



ITC NATIONAL TOURISM EXPORT STRATEGIES

*Reinforcing capacities to strengthen tourism value-chains
and enhance local economic impact*



International
Trade
Centre



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Tourism is trade; tourism is export. As a key sector in many developing countries, tourism makes a significant contribution to raising socio-economic growth and foreign exchange earnings.

Tourism is trade. It involves the buying and selling of services and goods, with compensation paid by a buyer (the visitor) to a seller. Tourism is an export sector. It is a source of foreign exchange earnings; it grows a country's national output; it is subject to the rigours of the international marketplace. Most countries want to increase exports as a means of generating employment, increasing government revenue, and raising standards of living. Many countries have export strategies, addressing a range of products and services, to boost competitiveness, build value-addition and develop new markets. Most have tourism policy frameworks in place, supported by tourism masterplans that aim to strengthen infrastructure, regulation and institutions. Yet, few countries tackle tourism as an export sector; few have tourism export strategies that build on existing masterplans aimed at strengthening tourism value chains to acquire, retain, add, create and distribute value to maximise local economic impact and reduce leakages.

A National Tourism Export Strategy provides a blueprint for the development and competitiveness of tourism as an export sector. Comprehensive analyses are conducted at the national and institutional levels to identify priorities for improving performance. Anchored in strong public-private dialogue the blueprint strengthens the links between export development and socio-economic growth.



Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries and places outside their usual environment for personal or business/professional purposes. These people are called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which imply tourism expenditure.

International Recommendations for Tourism Statistics 2008
UNWTO and United Nations



ITC brings a rich combination of expertise and experience to partner countries in the design, management and implementation of national tourism export strategies. This has culminated in a unique approach and state-of-the-art methodology.





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FUNDAMENTAL CONCEPTS



COMPETITIVENESS IN TOURISM HAPPENS BY DESIGN

An effective National Tourism Export Strategy (NTES) enables policy-makers, tourism and investment support institutions, and enterprises to make choices on key decision-points and to prioritise. This, in turn, ensures that countries can optimise conditions for long-term tourism sustainability, and enhanced economic and social benefits.

Whilst all countries experience some form of tourism, the choice facing policy-makers is the extent to which to:

- allow tourism to develop in an ad hoc manner with sub-optimal economic gains, or to
- make choices and harness the potential benefits of tourism.

Like other export sectors, fulfilling tourism's potential requires a deliberate effort coupled with strong and coordinated action around Tourism Export Strategies.

In other words, competitiveness in tourism happens through a considered approach and careful design.



THE TOURISM SECTOR IS DIVERSE AND BROAD. A RELEVANT STRATEGY MUST HAVE A COMPREHENSIVE SCOPE

Tourism is a complex sector, composed of a very diverse series of industries and activities undertaken by visitors. It involves not only primary tourism businesses such as hotels, visitor attractions and tourism transport, but a wide range of facilities and services within the economy for which tourism is not the primary demand. Tourism is thus a broad sector. Moreover, it is affected by, and has a bearing on, other factors and economic sectors that must also be competitive. To be relevant, a tourism export strategy must thus address:

- conditions, practices and/or facilities that determine the overall attractiveness of the destination to potential visitors (e.g. security, food safety, facilitation, IT enabled services);
- sectors of the economy which are inherent to the tourism offer (e.g. accommodation, attractions);
- sectors of the economy which do not represent a primary motivation for visits, but which benefit from tourism directly or indirectly (e.g. agriculture, maintenance, furniture);
- functions that provide support to the operators in the industry and enterprises to become more competitive (e.g. innovation, quality, promotion).

A relevant tourism export strategy must assess and tackle such a scope.



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TOURISM ENGAGES A WIDE NETWORK OF PUBLIC AND PRIVATE SECTOR INSTITUTIONS, BUSINESSES AND CIVIL SOCIETY AT LARGE

Tourism is often perceived as being the exclusive domain of the ministry responsible for tourism. Yet, the very elements of tourism competitiveness are the responsibility of several different government departments, authorities, agencies and private sector interests. Although tourism is a form of trade and an export, ministries responsible for international trade and commerce rarely participate substantively in shaping the tourism sector. Likewise, while a small number of major tourism businesses may be influential (such as airlines, large resort hotels and tour operators), most of the companies and individuals involved in, and benefiting from tourism tend to be small and medium-sized businesses. These have a major direct or indirect bearing on visitors' overall tourism experience and consequently an impact on the economy and society at large, including its natural and cultural capital, and are therefore essential players in meeting the country's overall vision for the tourism sector.

In a similar vein, citizens, especially within those communities around tourism attractions, influence the overall experience of tourists. They can contribute ideas and knowledge, and understand existing or potential problems. As such, they need to be involved in planning, in managing attractions in maintaining the environment, and enabled to participate actively in the economic benefits of tourism activity.

