



## UNWTO Commission for the Middle East

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### 3. Report of the Secretary-General

#### Introduction

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1. The present report to the 40th Meeting of the UNWTO Commission for the Middle East addresses the following subjects:
  - A. International Tourism in 2014 and 2015;
  - B. Mainstreaming Tourism in the Global Agenda;
  - C. Administrative and Financial Matters.

#### A. International Tourism in 2014 and 2015

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2. **International tourism in 2014:** Demand for international tourism remained strong in 2014 according to the January issue of the *UNWTO World Tourism Barometer*. The number of international tourists (overnight visitors) reached 1,138 million, 51 million more than in 2013. With an increase of 4.7%, this was the fifth consecutive year of above average growth since the 2009 global economic crisis. Advanced economies (+5.7%) have outperformed emerging economies (+3.6%), as was already the case in 2013.
3. **By region**, the Americas (+7%) and Asia and the Pacific (+5%) registered the strongest growth, while Europe (+4%), the Middle East (+4%) and Africa (+2%) grew at a slightly more modest pace. By subregion, North America (+8%) saw the best results, followed by North-East Asia, South Asia, Southern and Mediterranean Europe, Northern Europe and the Caribbean, all increasing by 7%.
4. As in recent years, the growth in **international tourism receipts** in 2014 is expected to have followed that of arrivals fairly close (the 2014 results for international tourism receipts will be released at the end of April 2015). In 2013, international tourism receipts reached US\$ 1,197 billion, US\$ 230 billion more than in the pre-crisis year of 2008.
5. **Europe** (+4%), the most visited region with over half of the world's international tourists, saw an increase of 22 million arrivals in 2014, reaching a total of 588 million. Thanks to these results, tourism has been a major contributor to the European economic recovery. Northern Europe and Southern and Mediterranean Europe led growth (both +7%), while results were more modest in Western Europe (+2%). Arrivals in Central and Eastern Europe (0%) stagnated after three years of strong growth.

6. International tourist arrivals in **Asia and the Pacific** (+5%) increased by 13 million to 263 million. The best performance was recorded in North-East Asia and South Asia (both +7%). Arrivals in Oceania grew by 6%, while growth slowed down in South-East Asia (+2%) as compared to previous years.
7. The **Americas** was the best performing region in relative terms with growth of 7%, welcoming an additional 13 million international tourists and raising the total to 181 million. Growth was driven by North America (+8%) and the Caribbean (+7%). Arrivals to Central America and South America (both +6%) grew at double the rate recorded in 2013 and well above the world average.
8. **Africa's** international tourist numbers grew by an estimated 2%, equivalent to an increase of one million arrivals. The region reached 56 million tourists. While arrivals to **North Africa** were weak (+1%), Sub-Saharan Africa saw international tourist numbers rise by 3% despite the Ebola Virus Disease outbreak in a few West African countries.
9. International tourism in the **Middle East** (+4%) showed signs of rebound after three consecutive years of decline in the number of arrivals, with good results in most destinations. The region attracted an additional 2 million arrivals, bringing the total to 50 million. Data for Africa and the Middle East should be read with caution as it is based on limited and volatile data.
10. As per **outbound tourism as measured by international tourism expenditure**, available data for 2014 shows that the recovery of traditional source markets compensated for the slowdown of the large emerging markets, which had been driving tourism growth in previous years.
11. **Expenditure** from China, the first source market in the world in expenditure, was up by 28% in 2014. Among the other two main **emerging markets**, the Russian Federation (-6% in the first three quarters) lost strength in 2014, while Brazil still grew by 2.5%, despite the appreciation of the US dollar against the Brazilian real and slower economic growth. Beyond the top ten, some smaller emerging markets saw expenditure grow substantially, with Saudi Arabia, India, the Philippines and Qatar all reporting increases of 30% or over.
12. **Among advanced economies, expenditure** from the United States, the second largest outbound market in the world, grew by 6%. Noteworthy is also the rebound of France (+11%), Italy (+6%) and the United Kingdom (+4% in the first three quarters). Expenditure from Germany, the third largest outbound market, by contrast was rather flat (+1%).

