GLOBAL TOURISM TRENDS AND POLICIES: A SUSTAINABLE AND URBAN PERSPECTIVE

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Workshop on Innovative European Policies on Sustainable Urban Tourism
Barcelona, 24 May 2018
Value of tourism in the OECD area today

OECD countries receive 55% of global arrivals and 60.4% of global travel receipts.

Tourism is a major contributor to OECD economies:

- 4.2% of GDP
- 6.9% of employment
- 21.7% of services exports

Domestic tourism economy is significant:

- 76% of tourism
- 24% of inbound tourism

EUR 1 Value Added in tourism results in 56c VA in upstream industries.

Sources: OECD Tourism Trends and Policies 2018, OECD-WTO Trade in Value Added (TiVA)
Policy Statement on Tourism Policies for Sustainable and Inclusive Growth

Governments should:

➢ Promote effective **integrated governmental approaches** that
  • help countries to reframe tourism growth
  • promote inclusive growth and development
  • mitigate the negative impacts on local communities

➢ Support the development of **forward-looking** and strategic policy agendas, integrating megatrends and taking a long-term perspective

➢ Mobilise **investment** for a sustainable and inclusive tourism growth that support quality infrastructure, SMEs and local development
Tourism has brought new opportunities in many countries, but has also created new challenges.

Continued growth is creating pressures on infrastructure, the environment, local communities, other economic sectors and the wider society.

Innovative policy solutions are needed to address the needs of visitors, the industry, the environment and host communities.

CHALLENGES

- Manage tourism development in the coming decades, and develop tourism for liveable cities.
- Take innovative steps to diversify and diffuse the benefits of tourism temporally and spatially.
- Adapt and improve the governance framework to support coherent tourism policy development, and the sustainability of destinations, at national, regional and city levels.
Moving towards coherent and comprehensive approaches to tourism policy making

Tourism encompasses all levels of government.

A whole of government approach will help countries to reframe tourism growth to better spread the benefits, address inequalities and improve the resilience of economies.

Long-term strategies and policies can promote quality employment, entrepreneurship, innovation, effective investment, and integrated regional development.

**SHARED GOALS**

- High quality tourism experiences
- Productivity, particularly SMEs
- Protection and management of natural and cultural resources
- Competitiveness
- Inclusive growth and development
A large majority of countries have dedicated tourism policies, strategies and plans for the medium to long-term.

Despite widespread downward pressure on public finances, budgets for tourism have largely been maintained or increased.

Tourism policy priorities focus on improving competitiveness, addressing seasonality of demand, and enhancing the quality and appeal of the tourism offer.

Countries like Canada and France are taking steps to strengthen regional and local supports for tourism development.

National tourism plans
- **Italy**, the Italian National Strategic Plan for Tourism for 2017–2022.
- **Japan**, the Japan Revitalization Strategy 2016 identifies tourism as one of ten key pillars.
- **Switzerland** tourism plays a key role in the New Regional Policy.

Regional and local destination plans
- **Hungary**, four priority tourism areas have been nominated.
- **Mexico**, Zones for Sustainable Tourism Development.
- **Sweden**, five destinations participated in the Sustainable Destination Development Initiative.
Megatrends shaping the future of tourism

**Evolving Visitor Demand**
- Global middle class
- Ageing populations
- Emerging generations

**Sustainable Tourism Growth**
- Emissions
- Water resources
- Food Production
- Well-being

**Travel Mobility**
- Growth of passengers
- Evolving transport modes
- Security
- Natural disasters
- Political instability

**Enabling Technologies**
- Digitalisation
- Automation
- Blockchain
- Virtual and augmented reality

**IMPLICATIONS**
- Modernising regulatory and legislative frameworks
- Cultivating partnerships with industry, other governments and key stakeholders
- Taking steps to future-proof tourism policy
Transition to sustainable and inclusive tourism

Tourism can play an important role in driving the transition to a green economy, and contributing to more sustainable and inclusive growth.

**Investment and financing** is an essential part of this, to support the transition to **low carbon, resource efficient** and **socially inclusive** tourism development.
Promoting investment and finance for sustainable tourism development

The new Mexico City Airport will be financed partly with green bonds. USD 5.9 billion in potential eligible environmental projects have been identified and will be financed.

In Norway, the City of Bergen has a 20 year loan programme from the Nordic Investment Bank of EUR 108 million to finance the wastewater treatment system, where tourism is growing. The city welcomes about 500,000 visitors and 350 cruises annually.

