UNWTO / PATA Tourism Updates

Global Trends Shaping Tourism in Asia and the Pacific

Issue 2 – September / October 2015

This *UNWTO/PATA Tourism Update,* a bi-monthly series, is the outcome of the Strategic Partnership Agreement signed between the World Tourism Organization (UNWTO) and the Pacific Asia Travel Association (PATA) aimed to synergize the work of both organizations in the region.

This series of Updates aims:

• To summarize the impact of external factors on the tourism sector, specifically in the Asia-Pacific region.

• To highlight the major external factors impacting tourism trends in Asia and the Pacific such as the information technologies (IT), social media, political issues and the like.

• To analyze the key tourism trends associated with the external factors mentioned above.

• To raise awareness of the post-2015 Development Agenda and the Sustainable Development Goals (SDGs) which range from attaining gender equality to growing urbanization and promoting inclusive society and their impact on tourism.

While the *UNWTO/PATA Updates* is aimed at tourism stakeholders in the region, we trust it will also be of interest to all tourism professionals throughout the world, especially in view of the dynamic and overarching role played by Asia and the Pacific.

World agrees on post-2015 "People's Agenda" to end poverty, promote sustainability

United Nations, UN News Centre, 2 August 2015 – United Nations Secretary-General Ban Ki-moon has praised UN Member States for reaching agreement on the draft outcome document that will constitute the new sustainable development agenda, which will be formally adopted by world leaders in New York in September 2015.

"Transforming our World: The 2030 Agenda for Sustainable Development" encompasses a universal, transformative and integrated agenda that heralds a historic turning point for our world. This agreement results from a truly open, inclusive and transparent process," the UN chief said in a statement.

Concluding a negotiating process that has spanned more than two years with the unprecedented participation of civil society, the 193 Member States agreed to an ambitious agenda that features 17 new Sustainable Development Goals (SDGs) that aim, by 2030, to eradicate extreme poverty, promote prosperity and people's well-being, while protecting the environment.

"This is the People's Agenda, a plan of action for ending poverty in all its dimensions, irreversibly, everywhere, and leaving no one behind. It seeks to ensure peace and prosperity, and forge partnerships with people and planet at the core. The integrated, interlinked and indivisible 17 Sustainable Development Goals are the people's goals and demonstrate the scale, universality and ambition of this new Agenda", stated Mr. Ban.

More than 150 world leaders are expected to attend the Sustainable Development Summit at the UN Headquarters in New York, from 25 to 27 September, to formally adopt the outcome document agreed this weekend. "I look forward to joining Heads of States and Government, civil society, faith and business leaders, and peoples around the world for the adoption of this new agenda in the historic Summit in New York," added the UN Chief.

The new sustainable development agenda builds on the success of the eight Millennium Development Goals (MDGs), which helped more than 700 million people to escape poverty over the past 15 years and targeted an array of issues that included hunger, disease, gender inequality, and access to water and sanitation by 2015.

The broader sustainability agenda goes much further, addressing the root causes of poverty and the universal need for development that works for all people. "We are resolved to free the human race within this generation from the tyranny of poverty and want and to heal and secure our planet for the present and for future generations," states the text.

Implications for the tourism sector in Asia and the Pacific

The global goals provide the tourism sector with a clear roadmap for the future. The Sustainable Development Goals (SDGs) open up a pathway for tourism to become one of the first economic sectors to embrace these goals and become a part of the solution for the many global pressing problems and crises.

Tourism has been included for the first time as a target in Goals 8, 12 and 14 on, respectively, inclusive and sustainable economic growth; sustainable consumption and production (SCP) and the sustainable use of oceans and marine resources, respectively. The tourism sector has the opportunity to embrace the SDGs as its own set of goals, beyond profitability, shareholder returns and asset value.

Private and public sector organisations and corporations can start issuing annual reports monitoring their achievements in line with these goals. This will also be an industry first.

Now that "creating growth" is no longer an issue, and managing that growth has become the key criteria, using the post-2015 "People's Agenda" as the guideline for everything the sector does in the years ahead will fit in very well indeed.

"We are determined to take the bold and transformative steps which are urgently needed to shift the world onto a sustainable and resilient path. As we embark on this collective journey, we pledge that no one will be left behind," the Member States continue.

Highlighting poverty eradication as the overarching goal of the new development agenda, the outcome document fully integrates the economic, social and environmental dimensions of sustainable development and calls for universal action by all countries, poor, rich and middle-income.

The 17 sustainable goals and 169 targets aim at tackling key systemic barriers to sustainable development, such as inequality, unsustainable consumption and production patterns, inadequate infrastructure and lack of decent jobs. The environmental dimension of sustainable development is covered in the relevant goals and in particular on oceans and marine resources and on ecosystems and biodiversity, bringing core issues into the target framework.

Member States stressed that the desired transformations will require a departure from "business as usual" and that intensified international cooperation on many fronts will be required. The Agenda calls for a revitalized, global partnership for sustainable development, including multi-stakeholder partnerships, increased capacity building and better data to measure sustainable development, through measurable indicators.

Providing an effective follow-up and review architecture, the Agenda will include a Technology Facilitation Mechanism to support the new goals, based on multi-stakeholder collaboration between Member States, civil society, business, the scientific community, and the UN system of agencies. Agreed at the Third International Conference on Financing for Development, which took place last July (2015) in Addis-Ababa, the Mechanism will have an inter-agency task team, a forum on science, technology and innovation, and an online platform for collaboration.

