attractions and all the rest of our industry".³⁶ A WTTC

"remarkably free from protectionist and discriminatory practices". See World Tourism Organization, *Seminar on GATS Implications for Tourism*, 1995, p.42.

³¹ Adopted by resolution A/RES/508(XVI) at the sixteenth session of the General Assembly of the World Tourism Organization, Dakar, Senegal, 28 November – 2 December 2005 (available online at <http://www.unwto.org/rcm/guidelines/advisories.php?lang=E>). See also the UNWTO website, *Ethics in Tourism* (http://www.unwto.org/code_ethics/eng/global.htm). The Secretariat is not aware of sources listing all travel warnings currently in effect.

³² See UNWTO website, *WTO Position on Tourism Standards* (http://www.unwto.org/quality/std/en/std_02_1.php?op=1&subop=3).

³³ OECD, Trade Policy Working Paper No. 57, *Services Trade Liberalization and Tourism Development*, by Massimo Geloso Grosso, Molly Leshner and Enrico Pinali, 2007, pp. 25-27.

³⁴ As noted by another OECD tourism study, "In developing countries and less 'industrialised' tourism destinations ..., SMEs still predominate in the supply of tourism services and facilities." *Tourism in OECD Countries 2008: Trends And Policies*, OECD 2008, p. 31.

³⁵ OECD, *Services Trade Liberalization and Tourism Development*, p. 26.

³⁶ UNWTO, *Seminar on GATS Implications for Tourism*, 1995, p.36. See also Second Review of the Air Transport Annex, *Developments in the Air Transport Sector* (Part One), Note by the Secretariat, WTO

report strongly promoted aviation liberalization, noting that, in most countries, the gross receipts from hotels and other tourist activities are substantially greater than those of the national airline, and the "leakage" of foreign exchange earnings is proportionately much less.³⁷

41. In the case of Africa, a 2008 joint report by the United Nations Economic Commission for Africa and the African Union, *Africa and the Monterrey Consensus: Tracking Performance and Progress*, has emphasized that one of the major barriers to tourism investment is the lack of essential infrastructure:

Africa, though recognized internationally for the quality of its resource endowment for tourism, has not yet managed to realize its full potential. Indeed, according to the World Tourism Organization (UNWTO), Africa as a whole attracted just fewer than 45.5 million of the 802 million world tourist arrivals. In terms of receipts, the continent accounted for {US}\$21.6 billion of the total {US}\$678 billion international tourism receipts in 2005. Only four African countries (Egypt, South Africa, Morocco and Tunisia) are listed in the top 50 worldwide destinations in terms of both arrivals and receipts.

There is an increasing recognition that tourism contributes to job creation and poverty reduction. The main drivers for tourism growth include global economic prosperity and the improvement of transport services such as development of low-cost airlines and upgrading transport infrastructure. Despite tourism's growing importance as a source of foreign exchange earnings for African countries, the industry remains underdeveloped mostly because of poor tourism infrastructure, inadequate information and marketing on the attractions, strict entry visas requirements, high airport taxes, poor destination management by local tour operators and high health risks.³⁸

42. Another important observation is that, while nearly all countries have policies to attract FDI, fewer countries have put in place the policies that will help them to make the most of these opportunities. Transnational corporations can potentially help to catalyse new employment opportunities at many points throughout the long and diverse tourism production chain; however, these will be better achieved if there is in place the appropriate flanking policies at the domestic level, including, for example, training and skills promotion; helping local agricultural producers to scale-up the quality and reliability of their produce; and boosting domestic entrepreneurs' abilities to build domestic hotels and provide other services such as transport, guiding, creative industries and cultural services. Consequently, "As much effort needs to be directed towards beefing up the domestic side of the tourism equation as goes into attracting the foreign side".³⁹

document S/C/W/270, 18 July 2006 (available online at http://www.wto.org/english/tratop_e/serv_e/transport_e/review2_e.htm).

³⁷ World Travel and Tourism Council, *Air Transport and Freer World Trade*, internet version (<http://www.wttc.org/>). Import leakage for small national airlines in developing countries is typically 65-70 per cent of total operating costs. A World Tourism Organization study, *Aviation and Tourism Policies*, stated that some countries were spending more money protecting their domestic carriers than they generated through their entire travel and tourism industry.

