



CONCEPT NOTE
FIRST UNWTO/ICAO MINISTERIAL CONFERENCE
Tourism and Air Transport in Africa
Santa Maria, Sal Island, Cabo Verde
27 to 29 March 2019

As recalled in the *Joint Statement on Aviation and Tourism: Hand in Hand for Sustainability*, signed on 18 March 2013, and in the *Medellín Statement on Tourism and Air Transport for Development*, adopted on 14 September 2015 by the International Civil Aviation Organization (ICAO) and the World Tourism Organization (UNWTO), air transport and tourism are major contributors to global economic prosperity, generating numerous socio-economic benefits and spin-offs. The increased connectivity that air transport delivers is at the heart of tourism development and leads to further investment in both sectors. It creates a healthy cycle of economic development in those countries and regions which set out suitable planning and investment commitments.

In 2017, a record of 1.3 billion tourists crossed international borders, approximately 55 per cent of whom arrived to their destinations by air. In the same year, airlines worldwide carried around 4.1 billion passengers with 7.7 trillion revenue passenger kilometres (RPKs). The total number of international tourists is expected to reach 1.8 billion by 2030 while air traffic volumes will double in the next 15 years¹.

The symbiotic relationship between aviation and tourism is reflected at the global level in the respective mandates of ICAO and UNWTO. ICAO sets standards and policies for aviation safety, security, efficiency, environmental protection and economic development of air transport. UNWTO promotes responsible, sustainable and universally accessible tourism as a driver of economic growth and sustainable development, offering leadership and support to the sector in advancing knowledge and tourism policies worldwide.

Benefits of Tourism and Air Transport

Tourism has become one of the fastest growing economic sectors in the world. It is a sector that accounts for one in every 10 jobs and contributes to 10 per cent of the world's GDP (gross domestic product). Particularly for Least Developed Countries (LDCs),

¹ UNWTO in its long-term outlook forecasts international tourist arrival to reach 1.4 billion by 2020 and 1.8 billion by the year 2030 with emerging economy destinations expected to outperform advanced economy destinations. According to ICAO's long-term air traffic forecasts, by 2034 air passenger traffic is expected to more than double, compared to 2016 and reach over 14 trillion RPKs with a growth of 4.6 per cent per annum.

Landlocked Developing Countries (LLDCs) and Small Island Developing States (SIDS), tourism is often one of the few activities, for which their location, coupled with exceptional natural and cultural resources, is a strong competitive advantage.

Tourism has also the ability to generate significant amount of foreign exchange earnings, spur infrastructure investment, boost competition, and stimulate other economic industries. Part of foreign exchange earnings do trickle down to different groups of a given society. If tourism is managed with a strong focus on poverty alleviation, it can have a positive impact on reducing poverty levels through employment of local people in tourism enterprises, goods and services provided to tourists, or the running of small and community-based enterprises, etc. Tourism is, therefore, regarded by many experts as the most viable and sustainable option to promote economic development in many countries.

Aviation provides the only rapid worldwide transportation network, which makes it essential for global business, and consequently for high revenue travel and tourism. A strong and affordable global air transport network transcends continents, greatly expands local access to foreign supplies and markets, provides invaluable opportunities for cultural and social exchange and enhances emergency and humanitarian response capabilities during crises and public health emergencies.

Air transport generates economic growth, creates jobs, and facilitates international trade and tourism. The total economic impact of the aviation industry is some 3.5 per cent of the world's GDP, USD 2.7 trillion, which supports 62.7 million jobs worldwide. Through a synergetic relationship, aviation supports over 36 million jobs within the tourism sector, contributing roughly USD 892 billion a year to global GDP. Tourism-related GDP is projected to grow 4.0 per cent annually over the next 30 decade, compared to 2.7 per cent growth of global GDP.

Both tourism and air transport sectors directly and indirectly contribute to the attainment of the United Nations' *Transforming our World: 2030 Agenda for Sustainable Development*, including the Sustainable Development Goals (SDGs). For example, SDG Target 8.9 calls on governments to devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products by 2030. SDG 12 b on the other hand stresses the need to continuously monitor and evaluate the impact of tourism on the communities.

Challenges in Africa

Africa has undoubtedly a huge tourism and air transport growth potential that remains untapped. Although some African States are too small or remote to achieve structural transformation through industrialization (i.e. achieving higher levels of added value in manufacturing), they have significant unused natural and cultural tourism potential and opportunities in the area of trade in services by air. The continent with its natural resource endowment and its authenticity and originality as a destination is well positioned to obtain more value from tourism.

Nevertheless, this potential might not be fully translated into real tourism and air traffic growth, and the region has not yet managed to attain access to the global market on a scale that would enable tourism and air transport to be an effective force of development that it could become. The number of tourists coming to Africa is still relatively low compared with other regions. The number of international tourist arrivals expressed in percentage of the population in Africa is 5.4 arrivals per 100 of the population, compared to 14.7 per 100 of the population worldwide, or 59.2 per 100 in Europe².