*The current assessment was prepared based upon the January Issue of the UNWTO World Tourism Barometer; a verbal update will be provided to the 40th Meeting of the UNWTO Commission for the Middle East.*

## **B. Mainstreaming Tourism in the Global Agenda**

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13. The **UNWTO/WTTC Open Letter on Travel and Tourism** campaign continues to advance. At the end of March 2015, 73 Heads of States and Government had received the Open Letter since February 2011, out of which seven from the Middle East (by date of acceptance): Bahrain, Jordan, United Arab Emirates, Qatar, Oman, Kuwait and Lebanon.
14. The **sixth T.20 Ministers Meeting** will be held in Republic of Turkey on 29-30 September 2015 in line with the G20 Presidency. This will be a unique opportunity to further enhance the cooperation among the G20 countries in the area of tourism and enhance the contribution of the sector to more

inclusive economic growth, particularly through the creation of decent jobs. As per the priorities of the G20 Presidency, the sixth T.20 Ministers Meeting is proposed to discuss how tourism can address the challenges of a 'jobless growth', with a particular focus on policies that promote gender equality, youth unemployment, skills adequacy, entrepreneurship, and investment to unlock jobs and growth. To that end, UNWTO and the International Labour Organization (ILO) will be preparing a background document with the participation of T.20 countries.

15. The Secretariat continues to work to position tourism higher and in a coordinated manner in the **United Nations system** agenda as well as that of other **relevant international and regional organizations**. Among the activities carried out/planned under this area of work, it is worth highlighting:

(a) The proposal to designate **2017 as the International Year of Tourism for Development and Peace**: UNWTO is working with Member States to propose to the UN General Assembly the celebration of 2017 as the International Year on Tourism for Development and Peace. Auspiciously, this would come 50 years after the 1967 UN International Tourism Year under the theme "Passport for Peace".

(b) The **10 Year Framework of Programmes on Sustainable Consumption and Production (10YFP)** adopted at the Rio+20 Conference as a framework for action: Sustainable Tourism is, together with Consumer information; Sustainable lifestyles and education; Sustainable public procurement and Sustainable buildings and construction; one of the initial five programmes included in the 10 YFP. The Sustainable Tourism Programme was launched at the World Travel Market's (WTM) Responsible Tourism Day (5 November 2014, London, UK) with the presence of UNWTO, the lead of the Programme, Morocco, France and the Republic of Korea the Programme co-leads.

(c) The **Sustainable Development Goals (SDGs)**: As a result of concerted efforts of the UNWTO Secretariat and the UN New York Liaison Office (NYLO), the current proposal for the SDGs includes several targets related to sustainable tourism under the goals of economic growth, sustainable consumption and production patterns, oceans and SIDS. The next phase of Intergovernmental Negotiations (IGNs) on the Post-2015 Development Agenda commenced in January 2015 and will continue until July 2015 when the Agenda is expected to be agreed upon by the Member States and submitted for adoption by the Summit of Heads of State and Governments to be held in September 2015;

(d) **The tourism and security agenda**: UNWTO has strengthened its cooperation with the relevant UN agencies and organizations in this area, including the UN Counter-Terrorism Committee Executive Directorate (CTED) and the Counter-Terrorism Implementation Task Force (CTITF), for promoting tourism security. UNWTO had also joined the CTITF's Working Group on Protection of Critical Infrastructure, Vulnerable Targets, Internet and Tourism Security in 2014;

(e) **Tourism's contribution to the sustainable development of Small Island Developing States (SIDS)**: Sustainable tourism is one of the priority areas included in the outcome document of the Third International Conference on Small Island Developing States (SIDS), the SIDS Accelerated Modalities of Action (SAMOA) Pathway (also known as the 'Samoa Pathway') with an extensive set of areas for action. UNWTO also played an important role and significantly contributed to several events during the Conference;

(f) The **69th UNGA session resolution on the "Promotion of sustainable tourism, including ecotourism, for poverty eradication and environment protection"** adopted, by consensus and sponsored by a total number of 107 Member States;

(g) The **UNWTO/UNESCO World Conference on Tourism and Culture - Building a New Partnership** held in Siem Reap, Cambodia on 4-6 February 2015. The Conference brought together over 900 participants, including over 45 Ministers and Vice Ministers of Tourism and Culture, international experts, speakers and guests from 100 countries. The resulting Siem Reap Declaration on Tourism and Culture highlights the need to create a new framework for collaboration between tourism and culture, which includes active participation of host communities, visitors, the public and the private sector and sets a series of commitments covering the four key areas discussed at the Conference – tourism and cultural heritage, cultural routes, the linkages between tourism, living cultures and creative industries and the contribution of cultural tourism to urban development (see [tourismandculture.org](http://tourismandculture.org)).