³⁸ UNECA/AU *Economic Report on Africa 2008*, p. 60. Available online at <http://www.uneca.org/era2008/>.

³⁹ Barrowclough, *Foreign Investment in Tourism and Small Island Developing States*, pp. 634-635.

V. NEGOTIATIONS ON TOURISM SERVICES AND EXISTING COMMITMENTS UNDER THE GATS

43. In the current GATS negotiations, the most recent formal paper specifically on tourism (as of publication of this Note) was a 2004 communication entitled, *Review of Progress in Negotiations, Including Pursuant to Paragraph 15 of the Guidelines for Negotiations -- Tourism Services*.⁴⁰ Tourism was discussed in a Special Session of the Council for Trade in Services meeting on 15 November and 6 December, 2007, in the context of reviewing the status of the plurilateral negotiations.⁴¹ Tourism has also received occasional mention in the context of the review of the GATS Air Transport Annex.

44. As of May 2009, 133 WTO Members have made GATS commitments in Tourism and Travel Related Services as defined under Section 9 of the *Services Sectoral Classification List* (Annex Table VII).⁴² This level is greater than for any other sector, and indicates the desire of most Members to expand their tourism sectors and to increase inward FDI as part of efforts to promote economic growth. Nonetheless, the existing level of GATS commitments does not imply the full liberalization of international trade in tourism services, especially when tourism-characteristic services are considered (Annex Table II).

45. The current level of GATS commitments by both mode of supply and by sub-sector varies widely for *Tourism and Travel Related Services* (i.e. Section 9 of the *Services Sectoral Classification List*). The percentage of Members making no commitments ("Unbound") is significantly higher for Mode 1 (cross-border supply) than for other modes, posing potential difficulties, especially for the supply of travel agency and tour operators services via e-commerce, a significant export opportunity for many developing countries. By sub-sector, all those WTO Members with tourism commitments included commitments on Hotels and restaurants (sub-sector A) (Annex Table VII), with a significantly smaller number (110) making commitments under Travel agencies and tour operators services (sub-sector B). Only about one-half (67) of Members with tourism commitments made them under Tourist guides services (sub-sector C), and only 17 made commitments for the "Other" category (sub-sector D).⁴³ A small number of WTO Members (8), have made no GATS tourism commitments.

46. Among the most common restrictions appearing in schedules, the cross-border supply of hotel and restaurant services, as noted above, is often indicated as unbound due to lack of technical feasibility. An economic needs test is frequently required for opening new bars or restaurants; citizenship requirements are sometimes imposed for liquor licenses and tourist guide licenses. In regard to commercial presence, market access is often guaranteed only to hotels in excess of a certain size, e.g. 50 or 100 rooms, with access for hotels below that size subject to an economic needs test. In some cases licences are required for commercial presence, and in other cases commercial presence is subject to foreign equity ceilings.

⁴⁰ WTO document TN/S/W/23, 29 September 2004. The paper was submitted by the delegations of Brazil, Colombia, Dominican Republic, El Salvador, India, Indonesia, Nicaragua, the Philippines and Thailand.

⁴¹ WTO document TN/S/M/28, 5 May 2008. An informal paper on the tourism plurilateral negotiations was circulated for that meeting, as JOB(07)/202, 5 December 2007.

⁴² The schedules of the 15 most recent ECU Members are counted separately, as they have not yet been formally integrated into the GATS schedule of the European Community and its Member States. Aruba, the Netherlands Antilles and New Caledonia also have schedules, but are not counted separately.

⁴³ An MFN exemption for tourism has been taken by Jordan in regard to travel agency and tour operator services, by Lithuania in regard to tourist guides, by Mexico in regard to tax deductions for individuals attending business conventions, and by Nepal in regard to currency allocations. Under the Aviation sub-category in the Transport sector, Members have listed a significant number of MFN exemptions for computer reservation systems (CRS); exemptions are also in place for a number of other aviation-related measures. In addition, a substantial number of Members have listed general MFN exemptions which may have an effect on the Tourism sector, most notably preferential access measures for natural persons.