To be effective, a truly national tourism export strategy requires mechanisms that facilitate a multi-stakeholder decision-making platform, enabling inter-ministerial, public-private, and civil society consultation and coordination in its design and implementation.

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SUSTAINABLE DEVELOPMENT UNDERPINS SUCCESS IN TOURISM

Tourism activity is inextricably linked with the communities – including in cities, facilities and services of destinations, and can therefore significantly accelerate economic and social development. Tourism not only provides direct employment and the consumption of services and supplies, but it induces wider benefits through its supply chain. It thus has the potential to lift people out of poverty, trigger entrepreneurship, raise foreign exchange earnings, contribute to standards of living and to the achievement of development goals. Moreover, tourism is 'renewable' (unlike primary resources).

An attraction, for instance, can be visited by different tourists, and re-visited multiple times. In this regard, tourism could provide an incentive to contribute to and promote environmental sustainability.

Nevertheless, unless it is sustainably managed, tourism can also stimulate undesirable development, social disruption, loss of cultural heritage and permanent environmental damage.

It is essential therefore, that sustainability in its three dimensions – economic, social and environmental – be a key ingredient in the pursuit of growing the tourism sector.

1

COMPETITIVENESS...

...must be directed.
Will not happen by accident,
only by design.

2

TOURISM...

...is a complex and broad sector.
It is affected by, and has a bearing
on, other economic sectors that
must also be competitive.

Fulfilling tourism's potential
requires strong and coordinated
action around National Tourism
Export Strategies

4

SUSTAINABILITY...

...underpins an enduring
tourism sector that contributes
to sustained economic growth
and development.

3

STAKEHOLDERS...

...are likewise numerous.
At a national level, tourism falls
in the remit of several ministries,
public and private institutions
and operators.





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THE ITC APPROACH

The ITC national tourism export strategy design approach is founded upon the following core values:

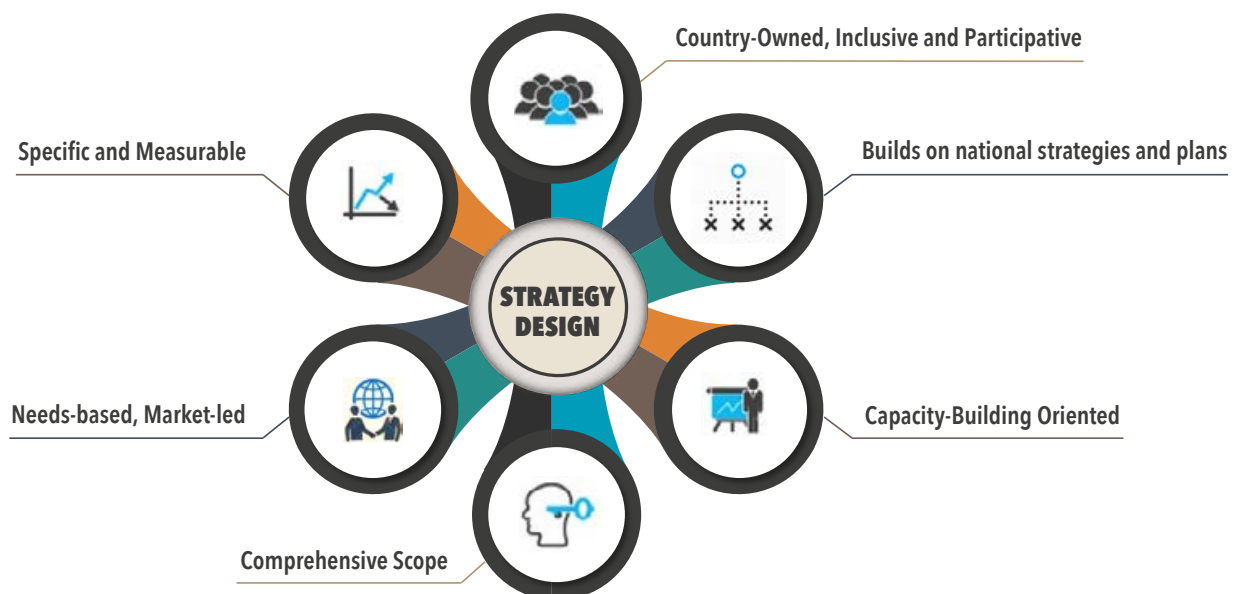
- Ensuring that tourism is balanced with broader economic, social and environmental objectives at national and local levels by integrating it within national and regional sustainable development plans.
- Improving the management and development of the tourism sector by ensuring coordination and cooperation between the different agencies, authorities and organizations concerned at all levels, and that their jurisdictions and responsibilities are clearly defined and complement each other.
- Increasing the long-term positive impacts of tourism projects by involving all primary stakeholders, including local communities, the tourism industry, and the government, in the development and implementation of tourism plans.
- Conserving the natural and cultural environment, enhancing the quality of the visitor experience, and providing benefits for local communities by ensuring that plans for the short-, medium-, and long-term encompass these objectives.