The successful outcome of the Addis-Ababa Conference gave important positive momentum to the last stretch of negotiations on the sustainable development agenda. It is expected that the consensus reached on the outcome document will provide momentum for the negotiations on a new binding climate change treaty to culminate at the Climate Change Conference (also "COP21") in Paris, from 30 November to 11 December 2015.

Fifteen global challenges that will determine the "State of the Future"

Washington, DC, August 03, 2015 – The Millennium Project, a global participatory think-tank connecting 56 Nodes around the world, has issued the *2015-16 State of the Future* report which gives trends on 28 indicators of progress and regress; new insights into 15 Global Challenges; impacts of artificial intelligence, synthetic biology, nanotechnology and other advanced technologies on employment over the next 35 years; and how economic change is inevitable by 2050.

This 18th global assessment of the foreseeable future distills much of the leading research from UN organizations, national governments, think tanks, and insights from thought leaders around the world. This 300-page report includes over 50 charts and graphs. "It is what the educated world citizen should know," says Elizabeth Florescu, Director of Research for The Millennium Project and co-author of the report. The 14-page executive summary is freely available in several languages.

According to the report, "Another 2.3 billion people are expected to be added to the planet in just 35 years. By 2050, new systems for food, water, energy, education, health, economics, and global governance will be needed to prevent massive and complex human and environmental disasters. The Millennium Project's futures research shows that most of these problems are preventable and that a far better future than today is possible.

"The future can be much better than most pessimists understand, but it could also be far worse than most optimists are willing to explore. We need serious, coherent, and integrated understandings of mega-problems and opportunities to identify and implement strategies on the scale necessary to address global challenges.

"After 18 years of producing the State of the Future reports, it is increasingly clear that humanity has the resources to address its global challenges, but it is not clear that an integrated set of global and local strategies will be implemented together and on the scale necessary to build a better future. As Pope Francis said in His Encyclical Letter, "Halfway measures simply delay the inevitable disaster.""

"Our challenges are transnational in nature, requiring transnational strategies. Doing everything right to address climate change or counter organized crime in one country will not make enough of a difference if others do not act as well. We need coordinated transnational implementation. Government and corporate future strategy units are proliferating, but they have yet to sufficiently influence decisions on the scale and speed necessary to address the complex, integrated, and global nature of accelerating change. Humanity needs a global, multifaceted, general long-term view of the future with bold long-range goals to excite the imagination and inspire international collaboration."

The *State of the Future* issued in 2008 stated: Half the world is vulnerable to social instability and violence due to rising food and energy prices, failing states, falling water tables, climate change, decreasing water-food-energy supply per person, desertification, and increasing migrations due to political, environmental, and economic conditions. The 2015-16 report says, "Unfortunately, these factors contributing to social instability have continued to worsen over the past sevenyears, leading to the social unrest we see today in many parts of the world."

Concentration of wealth is increasing. Income gaps are widening. Jobless economic growth seems the new norm. Return on investment in capital and technology is usually better than labor. Future technologies can replace much of human labor. Long-term structural unemployment is a business-as-usual forecast. Accelerating scientific breakthroughs in brain and longevity research make healthy life extension increasingly likely. As a result, massive programs will be needed to teach the elderly how to contribute to society thereby finding markets for their skills and interests on the Internet will become another challenge..

The global economy is expected to grow about 3.5% during 2015, while the population of 7.3 billion is growing at 1.14%; hence, the world average per capita income growth is 2.36%. This is still about half the per capita annual income growth prior to the global financial crisis and world recession. But growth for growth's sake is increasingly unwise. Incentives have to be implemented around the world to speed the transition from blind economic growth to eco-smart development, otherwise water and other environmental shortages are likely to increase social instability. Half of humanity that lives within 120 miles of coastlines could eventually be permanently disrupted.

Through a series of international Delphi surveys beginning in 1997 and global scanning systems, The Millennium Project has identified and has been updating the following 15 Global Challenges. They can be used both as a framework to understand global change and as an agenda to improve the future:

1. **How can sustainable development be achieved for all while addressing global climate change?** The Intergovernmental Panel on Climate Change (IPCC) reports that each decade of the past three was consecutively warmer and that the past 30 years was probably the warmest period in the northern hemisphere over the last 1,400 years. Even if all CO_2 emissions are stopped, most aspects of climate change will persist for many centuries. Hence, the world has to take adaptation far more seriously.

2. **How can everyone have sufficient clean water without conflict?** An additional 2.3 billion people received access to safe drinking water since 1990— an extraordinary achievement—but this still leaves 748 million without this access. Water tables are falling on all continents, and nearly half of humanity gets its water from sources controlled by two or more countries.

3. **How can population growth and resources be brought into balance?** The current world population is 7.3 billion. It is expected to grow by another 1 billion in just 12 years and by 2.3 billion in 35 years. To keep up with population and economic growth, food production should increase by 70% by 2050.

4. **How can genuine democracy emerge from authoritarian regimes?** A global consciousness and more-democratic social and political structures are developing in response to increasing interdependencies, the changing nature of power, and the need to collectively address major planetary existential challenges. Meantime, world political and civil liberties deteriorated for the ninth consecutive year in 2014 (61 countries declined; 33 countries improved).

