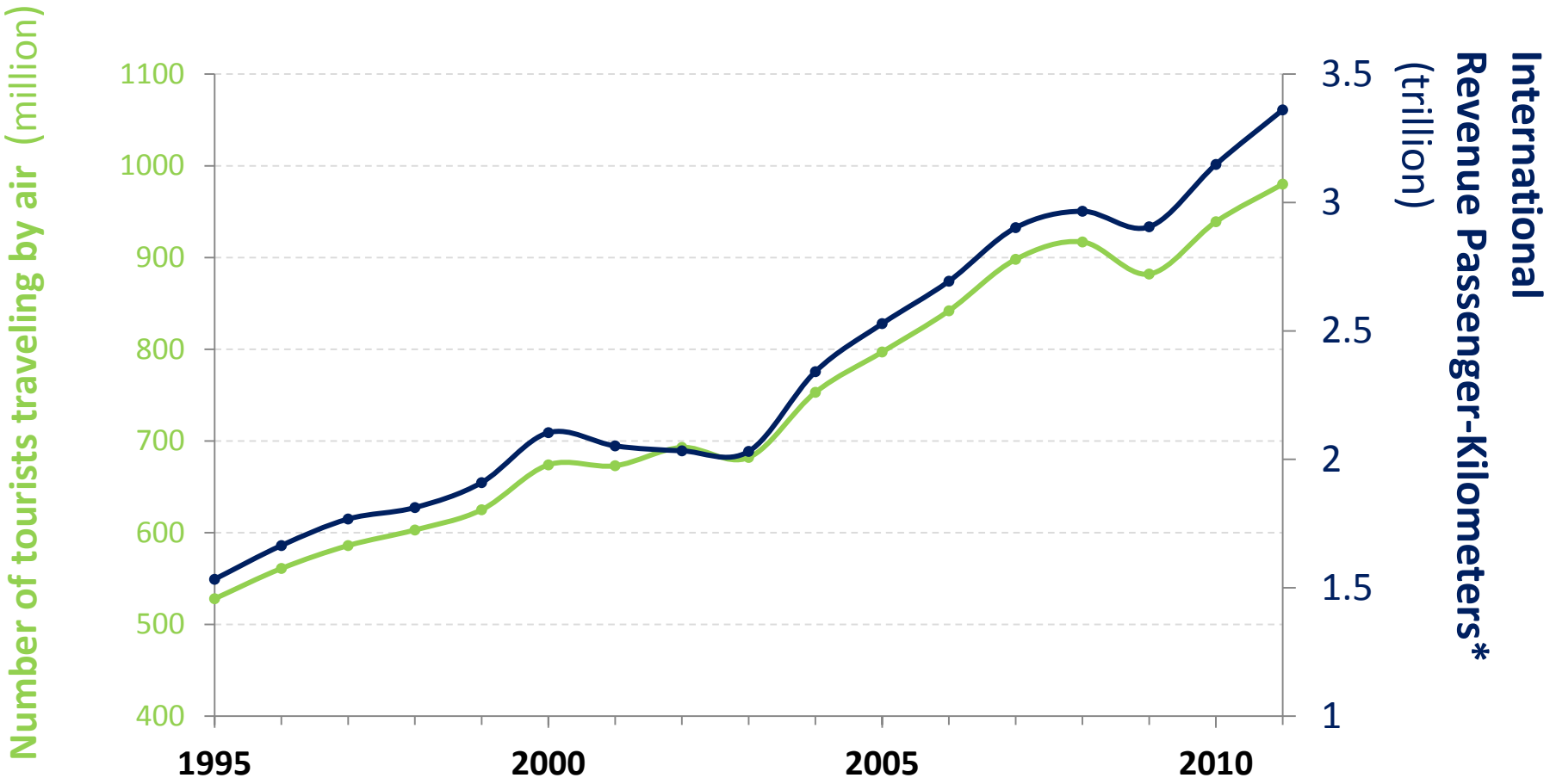
Air Transport and Tourism: a Symbiotic Relation

Mr. Meshesha Belayneh
ICAO Regional Director, Eastern and Southern African Office
2 May 2013
Regional Conference – Indian Ocean Commission (IOC)

Outline

- Link Between Air Transport & Tourism development
- Air Transport & Tourism contributions to economy
- What Governments should do to improve the symbiotic relation of Air Transport & Tourism
  - ✓ Liberalization
  - ✓ Consumer Protection
  - ✓ Information Exchange
  - ✓ Facilitation
  - ✓ Justified Taxation
  - ✓ Support ICAO/UNWTO continued cooperation

