



World Tourism Forum Lucerne
6th Think Tank Costa Navarino, Greece
2–3 March 2018



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1. Agenda

Saturday, 3 March 2018

- 08.45–18.00 Think Tank Sessions (House of Events), moderated by Ros Atkins, Presenter and Creator, Outside Source, BBC News
- 08.45–09.00 Welcome, Context Setting and your questions: The power of the WTFL Think Tank family
- 09.15–09.45 Plenary: The big picture (Gerald Lawless and Paul Steele)
- 09.45–11.00 Plenary: The infrastructure requirements to sustain growth through 2030
-Hardware: Alain Dupeyras
-Software: Aradhana Khowala
-Financing: John Perrottet
- 11.00–11.30 Coffee break
- 11.30–12.15 Stimulus Sessions on PPP in tourism destinations (choose one of the following three presentations):
-India (Paras Loomba), moderator: Mario Hardy
-US (Isabel Hill), moderator: Ros Atkins
-Stavros Niarchos Foundation Cultural Centre (Elly Andriopoulou), moderator: Aradhana Khowala
- 12.15–13.15 Plenary: learnings, examples and actions
- 13.15–14.30 Buffet lunch
- 14.45–15.30 Stimulus sessions on technology disruption, infrastructure and talent:
-Technology disruption (Roger Qui), moderator: Mario Hardy
-Infrastructure (Michael Kerkloh), moderator: Ros Atkins
-Talent (Kaye Chon), moderator: Aradhana Khowala
- 15.30–16.30 Plenary: learnings, examples and actions
- 16.30–17.00 Networking break
- 17.00–18.00 The world and G20 are listening
- 19.00 Meeting in the lobby of The Westin Resort Costa Navarino
- 19.30 Farewell dinner in the nearby seaside town of Gialova

2. Summary

During the 6th World Tourism Forum Lucerne (WTFL) Think Tank, 50 CEOs, ministers, academics, financiers, start-ups and young talents met for a forward-looking discussion on the conditions for innovative and sustainable public-private partnerships (PPPs) in the travel-and-tourism value chain. Participants noted that infrastructure for development and private-sector participation were at the core of the G20 agenda in 2018.

Tourism growth depends on a range of factors, including political stability, peace and economic growth. Sustaining the current impressive growth in tourist arrivals and its benefits for employment will require GDP and social change, massive new investment in physical, digital and ecological infrastructure, as well as human capital. Visionary government, industry and civil-society leaders as well as ordinary citizens will have to collaborate to create the infrastructure we need; if not, barriers to growth and competitiveness are a given. Essential elements of such collaboration are government policy, significant new funding, the deployment of innovative technologies, and appropriate skills development and learning.

Innovative PPPs have proven successful worldwide. New sources and blends of funding as well as new ways to co-create PPPs are starting to emerge. Some PPPs revolve around the sustainable development goals (SDGs) and climate response. Others leverage the exponential opportunities offered by the Fourth Industrial Revolution to optimise asset utilisation and enhance visitor experiences. Much can be achieved by benchmarking against best practices and by learning from successful PPP models.

Contribution of travel and tourism

Various participants emphasised travel and tourism's \$2,3 trillion (direct) contribution to global GDP. The sector represents 10,6% of total GDP, and roughly 10% of employment (direct and indirect).

Yet we cannot view tourism in isolation. In short, investment in tourism is not a trade-off against basic services projects. It is not a zero-sum game. 'Good' infrastructure is not 'good' for tourism alone – it also benefits local residents and the broader economy. It strengthens connectivity and mobility, drives trade, reduces poverty, attracts foreign direct investment (FDI), creates jobs, supports biodiversity conservation and enables new opportunities for communities and businesses alike.

Enabling growth in travel and tourism

Participants also acknowledged aviation as a key driver of tourism growth, with 100,000 flights per day between some 4,000 airports enabling travel by just under 4 billion passengers per year. The average annual growth in air passenger journeys over the next 20 years is projected at 3,6% globally. This growth will not be uniform, however, with Asia, the Middle East, Africa and Latin America expected to see the biggest rise.

A key message is that the operating environment for air transport is critical for future aviation and tourism growth. Protectionism will harm industry growth. Aviation heavily depends on a pipeline of new talent, and even more so on infrastructure development. In the latter respect, vexing issues are public and private-sector funding, ownership and operation of assets, striking a balance between shareholder returns and customer service levels, and establishing appropriate levels of regulation.