- Supporting implementation of sustainable tourism through an effective legislative framework, including one that establishes standards for land use in tourism development, tourism facilities, management and investment in tourism.

As such, the objectives of an ITC tourism export strategy initiative are to:

- Develop the overall competitiveness of tourism businesses through raising capacity, quality and value-retention;
- Develop capabilities in management, product-development and market penetration;
- Strengthen coordination among organizations, and networking between tourism businesses;
- Strengthen the coordination of tourism policy, planning development and management at both national and local levels;
- Promote technology acquisition and facilitate investment.

The strategy is elaborated on the basis of the following principles of strategy-design:





A COMPREHENSIVE SCOPE

Tourism provides huge potential for growth for developing countries. Yet, success in tourism development depends on an array of considerations, addressing both related and unrelated sectors. It also involves a wide range of stakeholders from the public and private sectors institutions and civil society alike. This integrated approach leads to comprehensive diagnostics and responses. Similar to export strategies for other traded goods and services, a relevant tourism strategy broadly requires:

- An understanding of the performance of the sector and its potential;
- An understanding of the 'product' and options for diversification;
- An understanding of the market and options for diversification;
- An assessment of strengths and weaknesses vis-à-vis competitors;
- Prioritization of sub-sectors (and key projects within those sectors) and client segments;
- The identification of strategic priorities;
- Options for value acquisition, retention, addition, creation, distribution;
- Prioritization of support services for the tourism business community;
- A detailed series of actions that are implemented (who does what, how, when and with what resources);
- Coordination of implementation management structures and systems.

In doing so, consideration is given to:



1. Tourism-determining conditions: functions and/or facilities that determine the overall attractiveness of the destination to potential visitors.

- Security and risk management preparedness (personal safety, natural and man-made crises)
- Transport infrastructure and movement of people (accessibility, reliability, operational safety)
- Health and food safety (sanitation, medical services, disease control, safety awareness)
- Natural environment (cleanliness, maintenance)
- Built environment (maintenance, accessibility of key attractions, regulations)
- Welcoming environment (friendliness towards visitors, hospitality)
- Regulations and controls (planning and development)
- Border controls (visa availability, customs, immigration)
- Water, energy and waste treatment infrastructure (availability, quality, cleanliness)
- Connectivity (telephony, Internet, online services).

2. Tourism industries: those industries which are inherent to the tourism offer.

- Transport (e.g. airlines and airports, ports, cruise lines, railway, public land transport, vehicle rental)
- Accommodation (e.g. hotels, motels, holiday resorts, guesthouses)
- Food and beverage services (e.g. restaurants, bars, take-away)
- Reservation services (e.g. travel agencies, tour operators, excursion services, information services)
- Cultural, recreational and sports activities (e.g. museums, monuments, arts, cultural events, wildlife, theme parks)
- Retail (e.g. gifts, souvenirs, handicrafts).

3. Tourism-supplying sectors: those sectors which do not represent a primary motivation for visits, but which benefit from the tourism sector.

- Agriculture and agro-processing (e.g. fruits and vegetables supplied to hotels and restaurants; ground coffee supplied to deli retail outlets)
- Construction (e.g. hotel building materials and services)
- Furniture (e.g. guestroom bedroom sets)
- Other tourism sub-sector-specific / country-specific (e.g. finance, payment systems).

4. Tourism support functions: functions that provide support to the operators in the industry to become more competitive.

- Marketing and promotion
- Quality management
- Information and intelligence
- Technical and vocational education and training (TVET)
- R&D and innovation
- Information and communications technologies.

Developing the tourism sector is not an end in itself. It is a means of achieving equitable socio-economic growth. Underlying the above scope, are development and sustainability objectives, including contributions to the Sustainable Development Goals, notably Goals 8, 12 and 14:

- poverty reduction and employment generation
- inclusion of disadvantaged groups including women and youth, and regional development
- environmental sustainability and adoption of green technologies.

An ITC National Tourism Export Strategy comprises a master strategic roadmap that addresses the tourism sector holistically, detailed strategies for each priority sub-sector (e.g. adventure tourism, sports tourism, health tourism, MICE), and detailed strategies for each priority support function (e.g. promotion and branding, quality, TVET).





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THE METHODOLOGY

1. AN UNDERSTANDING OF THE POTENTIAL OF THE SECTOR AND STRATEGIC PRIORITIES

Analyses

Review of country's tourism and trade policies. Audit of the tourism, trade and investment institutional network. Assessment of baseline data to understand the country's current positioning, performance and competitiveness. A review of arrivals, purpose, length of stays, visitor expenditure, attractions, accommodation, occupancy etc. This will also include an assessment of contribution to GDP, employment, labour force and skills, investment, policies, and trends. Digital capacity preparedness and adoption of information and communications technologies.