Similar growth patterns

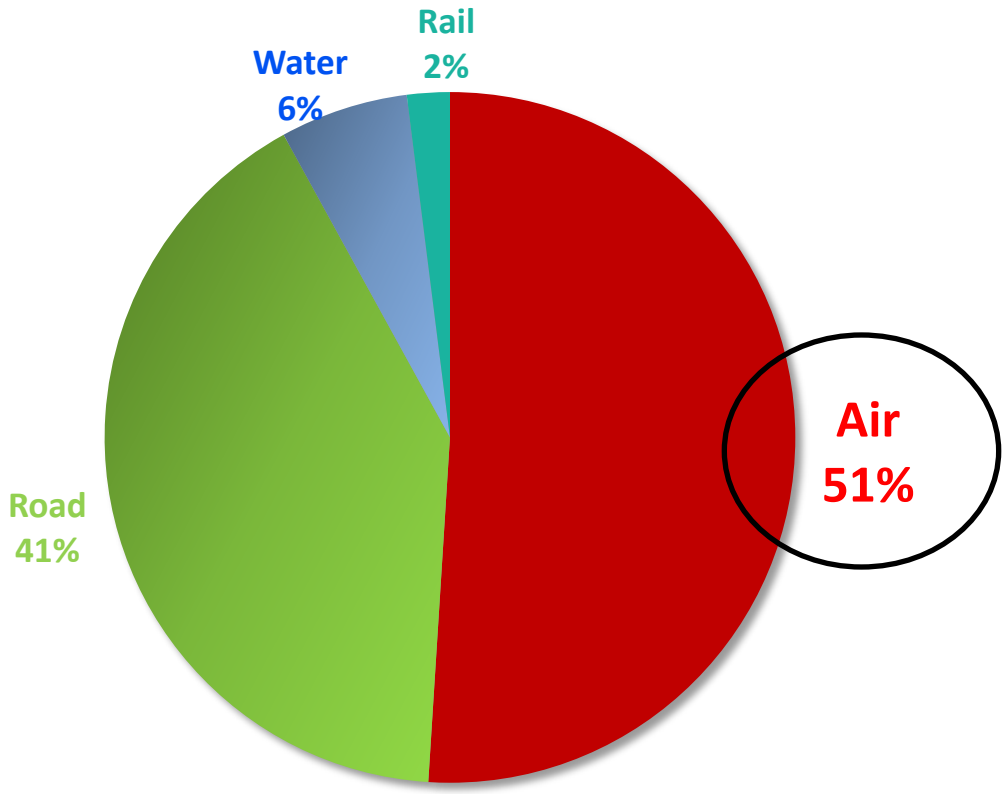


Source: ICAO

*: scheduled and non-scheduled services

Over half international tourists are passengers

Inbound travellers by mode of transport



Source: UNWTO

Note: *2010 figures for international tourists*

Air Transport & Tourism

Contributions to economy

Air transport's contribution to economy

- Employs more than 50 million persons worldwide
- Represents 3.5% of global GDP (would rank 19th if was a country)
- Air transport key enabler of tourism growth
- Annual aircraft departures to grow from 30 million (today) to 60 million (2030)

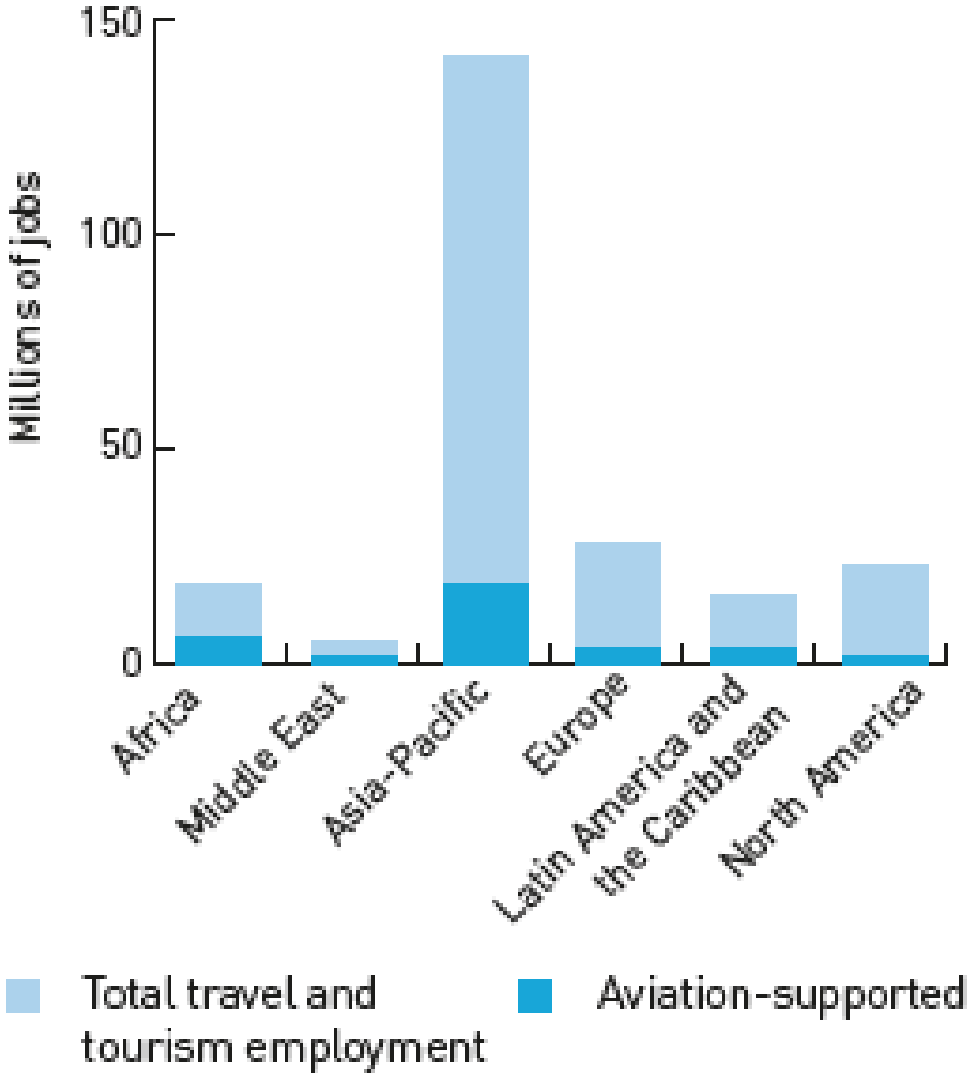
Source: ICAO, ATAG 2012

Tourism contribution to economy

- Employs 1 in 12 people worldwide
- Represents directly 5% of global GDP
- Tourism generates US $1.3 trillion in exports for countries visited
- Contributes 30% of worldwide service exports
- Diversification of economy/tax revenues
- Development/regeneration of regions