5. **How can decision-making be enhanced by integrating improved global foresight during unprecedented accelerating change?** Decision-makers are rarely trained in foresight and decision-making, even though decision support and foresight systems are constantly improving – e.g., Big Data analytics, simulations, collective intelligence systems, indexes, and e-governance participatory systems.

6. **How can the global convergence of information and communications technologies work for everyone?** The race is on to complete the global "nervous" system of civilization and make supercomputing power and artificial intelligence available to everyone. How well governments develop and coordinate Internet security regulations will determine the future of cyberspace, according to Microsoft.

7. **How can ethical market economies be encouraged to help reduce the gap between rich and poor?** Extreme poverty in the developing world fell from 51% in 1981 to 17% in 2011, but the income gaps between the rich and poor continue to expand rapidly. In 2014, the wealth of 80 billionaires equaled the total wealth of the bottom 50% of humanity, and Oxfam estimates that if current trends continue, by 2016 the richest 1% of the people will have more than all the rest of the world together.

8. **How can the threat of new and reemerging diseases and immune microorganisms be reduced?** The health of humanity continues to improve; life expectancy at birth increased globally from 67 years in 2010 to 71 years in 2014. However, WHO verified more than 1,100 epidemic events over the past five years, and antimicrobial resistance, malnutrition, and obesity continue to rise.

9. **How can education and learning make humanity more intelligent, knowledgeable, and wise enough to address its global challenges?** Much of the world's knowledge is available – either directly or through intermediaries – to the majority of humanity today. Google and Wikipedia are helping to make the phrase "I don't know" obsolete.

10. **How can shared values and new security strategies reduce ethnic conflicts, terrorism, and the use of weapons of mass destruction?** The vast majority of the world is living in peace, and transborder wars are increasingly rare. Yet half the world is potentially unstable, intrastate conflicts are increasing, and almost 1% of the population (some 73 million people) are refugees or Internally Displaced Persons (IDPs). Military, and legal systems that englobe diplomacy and foreign policy to address the new asymmetrical threats have yet to be established.

11. **How can the changing status of women help improve the human condition?** Empowerment of women has been one of the strongest drivers of social evolution over the past century and is acknowledged as essential for addressing all the global challenges facing humanity. The percentage of women in parliaments doubled over the last 20 years from 11% to 22%. However, violence against women is the largest war today – as measured by deaths and casualties per year – and obsolete patriarchal structures persist around the world.

12. **How can transnational organized crime networks be stopped from becoming more powerful and sophisticated global enterprises?** Transnational organized crime is estimated to get twice as much income as all military budgets combined per year. Distinctions among organized crime, insurgency, and terrorism have begun to blur, giving new markets for organized crime and increasing threats to democracies, development, and security.

13. **How can growing energy demands be met safely and efficiently?** Solar and wind energy systems are now competitive with fossil fuel sources. Fossil fuels receive USD 5.3 trillion in subsidies per year compared to USD 0.12 trillion for renewable energy sources, according to the IMF. Energy companies are racing to make enough safe energy by 2050 for an additional 3.5 billion people (1.3 billion who do not have access now, plus the additional 2.3 billion population growth).

14. **How can scientific and technological breakthroughs be accelerated to improve the human condition?** Computational chemistry, computational biology, and computational physics are changing the nature and speed of new scientific insights and technological applications. Future synergies among synthetic biology, 3D and 4D printing, artificial intelligence, robotics, atomically precise fabrication and other forms of nanotechnology, tele-everything, drones,

falling costs of renewable energy systems, augmented reality, and collective intelligence systems will make the last 25 years seem slow compared with the volume of change over the next 25 years.

15. How can ethical considerations become more routinely incorporated into global decisions? Although short-term economic "me-first" attitudes are prevalent throughout the world, love for humanity and global consciousness are also evident in the norms expressed in the many international treaties, UN organizations, international philanthropy, the Olympic spirit, inter-religious dialogues, refugee relief, development programs for poorer nations, Doctors Without Borders, and international journalism.

Although the *State of the Future* executive summaries may provide the best overviews of the global situation and prospects for the future, there is a need for a better integrated conceptualization and analysis of holistic problem/solution spaces. Since all of these challenges have to be addressed, strategies that can address multiple challenges should be emphasized.

Implications for the tourism sector in Asia and the Pacific

This draft concept for an integrated global strategy is a natural adjunct to the new post-2015 agenda adopted by the United Nations. It can be easily adopted and adapted by the tourism sector to advance the cause of becoming a part of the solution. All the 15 Global Challenges have an impact on tourism and provide a ready-made checklist for the tourism sector to monitor its own performance. If the tourism sector can put its shoulder to the wheel, it can challenge other global economic sectors to follow suit. The draft concept for an integrated global strategy could also be broken down into a regional strategy for Asia and the Pacific with its vibrant and healthy tourism sector playing a commanding role.

