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THE TWENTY THIRD PLENARY SESSION OF THE PABSEC GENERAL ASSEMBLY

**ECONOMIC, COMMERCIAL, TECHNOLOGICAL AND ENVIRONMENTAL
AFFAIRS COMMITTEE**

REPORT ON

"SUSTAINABLE DEVELOPMENT OF THE TOURISM INDUSTRY"

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I. Introduction

1. The tourism industry is one of the world's largest, has shown sustained growth in revenues and number of travelers, and has a broad economic, social and environmental footprint reaching almost every part of the earth.

2. Defined by a network of services offered to tourists and by the infrastructure needed to support it, the sector involves a wide range of players including private sector tourism businesses, governmental and intergovernmental organizations, development and conservation NGO networks, consumers, and host communities.

3. The Parliamentary Assembly of the Black Sea Economic Cooperation has already stressed in its Report and Recommendation 32/1999 on 'Development of Tourism in the Black Sea Region' that the BSEC region has a vast potential to become one of the main tourist destination of the 21st century. Given the rich cultural and historic heritage of the Black Sea region, the development of tourism is one of the most promising fields of cooperation among the BSEC countries. As the BSEC Economic Agenda for the Future argues "the development of intra and inter-regional mass tourism, the organization of training programs for managers of hotels, tourist agencies and other relevant entities and the formulation of specific projects and initiatives aiming at developing regional tourism are particularly important in this regard."

4. New challenges however have to be considered which involve the development of the tourism industry in line with the sustainability approach. Sustainable development of tourism industry has three interconnected aspects: environmental, socio-cultural, and economic. Sustainability implies permanence, so sustainable tourism includes optimum use of resources, including biological diversity; minimization of ecological, cultural and social impacts; and maximization of benefits to conservation and local communities. It also refers to the management structures that are needed to achieve this.

II. The tourism industry today

<u>A. The significance of tourism</u>

5. The tourism industry generates substantial economic benefits to both host countries and tourists' home countries. It is an especially important industry to developing countries. The main benefits to a country are foreign exchange earnings, tax revenues, business opportunities for building entrepreneurs, and employment for workers in the industry.

6. According to the World Tourism Organization, tourism is one of the top five export categories for as many as 83% of countries. Foreign exchange earnings generate income in the host country and stimulate consumer spending and investment in other sectors of the economy. On the other hand, tax receipts from tourism are both direct and indirect. Direct tax receipts are generated from the incomes earned by businesses and workers. Indirect taxes are duties levied on goods and services purchased by tourists. The World Travel and Tourism Council estimates that tax contributions related to tourism worldwide were US $ 800 billion in 1998.

7. Tourism industry provides tremendous opportunity for relatively small businesses to thrive and is a leading generator of jobs. Tourism generates jobs directly (e.g. through hotels, restaurants, taxis, souvenir sales and so on) and indirectly. Indirectly, jobs are generated through the supply of goods and services required by tourism related suppliers. The WTO estimates that tourism represents 7% of jobs worldwide. The hotel accommodation sector alone provided around 11.3 million jobs worldwide in 1995, according to the United Nations Environmental Program.

Terrorism versus Tourism

8. In the past two years international tourism has first and foremost been reigned by the combination of an overall weak economy and a high level of uncertainty because of the struggle against terrorism and the looming Iraq conflict. The terrorist attacks of 11 September 2001 added a huge amount of uncertainty to this already difficult climate. The subsequent war on terrorism and the tension resulting from the threat of an intervention in Iraq prolonged this uncertainty even more. There is a plunge in demand, in particular of air traffic, interregional travel and travel to destinations perceived as close to the conflict zone.

9. Terrorism is more likely to have detrimental effects on tourist arrivals in countries with significant terrorist incidents. Over time, continued terrorist attacks may also reduce FDI significantly. Besides such direct short- and long-term costs, indirect costs of terrorism include the need for greater advertising expenses to attract new or more tourists and reconstruction costs for damaged tourist threats. Major airports in Europe have had to made costly improvements in security in response to growing terrorist attacks. Most insurance companies now exclude coverage for losses suffered through terrorist – related injuries or losses passing the cost of terrorism directly on tourists and the owners of tourist facilities.

III. An overview of BSEC's tourism industry

10. BSEC countries have substantial natural resources exploitable for tourism, including the Black Sea coast and the mountain regions around it. International tourism was neglected during the transition period for many of

the BSEC countries. Georgia was a major center of Soviet tourism, with as many as 2 million visitors a year during the 1980s. However, tourism in Georgia virtually disappeared because of the civil conflicts in the early 1990s.

