

## Tourism Sans Frontieres

I am delighted to be back in Israel, at a time when much of our world is focusing its attention on this region, with that eternal seasonal *spirit of hope* for “peace and goodwill to all mankind”

It is this spirit that’s at the heart of my remarks today – hope for new momentum in this region - and more specifically of the vital role that tourism can play in its achievement. Facing up to short term challenges with a longer term vision.

It’s the spirit I want to encourage you to share with me again today: as hoteliers – the backbone of the global tourism sector - as world citizens and as parents.

It is this philosophy that has characterised the life of your President Shimon Peres who I had the honour of revisiting this week & who has inspired me & countless others over the years with a belief in a peaceful future for Israel and her neighbours. And of the importance of that future for the entire world.

**I want to dedicate my remarks today to the vision and the spirit of hope of President Peres.**

I was reminded during this current visit, of our first meeting some 15 years ago and his informed analysis of the role of Tourism as a bridging sector for peaceful human interaction and his belief in the combined strengths of the regional partners – if they could only pool their respective products and skills in cross regional branding, marketing and delivery. **His words then have stayed etched in my mind “God gave us a common product: now we must market and deliver it together.”**

I was also reminded of chairing press conferences for Ministers from Israel, Egypt, Jordan, Lebanon and a fledgling Palestinian State. And of visiting its emerging parliament in a schoolhouse in Ramallah with President Peres and several Nobel Prize winners.

Sadly at that time and since, the political conjuncture and actions on the ground simply prevented realization of the vision.

*Today we have a powerful new opportunity. And I want to suggest how we can use modern ICT and the emerging green economy to help realize it.*

**But first let me focus on the impacts of the current economic meltdown.**

The world is swallowing a dangerous cocktail of economic recession, financial malaise, credit crunch, stockmarket turmoil and crumbling business / consumer confidence. Corporations & countries are being bailed out.

From a tourism perspective the situation has been comparatively slow to unravel. Current estimates of 2008/2009 performance of the sector, globally, regionally and nationally will be revised downwards for the next 6 months as rapidly worsening macroeconomic structures progressively unfold. And as business and consumer confidence follows suit. With global 5% growth from January to April this year: a sharper decline, to just 1% growth from June to August. And continuing, sharp drops in the last months of the year.

Warren Buffet, says he can’t predict the next six months except headlines will be nasty & severe but in 4 years time markets & the economy will be just dandy. Given Mr Buffet’s track record, I’ll defer to his wisdom.

The deteriorating situation will only change with coordinated widespread stimulus packages, a global trade deal & nationally coordinated initiatives to shore up failing structures & sectors - which will bite over time. As well as transformational changes to a green economy to give a “new deal” that the UN Secretary General has envisaged.

All markets will be affected – but not equally, as business & consumers cut back on budgets, postpone or cancel travel plans, go closer to home, trade down in price/quality options, while reducing stay and spend.

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We will see major consolidation across the sector – transport, accommodation & related services. It will be vertical & horizontal. Job losses will be significant with bankruptcies, mergers & takeovers all too familiar..

Those equipped to take advantage – other than having deep pockets – will ruthlessly cut non essential costs and reposition products/prices to feasible markets and reliable segments. They will protect vital resources, starting with the human ones & eliminate the unnecessary.

Lessons from UNWTO's new "Tourism Resilience Committee" will play a helpful role in tracking market shifts, showing data in a rapidly accessible form, identifying best practice and sharing information.

As governments confront this situation around the world they will be taking a myriad of responsive actions. This is the time for us as a sector to remind them of the power and promise of tourism as a wealth creator, an export driver and above all a job creator. 1 in every 12 jobs directly & indirectly around the world.

**We must position tourism as the logical sector to help economic stimulus – whether its employment support (because we create so many job) or infrastructure programs (because our payback across the economy is so pervasive, wide ranging and catalytic).**

Particularly when financial support mechanisms are considered – we will deliver on tax breaks and moratoria better than most industries. And money spent on tourism promotion will provide massive export and investment returns.

**At the same time we must underscore our commitment to development & climate action.** Because it's right and because policymakers will do so.

Big losers in the current situation will be the world's poorest countries, where tourism is an economic lifeline & development imperative. We must push for support now –

not when it is too late. Tourism is critical for development as an export driver & job creator.

It's critical for climate, like all major socio-economic sectors. And it's a key component of any green technology paradigm shift. ***This is the very moment to move to "smart tourism" – clean: green: ethical & quality – no matter where in the product range & use ICT and public/private partnership to extend operational & delivery capabilities. Skilfully done, it will reduce medium term costs while increasing customer appeal & satisfaction. And it will reduce our carbon footprint in line with the agreement that being developed for Copenhagen next year. Down significantly by 2020 and radically by 2050.***

**Today, any consideration of the future must be like three dimensional chess. Intensive actions in the hyper-dynamic 2008 economic game must strengthen the 2015 development game & the 2050 climate game.**

Such vision is not easy, faced with immediate overwhelming crisis.

*But when the upturn occurs – because economies ultimately will correct & the tourism growth patterns reignite - the big winners will be those who really understand the value of aligning short & long term decisions.*

*I believe this region has a unique chance to fall into that category for a number of coalescing reasons. Capitalising on what the Chinese proverb calls "dangerous opportunity".*

**First.** There are no alternatives to new forms of cooperation to deal with the big issues we are confronting. Issues like economic meltdown: poverty alleviation and climate change don't stop at frontiers. As Benjamin Franklin said "if we don't all hang together we will hang separately"

The rapid global leadership action last month when 20 nations gathered in Washington to put the brakes on the banking and financial meltdown and agree a

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framework for collective economic stimulus to steer the world out of deep recession. This brings a promise of quite enormous dimensions, which will hopefully permeate Trade, Development & Climate deals.

