INTRODUCTION

International tourism has grown at a faster rate than world trade during the past twenty years. Between 1950 and 1966 the average annual growth of tourism receipts was 12 per cent as against 7.7 per cent in the value of world merchandise exports.(i) However, the difference between the two growth rates has narrowed in recent years; in the period 1958 to 1970 tourism receipts grew by 10.2 per cent per annum while world exports rose by 9.3 per cent per annum. Notwithstanding the international monetary crisis, tourism appears to have continued to rise in 1971 and I.U.O.T.O. estimates that arrivals increased by about 7 per cent in 1971 as compared with 10 per cent in the preceding twelve months.

The growth of international tourism has become increasingly important to developing countries in recent years. The value of total exports (excluding petroleum) from these countries went up by 7.6 per cent per annum during the period 1960-68 whereas tourism receipts increased at an annual rate of 11 per cent during the same period. Furthermore, the share of developing countries in world tourist receipts averaged around 20 per cent whereas their share of world exports (excluding petroleum) dropped from 15.4 per cent in 1960 to 12.2 per cent in 1968.(ii)

Commonwealth countries as a group have shared fully in the growth in world tourism, both in terms of arrivals and in foreign exchange receipts. It appears they will continue to do so for one of the most encouraging signs to emerge in recent years from the point of view of developing countries has been the growth in the number of tourists going to countries outside Europe and North America. Thus, the share of the twelve major destination countries in Western Europe and Northern America of the total market (in terms of tourist arrivals) had fallen from 74.8 per cent in 1965 to 70.8 per cent in 1969. Furthermore, Expo '70 in Japan led to a sharp rise in traffic to the Asian/ Australasian countries during that year, the highest increases (excluding Japan) being recorded for Singapore (28 per cent), Australia (23 per cent) and Hong Kong (21 per cent). The growth rate in other South Asian countries, particularly India and Ceylon, has been running at a high level in recent years, although the latter was affected by internal conditions prevailing during 1971 and this growth was subsequently halted. For Europe as a whole, one of the factors contributing to the increase in the tourist growth rate has been the opening up of new markets, which, potentially, present keen competition for countries with long-standing tourist traditions; some of these new markets to which reference has been made in particular are Cyprus and Malta.(iii)

The growth of international tourist arrivals, by region, as provided by I.U.O.T.O. is given in the following table.

(i) I.U.O.T.O. "Economic Review of World Tourism", 1968.

(ii) "Invisibles: Tourism - Elements of tourism policy in developing countries" - report by the UNCTAD Secretariat, TD/B/C.3/89.

(iii) I.U.O.T.O. "Economic Review of World Tourism", 1972.

Table A: International Tourist Arrivals by Region showing share of total arrivals

(millions)

Region	1965		1966		1967		1968		1969		1970		1971 (e)	
	No.	(%)	No.	(%)	No.	(%)	No.	(%)	No.	(%)	No.	(%)	No.	(%)
Europe	87.6	(75.8)	98.8	(79.5)	103.6	(74.2)	109.4	(75.5)	119.1	(75.1)	126.2	(74.7)	136.3	(75.3)
North America	19.4	(16.8)	22.2	(17.0)	25.9	(18.6)	22.8	(16.3)	25.1	(16.2)	27.3	(16.1)	33.7	(18.6)
Latin America and Caribbean	2.7	(2.3)	3.1	(2.4)	3.5	(2.5)	4.1	(2.9)	4.8	(3.1)	5.1	(3.0)		
Africa	1.1	(1.0)	1.3	(1.0)	1.4	(1.0)	1.7	(1.2)	2.0	(1.4)	2.3	(1.4)	2.6	(1.4)
Asia/Australasia	2.1	(1.8)	2.5	(1.9)	2.9	(2.1)	3.4	(2.4)	4.3	(2.7)	5.3	(3.1)	5.3	(2.9)
Middle East	2.6	(2.3)	2.9	(2.2)	2.2	(1.6)	2.3	(1.7)	2.8	(1.5)	2.8	(1.7)	3.4	(1.8)
World Total	115.5	(100.0)	130.8	(100.0)	39.5	(100.0)	139.7	(100.0)	154.1	(100.0)	169.0	(100.0)	181.0	(100.0)

(e) Estimated.

Source - I.U.O.T.O. "Economic Review of World Tourism", 1972.

Projections of international tourist arrivals up to 1980 prepared by I.U.O.T.O. suggest that the region likely to experience the fastest rate of growth in tourist traffic will be Africa, with an estimated annual average increase of between 8.1 and 11.8 per cent; relatively high rates of growth are also expected in the Caribbean (5.8 to 7.0 per cent) and Asia/Australasia (4.8 to 6.0 per cent). These projections also show that Europe and North America are expected to attract about 72 per cent of world tourist arrivals.

Under the combined actions of greater spending capacity, paid holidays and the development of charter air traffic (particularly inclusive tours), the upward trend in tourist traffic is expected to continue at an annual average rate of between 4.0 and 5.2 per cent up to 1980.