Source: UNWTO

Employment in tourism supported by Air Transport - 2010



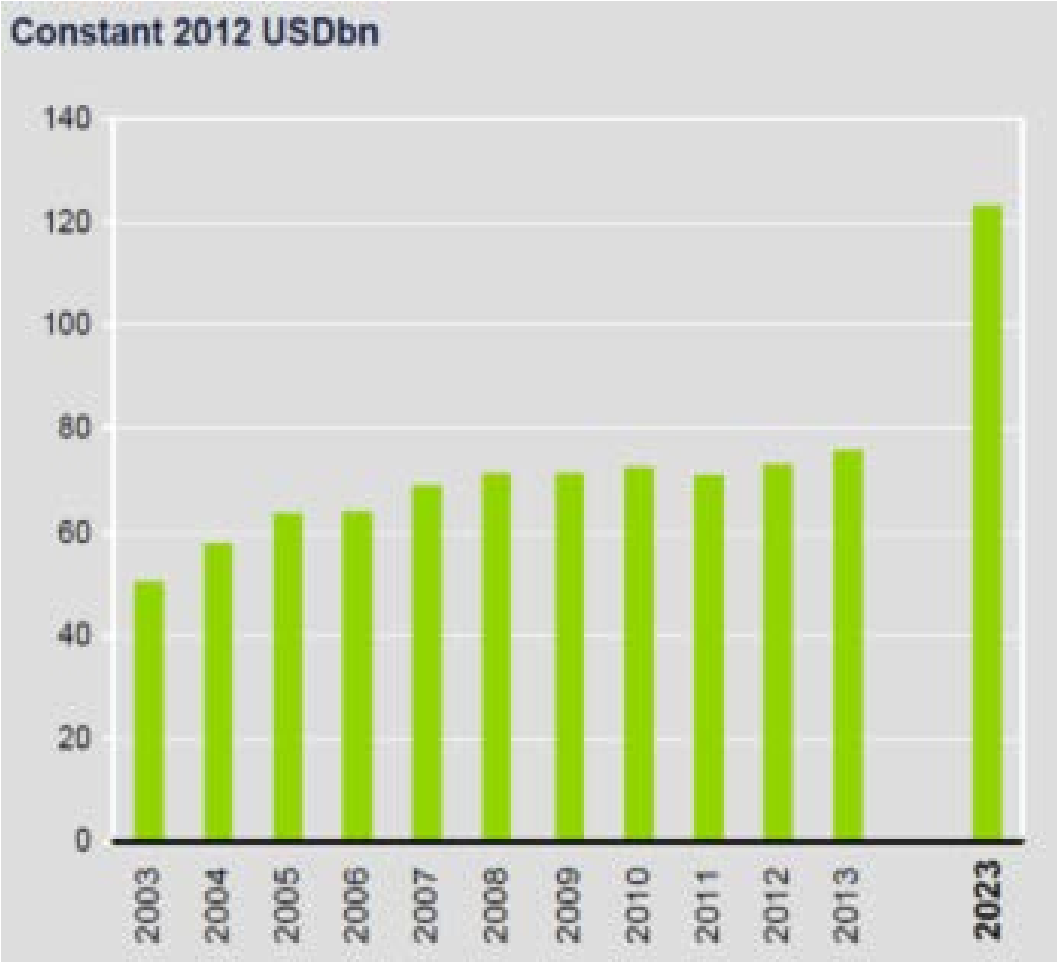
Source: ATAG 2012

Air transport & Tourism contributions to economy - 2030

- 82 million jobs
- $6.9 trillion in GDP in 2030

Source: ICAO, ATAG 2012

Africa – Contribution of Travel and Tourism to GDP 2011

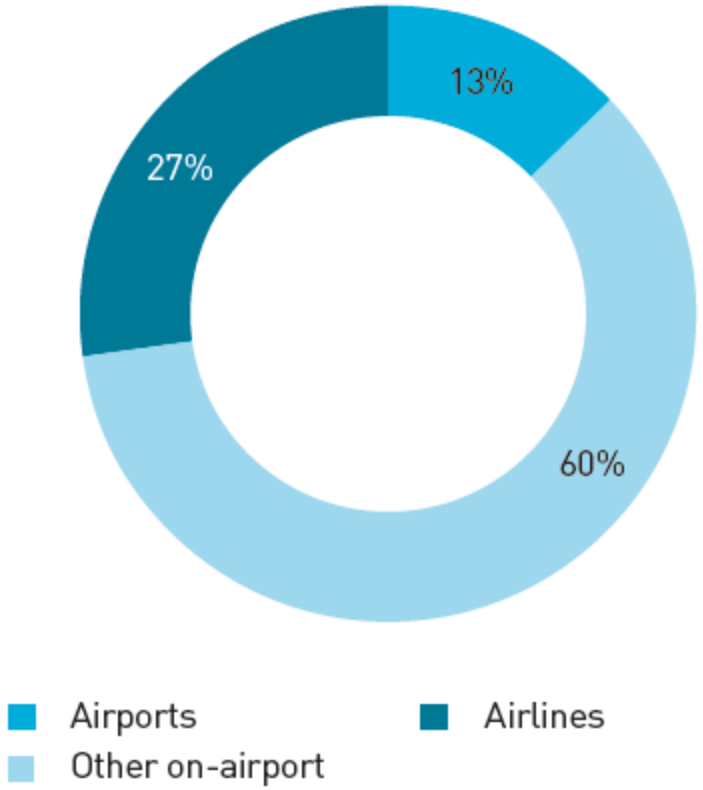


Source: World Travel and Tourism Council 2012

- Direct contribution of travel and tourism 2012: over USD 70 billion
- Reflects economic activity generated by industries such as hotels, travel agents, airlines and other passenger transportation services