VI. SOURCES OF ADDITIONAL INFORMATION

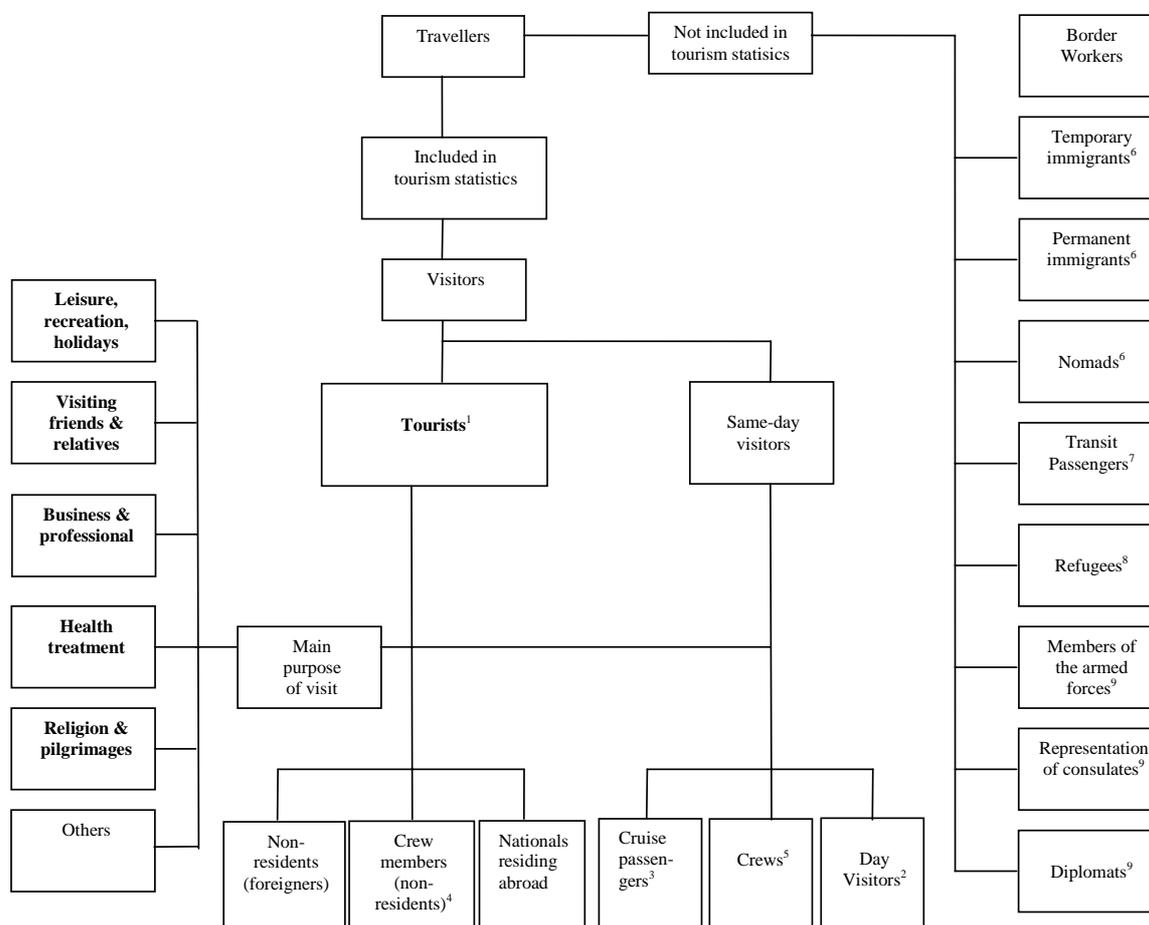
47. Relevant sources of additional information also include the following Internet sites:⁴⁴