Summary

An attempt is made below to summarise under a number of major headings the information provided by Commonwealth Governments. Tables 1 and 2 at the end of this summary give an indication of the importance to the tourist industry to each Commonwealth country, by showing the number of tourist arrivals, and the proportion of each country's foreign exchange earnings derived from tourism over the past few years. With regard to Table 2, although it is recognised that figures of gross receipts from tourism overstate the true gain to the balance of payments since the provision of goods and services for visitors necessitates imports of current inputs of goods and services as well as of capital goods, these figures have had to be used as figures for specific imports of goods and services related to tourism and for factor payments abroad (in connection with commissions to travel agents etc.,) are not available for many countries.

1. National Tourist Offices

"Whether the body concerned be a fully fledged Ministry, a directorate general, a department, a board or corporation, what matters is that it should be endowed with sufficient authority to represent the interests of tourism when decisions affecting tourism are taken, to initiate proposals, and to advise departments on questions of tourism within their respective fields of competence. It must also ensure, directly or indirectly, the implementation of government policies and programmes. Such a body should also serve as the focal point for consultations with commercial and other enterprises and associations concerned with tourism and for receiving and reviewing proposals that may be made by them."(i) However, the exact form of organisation for tourism, both within the government itself (for ensuring co-ordination at the level of planning and policy formulation) and at the executive level of machinery for implementing policy and specific programmes, varies from one country to another, according to the importance of tourism and to the structure of the public administration. Some countries, such as India, now have a special Minister of Tourism, or a Minister whose portfolio includes tourism (such as the Minister of Tourism and Wildlife in Kenya), and while the Ministry may be responsible for both the formulation and implication of policy, there may also be an autonomous body, responsible to it, actually implementing policies (for example, the Tourist Development Corporation in Kenya and the Tanzania Tourist Corporation).(ii)

(i) U.N.C.T.A.D. Committee on Invisibles and Financing Related to Trade - Invisibles: Tourism, Elements of Tourism Policy in Developing Countries (TD/B/C.3/89) - paragraph 132.

(ii) Op cit paragraph 131.

Within the Commonwealth, of the fifty-one* independent countries, Associated States and Dependent Territories covered in this study, fourteen (Bahamas, Bermuda, Botswana, Canada, Fiji, Gibraltar, India, Lesotho, Malawi, Malaysia, Mauritius, New Zealand, Tonga and Zambia) have established Government Departments under permanent Ministries responsible for administering the tourist industry; in the case of Canada and Botswana this is a special section within the Government Department. In addition, in several of these countries, such as the Bahamas, Canada, Fiji, India, Malawi and Mauritius, boards or special councils representing both the public and private sectors of the industry have been set up to act in an advisory or executive capacity.

In other countries it has been found more suitable to establish statutory authorities rather than Government Departments especially where there are already close links between the public and private sectors and where, perhaps, the regular administrative procedures of a Government Department might affect the effectiveness of financial and other operations which depend on quick decisions in response to changes in market conditions. However, in many cases these statutory authorities are in fact subject to the general and special directives of a Minister in charge of tourism. Thirty of the fifty-one countries included in this study have established statutory tourist organisations. These are - Antigua, Australia, Barbados, Britain, British Honduras, British Solomon Islands, British Virgin Islands, Cayman Islands, Cyprus, Dominica, Ghana, Grenada, Guyana, Hong Kong, Jamaica, Kenya, Malta, Montserrat, Norfolk Island, Papua-New Guinea, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent, Sierra Leone, Singapore, Sri Lanka, Tanzania, Trinidad and Tobago, Turks and Caicos Islands and Uganda. In addition, the Gambia has established a tourist board but this is a non-statutory committee.

Nigeria is the only country whose national tourist office is a private non-profit making organisation, although the Government is represented within the organisation and financially supports it to a large degree.

As far as can be ascertained from the available information, Swaziland and Western Samoa are the only independent Commonwealth countries which have not as yet set up national tourist offices although it is known that the Swaziland Government is currently considering doing so. Nevertheless, Government Departments administering related sectors, for example, the Department of Economic Affairs in Western Samoa, and Ministry of Commerce, Industry and Mines in Swaziland, presently deal with many of the aspects of tourism development. With regard to the remaining Dependent Territories, the Chamber of Commerce is responsible for tourism in the New Hebrides and receives financial assistance from the government for this purpose. The Gilbert and Ellice Islands have not as yet established any official tourist organisation, although tourist information can be obtained through the Colonies' Information Services. There was insufficient information on the Seychelles to determine what type of tourist body, if any, it has established.

2. Overseas Representation

The effectiveness of each national tourist organisation depends to a large extent on the amount of promotion undertaken in other countries, particularly in those countries where a large potential or established market exists.

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* Excluding Bangladesh, as information on its tourist industry was not available at time of publication.

While tourist information can be acquired from the Commonwealth Diplomatic and Consular Missions, many Commonwealth countries have established overseas offices for promoting their tourist industries. Seventeen independent countries - Australia, Barbados, Britain, Canada, Cyprus, Fiji, India, Jamaica, Kenya, Malaysia, New Zealand, Singapore, Sri Lanka, Tanzania, Trinidad and Tobago, Uganda and Zambia - have established offices in other certain countries for this purpose. The other independent countries - Botswana, The Gambia, Ghana, Guyana, Lesotho, Malawi, Malta, Mauritius, Nigeria, Sierra Leone, Swaziland, Tonga and Western Samoa - appear at this stage to rely solely on the use of diplomatic and commercial channels for promoting tourism abroad.

