Session on
Tourism Policy and Economic Growth
Berlin, 6-7 March 2001

Session IV
Providing an adequate policy framework to support sustainable growth in tourism

“PRELIMINARY REPORT ON THE WORLD TRADE ORGANISATION SYMPOSIUM ON TOURISM SERVICES”

Presented by Dale Honeck
Counsellor, Trade in Services, World Trade Organization
I. Introduction

The Symposium on Tourism Services, held on the 22nd and 23rd of February of this year featured sixteen speakers from a wide range of backgrounds. Attendance was surprisingly good, especially considering the large number of competing issues currently on the trade agenda, with 250 to 300 participants. Developing countries were very active participants -- including as speakers. Symposium presentations and background documentation are publicly available on the World Trade Organization (WTO/OMC) website (http://www.wto.org).

II. Objectives of the Symposium

The purpose of the symposium, as noted in the programme (see Annex 1), was to evaluate current developments in international tourism that may be of relevance to the ongoing WTO/OMC services negotiations, and especially those developments related to a proposal from three developing countries, the Dominican Republic, El Salvador and Honduras, to add a tourism annex to the General Agreement on Trade in Services (GATS). Briefly speaking, the tourism annex proposal can be summarized as having two main components: addressing the evident inadequacy of the tourism classifications currently used by most WTO/OMC Members; and attempting to prevent anti-competitive practices in tourism (broadly defined to include the aviation sector and other services activities) which are alleged to be widespread. Members decided to hold an informal Symposium, in order to be able to invite a wider range of tourism experts, including speakers from the private sector, as well as to more freely discuss the issues concerned.

III. Main Sessions

Symposium presentations and discussions were centred upon three major themes. Session I, titled Specificity of Tourism as a Set of Industries Heavily Dependent on Network Services, and its Treatment in GATS, included a statistical overview of current trends in international tourism; a presentation on the complex sectoral economic linkages in tourism and the role of the Tourism Satellite Account (the statistical methodology for measuring the economy-wide impact of tourism); and an overview by the WTO/OMC Secretariat of the existing GATS disciplines and commitments.

Session II, titled The Competitive Environment – Travel Distribution Systems, Access to Information and Issues Related to Passenger Transport, concerned the rapidly changing commercial linkages behind the supply of tourism services, as well as reports on national-level experiences with the entire range of tourism-related issues by Cuba, Jamaica, Portugal and Thailand. Presentations were given on tour operators, global distribution systems, and travel agents; international tourism and passenger transport; electronic commerce; competition issues, including the existence of anti-competitive practices; and the social, economic and environmental sustainability of international tourism. Session III was an Open Debate of all the issues concerned.

IV. Discussions and Main Comments

Topics raised, and the main comments made, in the discussions for the Symposium as a whole included visa-related restrictions (a general problem for almost all sectors of services trade); the imperfect nature of both tourism statistics and tourism classification systems; the

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negative effects of the horizontal restrictions contained within the services commitments scheduled by WTO/OMC Members (e.g. the lack of guaranteed market access for skilled and semi-skilled workers); profit levels of tour operators (which are apparently very low); and anti-competitive practices stated to be occurring in developing-country markets, including aviation-related practices.

V. Options for the Future

Frankly speaking (in a personal capacity), there is not yet an agreed consensus among WTO/OMC Members that an annex to the GATS is the best way to deal with the issues which have been raised in the tourism annex proposal. Other possible options include attaching a “reference paper” to the services commitments of individual WTO/OMC Members, in the manner used in the earlier WTO/OMC telecommunications negotiations; or even using the Tourism Satellite Account (TSA) classifications as a “checklist” for services trade negotiators to use to ensure that the ongoing services negotiations address all sectors affecting international trade in tourism services.
ANNEX

SYMPOSIUM ON TOURISM SERVICES 22-23
FEBRUARY 2001
WORLD TRADE ORGANIZATION, GENEVA

Programme

Introduction

The purpose of the symposium is to evaluate current developments in international tourism that may be of relevance to the GATS negotiations, and particularly to the proposal for a tourism annex. The items in the agenda are without prejudice to their eventual discussion in the Council for Trade in Services or to the position of any delegation on any of the issues.

General information

Due to time constraints, speakers will be limited to 15 minutes, followed by 20 minutes of questions and discussion. Sessions will begin on time. Background materials, including contributions from WTO Members and Observers, will be placed on the WTO website as soon as they become available.