11. Nevertheless, BSEC area comprises of significant tourist destinations and has great tourism potential. In 1999, Turkey and Greece had a world market share of 1.8% and 3.2% respectively (WTO, 2001). It is estimated that despite Russia's relatively low tourist arrivals, there is a great potential to attract up to 15 million tourists annually.

12. The economic weight of tourism in some of the BSEC countries such as Greece and Turkey is significant. Tourism income in GDP accounts approximately for 6.0% while over 2.5 million people are directly or indirectly employed in the tourism sector in Turkey. Greece comes in the 15th place in the world classification of tourist destinations, receiving 14 million tourists in 2002. The major part (94,3%) are originating from Europe (68,9% from the EU countries) while the main bulk of tourism arrivals was by plane (73,6% of foreign tourists). Tourism contribution to the GDP is estimated up to 8% in the case of Greece and the tourism receipts in 2002 were 10,285 million euros. Employment in the tourism sector is estimated to reach 10% (6,1% direct employment and 3,9% indirect) of the total employment in Greece.

Tourist Flows in BSEC countries (000 persons)						
Country	1996	1997	1998	1999	2000	2001
Albania	167	11	22	45	29	149
Armenia	…	…	…	…	…	…
Azerbaijan	7	16	17.1	11	7	6.5
Bulgaria	2292	2336	1973	2085	2354	2756
Georgia	…	…	…	…	…	…
Greece	9782	10588	11636	12605	13567	14678
Moldova	…	…	…	…	…	…
Romania	2833	2774	2784	5224	5264	4938
Russia	1890	2515	2885	3060	2598	2380
Turkey *	8614	9689	9752	7464	10412	11569
Ukraine	169.8	186.7	174.2	…	729.7	…
Source: *Social and Economic Indicators of the BSEC countries*, BSEC Coordination Center for the Exchange of Statistical Data and Economic Integration, Ankara, September 2003 * number of visitors. Source: TUSAB						

13. As we can see from the data available, intra BSEC tourism flows indicates positive trends. Particularly CIS countries not just as recipient but as tourists' home countries have shown significant potential. This is the case of the number of visitors from the CIS to Turkey which in 2001 accounted for almost 1.5 million.

The distribution of Foreign Visitors by Country (000 persons)									
	Greece					Turkey			
Home country	1998	1999	2000	2001	2002	1998	1999	2000	2001
Albania	586.2	673.1	717.3	1038.1	1225.7	24.7	27.3	29.7	26.1
Bulgaria	197.3	202.8	240.2	438.4	470.2	505.7	483.1	265.1	180.2
Greece	-	-	-	-	-	158.5	146.8	218.6	196.8
Romania	63.4	72.6	98.7	98.4	118.8	505.7	483.1	265.1	180.2
Ukraine	128.1	32.8	…	…	…	…	…	…	…
Russia	127.4	104.9	102.0	133.1	135.9	…	…	…	…
Turkey	69.8	80.5	133.9	114.3	139.0	-	-	-	-
CIS	…	…	…	…	…	1311.5	1048.4	1376.6	1423.9
Source: TURSAB and Greek National Tourism Organization									

IV. Tourism cooperation within the BSEC framework

A. A Tourism Action Plan

14. The general framework of cooperation within the BSEC in the sphere of tourism is set by the 'Tourism Action Plan of the BSEC' which was adopted in 2002. In the context of the Tourism Action Plan, the national programs and measures of the BSEC Member States shall be supplemented by regional cooperation. The Action Plan promotes a sustainable development of tourism in connection with economic and social needs. The main directions of cooperation specified by the Action Plan are:
- Promotion of the cooperation in the field of tourism among member states through i) active exchanges between governmental bodies responsible for tourism, ii) development of partnership between travel agency associations and hotel associations, and iii) encouragement of the development of corporate BSEC tourism products (as the formation Yachting Association, cruising lines, etc.)
- Participation in touristic fairs and exhibitions in BSEC member states.
- Widening and strengthening of the training programs.
- Development and the harmonization of a tourism legislative and institutional framework. Involvement of the public sector to facilitate this process.
- Promotion of investments to BSEC area from member states and third countries.
- Undertaking cooperative initiatives, which offer good opportunity for visible results in short, and medium terms.
- Exchange of the experiences of various countries.
- Promoting touristic movements as an action contributing to peace and stability.