Small Island States Jobs and GDP generated by air transport - 2010

- 78,000 direct jobs created by air transport
  - 21,000 (27%): airlines, handling agents (flight crews, maintenance, reservations)
  - 10,000 (13%): aircraft operators (management, maintenance, security)
  - 47,000 (60%): governments agencies (customs, security) or services (restaurants, hotels)
- In total (direct, indirect, induced impacts): air transport supports 192,000 jobs in the Small Island States and over $3.8 billion GDP
- In addition there are over 1.2 million jobs supported through catalytic impacts of travel and tourism

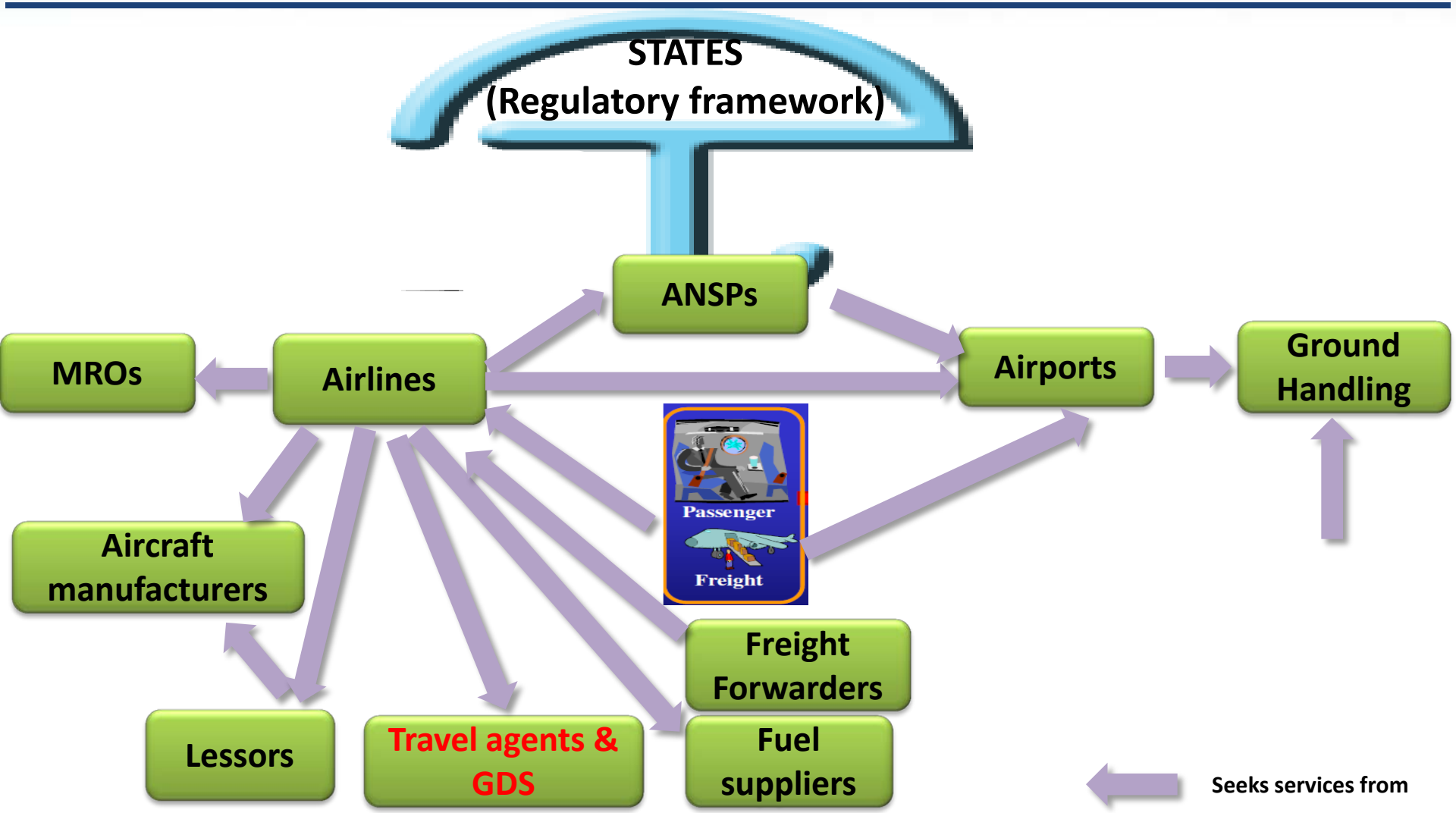


Direct jobs generated by air transport – 2010. Source: ATAG, 2012

Governments

What should Governments do to improve the symbiotic relation of Air Transport & Tourism?

