

**Talking points for Tourism Policy Forum
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Thank you – appreciate both WTO and GWU support for important area of work

- **WTO** has long been the world’s advocate for tourism and is now a sister organization of the World Bank in the United Nations’ family
- **GWU** recognized for its leadership in hospitality education in its Graduate School of Business Education.

Backdrop

- Tourism is a key industry from an economic perspective – particularly in generating employment
- There is a global recognition that tourism could contribute more to development strategies in low income countries
- Since “sustainable development”, tourism has embraced more than just economic growth
- Tourism has been a positive force for conservation and increased social inclusion...
- In particular it generates opportunities and choices for rural communities
- Tourism has proven to be productive and adaptable for a wide range of developing countries
- **BUT it’s a challenging multi-sectoral activity – Bank is trying to strengthen its capacity in this respect in tourism and elsewhere**

Positive trends

- More money is being spent in developing countries by tourists
- Tourism growth rates remain high
- Growing middle classes with increased disposable incomes and leisure time

Bank’s core business is poverty reduction; tourism is a valid contributor because it is an important source of employment, environmental stewardship, and cultural preservation

Looking at the current situation

Internally – a recent internal stock taking of our tourism related activities showed...

- Tourism is an important economic activity for 80% of the Bank’s client countries:
Some examples
 - **Small island economies**, including Indian Ocean, Pacific and Caribbean islands;
 - Countries with **vast natural resources**, often in areas with few economic options, such as Brazil, Madagascar, Tanzania, Zambia
 - Countries with **interesting cultural patrimonies**, such as Cambodia, China, Indonesia and Mali

- Tourism shows up as a focal sector in 90% of Poverty Reduction and Strategy Papers (PRSPs) – the key document for providing the government’s framework of donor support
- Over 3% of the Bank Group’s lending portfolio involves tourism at some level in more than 100 projects and 56 countries
- We are involved in tourism through a variety of sectors, mainly Infrastructure, Private Sector Development and Environment
- Different networks across the Bank have developed their own approaches to tourism work
- There is considerable analytical work completed on tourism, looking at micro linkages and constraints

Externally – a lot of activity noted - this forum is testament to that!

- There is increased demand for tourism related lending and analysis
- Broad recognition that tourism is a private sector activity that requires appropriate government policy to catalyze investment and regulate the sector effectively
- Environmental conservation and social inclusion are both integral parts of current practices
- **HOWEVER** tourism reforms are still slow in coming, governments typically have not committed resources, accurate tourism statistics and indicators of growth and employment are elusive...there is a lot that could be done to improve the government performance of tourism in developing economies

Looking ahead / Challenges

Internally

- We are working on analyzing our various approaches across sectors and harmonizing them
- We are looking towards the development of an improved methodology and framework for approaching tourism investments more holistically, something that utilizes more of the skill sets and products already in the Bank
- **We are moving towards developing new indicators** like: What barriers face rural communities when they want to own and develop tourism facilities? How many licenses does the average tour operator need? How long does it take to clear imports through customs? What kind of human resource skills are required?
- **When compared across borders, these are practical tools that will allow governments to prioritize reforms and improve the productivity and efficiency of not just tourism businesses.**

Externally

- There is a need for improved coordination and information-sharing across the board
- We recognize the need for forging lasting partnerships with complimentary organizations
- Bank and WTO have an MOU that we expect to revisit and strengthen