- Air Transport Association (<http://www.air-transport.org/>)
- Caribbean Tourism Organization (<http://www.onecaribbean.org/>)
- Destination Marketing Association International (<http://www.destinationmarketing.org/>)
- International Air Transport Association (<http://www.iata.org/>)
- International Civil Aviation Organization (<http://www.icao.org/>)
- International Hotel & Restaurant Association (<http://www.ih-ra.com/>)
- Indian Ocean Tourism Organisation (<http://www.iotooman.com/>)
- International Federation of Information Technology & Tourism (<http://www.ifitt.org/>)
- Overseas Development Institute (<http://www.odi.org.uk/programmes/tourism/default.asp>)
- Pacific Asia Travel Association (<http://www.pata.org/>)
- Tourism Industries Network (<http://www.tinet.ita.doc.gov/>)
- United Nations Industry and Environment Programme (<http://www.unep.org/>)
- World Association of Travel Agencies (<http://www.wata.net/>)
- World Economic Forum (<http://www.weforum.org/en/initiatives/gcp/TravelandTourismReport/index.htm>)
- World Tourism Organization (<http://www.unwto.org/>)

⁴⁴ Source for many of the items on this list is the WTTC's Internet site (<http://www.wttc.org/>).

ANNEX

Table I: Classification of International Travellers



¹Visitors who spend at least one night in the country visited, but less than one year.

²Visitors who arrive and leave the same day for leisure, recreation and holidays; visiting friends and relatives; business professional; health treatment, religion, pilgrimages and other tourism purposes, including transit day visitors en route to or from their destination countries.

³Persons who arrive in a country aboard cruise ships [as defined by the International Maritime Organization (IMO), 1965] and who spend the night aboard ship even when disembarking for one or more day visits.

⁴Foreign air or ship crews docked or in lay over and who use the accommodation establishments of the country visited.

⁵Crews who are not residents of the country visited and who stay in the country for the day.

⁶As defined by the United Nations High Commissioner for Refugees, 1967.

⁷Who do not leave the transit area of the airport or the port, including transfer between airports or ports.

⁸As defined by the United Nations High Commissioner for Refugees, 1967.

⁹When they travel from their country of origin to the duty station and vice-versa (including household servants and dependants accompanying or joining them).

Source: World Tourism Organization as found in OECD, Tourism Policy and International Tourism in OECD Countries. (OCDE/GD(97)173, Paris, 1997).

Table II: The Cluster of Tourism Industries

Attribution of Tourism Characteristic Services to the services sectoral classification used in the Uruguay Round. (Services Sectoral Classification List, WTO document MTN.GNS/W/120)

SECTOR 1 - BUSINESS SERVICES

D. REAL ESTATE SERVICES

CPC SECTION B

822	b. on a fee or contract basis Support services to time share activities
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E. RENTAL / LEASING SERVICES WITHOUT OPERATORS

CPC SECTION B

83103	a. Relating to ships Leasing or rental services concerning passenger vessels without operator
83104	b. Relating to aircraft Leasing or rental services concerning passenger aircraft without operator
83101-2, 83105	c. Relating to other transport equipment Leasing or rentals services concerning cars and light vans without operator Leasing or rental services concerning campers/motor homes without operator
83106-9	d. Relating to other machinery and equipment Non-motorized land transport equipment leasing or rental services Winter sports equipment leasing or rental services Water sports and beach equipment leasing or rental services Camping equipment leasing or rental services Saddle horse leasing or rental services Photographic camera rental services

F. OTHER BUSINESS SERVICES

CPC SECTION B

881	f. Services incidental to agriculture, hunting and forestry Hunting licence services
882	g. Services incidental to fishing Fishing licence services
87909	Convention services Trade fair and exhibition organization services

SECTOR 7 - FINANCIAL SERVICES

A. ALL INSURANCE AND INSURANCE RELATED SERVICES

CPC SECTION B

812	a. Life, accident and health insurance services Travel life insurance services Travel accident insurance services Travel health insurance services
8129	Non-life insurance related services Passenger's aircraft of own use insurance services Passenger's vessel of own use insurance services Travel insurance services

B. BANKING AND OTHER FINANCIAL SERVICES

CPC SECTION B

8113	b. Lending of all types, incl., inter alia, consumer credit, mortgage credit, factoring and financing of commercial transaction Travel card services Travel loan services
81333	Foreign exchange Foreign exchange services