Value chain of air transport



The Way Forward:

- Liberalization
- Consumer protection
- Exchange of information: data/statistics
- Facilitation (visa & border control)
- Justified taxation
- Support ICAO/UNWTO continued cooperation

Liberalization

- Market Access
  - Freedoms of the air
  - Ownership & control
- Bilateral → Multilateral
  - ICAO AIR services Negotiation (ICAN)

ICAO Air services Negotiation (ICAN)

What is ICAN?

A unique, innovative facility/service

- A place to meet for multiple air services agreements talks
- A forum to get info, discuss issues
- A platform for bilateral, multilateral talks

ICAN benefits

	2008	2009	2010	2011	2012
Number of participating States	27	52	38	64	62
Number of meetings	100	200	200	340	350
Number of Bilateral Agreements	20	60	60	120	130

www.icao.int/Meetings/ican2012/

Consumer Protection

- Price transparency
- Basic services
- Assistance to Passengers
- Harmonized environment for force majeure
- Insolvency of carrier

Visa Facilitation & Border Control

- **Annex 9** – Border Control Standards and Recommended Practices (SARPs): immigration, customs, health, quarantine
- **Application to Tourists:** definition of “visitor” person who enters a State for non-immigrant purposes (tourism, recreation, etc.)
- **Relevance to UNWTO’s promotion of tourism:** Annex 9’s SARPs aimed at facilitating the process of obtaining visas

Visa Facilitation & Border Control (cont.)

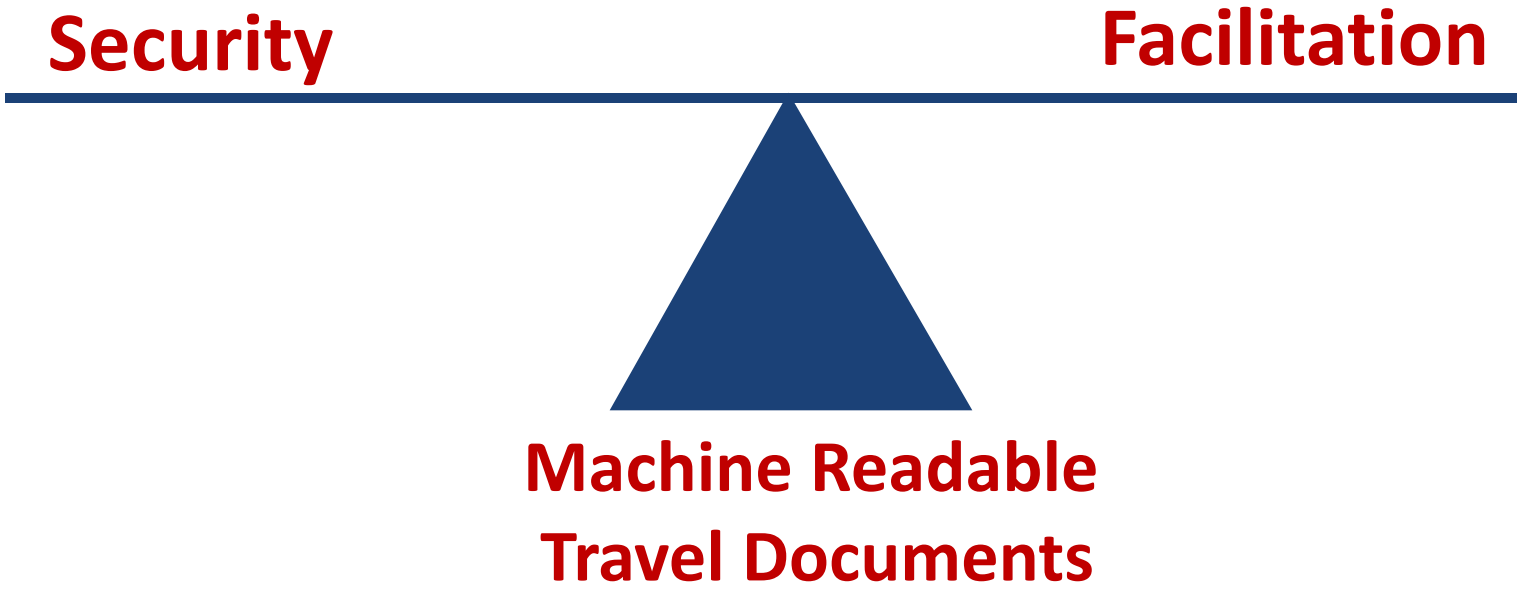
- **Reduce documentation & interview requirements:** waiver of entry visas (RP3.19); no personal appearance for visa issuance (RP3.23); validity of visas for six months (Std.3.24)
- **Increase visa-processing capacity:** simple, transparent visa application procedures (Std.3.22)
- **Use technology to increase efficiency and enhance security:** improved security features (Std.3.7)

ICAO: From "Security" to "Security and Facilitation"

- Annex 9 (FAL) & Facilitation Manual (Doc 9957)
- Annex 17 (AVSEC) & Aviation Security Manual (Doc 8973/8)
- ICAO continues to enhance aviation security as a strategic objective
- Strategic Objective for the next triennium: Aviation Security and Facilitation

