Air Transport and Tourism: a Symbiotic Relation

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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

Number of tourists traveling by air (million)

Source: ICAO

International Revenue Passenger-Kilometers*

*: scheduled and non-scheduled services
Over half international tourists are passengers

Inbound travellers by mode of transport

- Air: 51%
- Road: 41%
- Water: 6%
- Rail: 2%

Source: UNWTO

Note: 2010 figures for international tourists
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

- 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

Source: World Travel and Tourism Council 2012
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

Source: ATAG, 2012
Governments

What should Governments do to improve the symbiotic relation of Air Transport & Tourism?
Value chain of air transport

STATES
(Regulatory framework)

MROs → Airlines → ANSPs → Airports → Ground Handling

- Airlines seeks services from:
  - MROs
  - Aircraft manufacturers
  - Lessors
  - Travel agents & GDS
  - Freight Forwarders
  - Fuel suppliers

- Airports seeks services from:
  - ANSPs
  - Airlines
  - LESSORS

- Ground Handling seeks services from:
  - Airports

Fuel suppliers

Seek services from

26 April 2013
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

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[www.icao.int/Meetings/ican2012/](http://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.

Security Facilitation

Machine Readable Travel Documents
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 and guidance material on Charges

ICAO’s Policies on Charges for Airports and Air Navigation Services

Manual on Air Navigation Services Economics

Manual on Privatization in the Provision of Airports and Air Navigation Services

Approved by the Council and published by its decision

International Civil Aviation Organization
ICAO/UNWTO working Hand-in-Hand

Aviation & Tourism
Hand in Hand for Sustainability
Thank You