**Second.** Tony Blair's drive for that lasting peace agreement. With the most powerful states in the world and the UN backing him. And in parallel French President Sarkozy spearheading a reinvigorated socio-political framework for the Euro-Mediterranean region as a basis for long term economic health and mutual understanding. *And do not underestimate in this context the long term need for economic diversification that tourism offers to oil producing states. When OPEC mandates production cuts and the oil price keeps dropping that is a major cause for rethink the basics.*

**Third.** A charismatic new leader in the world's most influential nation. President Obama has inspired young and old generations with the idea that we can make change happen. And that it can be a change which looks to inclusion, tolerance, understanding and decency – domestically and internationally. With a world view that recognizes, as a grassroots building block, the value of people to people contact that our sector provides.

**Fourth.** China, will play a responsible role on the world stage. A nation that has built, in 3 short decades, a modern vibrant society from chaotic uncertainty. And where, for the past two decades the tourism sector has been recognized as a strategic priority which is now moving steadily towards becoming the world's largest inbound and outbound market in the next decade. And where the government is targeting the sector in domestic economic stimulus plans.

**Fifth.** a UN system and Secretary General committed to a coherent global development and climate agenda. The World Trade talks are a development round. And the World Bank has a new President committed to this agenda. On the one hand the Millennium Development Goals are forcing new collaborative, recipient focused,

development structures to reduce extreme poverty by 2015 *On the other hand we have an emerging roadmap that will allow us to combat climate change – the greatest structural crisis for our planet - in a disciplined and committed way. To progressively adapt and mitigate our fossil fuel based lifestyles and to innovate ourselves towards a new green, low carbon based economy.*

**Sixth.** Tourism is a resilient sector. It will bounce back with the big economy as it always has. Tourism can deliver more than most sectors for the economy as a whole. It is a catalytic industry. It is slowly aligning to evolving norms on climate and development. With quadruple bottom line sustainability progressively built into every facet of our supply & demand chain - social economic, environment & climate balance.

And it must contribute to the new green economy that political leaders are advancing to promote millions of green jobs, energy efficient infrastructure and climate neutral investment.

And this region which is rapidly becoming a major global tourism hub has all of the capacity for what Tom Friedman calls energy from heaven – sun solar & wind as well as its traditional fossil energy from hell.

*Why not advance Tourism as a key component of the Euro-Mediterranean Zone. And start to reach out to put our institutions together now. Yes we can expect political setbacks. Yes we will have security problems: Yes we will have stop - start realities. But why not ensure that we define a new cooperative Tourism Framework of likeminded stakeholders – public and private sector as well as communities and travellers. And reach out within the region and beyond.*

**Seventh** and perhaps most importantly, we have new tools that didn't exist when this matter was previously considered. *Tools which also do not respect borders. And which will stay in play even with the ebb and flow of what happens on the ground.*

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*I am particularly looking at the internet, coupled with cheap modern communications and the growing power of social networks.*

**Why not as an underlying step create a virtual tourism marketplace that follows the evolving patterns of the Blair – Sarkozy framework. I know that such a system can be put together with available technology.**

To promote participating destinations; to engage small and medium enterprises who make up the bulk of the sector; to educate participating service providers in “smart tourism delivery”; to show available investment opportunities; to advance electronic border clearance and above all to track environmental and climate responses that will qualify for the massive adaptation and clean development funds that will be available from the new climate deal.

**And why not create a new social network of those of us who are committed to peace in this region.** Policymakers and private sector leaders: big enterprises and small: visitors and visited. Committed to using smart tourism for peace, development and a climate neutral future.

**Such a framework could be positively supported by landmark action on the ground by policy makers and destinations bold enough to put themselves into play in this new virtual region.**

*I am thinking here of another innovative approach to a problem that knows no borders. The Tourism Earth Lung that was initiated by Sri Lanka a year ago with my colleagues from STDI, Victoria University to grow smart tourism & reduce its carbon footprint. And recently announced by the Prime Minister of Egypt, for adoption at Sharm el Sheikh.*

Why not make the words of that wonderful hymn “There is a green hill far away without a city wall” a new symbol of hope for this region and its three great religions. And for all our children.

**Creating a new Earth Lung for this holy land that will use climate neutral tourism as a beacon for the peaceful transformation of the region and of the powerful role of our sector in the emerging Green Economy.**

### Ladies and Gentlemen

Just as it was the *spirit of hope* of French Foreign Minister Kouchner, many years ago to create Medecins Sans Frontieres in the belief that saving lives knows no borders. Why not adopt a similar vision for “Tourism sans Frontieres.”

Tourism holds such great promise because it too knows no borders.

- It’s a peace industry - the first area that nation states use to build relations with other states – individually & regionally
- It’s a development industry because every state – even the poorest has unique nature, culture and heritage to offer
- It’s a trade industry - travel is such an essential component of all commerce, & the bulk of its suppliers are small and medium enterprises.
- It’s a sustainability industry – able to offset its impacts – including carbon, with green planning, innovative technology and wise management.
- It’s an economic growth industry because mobility is hardwired into the human gene

We should use all our skills, all our innovation and all our technologies to put it into service now. Here at the heart of the holy region in the season of “peace and goodwill to all mankind”