Initial draft concept of an Integrated Global Strategy
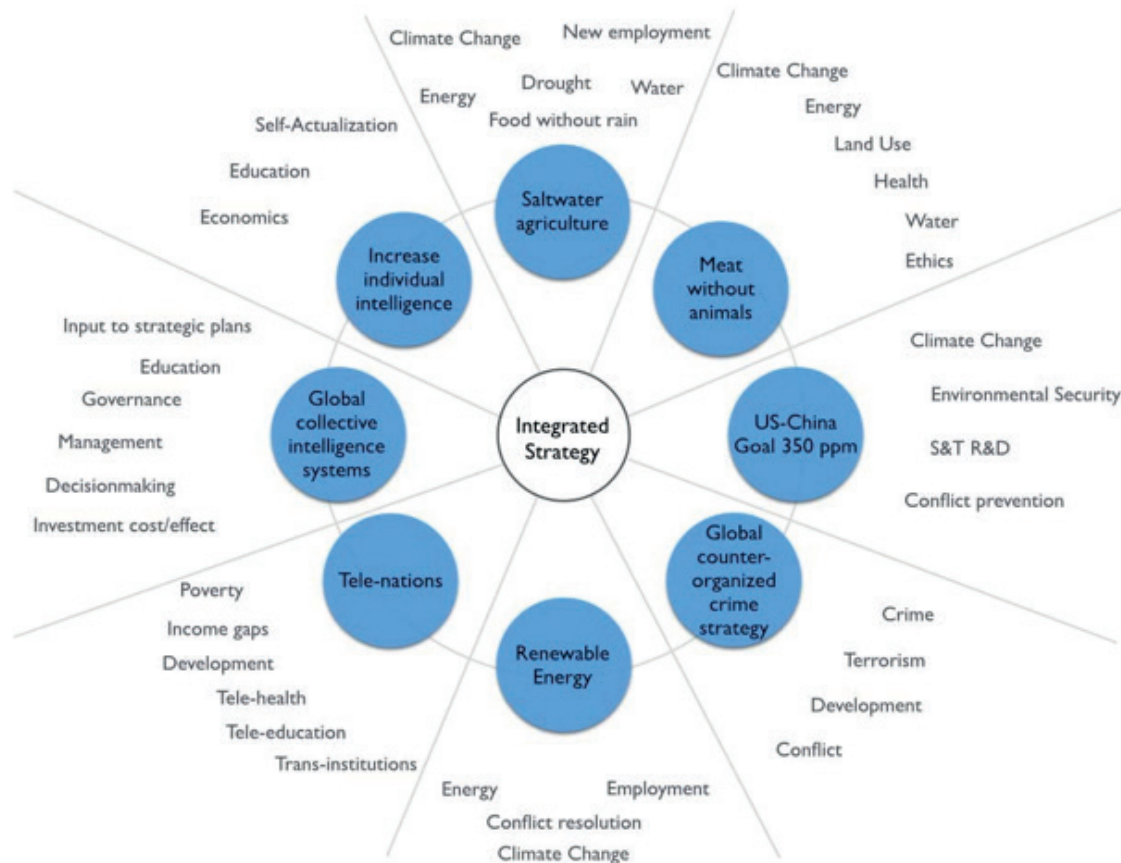
Source: Jerome Glenn and Elizabeth Florescu (2015), *2015-16 State of the Future,* The Millennium Project Organization, Washington (online), available at www.millennium-project.org/millennium/2015-SOF-ExecutiveSummary-English.pdf

SME credit risk analysis using bank lending data: an analysis of Thai SMEs

Asian Development Bank Publication July 2015 – The Asian Development Bank (ADB) has released a paper examining how a credit rating scheme for small and medium sized enterprises (SMEs) can be developed, when access to other financial and non-financial ratios is not possible, by using data on lending by banks to SMEs.

SMEs are the backbone of most Asian economies. The main obstacle to the development of the SME sector is the lack of stable finance. Considering the bank-dominated characteristic of economies in Asia (banks are the main source of financing), the lack of a comprehensive credit rating database has been a bottleneck for SMEs.

The ADB paper examines how a credit rating scheme for SMEs can be developed, when access to other financial and non-financial ratios is not possible, by using data on lending by banks to SMEs. It employs statistical techniques on five variables from a sample of Thai SMEs and classifies them into subgroups based on their financial health. By employing these techniques, banks could reduce information asymmetry and consequently set interest rates and lending ceilings for SMEs. This would ease financing to healthy SMEs and reduce the amount of non-performing loans to this important sector.

Click here to download the ADB paper:
Yoshino, N.; Taghizadeh-Hesary, F.; Charoensivakorn, P. and Niraula, B. (2015), *SME Credit Risk Analysis Using Bank Lending Data: An Analysis of Thai SMEs,* ADB Institute, Tokyo.

Implications for the tourism sector in Asia and the Pacific

If "SMEs are the backbone of most Asian economies", as the ADB says, they are equally important part of the tourism sector. Ensuring their survival in an era of high-competition, globalisation is becoming an important policy objective for national tourism organisations worldwide.

This ADB publication provides a set of readymade guidelines that can be used by the banks to boost their lending to SMEs. Although Thailand has been used as an example, the same formulas are applicable across the Asia-Pacific, and very relevant to the tourism sector.

There is a clear opportunity for travel industry associations to work with like-minded banks and financial institutions to implement these guidelines.