Priorities for action

To set the scene, the Think Tank discussed the following three priority focus areas for the global travel-and-tourism industry:

- Security and travel facilitation, such as advancing the use of electronic passports and biometrics, as well as the potential role of inter-modal transport systems to decrease pressure points (e.g. congestion in the aviation space)

- Crisis preparedness and response, including supporting destinations to bounce back after disruptive events
- Sustainable development, including advancing the SDGs (most notably decent work, sustainable consumption and production, mitigating destination overcrowding, climate action, and saving our oceans). In aviation, alternative fuels will drive sustainability in the post-oil economy.

Sustainability

Sustainability emerged as a strong theme during the Think Tank. Without an inclusive understanding of sustainability, the 'infrastructure question' becomes a question of 'policy' instead of 'funding'. Various participants stressed the importance of not viewing 'green', 'growth' and 'resilience' as mutually exclusive. Sustainability is not a growth constraint, but a framework condition and an imperative.

Destination sustainability goes beyond the environment, and also entails the social connection between visitors and host communities. Tourism is a success story, but this is not always clearly communicated to host communities. The premise is that infrastructure should not destroy people's lives, but create new opportunities for social inclusion, which is why PPPs should apply the 'people first' principle.

A strong view was expressed that socially inclusive tourism development required more than jobs and corporate social responsibility (CSR). Apart from sharing our profits, we also need to share our businesses with local communities by including them in our authentic offerings.

In addition, participants cautioned against poor accounting for externalities. More can be done to develop appropriate metrics to account for our sector's SDG and carbon impacts.

People are our soft infrastructure

The Think Tank heard that the value of human capital was 2,3 times that of physical capital. In our sector, human talent co-creates the tourist experience, which directly affects local communities.

Key in these discussions was the fact that industry leaders today no longer operate under the career development model of the past. Jobs for life are no longer expected or aspired to. Alignment with this 'millennial model' is critical, recognising this generation's need for purpose, affinity, skills/tools development and mobility.

Yet the travel and tourism industry faces a shortfall of 14 million jobs due to talent gaps and deficiencies. This could reduce the sector's contribution to global GDP by US\$610 billion over the next decade, 5,8% less than baseline forecasts.

Governments, industry and educational institutions need to jointly address this challenge. The public sector has a key role to innovate education and competency-based certification, to adapt curricula to enable success in flexible, hybrid roles, and to facilitate investment in lifelong learning. The private sector, in turn, should embrace new technologies without leaving people behind, enhance diversity to plug skills gaps, and live up to industry's 'promise' to human talent.

Investment and funding for sustainable tourism development

Investment is essential to build a competitive, sustainable tourism sector. While much of the investment will be private-driven, public investment is equally vital.

To sustainably manage tourism growth, public and private investment should be carefully targeted. Adequate levels of investment are for instance required to maintain and upgrade existing infrastructure, develop new products and services, and close infrastructure gaps. Effective policies are required to strengthen the investment environment and boost the quality of investment in tourism.

Participants identified a number of challenges to achieving greater investment and funding for sustainable tourism, including the following:

- A lack of suitable and sophisticated finance instruments, such as an investment maturity mismatch or lack of collateral to fund small tourism projects
- Failure by financial institutions to assess the environmental risks of projects and investments, such as measuring the climate change resilience of infrastructure projects as part of financing agreements
- A shortage of data on the tourism sector, green tourism investments, and sustainable consumption and production benchmarking
- The absence of incentives for environmentally sustainable practices, which means that firms either do not account for their environmental impacts, or environmental and social impacts are not properly incorporated into investment decisions
- Poor coordination across governments, which leads to fragmented climate policies, weak governance, under-capacitated public-sector institutions and inadequate consideration of environmental and social externalities

The global financial community noted that the challenge was not necessarily the availability of money. The real barriers are identifying good projects, the volatility of emerging-market returns, regulatory barriers, limited access to foreign currency, and a lack of local knowledge.

A public-sector mind-shift is often required to advance PPPs. The first question should be whether the private sector can finance assets, services or policies on commercial terms. Yet it also goes beyond asset financing, as a PPP can be the most effective way to deliver on policies as well (e.g. low-cost housing).

The Think Tank furthermore heard that to mainstream investment and financing for sustainable tourism development, the following three areas of work were important:

- Developing appropriate financing instruments, such as long-term loans and public guarantees, impact investment and co-sponsored infrastructure funds
- Creating coherent, sustainability-friendly investment environments through government policy, streamlined regulation, investment advice and facilitation services, coordinated approaches and local capacity creation
- Responsible business practices driven by the private sector

The key message from global financiers was: We have the money, but governments need to create the enabling conditions and models, and get the right players involved to deliver.

Government coordination and policy

A whole-of-government approach to tourism development and infrastructure is not about convincing others to see things our way, but about developing a collective vision.