SECTOR 9 - TOURISM AND TRAVEL RELATED SERVICES

A. HOTELS AND RESTAURANTS (INCL. CATERING)

CPC SECTION B

641-643	Hotels and restaurants Hotel and motel lodging services Holiday center and holiday home services Letting services of furnished accommodation Youth hostel services Children's training and holiday camp services Camping and caravanning site services Sleeping-car and similar services in other transport media; hall residence of students Meal serving services with full restaurant services Meal serving services in self-service facilities Other food serving services Beverage serving services for consumption on the premises
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B. TRAVEL AGENCIES AND TOUR OPERATOR SERVICES

CPC SECTION B

7471	Travel agencies and tour operator services Travel agency services Tour operator services
-------------	---

C. TOURIST GUIDES SERVICES

CPC SECTION B

7472	Tourist guides services Sightseeing excursion services Sightseeing services, aircraft or helicopter Tourist guide services Guide services (mountain, hunting, fishing)
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D. OTHER

CPC SECTION B

Tourist information services (including travel information, advice and planning services provided by tourist offices; accommodation reservation services; and airline, train, bus and other reservation services relating to travel)

SECTOR 10 - RECREATIONAL, CULTURAL AND SPORTING SERVICES

A. ENTERTAINMENT SERVICES (including theatre, live bands and circus services)

CPC SECTION B

9619	Entertainment services Performing arts facility operation services Services of performing artists Theme park services Amusement park services Fair and carnival services Casino services Slot machine services Escort services
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C. LIBRARIES, ARCHIVES, MUSEUMS AND OTHER CULTURAL SERVICES

CPC SECTION B

963	Libraries, archives, museums and other cultural services Museum services except for historical sites and buildings Preservation services of historical sites and buildings Botanical and zoological garden services Nature reserve services including wildlife preservation services
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SPORTING AND OTHER RECREATIONAL SERVICES

CPC SECTION B

964	Sporting and recreational services Sports and recreational sports event promotion and organization services Golf course services Ski fields operation services Race circuit Recreation park and beach services Risk sport and adventure Spa services
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SECTOR 11 - TRANSPORT SERVICES

A. MARITIME TRANSPORT SERVICES

CPC SECTION B

7211	a. Passenger transportation Coastal and transoceanic water transport services for passengers by ferries Other coastal and transoceanic scheduled water transport services of passengers Other coastal and transoceanic non-scheduled water transport services of passengers Passenger services on freight vessels
7213	c. Rental of vessels with crew Rental services of passenger vessels for coastal and transoceanic water transport with operator
8868	d. Maintenance and repair of vessels Maintenance and repair services of leisure vessels of own use
745	f. Supporting services for maritime transport Port and waterway services

B. INTERNAL WATERWAYS TRANSPORT

CPC SECTION B

- | | |
|------|---|
| 7221 | a. Passenger transportation
Inland water transport services of passengers by ferries
Cruise ship services
Cruise services |
| 7223 | c. Rental of vessels with crew
Rental services of inland water passenger vessels with operator |

C. AIR TRANSPORT SERVICES

CPC SECTION B

- | | |
|------|---|
| 731 | a. Passenger transportation
Scheduled air transport services of passengers
Non-scheduled air transport services of passengers |
| 734 | c. Rental of aircraft with crew
Rental services of aircraft with operator |
| 8868 | d. Maintenance and repair of aircraft
Maintenance and repair services of leisure aircraft of own use |
| 746 | e. Supporting services for air transport
Parking of passenger terminal transport
Airport operation services (excl. cargo handling)
Other supporting services for air or space transport |

E. RAIL TRANSPORT SERVICES

CPC SECTION B

- | | |
|------|---|
| 7111 | a. Passenger transportation
Scheduled rail services
Non-scheduled rail services |
| 743 | e. Supporting services for rail transport services
Supporting services for rail transport |

F. ROAD TRANSPORT SERVICES

CPC SECTION B

- | | |
|-------------|--|
| 7121-2 | a. Passenger transportation
Interurban scheduled road transport services of passengers
Interurban special purpose scheduled road transport services of passengers
Scheduled ski-hills services
Scheduled passenger services |
| 7124 | c. Rental of commercial vehicles with operator
Taxi services
Rental services of passenger cars with operator
Rental services of buses and coaches with operator |
| 6112 / 8867 | d. Maintenance and repair of road transport equipment
Maintenance and repair services of trailers, semi-trailers and other motor vehicles n.e.c. |
| 744 | e. Supporting services for road transport services
Bus station services |