APEC pushes for lifting Asia-Pacific trade barriers for small businesses

Atlanta, 15 June 2015, Statement issued by the Asia Pacific Economic Cooperation (APEC) Small and Medium Enterprise Working Group. Senior commerce, trade and small business officials from the 21 APEC members are ramping up efforts to make it easier and less costly for micro, small and medium enterprises to take advantage of new Asia-Pacific trade opportunities.

Measures to lift trade barriers faced by small firms, the preeminent drivers of employment and growth among the region's economies, were taken forward by officials and industry representatives meeting in Atlanta. The focus is on creating openings for small businesses to integrate in global value chains, or in the different stages of international production and trade of goods, by partnering with larger companies in cross-border supply chains.

"In the 21st century economy, the cost of every product made, moved, bought and sold is determined by how efficiently it moves through its supply chain," explained Bruce Andrews, Deputy Secretary of Commerce for the United States, in opening remarks. "Small and medium size businesses understand better than anyone else how strengthening global supply chains will foster the long-term competitiveness of economies across the Asia-Pacific region."

Small and medium enterprises account for more than 97% of all businesses, about 60% of GDP and half of the labor force in APEC member economies but a relatively low proportion of their exports – less than 25% in the case of the United States. The same is observed in Indonesia, Japan, Malaysia, Singapore and Chinese Taipei, according to the APEC Policy Support Unit.

A new APEC Startup Accelerator Network for Early Stage Investment kicked off, providing technology startups from the region an opportunity to showcase their ideas before angel investors and venture capitalists as well as mentoring on cross-border business development from startup community heads and large companies including Coca-Cola and Intel. It sets the stage for the 3rd APEC Challenge offering a USD 100,000 cash prize to the region's most innovative technology startup, as selected by an international panel of investors and industry executives.

A new APEC Small and Medium Enterprise Global Value Chain Business Matching and Internship Consortium was also introduced, consisting of small and large firms from APEC economies. The initiative will jumpstart information-sharing between them to pinpoint viable opportunities for small businesses to participate in the conception, design, production, marketing, distribution and support for consumer use of manufactured goods – from blue jeans to commercial jets. An online platform is under development to expand the scale and scope of exchanges.

"We are pushing to make our supply chains more innovative – because when individual companies embrace new technology, we can build tighter links between firms in every phase of the production process," Andrews said.

Officials further mapped out complex non-tariff policy barriers to facilitate small business participation in Asia-Pacific trade. Examples include unnecessarily complex regulatory requirements as well as local content requirements under which producers of manufactured goods must ensure that a certain percentage of their components are made in that economy and other localization hurdles.

Steps were additionally taken to widen trade participation in particular sectors. This includes training for hundreds of small and medium enterprises from APEC economies on meeting product safety regulations for temperature sensitive exports – ranging from agriculture, to pharmaceuticals, to flowers – new logistics technology that tracks and ensures product integrity, and supply chain financing. The session was led by regulators and experts from Georgia Tech's Supply Chain and Logistics Institute and the National University of Singapore.

"We can help goods and products move more efficiently between our economies by transforming and modernizing how our governments do business at the border," Andrews added. Technical collaboration is concurrently underway among APEC members to help each other ratify the World Trade Organization Trade Facilitation Agreement by year's end and proceed with rapid implementation, simplifying customs procedures to save exporters, including small businesses, time and money.

"Together with our APEC partners, we can create a seamless, sustainable regional economy in the Asia Pacific–one which will make it easier for companies of all sizes to do business in the region," Andrews concluded.

Additional information on APEC member initiatives to boost small businesses and their participation in trade can be found here: www.apec.org.

Implications for the tourism sector in Asia and the Pacific

This APEC move underscores the efforts being made at the multilateral level to boost business for the SMEs. It fits in perfectly with the assistance being provided by the ADB along similar lines, as cited in the earlier story on the ADB Credit Risk Analysis. Again – a clear window of opportunity for the tourism sector to take advantage of.

# Mid-term review of the ASEAN socio-cultural community blueprint (2009–2015)

Jakarta, ASEAN Secretariat – The Cha-Am Hua Hin Declaration on the ASEAN Roadmap for an ASEAN Community 2009-2015 of 1 March 2009 established that the three Community Blueprints – Economic, Political-Security, and Socio- Cultural – and the 2nd Initiative for ASEAN Integration (IAI) Work Plan constitute the ASEAN Roadmap.

The ASEAN Socio-Cultural Community (ASCC) Blueprint's primary goal is "to contribute to realising a people-centred and socially responsible ASEAN Community by forging a common identity and building a caring and sharing society." The ASCC Blueprint is a framework for action and is structured into 6 Characteristics or strategic-level development and cooperation outcomes and impacts toward ASEAN Community building.

Underlying each Characteristic are Elements or inter-woven cross-pillar, thematic, sectoral and cross-sectoral outcomes. Each Element is in turn buttressed by Action Lines of which there are 339 specific results or activities to be achieved or undertaken through programmes, projects or special activities.