A key message was that tourism encompassed all levels of government. A whole-of-government approach will help countries reframe tourism growth to better spread the benefits, address inequalities and improve their economic resilience. Long-term strategies and policies can promote employment, entrepreneurship, innovation, effective investment and integrated regional development.

In this context, it is important to ensure that the tourism sector sits at the 'main' table during discussions that affect tourism, and that long-term thinking extends beyond short-term political cycles.

Within governments, it is critical to bridge gaps through cross-sector consultation and collaboration. The United States travel ban makes for an interesting case study. To balance the trade-offs between economic development and security in a transparent and inclusive way, there needs to be open channels of communication between tourism, home affairs/immigration and security agencies. It is all about connected thinking across government.

The following four 'policy' priorities were identified:

- Green finance: Incorporate environmental and sustainability criteria into public financing and investment supports
- Responsible business practices: Encourage more responsible business practices by integrating environmental and social criteria with tourism policies and programmes
- Coordination: Build capacity and better coordinate actions across different levels of government and policy areas
- Data: Improve data and analysis on green finance and investment in tourism development, to integrate environmental risks

Taxes, levies and fees to plug the gap?

Moreover, the Think Tank discussed the issue of tourism taxes and levies.

Generally, the sentiment was that travel and tourism had to be nurtured – not disproportionately burdened by taxes and regulations. Many participants recognised that policy and regulatory inconsistencies harmed the tourism sector, and that greater coherence would benefit all. Strong views were expressed that taxation should go hand in hand with transparency as well as focused reinvestment in the future growth and competitiveness of the tourism sector.

It was noted that governments often fell back on taxation, fees or levies to fund infrastructure, offset negative externalities, enhance visitor experiences and deepen local community involvement. The view was expressed that if industry did not proactively lead in this debate, governments might unilaterally revert to regulation and taxation. It was suggested that we should start a nuanced discussion on the principles that could potentially apply to targeted tourism levies, fees and taxes. These could include transparency, accountability for impact, ring-fencing, harmonisation, and the role of private-sector expertise in deciding how to effectively spend revenue. The opinion was also voiced that the essence here was not new revenue sources, but rather the equitable, fair and transparent distribution of existing taxes, fees and levies on industry and travellers. Put differently, it is about the tourism sector getting its fair share of national and local budget allocations, and about consumers being transparently informed of government's slice of revenue.

PPPs are not only public-private affairs

Successful PPPs typically involve government, the for-profit private sector, non-profit organisations as well as stakeholders such as local neighbourhood groups. Various participants stressed the need to add a new 'P' for 'people', or the citizenry, as central stakeholders who need to be consulted when industry develops both hard and soft infrastructure. 'People' are not only watchdogs, but proactive stakeholders in ideation, adoption and sustainability.

Governments have a key role to proactively engage partners in policymaking, identifying PPP opportunities, planning, delivery, financing and operation. Without a clearly articulated PPP policy, incentives and social covenants, it is difficult to get the ball rolling. Once a project is validated, governments can contribute by, for example, facilitating approvals, providing tax incentives, acquiring or preparing land, fast-tracking zoning and permitting, writing down capital expenditure (CAPEX) or improving public infrastructure/services. The institutional framework and capacity that governments create must deliver value for money, safeguard quality and ensure democratic accountability.

The private sector's contribution revolves around raising capital, offering technical expertise, injecting creativity or introducing efficient delivery. Their involvement could start with policymaking and extend to project design, delivery and operation.

Non-profits and other civil-society stakeholders assume roles that extend far beyond being 'watchdogs'. They actively help broker relationships between public and industry players, support policymaking, contribute local knowledge and provide citizens with an organised voice. NGOs and community-based organisations often 'represent' the so-called bottom of the pyramid when social welfare impacts are considered. The environmental lobby, in turn, plays a key part during environmental impact assessment processes. Some philanthropic organisations have also become significant funders and facilitators of PPP infrastructure projects.