In Australia, the Clean Energy Finance Corporation’s Reef Fund Programme for clean energy businesses and projects invests in low emission vehicles and resort and building upgrades, including in tourism.

In London impact Investment has been used to transform a disused office building into an innovative green hotel, using pre-fabricated bedrooms made from recycled materials.

New Zealand’s Tourism Infrastructure Fund provides NZD 100 million in co-financing for the development of tourism-related infrastructure, to support local communities facing pressure from tourism growth.
Promoting seamless and sustainable transport

Urban transport systems have great potential to change travel behaviours. There are various linkages to tourism, as tourists increase transport demands in cities, but are also likely to have a great interest in alternative forms of mobility.

**Copenhagen “City of Cyclists”**
- City’s free bike system is very popular with tourists (half of all available bikes being used by tourists).
- The city becomes more relaxed, less noisy, less polluted – more attractive tourism destination.

**“Legible London”**
- City-wide pedestrian way-finding system managed by Transport for London
- Integrated set of maps and signs with distinctive and intuitive design features.

**Bordeaux**
- The tramway system had a positive impact on the attractiveness of the city and visitor numbers
- Helped to regenerate the city centre.
Sharing Economy - Striking the right balance

DIRECT ENGAGEMENT AND PROMOTION

Sharing City Seoul in Korea

- **multipronged approach** to embrace the sharing economy.
- **public education**, news and information on various sharing services and projects.
- **financial and organisational support** to selected sharing enterprises.
- Local government approval as an official sharing company acts as an **incentive** to businesses to participate.

INTRODUCTION OF LICENSING, PERMIT SYSTEMS, LAND USE REGULATIONS

Introduction of licensing and permit systems e.g. Madrid, Portland, Boston

**Paris**: all listings on Airbnb must display the registration number.

**Reykjavík**: a limit for Airbnb rentals by an individual renting up to 2 flats, for up to 90 days per year was introduced in 2017

**Amsterdam**: a differentiated tourist tax is set at 6% in the city centre and 4% outside the canal belt.
Smart Data to detect tourists behaviours

Smart Data have the potential of combining existing information with innovative indicators, to create new evidence for policy makers.

Potential uses:

• Measuring venue at touristic events and locations

• Weather, air & water quality, crime, point of interest,

• Satellite image to develop road/traffic recommendations to develop tourism.
Tourism policy priority at metropolitan level

Share of metropolitan governance bodies that work on a certain policy field

Marketing and promotion plays a role: the case of HollandCity, Netherlands

HollandCity is a recent example of a collaborative approach to prevent tourism from becoming concentrated in just a few places.

- Aims to promote the sustainable growth of tourism through a more balanced distribution of tourists.
- Presents the Netherlands as one large metropolis, inspiring visitors to step off the beaten track.
- Imaginary storylines link different places across the country through a common theme (e.g. Van Gogh’s connections to the Arnhem region and Brabant).
- Attractive events can help to attract visits in the off-season.
Linking the city with the wider region: the case of the Tequila Route, Mexico

- Creation of **new tourism services, products and routes** encourages visitors to the city of Tequila to explore the wider region.

- National and international programmes have provided a **framework** for developing the destination, supported by a local committee.

- The **private sector** and **local community** has played an important role in this, led by the Jose Cuervo Foundation and with the support of the municipal, state and federal government.

- Private **investment** on the route in 2016 has totalled MXP 213 million, while the public sector has contribute for MXP 39.5 million for the enhancement of the urban image, and the improvement of museums and technological services.

- A **Quality Management system**, the distinctive TT (*Tequila Turístico*) recognises service providers and artisans integrated to the Tequila Route.
Marseille “Top 20” initiative

- Club Top 20 brings together about 50 CEOs and is the initiative of several economic actors, including the Chamber of Commerce and Industry and Union for Businesses of the Bouches-du-Rhône.
- Local elected officials were called on to support to a “Manifesto for the Future of Marseille Provence”.
- Raised awareness among business leaders about metropolitan themes, such as transport and single ticketing, housing, business tourism, etc.

OECD (2013a), Towards More Inclusive Growth in the Metropolitan Area of Aix-Marseille
Publications available on-line

- A review of the policy framework for tourism marketing and promotion (2017)
- Major events as catalysts for tourism (2017)
- Financing approaches for tourism SMEs and entrepreneurs (2017)
- Intermodal Connectivity for Destinations (2016)

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