2. AN UNDERSTANDING OF THE 'PRODUCT' AND OPTIONS FOR DIVERSIFICATION

Understanding the Product and the Experience

Definition of the 'offer'. Evaluation of tourism-dependent and tourism-connected products. Assessment of the business operating environment surrounding tourism (e.g. security, health and safety, water and waste treatment, border controls, transport, natural and cultural environment). Audit of current tourism businesses, related businesses and organizations, as well as public sector stakeholders. Assessment of tourism-support services. Analysis of diversification potential into related or unrelated products.

3. AN UNDERSTANDING OF THE MARKET AND OPTIONS FOR DIVERSIFICATION

Markets and Diversification

Social, economic, technological and commercial factors influence patterns and nature of tourism. Analysis of global tourism demand patterns. Profile markets through geographic, socio-cultural, demographic, psychographic and/or product-related segmentation. Estimate share of each market segment. Prioritize market segment/s and identify untapped opportunities in existing and new markets.

4. AN ASSESSMENT OF STRENGTHS AND WEAKNESSES VIS-À-VIS COMPETITORS

Competitors

Mapping and analysis of competitors. Identifying sources of comparative and competitive advantage. Assessment of unique selling propositions. Review of critical success factors. Identifying complementarities, especially at the regional level, that the country's tourism could benefit from. Overall positioning vis-à-vis competitors.



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5. PRIORITIZATION OF SUB-SECTORS (AND PROJECTS WITHIN THOSE SECTORS) AND CLIENT GROUPS

Prioritization

Given that resources for tourism development are limited, prioritization is key. This focuses the strategy on those sub-sectors that are deemed to provide the best opportunities to the country in meeting its commercial and development objectives. Prioritization also allows the setting of realistic targets, the achievement tangible results, and the allocation of resources.

A detailed strategy, complete with plan of action, is elaborated for each priority sub-sector.

6. ESTABLISH STRATEGIC ORIENTATION

Strategic Orientation

Define a long-term view (i.e. a vision) of the tourism sector and its performance, along with medium-term strategic objectives designed to achieve specific milestones towards the vision. These combine commercial and economic/social development thrusts and engage policy-makers, trade and investment support institutions, the private sector and civil society alike.

7. OPTIONS FOR VALUE ACQUISITION RETENTION, ADDITION, CREATION, DISTRIBUTION

Shaping the Future Value Chains

Identify critical success factors to sustain and reinforce existing areas of competitive advantage, to develop new areas of competitive advantage, and to increase investment, innovation and entrepreneurship. For each priority sub-sector, a thorough value-chain approach is employed to identify options for value acquisition, retention, addition, creation and distribution, thereby enhancing capacities, quality, sustainable profitability, investment potential, differentiation and diversification, and ensure social inclusion. Chart the future value chain for each priority sub-sector.

8. PRIORITIZATION OF SUPPORT SERVICES FOR THE TOURISM BUSINESS COMMUNITY

Strengthen Support Services

On the basis of the competitiveness constraints, the priority sub-sectors and the overall orientation of the strategy, identify key support services that are likely to positively impact the performance of the tourism industry.

A detailed strategy, complete with plan of action, is elaborated for each priority support service.



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9. A DELIBERATE SERIES OF ACTIONS THAT ARE IMPLEMENTED

A Specific and Measurable Plan of Action

A detailed plan of action, complete with agreed targets, measures, responsibilities and timelines is prepared for the master strategic roadmap. In addition, plans of action are elaborated for each key priority sub-sector and support function. An implementation management framework, highlighting structures and systems needed for successful management of implementation is built into the master strategic roadmap.

10. ESTABLISH IMPLEMENTATION MANAGEMENT SYSTEMS AND STRUCTURES

Coordinate and Manage Implementation

ITC technical assistance continues after the design of the National Tourism Export Strategy through the provision of advisory support, capacity-building, specialised tools, coordination guidance, project development, and facilitation of resource mobilization. This helps transform the strategy into action, ensuring that the desired results are achieved for achieving inclusive growth.

BENEFITS OF THE ITC APPROACH

- Combined strengths and expertise of ITC in strategy-design, knowledge of the sector and markets, access to data, access to networks.
- A truly inclusive process combining top-down and bottom-up decision-making.
- Comprehensiveness of scope at policy, institution, enterprise and community levels.
- Combined competitiveness, social development and sustainability orientations.
- Includes implementation management support to ensure moving from design to action.
- Possible follow-up implementation short- to medium-term activities to achieve visible results.



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