The Blueprint contains an implementation arrangement laying out a schedule of key milestones and a coordination mechanism or governance structure delegating roles to the ASCC Council, Sectoral Ministerial Bodies, Senior Officials Meetings and other ASEAN-affiliated bodies and associated entities. In carrying out the Blueprint, ASCC is required to identify and address resource requirements, and to enumerate a communications plan that helps to enhance awareness, broaden and raise funds.
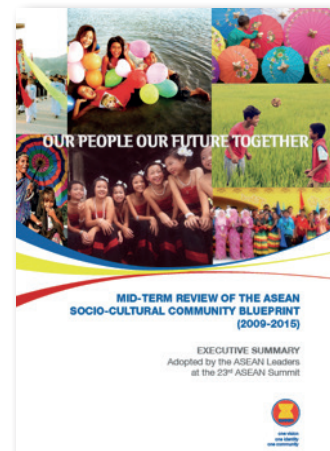
Implications for the tourism sector in Asia and the Pacific

Tourism is one of the most important planks of the ASEAN integration process, due to get off the ground in 2015.

However, the vast majority of discussion about the ASEAN Community has revolved around the Economic Blueprint. In fact, for the tourism sector, the Socio-Cultural Blueprint is much more important because it involves enhancing the social, cultural and ethnic relations between peoples.

Without an adequate understanding or, worse, a misunderstanding of each other's history, heritage and religious background, the attainment of economic progress amongst the peoples of ASEAN will remain muted.

This item is intended to draw attention to the ASEAN Socio-Cultural Blueprint and help industry policy-makers mainstream it into the agenda to the same extent as the Economic Blueprint.

Developing economic corridors in South Asia

Manila, Asian Development Bank Publication, July 2015 -- South Asia needs to create more than 12 million jobs every year for sustained growth, and economic corridors which capitalize on efficient transport networks are an important means to strengthen the manufacturing sector and create jobs. As tariff-based barriers decline in South Asia, countries in the region are recognizing the importance of transport and trade facilitation measures to reap the benefits of trade liberalization. The next stage in regional cooperation is the development of economic corridors. A positive lesson can be learnt from the initiatives of the neighbouring Silk Road countries of central Asia.

This ADB publication discusses the shaping of economic corridors along regional transport arteries and shows how opportunities for industrial agglomeration and expansion can bring dynamic gains to the region. It identifies viable subcomponents to link with principal transport networks and economic clusters while suggesting policy measures to ensure that benefits are fully realized.

Click here to download the full publication:
www.adb.org
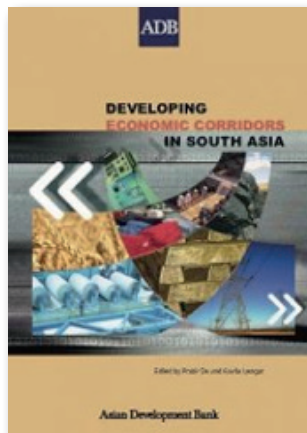
Implications for the tourism sector in Asia and the Pacific

Economic corridors being developed across Asia will attract massive investments in transportation, infrastructure and logistics. They will lead to significant volumes of business travel, meetings, conventions, which in turn will attract investments in hotels, recreation facilities and attractions, thus creating thousands of new jobs in provincial and rural areas.

This publication provides a heads-up of where the money is likely to flow and what needs to be done to prepare for the boom.

Landmark USD 1.3 trillion trade deal to reduce tariffs on IT products

Geneva, 24 July 2015, (WTO media release) – World Trade Organization (WTO) members representing major exporters of information technology products agreed on 24 July to eliminate tariffs on more than 200 such products.

Meeting at the WTO headquarters in Geneva, a tentative accord reached by 54 WTO members on 18 July was confirmed as the basis for implementation work to begin. Ministers from the participating members will now work to conclude their implementation plans in time for the WTO's 10th Ministerial Conference which will be held in Nairobi in December 2015.

"Today's agreement is a landmark," said WTO Director-General Roberto Azevêdo. "Annual trade in these 201 products is valued at over USD 1.3 trillion per year, and accounts for approximately 7% of total global trade today. This is larger than global trade in automotive products – or trade in textiles, clothing, iron and steel combined.

"Eliminating tariffs on trade of this magnitude will have a huge impact. It will support lower prices – including in many other sectors that use IT products as inputs – it will create jobs and it will help to boost GDP growth around the world.

"This is the first major tariff-cutting deal at the WTO in 18 years. Coming so soon on the heels of the historic Bali Package which members agreed in 2013, it shows that the multilateral trading system can deliver. The WTO has now negotiated two deals in the space of two years which deliver real, economically significant results. I hope that this success will inspire members in other areas of our negotiations."

The Director-General added that no other negotiating forum could include so many countries. He pointed out, as well, that all 161 WTO members will benefit from this WTO agreement, as they will all enjoy duty-free market access in the markets of those members who are eliminating tariffs on these products. The terms of the agreement will be formally circulated to the full membership at a meeting of the WTO General Council on 28 July.

Among the products covered in this agreement are new-generation semi-conductors, GPS navigation systems, medical products which include magnetic resonance imaging machines, machine tools for manufacturing printed circuits, telecommunications satellites and touch screens.

Under the terms of the agreement, the majority of tariffs will be eliminated on these products within three years, with reductions beginning in 2016. By the end of October 2015, each of the participating members will submit to the other participants a draft schedule which spells out how the terms of the agreement would be met. Participants will spend the coming months preparing and verifying these schedules. The objective is to conclude this technical work in time for the Nairobi Ministerial Conference in December.

The agreement also contains a commitment to work to tackle non-tariff barriers in the IT sector, and to keep the list of products covered under review to determine whether further expansion may be needed to reflect future technological developments.

