

Talking points for NEPAD High Level Event on Sustainable Tourism Development in Africa: A Transforming Opportunity for Inclusive Growth
21 September 2017, 11.00 – 13.00

With 2017 the United Nations-designated International Year of Sustainable Tourism for Development, UNCTAD's Economic Development Report in Africa focused on *Tourism for Transformative and Inclusive Growth*.

- This report places tourism amongst the few sectors that are critical for achieving both the African Union's Agenda 2063 and the 2030 Sustainable Development Agenda. We argue that tourism is a transforming opportunity for inclusive growth across Africa in line with the focus of today's event.

Three key messages we took from the report:

- 1. First, tourism has been a significant job creator across economies on the continent.**
 - Over the period 2011–2014, the sector generated more than 21 million jobs, or about 1 out of 14 jobs, lifting millions of people, including in rural areas out of poverty.
 - In Africa, tourism employs a higher share of women and youth than in other sectors. At the management level, for example, 31 per cent of employers in tourism are women, which is higher than the average of 21 per cent across all sectors.
- 2. Second, tourism in Africa is increasingly driven by Africans themselves.**
 - Not only is intra-regional tourism growing in importance, its share is also rising, from 34 per cent in 2010 to 40 per cent in 2013. This encompasses leisure and business tourism, including niches like medical tourism and school tourism.
- 3. Finally, tourism has multiplier effects on other sectors such as agriculture, infrastructure, construction, services and creative industries.**
 - With regard to local sourcing, for example, procurement by tourism establishments generates income for local agricultural producers and other sectors across the value chain.
 - As food and beverages account for one third of tourist expenditures in Africa, developing the agro-business sector across the continent will limit economic leakages that result from the import of inputs from intermediary suppliers.

Tourism can be the vector of a more integrated Africa, with increased intra-regional trade that can be the traction for developing competitive intra-continental value chains.

- Consider the ripple effects that tourism has on creative industries. There is a strong potential in developing viable linkages between tourism and local handicrafts sectors.
- A thriving tourism sector generates business opportunities for semi-skilled and unskilled artisans in a variety of sectors including cotton.
- Promoting these positive effects is essential considering the centrality of the cotton sector in providing livelihoods for millions of Africans across its value chains.

- UNCTAD provided lead support in the design of the Pan-African Cotton Road Map that highlighted critical steps for developing the cotton sector from production to processing. That Road Map is now being used by NEPAD for the design of its Pan African Cotton Investment Programme, the first of its kind. We stand ready to continue assisting NEPAD on this.

Africa can and must accelerate progress to achieve the objectives laid out in the African Union's Tourism Action Plan. Specific challenges that Africa needs to urgently address:

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Create more and better tourism jobs: More efforts need to be made to harness tourism's labour-intensive and strong absorptive capacity for employment creation for unskilled and skilled workers.

- In concrete terms, this means putting in place specific measures such as quality skills development in tourism and other productive sectors, entrepreneurship programmes, access to finance and business development programmes specifically geared for women and youth.

Liberalize air travel: African countries need to implement the Open Skies for Africa Agreement

- This will increase competition in the aviation sector and improve the affordability of air services. Besides creating jobs and increasing airline passengers, implementing the Open Skies for Africa could also boost the continent's GDP.

Facilitate the free movement of persons on the continent: Eliminating restrictive visa regimes is critical.

- Measures undertaken by Rwanda in this regard are instructive. Following Rwanda's abolishment of visa requirements for East African Community nationals in 2011, intra-regional tourists to Rwanda increased from 283,000 in 2010 to 478,000 in 2013.

Reduce economic leakages, by producing locally and not importing inputs to the tourism sector: reducing economic leakages requires concerted efforts at the continental level.

- Economic leakages result from the importation of inputs into the sector in large part because of the inability or the lack of competitiveness of domestic firms in destination countries to supply goods and services to the sector.
- In one country for example, tourism establishments import an estimated 70 per cent of agricultural produce for their procurement. They also result from the repatriation of profits by foreign-owned tourism businesses to their home countries rather than as reinvestment in destination countries.

Finally, ensure peace and security on the continent, which is paramount to realize tourism's potential to contribute to sustainable development,

- African countries and regional institutions should address safety and security concerns, respond swiftly to crises in order to ensure the sector's recovery after conflict or political unrest, and promote a positive image of the continent in the global media.

We at UNCTAD remain committed to working with our partners to better harness the potential of tourism to tackle Africa's development challenges, and look forward to further deliberations on how we can collectively support the continent to realize its development aspirations.

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