Successful PPPs share certain characteristics

The Think Tank considered various case studies of best practices in PPPs. Although there is no one-size-fits-all recipe, some common themes for success emerged:

- Strong leadership from government, the private sector or civil society is essential. This should be backed up by institutional capacity so that all partners can fulfil their responsibilities.
- A culture of transparency, trust and cooperation between partners, including host communities. Understanding and respect for all role-players are indispensable. Without transparency and clarity about the purpose of the partnership and each partner's risks, rewards and responsibilities, success is unlikely.
- The resources unlocked by the various partners should be complementary (e.g. land, capital, knowledge, skills, local credibility and understanding).
- There should be clarity about the respective partners' objectives, interdependencies, means for delivery, and measures of success.
- Local buy-in, not just at the operational stage, but from the outset and throughout the development journey
- Compatibility of the PPP with established political, regulatory and legal frameworks, and social covenants
- A business plan for long-term sustainability that covers both the initial CAPEX, but also ongoing operating expenditure and revenue streams

3. Press Release

The Region of Peloponnese
7 March 2018

WTFL Think Tank: A leading global tourism event in the heart of Peloponnese

The Region of Peloponnese tourism product will stand strong over the next two decades. "50 tourism leaders who shape the trends of tourism policies worldwide, are meeting in the Region of Peloponnese, in an event that is taking place for the first time in Greece and the beautiful town of Pylos" said the Governor of the Region of Peloponnese Mr. Petros Tatoulis during his opening speech on Friday 2 March 2018 at the World Tourism Forum Lucerne Think Tank. As Governor Tatoulis stated "The WTFL Think Tank, which constitutes a perfect PPP model, is organized in cooperation with the Ministry of Tourism, the Region of Peloponnese, the GNTO and TEMES and it is an honor for us to have the opportunity to host an event of such prestige in our home".

The Governor acknowledged that "the tourism development strategy and the policies we now implement allow us to effectively showcase the tourism product of the Region of Peloponnese and to successfully host and organise international events that aim to boost the country's appeal and competitiveness". He continued stressing that, "according to tourism experts, the next 20 years "belong" to the Peloponnese".

The Governor of the Region of Peloponnese also congratulated the Region of Peloponnese, the Ministry of Tourism, and all stakeholders for their coordinated efforts in the implementation of strategic planning for the development of tourism in the Peloponnese and for setting the PPP model for sustainable tourism.

Governor Tatoulis, expressed his strong belief that "The PPP model, which is now universally accepted, will make our tourism product more sustainable and thus, we will be able to capitalize on an ever growing investment interest in the Peloponnese. This will lead to new business opportunities and the absorption of resources that will boost the local economy and create new jobs".

Minister of Tourism Ms. Kountoura praised the cooperation with the Peloponnese Region and stressed the Region's contribution to the successful implementation of national tourism policy on the basis of regional strategies. The Minister of Tourism also highlighted the potential that the Region of Peloponnese presents in the tourism sector and its contribution to the national and regional tourism economy.

The President and CEO of the World Tourism Forum Lucerne, Mr. Martin Barth, referred to the upward trends in the tourist industry worldwide and expressed his conviction that the Region of Peloponnese will follow even more vigorously its upward course in the coming years, confirming the WTFL Think Tank's intention to continue the cooperation with the Region of Peloponnese in the topic of sustainable development of the destination. Mr. Gerard Lawless, President of the World Travel & Tourism Council, confirmed Mr. Barth's conviction of the Region of Peloponnese upward course and spoke enthusiastically about the tourist product of the destination.

4. List of participants

Last name	First name	Function	Affiliation	Headquarter Company
Aldrigui	Mariana	Professor and researcher	University of Sao Paulo	Brazil
Anastassiadis	Kyriakos	CEO	Celestyal Cruises	Greece
Andriopoulou	Elly	SNFCC Grant Manager	Stavros Niarchos Foundation	Greece
Atkins	Ros	Presenter and Creator, Outside Source	BBC News	United Kingdom
Barth	Martin	President & CEO	World Tourism Forum Lucerne	Switzerland
Bartlett	Edmund	Minister of Tourism	Ministry of Tourism	Jamaica
Benetatos	Theodore	CEO & Academic Dean	International Management Institute Switzerland	Switzerland
Chon	Kaye	Dean & Chair Professor	The Hong Kong Polytechnic University	Hong Kong
Christides	Michael B.	Secretary General	Organization of the Black Sea Economic Co-operation	Turkey
Constantakopoulos	Achilles V.	Chairman and CEO	TEMES S.A.	Greece
Crescini	Gabriella	Head Clients & Partners Relationship	Swisscontact	Switzerland
Dupeyras	Alain	Head of Regional Development & Tourism Division	OECD Organisation for Economic Co-Operation and Development	France
Estermann	René	CEO	myclimate	Switzerland
Goh	Jeffrey	CEO	Star Alliance	Germany
Goulios	Ioannis	Deputy General Secretary	Greek National Tourism Organization	Greece
Hardy	Mario	CEO	Pacific Asia Travel Association (PATA)	Thailand
Hill	Isabel	Director	National Travel & Tourism Office US Department of Commerce	United States
Jakob	Eric	Ambassador Head of the Promotion Activities Directorate	State Secretariat for Economic Affairs (SECO)	Switzerland
Jayaram	Satish	Professor, Principal, Director: Learning and Development	Institute of Hotel Management - Aurangabad	India
Karimalis	Charalambos	Chairman of the Board of Directors	Greek National Tourism Organization (GNTO)	Greece
Kerkloh	Michael	President & CEO	Munich Airport	Germany
Khowala	Aradhana	CEO and Founder	Aptamind Partners	United Kingdom
Kountoura	Elena	Minister of Tourism	Ministry of Tourism	Greece
Kriegl	Ursula	Executive Director	Ernst & Young Real Estate GmbH	Germany
Kubiczek	Piotr	Founder and CEO	Hello Here (Start-Up Winner 2017)	Poland
Lawless	Gerald	Chairman	World Travel & Tourism Council (WTTC)	United Arab Emirates

