



# UNCTAD 14

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## Global Services Forum

### Session 3: Promoting tourism as an engine of inclusive growth and sustainable development in Africa

Room Tsavo 3

Kenyatta International Convention Centre, Nairobi

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## Statement

from

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**Theme: Promoting Tourism as an Engine of inclusive Growth and Sustainable Development in Africa**

**Excellency, HE Najib Balala, Cabinet Secretary for Tourism, Kenya;**

**Excellency, HE Mohamed Yehia Rasheed, Minister for Tourism, Egypt;**

**Honourable Ministers from African Member States present;**

**Excellency, HE Louali Chaibou, Commissioner for Trade and Free Movement and Tourism, ECOWAS;**

**Distinguished Panellists;**

**Representatives of African Member States;**

**Representatives of Partner institutions;**

**Members of the Diplomatic Corps;**

**Members of the media;**

**Distinguished delegates;**

**Excellencies;**

**Distinguished Ladies and Gentlemen,**

1. Firstly, I convey to you the greetings of the CEO of the NEPAD Agency, Dr Ibrahim Mayaki, who could not be here due to equally important engagement. It is indeed a singular honour to address this auspicious audience conference, here at the 14<sup>th</sup> UNCTAD, in particular those attending the Global Services Forum.

**Excellencies**, before I proceed, allow me to congratulate the Host country, the Republic of Kenya and its people, as well as UNCTAD and UNOSA, for organizing this event. This event provides us with a unique opportunity to dialogue and learn about Africa's tourism plans and priorities.

2. **Distinguished Ladies and Gentlemen**, let's refresh our memories to the sense that post-colonial Africa is faced with the conundrum of multiple motives and meagre means. Whereas the motives stem from addressing the triple challenges of poverty, unemployment and inequality, the meagre means is rooted on limited resources to tackle these challenges. However, tourism provides a huge avenue to solve the continent's unemployment, poverty and to some extent inequalities issues. Evidently, travel and tourism represents nine percent of the world's Gross Domestic Product (GDP) and one out of every 11 jobs. Africa's aviation industry alone supports 6.9-million jobs and contributes \$80bn to GDP on the continent. Therefore, it would not be too much to ask of the African governments to enhance the existing policies and frameworks, to leverage its diverse natural capital and cultural heritage.

3. **Distinguished delegates**, the focus of my intervention is on **government roles to promote tourism as an engine of inclusive growth and sustainable development in Africa**. It could be recalled that within the 17 SDGs and the 2030 Agenda, 5 of the goals are directly linked to tourism: The goals are underpinned by economic growth; job creation, entrepreneurship and inclusiveness; environmental preservation and effective resource management; the promotion and protection of cultural values and heritage, and cultural diversity, mutual understanding and peace. Translating these goals to African Development Goals, resonate with the African Union Agenda 2063, of which tourism was identified as a key sector for implementing Agenda 2063. The question is: how could the African Governments make the SDGs Afro-centric?

4. **Esteemed Ministers**, you will agree with me that decisive changes to key policies, such as macro-economic and investment policies are capable of facilitating Africa to leverage strengths in its economic opportunities and reverse some of the recent declines in tourism and economic growths quickly. In addition, to address inequality in the continent, requires inclusive growth, which job opportunities and poverty reduction can help address. Thus, the following recommendations are submitted for your consideration:

**a. Good governance and Policy Coherence-** Central to good governance is the process of decision-making and implementation capacity of governments to formulate and effectively implement policies and programmes. It has to create space and capacity for political participation, effective and efficient public institutions and systems, as well as peace and security. These have significant effects on the participation of the private sector in investment financing and infrastructure development. Regarding policies, return of investments through consistent policies boost investments. For instance, an investor is more likely to invest in a favourable political climate, where his investment is guaranteed for a longer period, even if the location is not a tax free zone.

**b. Skills development and re-skilling-** The current refugee crisis in Europe augments the need for quick and decisive action. The skills development would effectively contribute to creating new perspectives through increased employment and income opportunities for young people in Africa. Also, it would ensure that investments in the sectors have personnel to create the needed output. Skills development played a key role in the Asian Miracle, in which countries like South Korea and Singapore fast -tracked their development pathways. Development challenges require skills, research and innovations.

**c. Promote tourism by giving it enough visibility, as well as reflect it on the national budget.** A sector that contributes about 10% to the national GDP annually deserves visibility and investment from the public expenditure

**d. Encourage Public-Private- Partnership-** Growth requires a reset of the state-business relationship. Establishment of the institutional framework, policy and operational guidelines for effective models of PPPs in the African context are prerequisites for private sector investments. There is need to draw on experiences that are working on the continent and regions with a similar development environment. A good example is the Program for Infrastructure Development in Africa (PIDA). PPP facilitates arrangement between a public agency and a private sector entity to share the skills and assets of each sector to finance, construct, renovate, manage, operate or maintain infrastructure facilities or services for the use of the general public. In addition to the sharing of resources, each party shares in the potential risks and rewards in the delivery of the facility and/or service.

**e. Infrastructure and regional integration is one of the building blocks for sustainable tourism on the continent-** the importance of infrastructure to tourism development and growth in the continent cannot be over-emphasized. Hence, the implementation of a robust continental programme, such as the Program for Infrastructure Development in Africa (PIDA) is imperative. PIDA encourages regional cooperation as a means of building mutually beneficial infrastructure. It helps to strengthen the ability of countries to trade and establish regional value chains for increased competitiveness, as well as the free movement of African citizens. As the unique strategic and sectoral framework to accelerate the physical integration of the continent, PIDA promotes the development of infrastructure projects in the areas of transport, energy, information and telecommunications technologies, as well as transboundary water supplies. PIDA implementation requires huge investment, strong partnerships and the collective efforts, actions and unparalleled supports of African government. It also require supports and investments from the private sector; civil society; regional, and continental institutions, as well as development partners.

**f. Creating enabling conditions and environment through visa harmonization policies across the continent is very important to sustaining investment in the sector-** Visa processes should be streamlined in effective manner, without stringent conditions for acquiring visas. Promotion of African passport, which was launched last week in Kigali, at the just concluded African Union Summit, lies in the hands of the African Government. NEPAD is already working with WEF to highlight the economic benefits of visa free travels, to influence policy related to visa facilitation.

Secondly, the ratification and implementation of the 1999 Yamoussoukro Decision, which calls for African countries to commit to deregulate air services, and promote regional air markets for transnational competition is long overdue. Africa's aviation industry already supports 6.9-million jobs and contributes \$80bn to GDP on the continent. Open Skies for Africa is capable of creating extra 155,000 jobs and \$1,3bn in annual GDP for the continent, if for instance a quarter of African countries implement the Decision. According to 2010 World Bank report, liberalized air services lead to increased investments, trade, globally; which is associated with competitive air carriers, more frequent flights and lower fares. It ultimately opens the door to increase travels and investment within the continent and globally.

5. **Excellencies, Distinguished Ladies and Gentlemen,** in conclusion, the NEPAD Agency, through the implementation of the NEPAD Tourism Action Plan will continue to support touristic initiatives, as well as work closely with development partners, Regional Economic Communities (RECs) and African Member States to leverage on the progress that has been made in recent years. The time is now for decisions to be actioned upon.

I thank you.