New Strategic Objective
Enhance Global Security and Facilitation

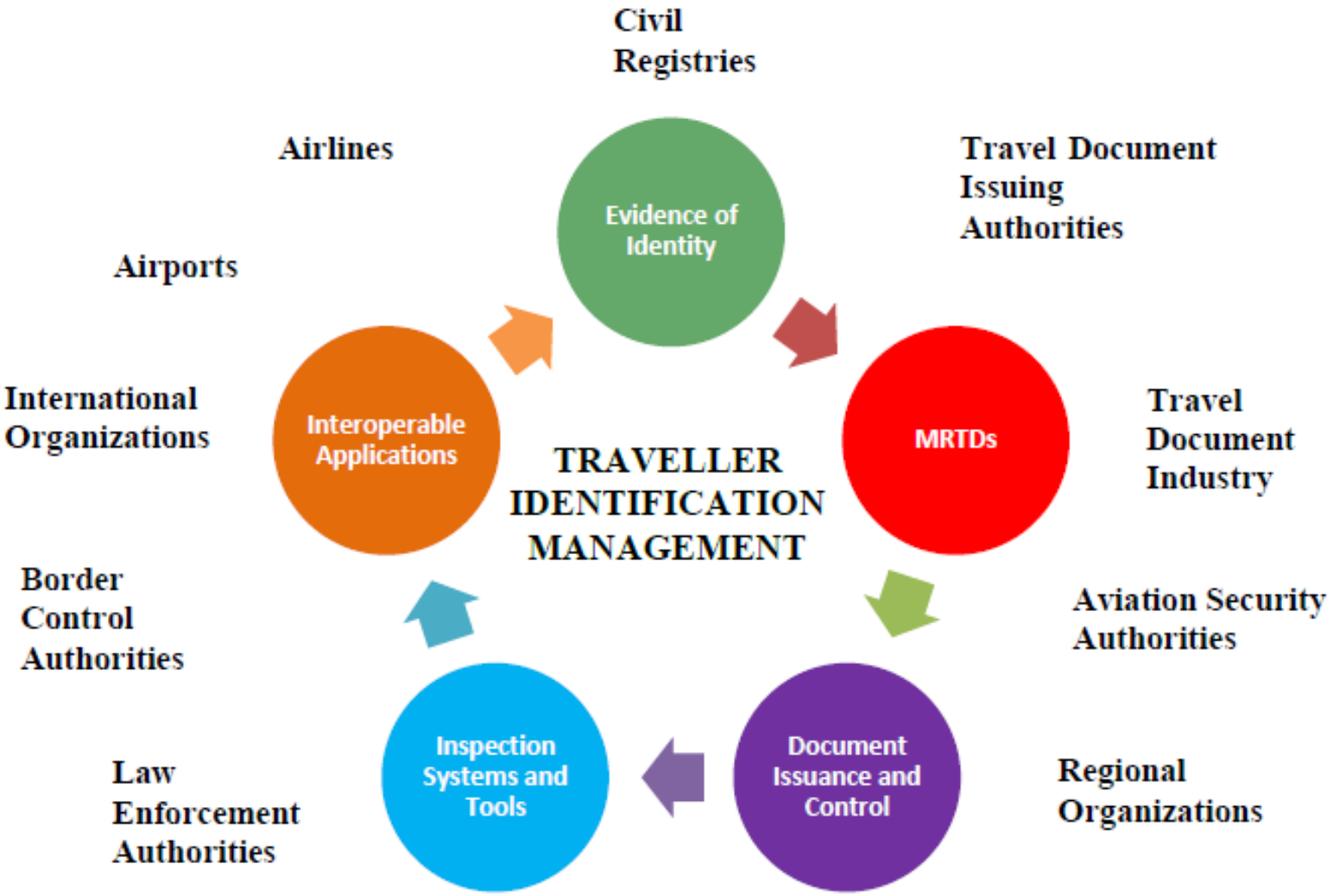
This Strategic Objective reflects the need for ICAO's leadership in aviation security, facilitation and related border security matters



Holistic Traveler Identification Management



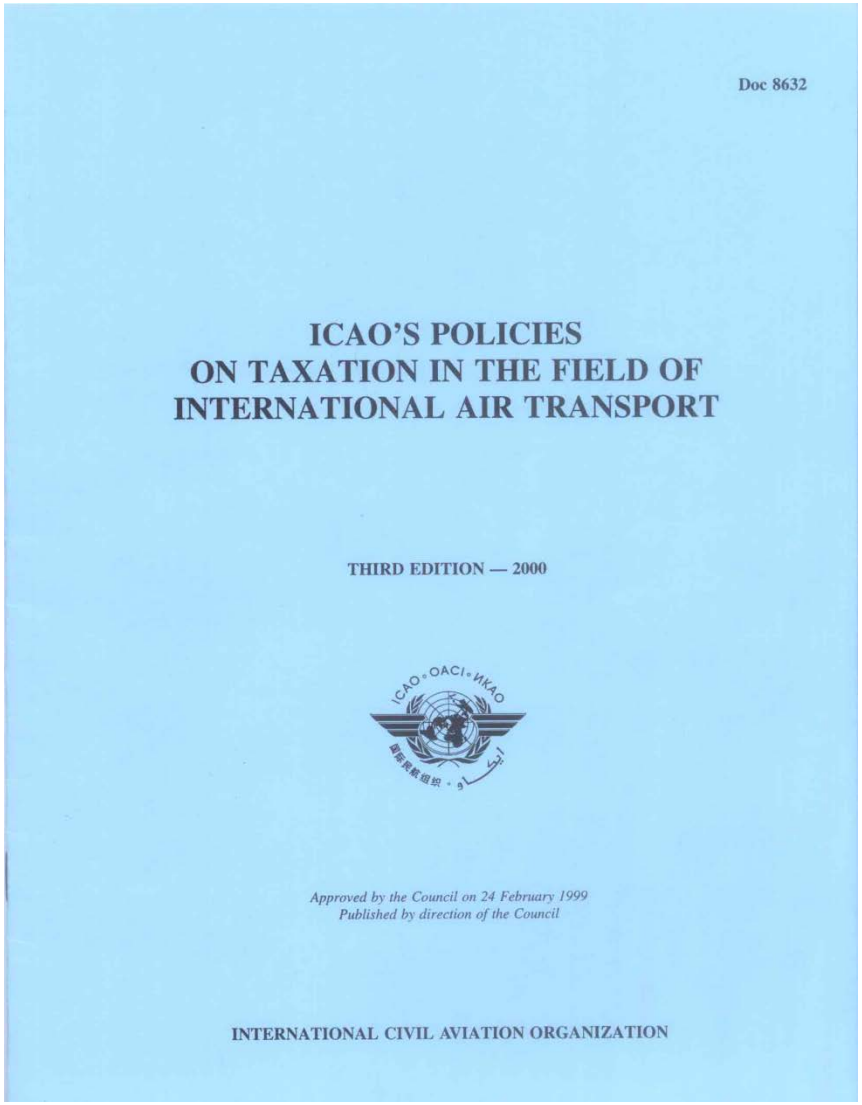
Holistic Traveler Identification Management (Cont.)

