



Executive Forum 2005

**Export of Services: Hype or High Potential? –
Implications for Strategy-Makers**

**Value-Based Tourism –
Getting the Most of the Tourism Dollar**

The Panel

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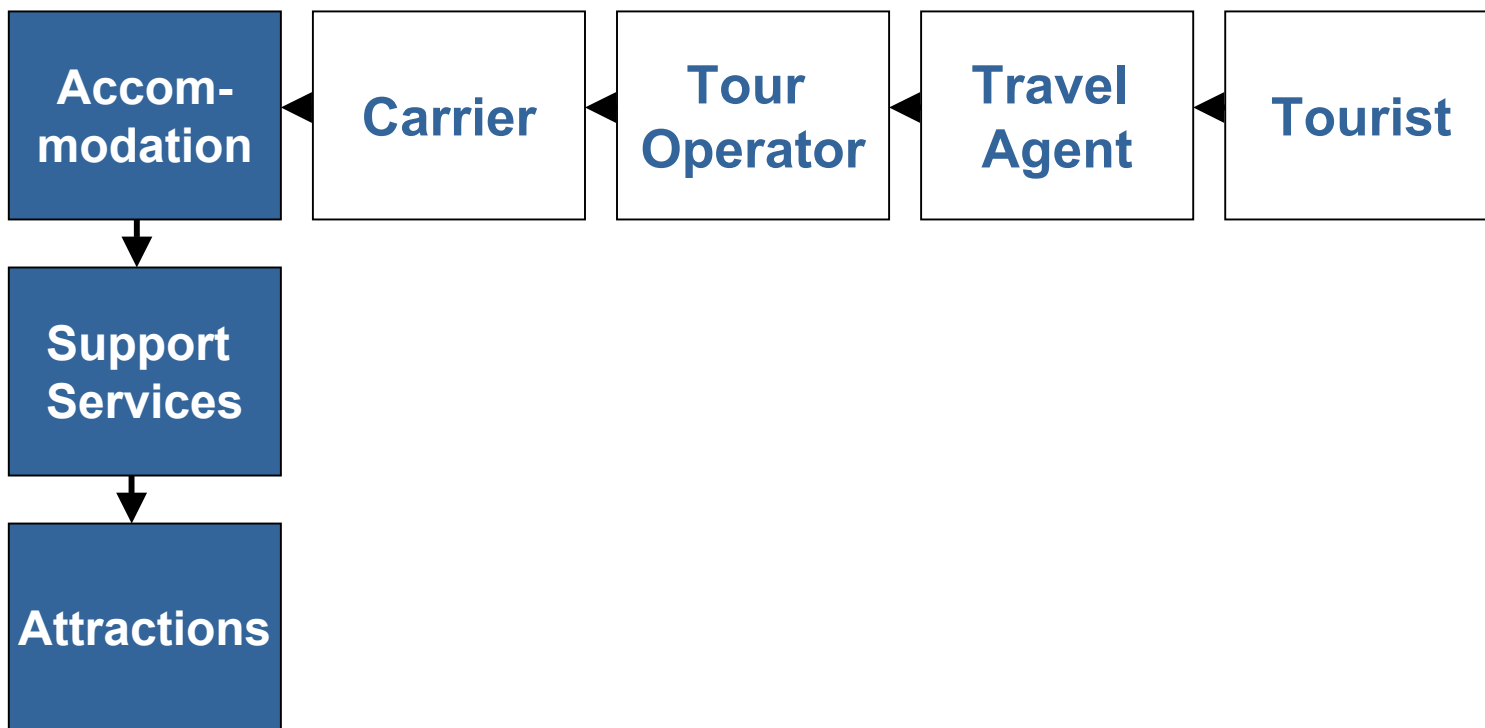
Focus of the Debate

- 1. Who runs the tourism business – the tourist, the tour operator, or the destination?**
- 2. What should be the cornerstones of a competitive national tourism strategy?**
- 3. What should the role of the export strategy-maker be in determining tourism strategy?**
- 4. Does the “destination cluster” concept represent a viable, and priority, option?**

The Issue

- **Tourism is a service export**
- **For many countries it is the principal export**
- **The international tourism market is highly competitive**
- **There are limited opportunities to move up the value chain**

The Tourism Sector's Value Chain



The Proposition

- **National tourism strategies currently focus on the numbers game.**
 - Number of visitors (demand)
 - Number of rooms (supply)
 - Number of room/nights (performance)
 - Room rate (performance)
- **The emphasis should be on value**

A Value-Based Tourism Strategy

- **Value retention**
 - Keeping tourism earnings in the country
 - Minimizing leakages
- **Value addition**
 - Maximizing linkages within the national value chain
- **Value creation**
 - Generating new value within the sector



Value-Based Destination Cluster

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**Entertainment/
Music Cluster**
(value retention
and addition)

Attractions Cluster
(value addition and creation)

**Resort /Hotel
Supplies and Services
Cluster** (value retention,
addition and creation)

**Giftware / Cultural
Services Cluster**
(value addition
and creation)

**Resort /Hotel
Accommodation
Cluster**
(value retention, addition
and creation)

**Transport /
Logistics Cluster**
(value retention
and addition)

**Professional Services
Cluster**
(value addition and creation)

**Catering and
Agri-Business Cluster**
(value retention, addition
and creation)

The Implications

If a value-based tourism strategy represents 'best practice'

- **Export strategy-makers must take the lead in developing national tourism strategy**
- **The objective of creating a 'destination cluster' must be centrepiece of the strategy**

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Views from the Executive Forum network

“Tourism will not work, most of you can never become competitive, because the costs of access are too high. There will never be enough rich people”

Views from the Executive Forum network

“The evidence is, this assessment is wrong! The rate of growth is amazing... In global terms, tiny numbers make a massive difference particularly to small nations. Tourists seek new places, new experiences. Tourism will work...or at least it can work.”

Views from the Executive Forum network

‘For the working group on tourism sector strategy, the Minister (of Commerce) indicated he would rather leave this to his tourism colleague to handle...’

Views from the Executive Forum network

'I cannot get enthusiastic about clusters as the main tourism tread (as it misses the point). It is not that the concept of clusters is wrong in tourism, but it is in my opinion relatively minor as a strategic point, or developmental approach.'

The natural form of evolution is for suppliers and services to become more sophisticated at the destination from the demand of visitors.'

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