H. SERVICES AUXILIARY TO ALL MODES OF TRANSPORT

CPC SECTION B

- | | |
|-----|---|
| 749 | d. Other
Vessel fuelling services
Maintenance and upkeep services to private recreation passenger services |
|-----|---|

I. OTHER TRANSPORT SERVICES

CPC SECTION B

Navigational aid services

SECTOR 12 - OTHER SERVICES NOT INCLUDED ELSEWHERE

CPC SECTION B

Passport issuing services
Visa issuing services

Source: Communication from the Dominican Republic, El Salvador, and Honduras – *The Cluster of Tourism Industries* (WTO document S/CSS/W/19, 5 December 2000, pp. 4-8.).

Table III: International Tourist Arrivals by Sub-Region, 1990-2007

	International Tourist Arrivals (million)						Market share (%)	Change (%)		Average annual growth (%)
	1990	1995	2000	2005	2006	2007*	2007*	06/ 05	07*/ 06	00-07*
World	436	536	683	803	847	903	100	5.5	6.6	4.1
Europe	262.6	311.3	393.5	440.3	462.2	484.4	53.6	5.0	4.8	3.0
Northern Europe	28.6	35.8	43.7	52.8	56.4	57.6	6.4	6.8	2.2	4.0
Western Europe	108.6	112.2	139.7	142.4	149.5	154.9	17.1	5.0	3.6	1.5
Central/Eastern Europe	31.5	60.6	69.4	87.8	91.5	95.6	10.6	4.2	4.5	4.7
Southern/ Mediterr. Europe	93.9	102.7	140.8	157.3	164.8	176.2	19.5	4.7	7.0	3.3
Asia and Pacific	55.8	81.8	109.3	154.6	167.0	184.3	20.4	8.0	10.4	7.8
North East Asia	26.4	41.3	58.3	87.5	94.3	104.2	11.5	7.7	10.6	8.6
South East Asia	21.1	28.2	35.6	48.5	53.1	59.6	6.6	9.4	12.2	7.6
Oceania	5.2	8.1	9.2	10.5	10.5	10.7	1.2	0.4	1.7	2.2
South Asia	3.2	4.2	6.1	8.1	9.1	9.8	1.1	11.8	8.2	7.1
Americas	92.8	109.0	128.2	133.4	135.8	142.5	15.8	1.9	4.9	1.5
North America	71.7	80.7	91.5	89.9	90.6	95.3	10.6	0.8	5.2	0.6
Caribbean	11.4	14.0	17.1	18.8	19.4	19.5	2.2	3.4	0.1	1.9
Central America	1.9	2.6	4.3	6.4	7.1	7.7	0.9	9.9	9.6	8.6
South America	7.7	11.7	15.3	18.2	18.7	19.9	2.2	2.8	6.4	3.9
Africa	15.2	20.1	27.9	37.3	41.4	44.4	4.9	11.0	7.4	6.9
North Africa	8.4	7.3	10.2	13.9	15.1	16.3	1.8	8.4	7.9	6.8
Subsaharan Africa	6.8	12.8	17.7	23.3	26.3	28.2	3.1	12.6	7.1	6.9
Middle East	9.6	13.7	24.4	37.8	40.9	47.6	5.3	8.2	16.4	10.0

* Provisional.

Source: World Tourism Organization (UNWTO)
(Data as collected by UNWTO, 2008).

Table IV: International Tourism Receipts by Sub-Region, 2006-2007

	Share (%)	Receipts		
		Total (US\$ billion)		Per arrival
		2006	2007*	2007
World	100	742	856	950
Europe	50.6	376.9	433.4	890
Northern Europe	8.1	60.3	69.7	1,210
Western Europe	17.4	131.6	149.1	960
Central/Eastern Europe	5.6	38.2	48.3	510
Southern/Mediter. Eur.	19.4	146.9	166.4	940
Asia and Pacific	22.1	156.5	188.9	1,020
North East Asia	10.4	75.2	89.2	860
South East Asia	6.3	43.6	54.0	910
Oceania	3.8	26.6	32.3	3,020
South Asia	1.6	11.2	13.4	1,370
Americas	20.0	154.1	171.1	1,200
North America	14.6	112.5	125.1	1,310
Caribbean	2.6	21.7	22.6	1,160
Central America	0.7	5.5	6.3	810
South America	2.0	14.4	17.2	860
Africa	3.3	24.6	28.3	640
North Africa	1.2	8.7	10.3	640
Subsaharan Africa	2.1	15.9	18.0	640
Middle East	4.0	29.9	34.2	720

* Provisional.