15. The Tourism Action Plan sets among the priority fields of activities the following:

i. Basic Tourism Training Courses for the personnel to be employed in Tourism sectors. These courses should be organized in various aspects; front office, housekeeping, food and beverage services, food production, travel agencies, tour operators, tourist guides, etc.

ii. Training of the trainers courses, on the job Training courses, social skills, seminars, language teaching technique courses, home pensioning courses, tour guide and travel agencies courses

iii. Activating the Memorandum of Understanding (MoU) between the BSEC PERMIS and the Training and Education Centre at the Bosphorus University (established by the World Tourism Organization).

iv. The exchange of information in classification system in order to provide a standardization among BSEC member states in classification of the tourism establishments, for ensuring equal standards among such establishments.

v. Promotion of intra and inter-regional tourism. Promotion of BSEC touristic destination for European and other countries.

16. The Declaration of the Ministers of Tourism of the BSEC member states (Tirana, 27 September 2002) has placed particular emphasis on the issue of sustainable development. The Ministers have hence agreed upon that the development in the field of tourism in the BSEC area, needs to embrace some major objectives such as promoting the neglected natural, cultural and heritage sites alongside with the improvement of the quality tourism facilities and services and the protection and sustainable development of the natural, cultural and heritage resources.

B. Black Sea Tourism Cooperation (B.S.T.C.)

17. The Association of Turkish Travel Agencies (TURSAB) has made attempts towards the formation of the Black Sea Tourism Cooperation (BSTC). The idea is shared and supported by several travel associations of all BSEC countries. The first meeting for the establishment of the BSTC was held in Istanbul in May 1998 and initial works were carried out for the project. An agreement was reached on the aims and functioning of the BSTC but the organization has not yet materialized.

V. Attaining Sustainable Tourism

A. Global Efforts for Sustainable Tourism

18. The major outcome document of the World Summit on Sustainable Development (WSSD) in Johannesburg, the Plan of Implementation, while focusing on a wide range of issues, makes several references to sustainable tourism. Chapter 41 of the Plan of Implementation promotes sustainable tourism development as a means to increase the benefits from tourism resources for the population in host communities while maintaining the cultural and environmental integrity of the host communities and enhancing the protection of ecologically sensitive areas and natural heritages.

Throughout the Plan references to sustainable tourism are made in relation to: energy conservation and emissions control; biodiversity conservation; small island development states.

19. This is the first time that sustainable tourism has been acknowledged at this level by the United Nations processes.

20. The countries have agreed to promote sustainable tourism development, including non-consumptive and eco-tourism, taking into account the spirit of the International Year of Eco-tourism 2002, of the United Nations Year for Cultural Heritage in 2002, and of the World Eco-tourism Summit 2002 and its Quebec Declaration, and of the Global Code of Ethics for Tourism as adopted by the World Tourism Organization, in order to increase the benefits from tourism resources for the population in host communities while maintaining the cultural and environmental integrity of the host communities and enhancing the protection of ecologically sensitive areas and natural heritages. Additionally, sustainable tourism development requires capacity building in order to contribute to the strengthening of rural and local communities. This would include actions at all levels to:

(i) Enhance international cooperation, foreign direct investment and partnerships with both private and public sectors, at all levels;

(ii) Develop programs, including education and training programs, that encourage people to participate in eco-tourism, enable indigenous and local communities to develop and benefit from eco-tourism, and enhance stakeholder cooperation in tourism development and heritage preservation, in order to improve the protection of the environment, natural resources and cultural heritage;

(iii) Support sustainable tourism business development and investment and tourism awareness programs to improve domestic tourism, and to stimulate entrepreneurial development;

(iv) Assist host communities in managing visits to their tourism attractions for their maximum benefit, while ensuring the least negative impacts on and risks for their traditions, culture and environment, with the support of the World Tourism Organization and other relevant organizations.

B. Principles of Sustainable Tourism development

1. Integration of Tourism into Overall Policy for Sustainable Development

*21. National Strategie*s. States should ensure that tourism is balanced with broader economic, social and environmental objectives at national and local level by setting out a national tourism strategy that is based on knowledge of environmental and biodiversity resources, and is integrated with national and

regional sustainable development plans. They should therefore: i) establish a national tourism strategy that is updated periodically and a master plan for tourism development and management, ii) integrate conservation of environmental and biodiversity resources into all such strategies and plans, iii) enhance prospects for economic development and employment while maintaining protection of the environment.

22. Interagency Coordination and Cooperation. States should improve the management and development of tourism by ensuring coordination and cooperation between the different agencies, authorities and organisations concerned at all levels, and that their jurisdictions and responsibilities are clearly defined and complement each other.

23. Integrated Management. Coordinate the allocation of land uses, and regulate inappropriate activities that damage ecosystems, by strengthening or developing integrated policies and management covering all activities, including Integrated Coastal Zone Management and adoption of an ecosystem approach.