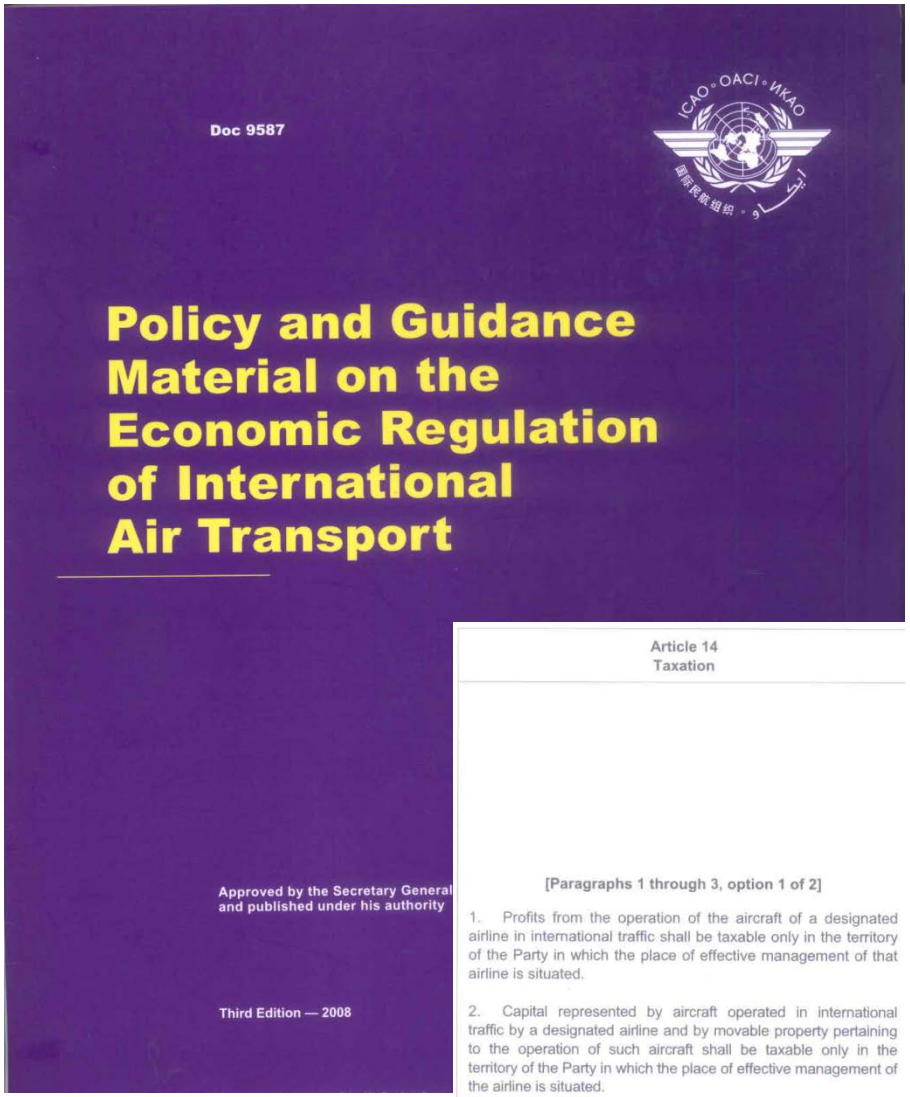


Proliferation of Taxes

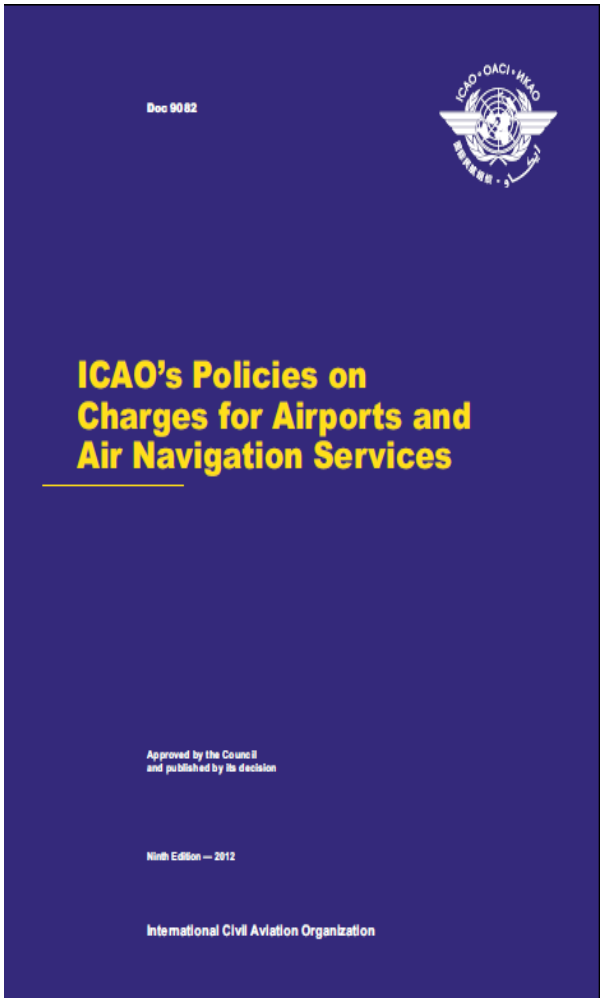
- Air passenger duty, air transportation tax, air travel tax, solidarity tax…
- A State in Asia-Pacific proposed 17% in tax on passengers; evidence of possible damage to economy; decision to withdraw
- Other States elect to have lower taxes: decrease direct tax revenues on air