The agreement this month is an expansion of the 1996 Information Technology Agreement which involves 81 members. In 2012, members recognized that technological innovation had advanced to such an extent that many new categories of IT products were not covered by the existing agreement. Negotiations began in 2012 to expand the coverage of the accord.

Implications for the tourism sector in Asia and the Pacific

This will certainly lead to a boom in sales of I.T. products where Asia has an edge which will be good for the tourism sector. On the flip side, it will pose questions about where all the e-waste will land up after it has been rendered obsolete. Both sides of the equation are well worth reflecting upon.

WHO seeks financing for new global goal: good health and well-being for all age groups

Addis Ababa / Geneva, 10 July 2015 (World Health Organization media release) – The World Health Organisation WHO is urging countries to move towards universal health coverage and to scale up international investment in catalytic development funding.

"The best way to assure meaningful progress towards the new global health goal is for countries to move closer to universal health coverage," says Dr. Margaret Chan, WHO Director-General.

Many countries will need help to generate the funding to do this. In July, the Third UN Financing for Development Conference was held in Addis Ababa to discuss ways to pay for the new Sustainable Development Goals, to be launched in New York in September 2015. The conference focussed on strengthening international cooperation to build developing countries' capacity to improve domestic tax policy and revenue collection as well as efforts to reduce illicit financial flows and tax avoidance at the international level.

By the end of 2015, if current trends continue, the world will meet Millennium Development Goal targets for turning around the epidemics of HIV, malaria and tuberculosis and increasing access to safe drinking water. It will also have made substantial progress in reducing child under-nutrition, maternal and child deaths, and increasing access to basic sanitation.

But wide gaps remain between and within countries. Much still needs to be done – particularly in the poorest countries and countries affected by conflict. And new health challenges have emerged, as highlighted by the Ebola crisis in West Africa and the rise of non-communicable diseases. Within this context, countries have agreed a new global health goal with a strong focus on equity – to ensure healthy lives and promote well-being for all at all ages.

A recent WHO and World Bank Group report, "Tracking universal health coverage: First global monitoring report," shows that 400 million people do not have access to essential health services and 6% of people in developing countries are tipped into or pushed further into extreme poverty because of health spending. "No one should risk financial ruin because they need health care," says Dr. Chan. "And no one should be denied health services, because they can't afford to pay for them."

Moving towards universal health coverage

Universal health coverage, a major focus of WHO's work for the past 5 years, aims to redress those imbalances. As a first step, the Organization recommends reducing the need for people to pay directly for services at the point of delivery – out of their own pockets. In countries that depend heavily on out-of-pocket payments, health bills push 100 million people into poverty each year.

Public funding is key to reducing out-of-pocket expenditure. As public spending on health goes up, dependence on out-of-pocket payments declines. Between 1995 to 2013, government

spending on health increased from 3.4 to 4.1% of GDP – on average across 190 countries. The increase in low-income countries has been greater, from 1.7 to 2.6% of GDP.

Despite this improvement, there is a long way to go. The challenge for countries is twofold: to mobilize more domestic public resources for health, and to ensure health systems use resources more efficiently. At the Addis Ababa conference, WHO urged the international community to strengthen cooperation with low- and lower-middle income countries to combine domestic and external funding so they provide sufficient resources to build robust health systems.

The Organization will also emphasize the importance of getting better results from the money spent by putting in place innovative service delivery arrangements, lowering prices of key inputs (e.g. medicines) procured internationally, and reducing fragmentation in aid flows to countries.

WHO highlights the potential to generate additional public revenues through taxation of tobacco products. A recent report reveals that only 33 countries worldwide have introduced taxes that represent more than 75% of the retail price of a pack of cigarettes. Some have no or very little excise taxes on tobacco products, depriving themselves of a proven measure to improve health and generate funds for stronger health services.

The Organization also supports the push for high income countries to achieve the target of devoting 0.7% of their Gross National Income (GNI) to Official Development Assistance (ODA) and 0.15% to 0.20% of ODA/GNI to the least developed countries. It advocates for more efficient delivery of such aid, exploring, developing, and documenting ways to align behind comprehensive national health plans, in line with IHP+ (International Health Partnership) principles of development effectiveness.

Implications for the tourism sector in Asia and the Pacific

Health and wellness has become a major contributor to the revenue stream of the tourism sector. However, it is equally important for the tourism sector of Asia and the Pacific to take a closer look at its own "internal" health & wellness status, especially that of its employees.

