

# **TOURISM FORUM SWITZERLAND**

## **REPOSITIONING SWITZERLAND IN SUMMER TOURISM**

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Dear Minister Johann N. Schneider-Amman, Federal Counsellor, Head of the Federal Department of Economic Affairs

Dear Ambassador Eric Scheidegger, Deputy Director of the State Secretariat for Economic Affairs - SECO

Monsieur Dominique de Buman, Président de la Fédération Suisse de Tourisme

Monsieur Jean-Michel Cina, Président de la Conférence des Chefs des Departements cantonaux de l'Economie Publique

Distinguished Parliamentarians, Public Authorities,

Private Sector Representatives,

Panellists and Guests,

Dear Friends,

Ich freue mich sehr heute bei Ihnen zu sein,

I also want to express the gratitude to SECO from our SG, Mr. Taleb Rifai, for the invitation to the World Tourism Organization - UNWTO to address such an important event of the tourism economy of Switzerland, a well-conceived platform to discuss the most strategic issues of the Swiss tourism policy.

UNWTO is proud to have Switzerland as a Member State since 1976.

It is a great pleasure to be here with you today in this wonderful federal city of Bern.

Thank you very much for your warm welcome.

Dear Friends,

Tourism represents one of the major economic and human activities of our times, benefiting many aspects of the lives of people, communities, cities and rural areas, developed and developing countries alike. For many, tourism has become a vector of economic and social development, a powerful tool for job creation and an essential instrument for the promotion of their cultural heritage.

We all know very well that tourism offers many opportunities for the youth when they come to the labour market for the first time, as well as for young entrepreneurial talents, as in general there are very few technical and economic barriers to start a business in our sector.

Tourism represents 5% of the direct global GDP, one in every 12 jobs worldwide, 30% of total exports of services and 6% of total exports of goods and services.

Our sector has become relevant in the world economy. And I believe it is also relevant for the Swiss economy, for urban, rural and mountain areas. It is the fourth export product of the country; it has consistently generated a surplus for the balance of payments over the years, supports hundreds of thousands of direct jobs besides many more indirect jobs in other sectors of the Swiss economy.

In fact, from a long-term perspective it is clear that tourism has greatly contributed to the development of Switzerland, has had a central role in the definition of a strong positive image of the country abroad. In return, the competitiveness and high quality of Swiss tourism has indeed inspired the development of tourism in different parts of the world as a role model. That goes much beyond what numbers can tell.

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Dear Friends,

Allow me to briefly share with you an overview of the latest trends in international tourism.

2010 and 2011 marked a recovery for most countries from the very difficult years of 2008 and 2009. Last year, a record of 990 million international tourists' arrivals, up 5% from 2010, generated a bit over US\$ one trillion in exports for the countries they visited, whether for business, professional, leisure, vacation or any other purpose. Europe posted an impressive 6.7% growth, led by Central, Eastern and Southern/Mediterranean countries. It was the highest among all regions of the world.

The latest figures UNWTO released last week at the World Travel Market in London show that international tourism grew by 4% between January and August this year.

With a 3% growth so far in 2012, Europe has consolidated its record growth of 2011, despite on-going economic uncertainties in the Eurozone. Results have been above average in Central and Eastern Europe (9%), in line with the average in Western Europe (3%), yet comparatively weaker in Southern and Mediterranean countries (1%).

Asia and the Pacific (7%), Central (7%) and South America (6%) continued to show strong performance, Africa (6%) has clearly benefited from the recovery of Tunisia and so has the Middle East with the rebound of Egypt.

With a record 705 million tourists up to August, UNWTO remains confident that over one billion tourists will have travelled internationally by the end of the year. A landmark number for us all in tourism. UNWTO expects growth of 3% to 4% for the year as a whole, while forecasting a slight slowdown in demand for 2013 (2% to 4%).

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Dear Friends,

I would now like to present to you some of UNWTO's long-term forecasts which were recently released on our publication "Tourism Towards 2030".

It brings our estimates for international tourism regarding the five regions of the world (Africa, Americas, Asia and the Pacific, Europe and the Middle East) and their 17 sub regions. No estimates are made for individual countries or domestic tourism.

After hitting the one billion mark in int'l arrivals in 2012, we estimate that we will reach 1.4 billion by 2020 and 1.8 billion by 2030. But what are the main trends that we see behind and within these figures?

- There will be an average annual growth of 3.3% up to 2030, compared to 3.9% in the last 15 years and 4.4% between 1980 and 1995. Int'l tourism will continue to grow, but at a more moderate pace.
- As base volumes are larger, there will be an average increase of 43 million int'l arrivals per year - equivalent to almost "one" Italy - until 2030, as compared to 28 million per year in the last 15 years (or 22 million in the last 30 years).
- In Europe alone, UNWTO expects that arrivals will grow from 509 million in 2011 to 620 million in 2020 and to close to 750 million by 2030, a figure that represents 41% of all int'l arrivals. This means an average increase of 13 million tourists per year in Europe or a 2.3% annual growth for the next 20 years. We expect Central/Eastern Europe to outperform (3.1%) and Western Europe to underperform (1.8%) the whole region.