Source: World Tourism Organization (UNWTO)
(Data as collected by UNWTO, 2008).

Table V(a): International Tourist Arrivals by Country, 2006-2007

Rank		Series ¹	Million		Change (%)	
			2006	2007*	06/05	07*/06
1	France	TF	78.9	81.9	3.9	3.8
2	Spain	TF	58.2	59.2	4.1	1.7
3	United States	TF	51.0	56.0	3.6	9.8
4	China	TF	49.9	54.7	6.6	9.6
5	Italy	TF	41.1	43.7	12.4	6.3
6	United Kingdom	TF	30.7	30.7	9.3	0.1
7	Germany	TCE	23.5	24.4	10.1	3.9
8	Ukraine	TF	18.9	23.1	7.4	22.1
9	Turkey	TF	18.9	22.2	-6.7	17.6
10	Mexico	TF	21.4	21.4	-2.6	0.3

*Provisional.

¹ Series = International Tourist Arrivals: TF: International tourist arrivals at frontiers (excluding same-day visitors); VF: International visitor arrivals at frontiers (tourists and same-day visitors); THS: International tourist arrivals at hotels and similar establishments; TCE: International tourist arrivals at collective tourism establishments.

Source: World Tourism Organization (UNWTO)
(Data as collected by UNWTO, 2008).

Table V(b): International Tourism Receipts by Country, 2006-2007

Rank		US\$				National currencies	
		Billion		Change (%)		Change (%)	
		2006	2007*	06/05	07*/06	06/05	07*/06
1	United States	85.7	96.7	4.8	12.8	4.8	12.8
2	Spain	51.1	57.8	6.6	13.1	5.6	3.6
3	France	46.3	54.2	5.3	17.0	4.3	7.2
4	Italy	38.1	42.7	7.7	11.9	6.7	2.5
5	China	33.9	41.9	15.9	23.5	15.9	23.5
6	United Kingdom	33.7	37.6	9.8	11.6	8.5	2.7
7	Germany	32.8	36.0	12.4	9.8	11.4	0.6
8	Australia	17.8	22.2	5.8	24.7	7.3	12.2
9	Austria	16.6	18.9	3.7	13.5	2.7	4.0
10	Turkey	16.9	18.5	-7.2	9.7	-7.2	9.7

*Provisional.

Source: World Tourism Organization (UNWTO)
(Data as collected by UNWTO, 2008).

Table VI: Outbound Tourism, 2006-2007

Rank		International Tourism Expenditure (US\$ billion)		Market share (%)	Population 2007	Expenditure per capita
		2006	2007*	2007*	(million)	(US\$)
	World	742	856	100	6,586	130
1	Germany	73.9	82.9	9.7	82	1,008
2	United States	72.1	76.2	8.9	302	252
3	United Kingdom	63.1	72.3	8.5	61	1,189
4	France	31.2	36.7	4.3	62	595
5	China	24.3	29.8	3.5	1,321	23
6	Italy	23.1	27.3	3.2	59	464
7	Japan	26.9	26.5	3.1	128	207
8	Canada	20.5	24.8	2.9	33	755
9	Russian Federation	18.2	22.3	2.6	142	157
10	Korea, Republic of	18.9	20.9	2.4	48	431

* Provisional.

Source: World Tourism Organization (UNWTO)
(Data as collected by UNWTO, 2008).