Lipman	Geoffrey	Co-Founder	SUNx Strong Universal Network	Belgium
Loomba	Paras	Founder	Global Himalayan Expedition (Start-Up Winner 2017)	India
Mattar	Haitham	CEO	Ras Al Khaimah Tourism Development Authority	United Arab Emirates
Mendiratta	Anita	Founder & President	Cachet Consulting	South Africa
Mohamed	Hashim	CEO	Kenya Utalii College	Kenya
Nikolakou	Konstantina	Vice-Governor	Peloponnese Region	Greece
Perrottet	John	Senior Tourism Specialist	The World Bank Group	United States
Pilloud	Jeannine	Delegate for Public Transport Sector Development Group	Swiss Federal Railways	Switzerland
Platzer	Casimir	President	GastroSuisse	Switzerland
Poonoosamy	Vijay	Director International Affairs	QI Group	United Arab Emirates
Popp	Markus	CEO	Mühlemann & Popp Online Media AG	Switzerland
Qiu	Roger	General Manager Destination Marketing in Europe, Middle East & Africa Region	Ctrip	China
Rifai	Taleb	Former Secretary-General	United Nations World Tourism Organization (UNWTO)	Spain
Ros	Michael	CEO & Co-founder	Bidroom (Start-Up Winner 2017)	The Netherlands
Samadov	Nazim	Deputy Minister	Ministry of Culture & Tourism	Azerbaijan
Schanderl	Veronika	Expert for Sustainable Tourism Development	Swisscontact	Switzerland
Steele	Paul	Senior Vice President of Member & External Relations and Corporate Secretary	International Air Transport Association (IATA)	Switzerland
Van Schalkwyk	Marthinus	South African Ambassador to Greece	Republic of South Africa to the Hellenic Republic Co-Founder WTFL Think Tank	Greece
Varelas	Sotiris	Scientific Advisor	Region of Peloponnese	Greece
Vassilakis	Eftichios	Executive Vice Chairman	Aegean Airlines S.A.	Greece
Vorster	Shaun	Extraordinary Professor	University of Stellenbosch Business School	South Africa
Walters	Gabrielle	Senior Lecturer and Researcher	University of Queensland	Australia
Wittwer	Reto	Chairman of the Advisory Board Chairman	World Tourism Forum Lucerne Smart Hospitality Solutions	Switzerland United Arab Emirates

5. Impressions





6. About World Tourism Forum Lucerne and Preview

The World Tourism Forum Lucerne (WTFL) is an interdisciplinary professional platform, which takes place bi-annually in Lucerne, Switzerland. It offers decision-makers in business, politics, science and finance an overview of current topics and trends in the global tourism industry. WTFL is also the only international platform, which enables leading decision makers to meet emerging Young Talents and Start-Ups in the industry. WTFL is supported by an international Advisory Board under the chairmanship of Reto Wittwer.

The World Tourism Forum Lucerne has evolved from an organisation that convenes meetings to become a year-round network of leaders and leading thinkers tackling global problems in the tourism sector. It gets people acting constructively and also fills a special role in bringing together the leaders of the emerging countries into dialogue with those who have walked the path before from the rest of the world.

The Think Tank network is part of the WTFL's goal to expand beyond a two-day talkathon once a year and move into an active partnership that "walks the talk". It is unique as a gathering bringing together political leadership, CEOs, financial experts, scholars as well as young industry movers & shakers to reflect on the big challenges facing the industry and to address them in out of the box "game-changing" ways to reshape the role of the sector.

The next WTFL Think Tank will take place on 2 May 2019, integrated into the 6th World Tourism Forum Lucerne, which will be held on 1-3 May 2019 in Lucerne, Switzerland.

Martin Barth
President & CEO World Tourism Forum Lucerne

Lucerne, 06 April 2018