- Asia and the Pacific, with an average annual growth of 7.6% in the last 30 years, will grow by 4.9% in the next 20 years. This means its present market share of 22% (204 million) will reach 30% (535 million) in 2030.
- In 1980, advanced economies received 70% of the 250 million int'l arrivals whereas emerging economies received 30% of them. Last year, these figures were 53% and 47%, respectively. Before 2020 these two lines will cross each other as UNWTO expects international arrivals in emerging economies to grow twice as fast (4.4%) as in advanced economies.
- Future arrivals will be more evenly spread over destinations: as more and more destinations have been investing in tourism development, the traditional concentration of int'l arrivals in a relative few destinations will be further reduced.
- Travel between regions will continue to grow slightly faster than travel within the same region but no major overall changes to take place. 87% of int'l arrivals in all European countries come from other European countries. UNWTO expects that percentage to remain unchanged.
- Air transport will continue to increase its market share (52%) in int'l arrivals but a much slower pace, especially due to expected increasing energy prices.
- Market shares of int'l arrivals for business and professional purposes (16% of all), for leisure, recreation and holidays (54%) and for VFR, health, religion and other purposes (16%) will see little changes, if any.

#### Europe:

- Europe is the world's leading tourism destination. It receives the biggest number of arrivals and receipts now and will retain this position in 20 years' time and beyond, though with a smaller market share.
- Europe will continue to lead in int'l arrivals received per 100 of population. Today it is 53 arrivals per 100 of population and in 2030 UNWTO estimates it will be 80 per 100. Western Europe today receives 81 arrivals per 100 of population and by 2030 it will receive 114. This is by far much higher than any other region of the world and has important implications in terms of infrastructure and use of natural resources.

These are estimates for overall and regional tourism development and serve for governments and the private sector to position themselves in relation to those trends, develop their policies and take their decisions, in short, to write their own history for the future.

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Dear Friends,

Tourism has great strategic importance for European economies thanks to its capacity to generate economic growth, exports and jobs. It is the third biggest economic sector in Europe in terms of turnover and number of employees. And it consists of more micro, small and medium-sized businesses than most or maybe any other economic sector.

In order to pursue a growth path, overcome relevant challenges, seize opportunities of new segments and markets and strengthen its leading position, European destinations, including the most traditional ones, like Switzerland, must continue to combine high standards of quality with growing requirements of environmental sustainability.

I feel that the central topic of your discussions, the repositioning of Switzerland in summer tourism, though not a new issue for you, is of great importance for further development of the sector in the country, especially given the overall trends of int'l tourism and also the important, specific short and long-term issues and trends that have affected the country and the Swiss economy, such as the exchange rate of the Swiss franc, climate change, the changing demography and composition of the Swiss population, a broader and accessible offer of attractive products by other destinations, to mention just a few.

I find the task as challenging as achievable in the medium to long-term as you have the natural resources; cities, rural and mountain areas; a strong image; extraordinary products already in place to use and strengthen, such as health tourism and international professional meetings, just to mention two of them, as well as the human resources, knowledge, creativity, infrastructure and a well-developed promotion and marketing expertise.

If you allow me, I would like to mention four issues UNWTO considers highly relevant for tourism development as a contribution to your discussions and deliberations, which are:

- The need to invest in research, knowledge creation and dissemination, to bridge theory and practice, to bring together knowledge generators and those with the capacity to put such knowledge into practice, to promote innovation as our sector is not only a generator but also a beneficiary of it.
- The need to develop mechanisms to bring together private companies, cities and rural destinations to cooperate even though sometimes they are competing with each other, to cooperate with other countries, destinations of other countries, with international organizations.

- The need to give permanent attention to domestic tourism which so frequently is taken for granted. It has a fundamental role in providing stability to jobs and businesses operations at times when int'l markets become somewhat volatile. Many countries realized that during the 2008 and 2009 slowdown, and
- The need to facilitate travel for all, to invest in accessibility and mobility in order to cater for the elderly and the handicapped and also to facilitate the issuance of visas.

On the topic of visas, we have seen a major shift of attention and understanding of many countries that without compromising legitimate security and other concerns, a lot can be done and achieved to enhance visa procedures.

At the request of the Tourism Ministers of the G.20 countries, UNWTO and WTTC – World Travel and Tourism Council conducted a study on visa facilitation and presented it to the T.20 Ministers' Meeting in Mexico, which showed the tremendous impact that visa facilitation measures could have on the generation of jobs.

It showed that with the right facilitation measures in place, over a three-year period there would be extra receipts of US\$206 billion brought by the additional flow of tourists and 5.1 million new jobs generated by them only in the G-20 economies.

As a result and for the first time, Tourism was referred to with a full paragraph by the heads of government of the G-20 in their final declaration last June for its potential role in economic growth and job creation.

This was a very important political achievement for our sector.

Last week the European Commission issued a communication to the Council and the European Parliament on the "implementation and development of the common visa policy to spur growth in the EU" through tourism. This EC document is based on our study.

The second political achievement I wish to mention to you came only two weeks later brought by the final document of the Rio+20 Conference called "The Future We Want", where "Sustainable Tourism" was included as one of the fundamental Thematic Areas and Cross-Sectoral Issues along with others, such as Energy, Water, Oceans, Food and Nutrition, Transport, to mention just a few. Tourism had not been mentioned in Johannesburg in 2002 or in the first Earth Summit in Rio in 1992.

With these two most important political achievements and the attainment of the one billion mark of international arrivals, 2012 is going to be one of the most important for us in tourism.

Ich wünsche Ihnen von Herzen eine erfolgreiche Konferenz.

Thank you very much for your attention.