Despite the fact that the tourism sector in Africa is highly dependent on air transportation³, the availability of air transport services in comparison with other parts of the world remains considerably small. Most airports in African States, especially LDCs, LLDCs and SIDS, receive only a limited number of flights a week, and costs of air travel may be disproportionately high both for intra-Africa flights and for international flights to and from Africa. The African population, which represents about 15 per cent of the world's population, is catered by only around 4 per cent of all scheduled air service seats in the world, compared to 27 per cent in Europe which has 11 per cent of the population of the world.

The uncertainty about continuation of air services might have an adverse effect on a travel industry's inward investment and the opportunity for inbound tourism, and thus the actual loss of a service could have a much greater cost. Without reliable, attractive air services and harmonized aviation and tourism policies, the benefits of aviation and tourism simply cannot be realized or are constrained at best.

Modernization and development of quality tourism and airport infrastructure, better safety and security services, visa and travel facilitation, and liberalization of air transport are all important measures to be considered by African States to break a vicious circle of economic and logistical disadvantages and enhance structural transformation.

It is worth noting that African skies have significantly changed with the emergence of new air carriers for the last decades⁴. Positive developments have also been noted in several African hubs since the adoption of the Yamoussoukro Decision concerning the liberalization of access to air transport markets in Africa (endorsed in 2000). However, there is still plenty of room for improvement and a lot of commitment is necessary for the full benefits of the Yamoussoukro Decision to materialize.

² It is worth mentioning that during the last decade Africa has recorded an average growth rate almost two percentage points higher than the world average as a whole, thereby pointing out a narrowing gap in these figures.

³ In 2012, almost half of the 53 million of tourists that visited countries in the continent traveled by air, a proportion that is set to continue. By 2030, UNWTO forecasts international tourists to the African continent to reach 134 million, out of which around 61 million are expected to arrive by air.

⁴ Between 2004 and 2013, progress in the liberalization of traffic rights, coupled with the 4.5 per cent annual economic growth rate for the African continent, resulted in 500 new routes between Europe and Africa, 420 within Africa, and 125 between Africa and the Middle East, without forgetting the increasing number of direct flights between Africa and the Americas and Asia as well.

The good news is the recent launch of the Single Africa Air Transport Market (SAATM) by the African Heads of States in Addis Ababa, Ethiopia on 29 January 2018. To date, 26 African States have formally adhered to its solemn principles; and open skies over African continent may soon be a reality, building the necessary regulatory framework to increase international intra-African travel, all of which highlight the encouraging effects that regional liberalization has on the sustainable development of air transport.

While air transport is vital for the development of tourism in Africa, the reverse is equally true. The challenge for aviation development is that over-dependence on international tourism is not risk-free. Tourism demand is very sensitive to economics, security, political events and natural disasters, and is of a seasonal nature. A “smart product mix”, i.e. the establishment of good integration between aviation and other service and commodity sectors, is required. For example, developing state-of-the-art air transport facilities would not only be a sensible move for competitiveness in international tourism; it could also serve as a powerful incentive for foreign direct investors to explore economic opportunities in other economic sectors.

Skills shortages are also posing a considerable short-term obstacle to growth, with a lack of adequately trained aviation and tourism industry personnel. Africa needs more and better trained personnel to meet not only current requirements but also the needs for future growth and new technologies. A collective and effective strategy in line with the African Union vision addressing these challenges will enable both tourism and air transport sectors to stimulate growth of the overall economy and create opportunities for wealth creation and employment generation in the continent.

Objective of the Event

UNWTO and ICAO recognize the strong interdependence between air transport and tourism, and are committed to ensuring the sustainable development of both sectors. Maximizing and balancing the benefits of tourism and air transport requires enabling regulatory environments, coherent policies, good governance and quality infrastructure commensurate with the level of predicted tourism and air traffic growth.

It is in this context and supporting the attainment of the African Union Agenda 2063 that Cabo Verde has joined forces with the two specialized agencies of the United Nations to stage a Ministerial Conference on Tourism and Air Transport in Africa to be held in Santa Maria, Sal Island, Cabo Verde from 27 to 29 March 2019.

The objective of the Conference is in line with the UN SDGs, to bring together high level government officials and technical experts from air transport and tourism, as well as from complementary areas, international organizations and private sector stakeholders to:

- a) Identify challenges and opportunities that foster the development of connectivity and seamless travel in the African continent;
- b) Enhance common understanding and responses to the business imperatives through strengthening dialogue between the two sectors; and
- c) Raise political willingness to mainstream the priorities of the two sectors in the national, regional and global agendas,
- d) To support the attainment of the African Union Agenda 2063

The Conference will build on progress and advancements achieved so far, and will develop pragmatic, forward-looking solutions and credible means that enable African States to maximize and balance the benefits from the future development of tourism and air transport services in the continent.

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