transport but ultimately increased tax base from indirect activities

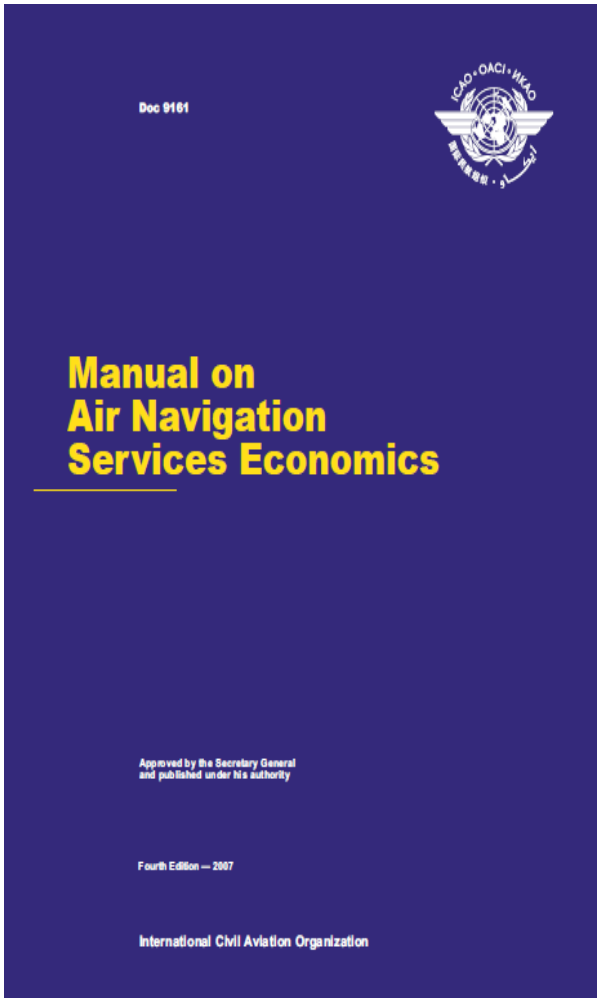
ICAO´s Policies on Taxation

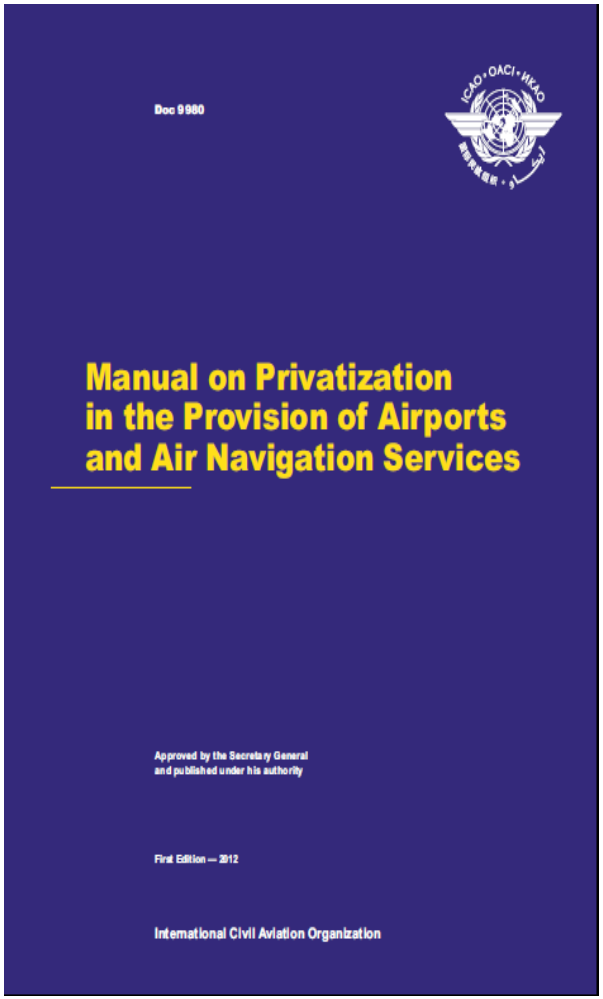




ICAO´s Policies and guidance material on Charges







ICAO/UNWTO working Hand-in-Hand



Aviation & Tourism



Hand in Hand for Sustainability

Thank You

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