Without good health, there can be neither service delivery nor productivity. Setting up a global system for tourism to undergo a regular annual self-check may be well worth the effort, covering both physical and mental health of its employees. It will help pinpoint key problem areas and hence allow for them to be rectified. Some of the "test" results may even shock the industry itself.
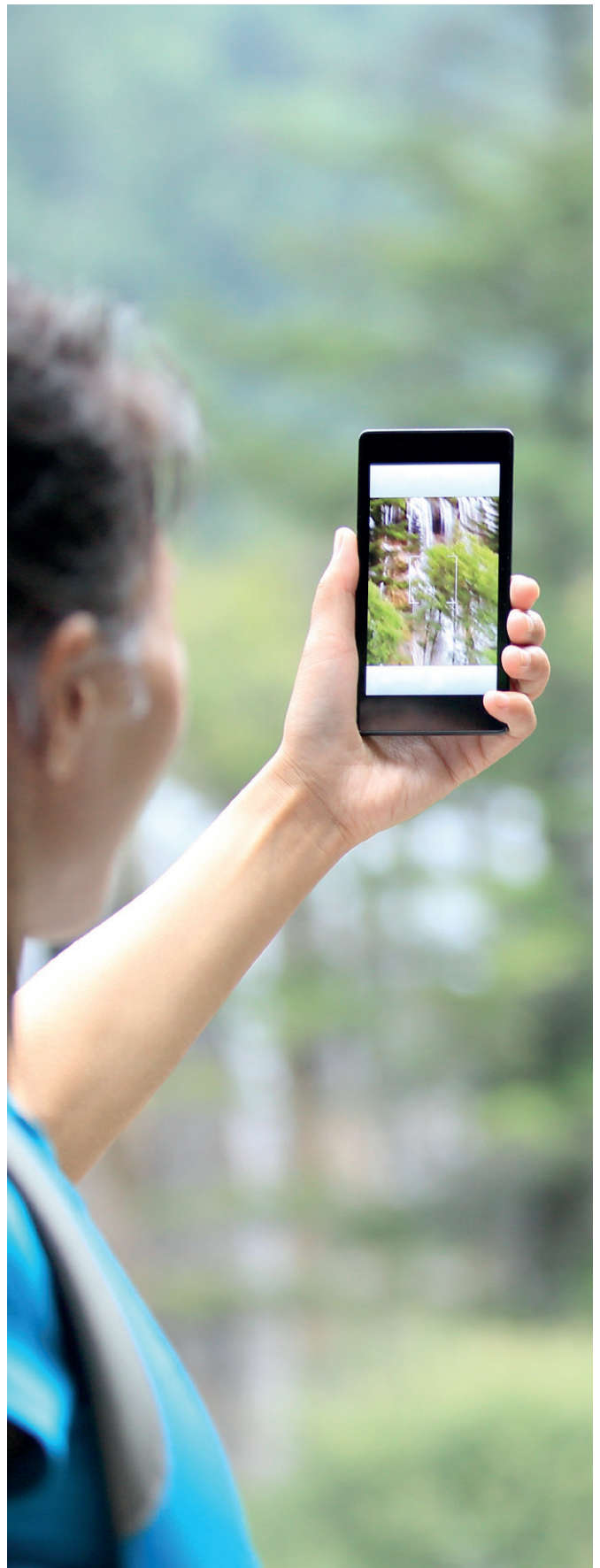
African elephants are listed as vulnerable by the International Union for Conservation of Nature (IUCN), as the animals are poached for their ivory tusks. © Peter Prokosch

UN urges action to curb 'steady rise' in rhino poaching and elephant killings

United Nations, UN News Centre, 30 July 2015 – Recognizing that wild animals and plants are an "irreplaceable part of the natural systems of the Earth," the United Nations General Assembly today urged its Member States to take decisive steps to prevent, combat and eradicate the illegal trade in wildlife, "on both the supply and demand sides."

Through the new UN General Assembly (UNGA) resolution, the Assembly expressed serious concern over the steady rise in the level of rhino poaching and the alarmingly high levels of killings of elephants in Africa, which threaten those species with local extinction and, in some cases, with global extinction.

"Illegal wildlife trafficking not only threatens species and ecosystems; it affects the livelihoods of local communities and diminishes touristic attractions. It compromises efforts towards poverty eradication and the achievement of sustainable development," said General Assembly President Mr. Sam Kutesa in remarks read by Vice-President Mr. Denis Antoine.

Adopting a consensus text resolution, the 193-Member body encouraged Governments to adopt effective measures to prevent and counter the serious problem of crimes such as illicit trafficking in wildlife and wildlife products, including flora and fauna and poaching.

The resolution suggests "strengthening the legislation necessary for the prevention, investigation and prosecution of such illegal trade, as well as strengthening enforcement and criminal justice responses, acknowledging that the International Consortium on Combating Wildlife Crime can provide valuable technical assistance in this regard."

The General Assembly also calls upon Member States to make illicit trafficking in protected species of wild fauna and flora involving organized criminal groups a "serious crime."

Member States are equally encouraged to harmonize their judicial, legal and administrative regulations to support the exchange of evidence, as well as to establish "national-level inter-agency wildlife crime task forces."

"The adoption of this resolution today and its effective implementation will be crucial in our collective efforts to combat illicit trafficking in wildlife worldwide," adds the President's statement.

Implications for the tourism sector in Asia and the Pacific

Wildlife is one of the natural assets from which tourism makes a living, along with flora and fauna, fresh air and clean water, what is commonly known as the natural environment.

If human activity is blamed for polluting air, water and the landmass, it is equally responsible for destroying flora and fauna and wildlife. Mass tourism and unethical practices will only exacerbate the problem. (See the UNWTO briefing paper on Measuring the Economic Value of Wildlife Watching Tourism in Africa.)

Over the years, many resolutions have been passed, many publications produced and many conferences held to address this mass destruction of the global environment. This latest UN General Assembly resolution joins the list. It serves as a useful reminder to the tourism sector about the need to balance profitability with preservation.

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