16. **The 21st Session of the UNWTO General Assembly:** The 21st Session of the UNWTO General Assembly in Medellin, Colombia on 12-17 September 2015, to be held on the theme of "Tourism: Fostering Inclusive Growth and Social Transformation", will be a fundamental opportunity to promote the value of the tourism sector in the global agenda in addressing challenges such as connectivity, climate change, development, peace and social inclusion.

### **C. Administrative and Financial Matters**

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17. The Secretariat notes with appreciation the efforts made by the large majority of Member States to keep current with their financial obligations and, in some cases, to advance the payment of accumulated arrears, particularly in the current economic context. At the same time, and in view of the reduction observed in the collection rate of membership fees and the extraordinary need to advance financing from the Working Capital Fund in 2014, the Secretary-General calls upon all Members to pay their contributions in a timely manner, given that without the regular financial means provided by the Members, it is not possible for the Organization to operate adequately and deliver effectively on its programme of work.

18. Regarding the **financial situation for 2015**, an income and expenditure plan will be presented to the 100th session of the Executive Council following the approved appropriations and the forecast income – income is estimated at euro 13,170,000 and expenses limited to 13,170,000 (98% of the approved budget).

19. Regarding the **financial closing of 2014**, accounts have been produced in accordance to IPSAS for the first time as requested by the UN and UNWTO's General Assembly. There has been a lengthy and resource-intensive exercise to adapt UNWTO's accounting and reporting systems to IPSAS and ensure that IPSAS principles become operational as of 1.1.2014. UNWTO's external auditors (Germany, India and Spain) have audited the accounts during the month of March and concluded that UNWTO's accounts duly represent its financial position in accordance to these accounting standards. The report on the 2014 accounts, together with the auditors' report, will be presented to the 100th session of the Executive Council.

20. **Budget implementation for 2014** reached 99% of approved credits while **income** reached 92% of the budgeted amount. The corresponding gap was closed through the recourse to the Working Capital Fund as per Financial Regulation 10.2(b). This level of implementation aimed to support the work on UNWTO in the areas of tourism and culture and tourism and peace, with the need to

formulate specific budget transfers. These transfers have been submitted for approval in written form to the Programme and Budget Committee (PBC) and subsequently to Executive Council Members. Both bodies approved them in written form, albeit budget implementation for 2014 will be formally submitted for approval at the 100th session of the Executive Council after recommendation of the PBC.

21. The Secretariat continues highly committed to strengthen the efforts in raising **extra-budgetary funds**. The proposal for the creation of a **Tourism for Development Facility** will be presented to the 100<sup>th</sup> session of the Executive Council as a means to leverage the fact that the UNWTO is an ODA Eligible Organization for Bilateral Aid, meaning that funds channelled through UNWTO for projects in ODA eligible countries can be considered by donor countries as an official development assistance.
22. As per mandate of the 98th Executive Council, the Secretariat has assisted the Programme and Budget Committee in assessing **recommendations provided by the Joint Inspection Unit and the External Auditors**. The corresponding report as prepared by a working group of the PBC will be submitted to the 6th PBC meeting.
23. Pursuant to decision of the Executive Council, a report on the **Ethics Function** at UNWTO for 2014 will be presented to the 100th session of the Executive Council.
24. In the area of **Human Resources**, three vacancy announcements were filled: Programme Officer, Tourism Market Trends; Senior Programme Assistant, Regional Programme for the Americas and Senior Programme Assistant, Institutional Relations and Resource Mobilization Programme. In addition, the vacancies for Programme Chief, Budget and Finance Programme and Deputy Director, Regional Programme for Africa are currently open.
25. Once again, the Organization invites all Members to avail themselves of the existing capacity-building scheme whereby **Members may propose to loan officials to the Organization** on a non-reimbursable basis. Requests shall be channelled through the respective Regional Programmes.
26. In the area of **procurement**, a procurement manual, templates for contracts and other bidding documents following UN standards are being progressively implemented by the Organization.