2. Development of Sustainable Tourism
24. Planning for Development & Land-use at sub-National Level. Conserve the environment, maintain the quality of the visitor experience, and provide benefits for local communities by ensuring that tourism planning is undertaken as part of overall development plans for any area, and that plans for the short-, medium-, and long-term encompass these objectives. States should therefore, ensure that plans create and share employment opportunities with local communities.

25. Environmental Impact Assessment (EIA). Countries should anticipate environmental impacts by undertaking comprehensive EIAs for all tourism development programmes taking into account cumulative effects from multiple development activities of all types.

26. Planning Measures. Ensure that tourism development remains within national and local plans for both tourism and for other types of activity by implementing effective carrying capacity programmes, planning controls and management. Measures should include the introduction of control and monitor tour operators, tourism facilities, and tourists in any area.

3. Legislation & Standards

27. Legislative Framework. Implementation of sustainable tourism can be achieved through an effective legislative framework that establishes standards for land use in tourism development, tourism facilities,

management and investment in tourism. What is important at the national level is to:

- Strengthen institutional frameworks for enforcement of legislation to improve their effectiveness where necessary.

- Standardise legislation and simplify regulations and regulatory structures to improve clarity and remove inconsistencies.

- Strengthen regulations for coastal zone management and the creation of protected areas, both marine and land-based, and their enforcement, as appropriate.

- Provide a flexible legal framework for tourism destinations to develop their own set of rules and regulations applicable within their boundaries to suit the specific circumstances of their local economic, social and environmental situations, while maintaining consistency with overall national and regional objectives and minimum standards.

- Promote a better understanding between stakeholders of their differentiated roles and their shared responsibility to make tourism sustainable.

28. Environmental Standards. Protect the environment by setting clear ambient environmental quality standards, along with targets for reducing pollution from all sectors, including tourism, to achieve these standards, and by preventing development in areas where it would be inappropriate.

29. Regional Standards. Ensure that tourism and the environment are mutually supportive at a regional level through cooperation and coordination between states, to establish common approaches to incentives, environmental policies, and integrated tourism development planning.

4. Management of Tourism
30. *Monitoring*. Ensure consistent monitoring and review of tourism activities to detect problems at an early stage and to enable action to prevent the possibility of more serious damage.

31. Technology. Minimise resource use and the generation of pollution and wastes by using and promoting environmentally-sound technologies (ESTs) for tourism and associated infrastructure.

VI. BSEC's efforts to attain sustainable tourism

32. BSEC member states' efforts to attain sustainable tourism that contributes to social, economic and infrastructure development focus on the following measures in line with the Plan of Implementation adopted by the World Summit on Sustainable Development (WSSD) in Johannesburg:

(i) Implementing projects at the local, national and sub-regional levels, with specific emphasis on marketing Black Sea tourism products, such as adventure tourism, eco-tourism and cultural tourism;

(ii) Establishing and supporting national and cross-border conservation areas to promote ecosystem conservation according to the ecosystem approach, and to promote sustainable tourism;

(iii) Respecting local traditions and cultures and promoting the use of indigenous knowledge in natural resource management and eco-tourism;

(iv) Assisting host communities in managing their tourism projects for maximum benefit while limiting negative impact on their traditions, culture and environment, and;

(v) Support the conservation of Black Sea's biological diversity, the sustainable use of its components and the fair and equitable sharing of the benefits arising out of the utilization of genetic resources, in accordance with commitments that countries have under biodiversity-related agreements to which they are parties, including such agreements as the Convention on Biological Diversity and the Convention on International Trade in Endangered Species of Wild Fauna and Flora, as well as regional biodiversity agreements.

VII. Conclusions

33. Promoting sustainable development of the tourism industry in the region requires a BSEC coherent strategy which should place as the main objective the establishment of the conditions favorable to the protection of the environment and population. BSEC in its Related Bodies in coordination with the public authorities are required to support planning and managing regional policies which encourage the development of sustainable tourism. Those include establishing the necessary legal and institutional framework, supporting the development of human resources, preserving the public heritage, improving infrastructures and improving the information and commercial organization of the sector.

34. Beyond the public authorities what is needed is cooperation with the private sector and the direct support to the SMEs which make a considerable contribution to this sector. One of the basic conditions of success, however, is close cooperation in the field of information exchange. Awareness and implementation of sustainable tourism may be raised by promoting exchange of information between governments and all stakeholders, on best practice for sustainable tourism, and establishment of networks for dialogue. Regional institutions (e.g. the BSEC Coordination Center for the Exchange of Statistical Information) and initiatives (such as the Black Sea Tourism Cooperation) or

international organizations, including the United Nations Environmental Program, can assist with information exchange.

35. What is nevertheless an urgent issue is the promotion of appropriate education and training with the aim to strengthen attitudes, values and actions that are compatible with sustainable development.