

Annex I. Report of the Committee on Tourism and Competitiveness

I. Background:

1. It is recalled that the **Committee on Tourism and Competitiveness**, as a subsidiary organ of the Executive Council, was established at the 95th session of the Executive Council (Belgrade, Serbia, May 2013) (CE/DEC/7(XCV)), with the aim of replacing the former Market and Competitiveness Committee (MCC).
2. Its Rules of Procedure and composition were approved by the Council at its 96th session (Victoria Falls, Zimbabwe, August 2013).
3. During the 21st session of the General Assembly (Medellín, Colombia, September 2015) the new members of the CTC were elected for the period 2015-2019. Following the appointment of the CTC Members (CE/102/2(c)), Peru and Italy were elected as Chair and Vice-Chair respectively.
4. The CTC held the following meetings:
 - (a) The 3rd in-person meeting was chaired by Mexico during the 21st session of the General Assembly in Medellín, Colombia, (13 September 2015) with the participation of the former CTC members (2013-2015) and the nominated members (2015-2019) proposed by the Regional Commissions prior to the decisions of the Executive Council with the aim of exchanging knowledge and information on the work already achieved.
 - (b) The 4th in-person meeting was chaired by Peru on the occasion of FITUR (22 January 2016) in Madrid, Spain. It provided a follow-up of the progress already achieved and discussed the proposal made by Peru regarding the activities of the CTC under its new composition.

II. Priorities:

5. The new members of the CTC fully agree upon the key principles related to the work priorities of the Committee:
 - (a) Support the Organization in fulfilling its normative role;
 - (b) Provide a dialogue mechanism between the public and private tourism stakeholders and academia within a coherent framework to give guidance in building and strengthening tourism competitiveness policies and strategies;
 - (c) Build synergies and strategic alignments in the harmonization of the related activities of the Secretariat as well as other collaborating organizations/entities to ensure consistency and consensus in the delivery of the outputs and reinforce the official position of the Organization.

III. Definitions:

6. Since its establishment, in 2015, the CTC has focused its work mainly on assessing the state of knowledge on the basic concept of “tourism competitiveness” and identifying its key factors. This process has also included identifying, developing and harmonizing concepts, models and operational definitions used in the tourism value chain within a hierarchical structure, from general to the specific. This should lead to a validation process which will reinforce the normative role of the Organization while the

technical outputs and recommendations can be used by the UNWTO Members for different purposes such as measuring, labelling and/or benchmarking.

7. In that regard, the CTC decided to submit the following definitions (developed by consensus) to the 103rd session of the Executive Council for endorsement. These definitions were already presented to the 100th session of the Council for information.

- (a) **Tourism Destination:** The following definition is based on the initial definition of “Tourism Destination” which dates back to 2002 as a result of the work of the WTO Think Tank on Destination Management (Madrid, Spain)

A Tourism Destination is a physical space with or without administrative and/or analytical boundaries in which a visitor can spend an overnight. It is the cluster (co-location) of products and services, and of activities and experiences along the tourism value chain and a basic unit of analysis of tourism. A destination incorporates various stakeholders and can network to form larger destinations. It is also intangible with its image and identity which may influence its market competitiveness.

- (b) **Destination Management/Marketing Organization (DMO):**

A Destination Management/Marketing Organization (DMO) is the leading organizational entity which may encompass the various authorities, stakeholders and professionals and facilitates tourism sector partnerships towards a collective destination vision. The governance structures of DMOs vary from a single public authority to a public/private partnership model with the key role of initiating, coordinating and managing certain activities such as implementation of tourism policies, strategic planning, product development, promotion and marketing and convention bureau activities.

The functions of the DMOs may vary from national to regional and local levels depending on the current and potential needs as well as on the decentralization level of public administration. Not every tourism destination has a DMO.

- (c) **Tourism Product:**

A Tourism Product is a combination of tangible and intangible elements, such as natural, cultural and man-made resources, attractions, facilities, services and activities around a specific center of interest which represents the core of the destination marketing mix and creates an overall visitor experience including emotional aspects for the potential customers. A tourism product is priced and sold through distribution channels and it has a life-cycle.