In the majority of the Associated States and Dependent Territories, the tourist industries are not yet sufficiently developed to warrant the establishment of tourist offices abroad. However, seven countries, namely Bahamas, Bermuda, Cayman Islands, Gibraltar, Grenada, Hong Kong and the Seychelles, have established overseas offices. Six other Territories, Antigua, British Honduras, British Solomon Islands, British Virgin Islands, Montserrat and St. Vincent, are promoting their tourist industries through public relations, travel or commercial firms abroad.

3. Internal and Infrastructural Organisation

Although the information provided is not fully comparable, nevertheless, some general observations can be made. All Commonwealth Governments, of course, provide infrastructure which incidentally benefits the tourist industry, for example, road and rail transport systems, electricity, water, telecommunications, etc. In many cases, Governments have improved airport terminals to deal with the increased numbers of visitors and runways have been lengthened and strengthened to take international jets; and deep water harbours for cruise ships have been built or extended, particularly in the Commonwealth Caribbean and Pacific islands. In addition, specific infrastructure for tourism is provided by many governments by the development and maintenance of resort areas, beach fronts, places of scenic beauty or historical interest, etc.

4. Government Participation

In cases where tourism makes a significant contribution to the economy, many governments have now integrated tourism into their general economic and social plans.

Government assistance to the industry sometimes takes the form of direct public investment, e.g. by building state-owned hotels or resthouses, but by and large governments participate usually by providing policy guidelines and investment incentives to private enterprise. One of the most useful forms of assistance to the tourist industry is the provision of credit facilities by governments as one of the main difficulties facing hotel investors is obtaining loan capital on suitable terms, especially as regards repayment periods and rate of interest. Fiscal concessions are also granted to private tourist enterprises, in many cases, e.g. tax free holidays, reduced property tax, special depreciation allowances, etc. Import duty concessions on the material required for the building of new hotels or expansion of existing ones have also been offered as an added inducement in several countries.

The following gives a summary of the position within the Commonwealth countries:

(i) Ownership or shares in hotels:

Governments of thirty Commonwealth countries and territories own hotels or have shares in hotels, motels or resthouses. In the cases of Ghana, India, Kenya, Mauritius, New Zealand, Nigeria, St. Kitts-Nevis-Anguilla, Sierra Leone, Sri Lanka, Tanzania, Uganda, Zambia and Western Samoa, this is on a relatively significant scale, while in Antigua, Australia, Barbados, Bahamas, Britain, Canada, Cyprus, Dominica, Gilbert and Ellice Islands, Guyana, Jamaica, Lesotho, Malawi, Malaysia, Singapore, Tonga, and Trinidad and Tobago, the governments have small to minor interests in hotels.

In all other countries the hotels are privately owned.

(ii) Financial assistance specifically available (e.g. loans and guarantees):

Altogether, the governments of thirty countries and territories, namely Australia (State Governments only), Barbados, Botswana, Britain, British Honduras, British Solomon Islands, Canada, Cyprus, Fiji, Ghana, Gibraltar, Gilbert and Ellice Islands, India, Jamaica, Kenya, Lesotho, Malawi, Malta, Mauritius, New Zealand, Nigeria, Papua-New Guinea, Seychelles, Singapore, Sri Lanka, Tanzania, Trinidad and Tobago, Uganda, Zambia and Western Samoa - offer some financial assistance to the industry, mainly for hotel development; however, amounts vary widely between these countries.

(iii) Income tax and other concessions on hotel income:

Tax incentives such as "tax free holidays", reduced property tax, investment allowances or special depreciation allowances are granted by thirty-six of the fifty-one Commonwealth countries, States and Territories being reviewed, while in six other countries - Bahamas, Bermuda, Cayman Islands, New Hebrides, Norfolk Island and Turks and Caicos Islands, there is no income tax, and in Papua New Guinea income is taxed at about half the Australian rate. The remaining eight countries - Australia, Canada, The Gambia, Ghana, Hong Kong, Mauritius, New Zealand and Singapore do not grant such concessions.

(iv) Import duty concessions on material and equipment for hotel or other tourist construction:

Over half the Commonwealth governments (twenty-seven) grant duty concessions on material or equipment for the construction of, and facilities for, new hotels or extensions to existing hotels. These governments are - Antigua, Bahamas, Barbados, British Honduras, British Virgin Islands, Cayman Islands, Cyprus, Dominica, The Gambia, Gilbert and Ellice Islands, Grenada, Guyana, Jamaica, Malawi, Malta, Mauritius, New Hebrides, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent, the Seychelles, Sierra Leone, Sri Lanka, Tanzania, Tonga, Turks and Caicos Islands and Western Samoa: Singapore being a duty free port does not need to offer such concessions.

(v) Provision of public funds for publicity purposes:

Funds for this purpose are provided by all the Commonwealth governments, although amounts, of course, vary widely.