(Thursday, 22 February)

Session I: Specificity of Tourism as a Set of Industries Heavily Dependent on Network Services, and its Treatment in GATS

(10:00-10:15)
• Introduction by the Chairman on the objectives of the seminar
  Chair: Andrew L. Stoler, Deputy Director-General, World Trade Organization

(10:15-10:50)
• Overview of international trade in tourism services, including current statistics and trends
  Speakers: Henryk Handszuh, Chief, Quality of Tourism Development, and José Quevedo, Professor, Chief Consultant on Tourism Statistics, World Tourism Organization

The objective of the presentation is to summarize the most recent data on international tourism, especially statistics concerning developing countries. Where possible, the presentation will also point out the causes behind recent trends.
(10:50-11:25)
• **National and regional experiences (Part I)**
  Speaker: Miguel Alejandro Figueras, Consultant, Ministry of Tourism, Cuba

  Presentation of Symposium-related issues from the national or regional perspective.

(11:25-12:00)
• **Overview of GATS disciplines and commitments**
  Speaker: Dale Honeck, Counsellor, WTO Trade in Services Division

  The objective is to review existing GATS disciplines in respect to trade in tourism services, and to provide a detailed, up-dated overview of Members’ scheduled commitments.

**Session II: The Competitive Environment – Travel Distribution Systems, Access to Information and Issues Related to Passenger Transport**

(12:00-12:50)
• **The changing structure of international trade in tourism services: tour operators, global distribution systems (GDS), travel agents and other elements of the travel distribution systems**
  Speakers: Alan Flook, Secretary General of the International Federation of Tour Operators and Yuan-Zheng Wang, Economist, Economic Policy Section, ICAO

  The objective is to present an overview, especially from the perspective of developing countries, of the rapid technological and commercial changes occurring in the tourism sector, including their effects on tourism destinations. Mr. Flook will focus on the tour operators’ perspective, and Mr. Wang’s presentation will focus on computer reservation system (CRS) issues.

(1:00-3:00 Lunch break)

(3:00-3:50)
• **International tourism and passenger transport**
  Speaker: Richard Smithies, Director, Policy Analysis, Government & Industry Affairs, IATA, and Mr. Graham Wason, Vice President of Strategy and Development, World Travel and Tourism Council (WTTC)

  The objective of the presentations is to address the major air transport issues regarding international tourism, especially from the perspective of developing countries, including pricing, routing, charter flights, industry consolidation, development implications, etc.

(3:50-4:25)
• **Electronic commerce**
  Speaker: Eddie Nuque, Managing Director, Kalakbayan Travel Systems, Inc.

  The objective of the presentation is to address the issue of the extent to which electronic commerce can be a viable alternative to the traditional travel infrastructure for developing country tourism destinations, national tourism authorities, etc. The presentation is expected to discuss both the advantages and disadvantages of various electronic commerce options, as well as their cost implications.
(4:25-5:15)

- **Competition in international tourism**
  Speaker: F. Souty, Counsel for Multilateral Affairs (OECD, WTO and UNCTAD), Conseil de la Concurrence (Competition Council), Paris, and Associate Professor, University of La Rochelle

  The objective of the presentation is to address the issue of whether anti-competitive practices are taking place in international tourism (as broadly defined), whether the responses of domestic competition authorities are sufficient to address such practices, and what responses, if any, would be appropriate at the multilateral level.

(Friday 23 February)

(10:00-10:50)

- **Viability of international tourism**
  Speakers: David Diaz, Chief, Trade in Services, UNCTAD; and Iain Christie, Tourism Advisor, World Bank

  The objective of the presentations is to address the issues of the social, economic and environmental sustainability of international tourism. In this regard, the speakers may wish to comment on paragraph 7 of the tourism annex proposal, concerning "Cooperation for sustainable development of tourism".

(10:50-11:35)

- **National and regional experiences (Part II)**
  Speakers: Donna McFarlane, Development Economist, Ministry of Tourism and Sport, Jamaica; Bernardo Lemos, Deputy Director-General for Tourism, Portugal; and Ms. Walailak Noypayak, Assistant-Director, Tourism Authority of Thailand (TAT)

  Presentation of Symposium-related issues from the national or regional perspective.

(11:35-12:10)

- **Sectoral economic linkages and the role of the Tourism Satellite Account**
  Speaker: Scott Meis, Research Director, Canadian Tourism Commission

  The presentation will focus on national-level experience with implementing the Tourism Satellite Account (TSA), including its role in the policy making process. (This presentation was required to be moved from Session I.)

Session III: Open Debate

(12:10-1:00)

- **Relevance of current developments in international tourism for the GATS**