Table VII: Summary of GATS Tourism Commitments under Section 9 of the *Services Sectoral Classification List*

COUNTRIES	09.A.	09.B.	09.C.	09.D	TOTAL
Albania	X	X	X		3
Angola	X				1
Antigua and Barbuda	X				1
Argentina	X	X	X	X	4
Armenia	X	X	X		3
Australia	X	X	X		3
Austria	X	X	X		3
Bangladesh	X				1
Benin	X				1
Bolivia	X	X			2
Botswana	X	X			2
Brazil	X				1
Bulgaria	X	X			2
Burkina Faso	X	X			2
Burundi	X	X	X		3
Cambodia	X	X	X		3
Cameroon	X	X			2
Canada	X	X			2
Cape Verde	X	X	X		3
Central African Republic	X	X	X	X	4
Chad	X	X			2
Chile	X	X	X		3
China	X	X			2
Colombia	X	X			2
Congo	X	X	X		3
Congo R.P	X	X	X		3
Costa Rica	X	X	X		3
Côte d'Ivoire	X	X	X		3
Croatia	X	X	X	X	4
Cuba	X	X	X		3
Czech Republic	X	X	X		3
Djibouti	X				1
Dominica	X				1
Dominican Republic	X	X	X		3
Ecuador	X	X			2
Egypt	X	X	X	X	4
El Salvador	X	X	X		3
Estonia	X	X	X		3
European Community	X	X	X		3
Fiji	X				1
Finland	X	X	X		3
FYR Macedonia	X	X	X		3
Gabon	X	X			2
Gambia	X	X	X		3
Georgia	X	X			2
Ghana	X	X			2
Grenada	X				1
Guatemala	X	X	X	X	4
Guinea	X		X		2
Guinea-Bissau	X				1
Guyana	X	X			2
Haiti	X				1
Honduras	X	X	X		3
Hong Kong	X	X			2
Hungary	X	X			2
Iceland	X	X	X		3
India	X	X			2

COUNTRIES	09.A.	09.B.	09.C.	09.D	TOTAL
Indonesia	X	X		X	3
Israel	X	X	X		3
Jamaica	X	X			2
Japan	X	X	X		3
Kenya	X	X	X		3
Korea, Republic of	X	X	X		3
Kuwait	X	X	X		3
Lesotho	X	X	X		3
Liechtenstein	X	X	X		3
Macau	X	X			2
Malawi	X	X	X	X	4
Malaysia	X	X			2
Mali	X				1
Malta	X	X			2
Mauritania	X	X	X		3
Mauritius	X	X	X	X	4
Mexico	X	X	X		3
Mongolia	X	X	X		3
Morocco	X	X	X	X	4
Myanmar	X	X			2
Namibia	X	X			2
New Zealand	X	X	X		3
Nicaragua	X	X	X		3
Niger	X	X	X		3
Nigeria	X	X	X		3
Norway	X	X	X		3
Pakistan	X	X			2
Panama	X	X			2
Papua New Guinea	X				1
Paraguay	X	X	X		3
Peru	X	X			2
Philippines	X	X			2
Poland	X	X			2
Qatar	X				1
Romania	X	X	X		3
Rwanda	X				1
St. Kitts & Nevis	X				1
St. Lucia	X				1
St. Vincent & Grenadines	X				1
Senegal	X	X			2
Sierra Leone	X	X	X	X	4
Slovak Republic	X	X	X		3
Slovenia	X	X			2
Solomon Islands	X				1
South Africa	X	X	X		3
Sri Lanka	X	X			2
Suriname	X	X			2
Swaziland	X				1
Sweden	X	X	X		3
Switzerland	X	X	X		3
Chinese Taipei	X	X	X		3
Tanzania	X				1
Thailand	X	X		X	3
Togo	X	X	X		3
Tonga	X	X			2
Trinidad and Tobago	X	X			2
Tunisia	X	X			2
Turkey	X	X			2
Uganda	X	X			2
Ukraine	X	X	X		3

COUNTRIES	09.A.	09.B.	09.C.	09.D	TOTAL
United Arab Emirates	X		X		2
Uruguay	X	X	X		3
United States	X	X	X	X	4
Venezuela	X	X		X	3
Viet Nam	X	X			2
Zambia	X	X	X	X	4
Zimbabwe	X	X	X		3
TOTAL	133	110	67	17	327

Legend:

09.A. Hotels and Restaurants;

09.B. Travel Agencies and Tour Operators Services;

09.C. Tourist Guides Services;

09.D. Other.

Source: WTO