(d) **Tourism Value Chain:**

Tourism Value Chain is the sequence of primary and support activities which are strategically fundamental for the performance of the tourism sector. Linked processes such as policy making and integrated planning, product development and packaging, promotion and marketing, distribution and sales and destination operations and services are the key primary activities of the tourism value chain.

Support activities involve transport and infrastructure, human resource development, technology and systems development and other complementary goods and services which may not be related to core tourism businesses but have a high impact on the value of tourism.

(e) The definition of **Quality of a Tourism Destination** represents a combination of the definition proposed by the former UNWTO Quality Support Committee at its sixth meeting (Varadero, Cuba, 9-10 May 2003) and the inputs of the CTC.

Quality of a Tourism Destination is the result of a process which implies the satisfaction of all tourism product and service needs, requirements and expectations of the consumer at an acceptable price, in conformity with mutually accepted contractual conditions and the implicit underlying factors such as safety and security, hygiene, accessibility, communication, infrastructure and public amenities and services. It also involves aspects of ethics, transparency and respect towards the human, natural and cultural environment.

Quality, as one of the key drivers of tourism competitiveness, is also a professional tool for organizational, operational and perception purposes for tourism suppliers.

(f) **Innovation in Tourism:**

Innovation in Tourism is the introduction of a new or improved component which intends to bring tangible and intangible benefits to tourism stakeholders and the local community, improve the value of the tourism experience and the core competencies of the tourism sector and hence enhance tourism competitiveness and /or sustainability. Innovation in tourism may cover potential areas, such as tourism destinations, tourism products, technology, processes, organizations and business models, skills, architecture, services, tools and/or practices for management, marketing, communication, operation, quality assurance and pricing.

(g) **Competitiveness of a Tourism Destination:**

The Competitiveness of a Tourism Destination is the ability of the destination to use its natural, cultural, human, man-made and capital resources efficiently to develop and deliver quality, innovative, ethical and attractive tourism products and services in order to achieve a sustainable growth within its

overall vision and strategic goals, increase the added value of the tourism sector, improve and diversify its market components and optimize its attractiveness and benefits both for visitors and the local community in a sustainable perspective.

8. The UNWTO Secretariat will propose to the CTC further definitions, such as tourism image, tourism brand, accessibility, accommodation types, tourism and/or product typologies (i.e., urban/city tourism, ecotourism, rural tourism, coastal tourism, cruise tourism, adventure tourism, cultural tourism, religious/spiritual tourism, wellness/spa tourism, medical/health tourism, mega-events tourism, meetings industry etc.) for review and consensus.

9. The Secretariat drafted a provisional list of relevant quantitative and qualitative factors which help professionals more clearly understand destination competitiveness. These factors will be subject to further discussions in terms of their relevance and priority within the CTC before moving towards detailed research.

IV. Work Programme and Future Action:

10. During its 4th in-person meeting (Madrid, January 2016), the CTC discussed and supported the proposal of Peru (Chair) on a new initiative which aims at elaborating a series of technical publications which analyse and conceptually define the quantitative and qualitative factors of destination competitiveness and at the same time showcase a number of destinations at the local, national, regional levels, which have already developed efficient methodologies, tools and indicators to evaluate their competitiveness, given some of the related factors/variables.

11. This project will enable the Member States to enhance their understanding of the factors that explain destination competitiveness in their efforts to promote public tourism policies that foster competitiveness and a sustainable development. The project involves a participatory approach and a holistic vision of the concept of destination competitiveness and will have sequential phases of research each of which will be accompanied by technical documents including guidelines and case studies from the UNWTO Member States.

12. The CTC also made recommendations on:

- (i) The assignment of a focal point by each member of the CTC to maintain consistency in communication,
- (ii) The launch of an electronic platform exclusively for the CTC members to exchange knowledge and documents,
- (iii) The submission of the output of the work of the CTC at its different processing stages to the statutory bodies of the Organization for discussion, information, endorsement and adoption,
- (iv) The review of the Rules of Procedure and submission of a revised version to the 104th session of the Executive Council.