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Ladies and Gentlemen,

First of all I would like to thank the organizers for having invited the UNWTO to this forum and for once again including us in your deliberations regarding the future of tourism in the European Union. It is also a welcome opportunity to meet friends and colleagues.

It is no news that tourism has become the world's largest and fastest growing industry. Tourist arrivals worldwide grew at an annual average rate of over 4% between 1990 and 2005. This booming trend has continued in spite of the first years of the new millennium during

which the tourism industry has had to live with wars, terrorist attacks, hiking fuel prices, health scares and natural disasters. 2004 went down in history of world tourism as a star year with a 10.7% increase. 2005 also witnessed another year of success in international tourism with 808 million arrivals.

The expected results in 2006 and 2007 continue to be in line with the long-term forecast done by UNWTO of 1, 5 billion international tourists in the year 2020.

True, Europe's growth may seem modest in comparison to emerging destinations in Asia and the Middle East, but our region continues to be the largest tourism market measured in international arrivals (55% of the world total) as well as international receipts (51 % of the world total).

Ladies and Gentlemen,

Taking into consideration these numbers and the fact that tourism activities have an incredibly strong impact on the economic, financial, environmental, social, cultural and even ethical spheres, we will need to respond jointly to the challenges facing the future of the tourism industry. Europe, being at the same time the main receiving and the main generating market, has therefore an interest and a responsibility in addressing the main issues confronting the tourism sector.

1. The first challenge is the need to better understand the economic importance of tourism through the satellite account. It is only when the tourism satellite account has been implemented far and wide that we shall be able to gain in credibility among political organizations and international financial institutions. Ministers and other public officials with responsibility for tourism will also gain in their countries from such recognition, as will all the enterprises and professional associations working in this sector. UNWTO currently supports some 70 countries in their endeavor to implement the tourism satellite account, but still a lot needs to be done in this regard, namely to improve the measurement of tourism's impact on the regional and local levels, the evaluation of its contribution to job creation and deepening our knowledge of the tourism balance of payments.

2. A second challenge is the response to the ever increasing congestion of transport infrastructure, of touristy city-centers, cultural monuments, museums and highly frequented nature areas. It is easy to imagine the consequences that doubling of world flows till 2020, as predicted by UNWTO, would bring in its wake if not properly managed. Therefore solutions needs to be envisaged to relieve the pressure on facilities and sites. The adoption of institutional measures with the aim of extending the season (for example staggering of school holidays and work schedules), well-conceived marketing policies, the adoption of sustainability indicators, the improved management and development of sites (using new technologies to facilitate visits), are therefore of great importance and priority.

3. The third challenge is the indispensable need to control the cultural and social impact of international tourism. There is no doubt that this impact on host communities is in many respects remarkable and positive. But it would be wrong to justify in the name of the desirable freedom of tourism trade, the irreversible deterioration of sites, the over-use of natural resources, the degradation of historic monuments through overcrowding, the precarious nature of seasonal work, the unlimited exploitation of workers, the decline in cultural production and craftsmanship and organized sex tourism involving children. Therefore UNWTO undertakes all necessary steps to ensure the dissemination and implementation of the Global Code of Ethics for Tourism, an instrument endorsed by the United Nations General Assembly.

4. Fourthly, we should further appraise the contribution of tourism to the understanding among nations and to the promotion of a culture of peace. It is evident that tourism can only flourish in a safe and peaceful environment. Peace is a necessary condition for tourism development, but at the same time tourism itself is a vital force for peace. Only a few weeks ago a Conference on religious tourism was held here in Cyprus and the value of tourism as an instrument of interchange and understanding that contributes to ease tensions between countries and peoples, was highlighted.

5. Fifth, the need for the introduction of new information and communication technologies in the tourism sector must be addressed in order to ensure that all tourist destinations, starting with those in

the developing countries with the scarcest financial resources, are given a chance to enter the information age and bridge the “digital divide”. By signing this summer a strategic cooperation agreement with Microsoft, the UNWTO is engaging itself in this direction.

6. Sixth, the reduction of poverty has become one of the most compelling challenges of our time and no one can escape the responsibility to contribute to this goal. Tourism can be a major tool of international strategies toward elimination of poverty. Over the past decade the annual growth of tourist arrivals in developing countries has been higher than the world average. Even the poorest economies benefit from tourist activity. The least developed countries have increased their tourism receipts fivefold between 1990 and 2005, with tourism representing the second biggest source of foreign exchange. The process has begun but it must be further supported.

7. Seventh, the growing need for a balanced partnership between the public and private sectors still needs to be further addressed. The search for new working arrangements between the public and private sectors has become a necessity. The tourism sector is complex and composed of different links (the environment, social and tax systems, security, educational systems, transport infrastructure, quality of tourist reception, etc). If any of these links is broken, the chain falls apart, the destination’s image is affected, and the tourism product no longer lives up to the expectations of the consumer.

8. And last but not least, the challenge to deal further with risk prevention, resilience to crises, and the difficult balance between security and travel facilitation. Tourism has been for the last five years living in a climate of uncertainty and security concerns. However, it has withstood all of the conflicts, terrorism attacks, health scares and natural disasters. The market has demonstrated increased resilience and reacts now less sharply and more rationally than before to this type of difficulties. The consumers have learned to weigh their options by including security concerns among other considerations when choosing their destinations. Destinations should continue to strengthen their capability to deal with crises and to cope with emergencies arising from natural or man made disasters, or health scares, like a potential avian flu pandemic.

Ladies and gentlemen,

All in all, it appears at this time that none of these challenges, concerns or obstacles is sufficient to stop the overall trend. The need to travel for leisure, business, health or even religious purposes is now deeply ingrained in our modern society, and tends to prevail over the obstacles it may encounter on the path of growth. But this expansion needs to be accompanied and managed with the involvement of all stakeholders.

This forum and especially the three thematic workshops have provided useful reflections and recommendations. On the topics of this forum and on those outlined before there is scope for a close cooperation between the European Union and UNWTO. We look forward to undertaking jointly new initiatives, following the positive experiences of successful projects and activities in the tourism sector carried out in the past between our Organizations.

Thank you for your attention!