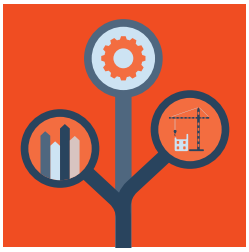
WORLD BANK GROUP



Competitive Sectors

Driving Growth by Building Competitive, Sustainable Tourism Destinations

The World Bank Group assists client countries in building competitive, sustainable tourism sectors to drive growth and strengthen linkages between the industry and communities. The objective of this work is to transform tourism assets into reliable sources of income, create sustainable jobs by unlocking investment opportunities, and address market failures that restrict tourism growth, inclusion, and investment.

Context

Tourism has evolved into a diverse and sophisticated sector recognized as one of the most economically significant in the world. Tourism accounts for 9 percent of global GDP, 5 percent of total investment, and 1 out of every 11 jobs. As a mechanism for growth and wealth distribution, tourism has undeniable potential.

In less developed countries, tourism is often identified as one of the key economic drivers of growth and one of the primary employers. Job creation through tourism can be particularly significant, as it is a labor-intensive industry employing a high share of youth and women. Tourism often occurs in remote locations with limited employment opportunities in other fields, magnifying its impact on the poor and marginalized.

For tourism strategies to succeed, destinations first need to adopt policies based on sound knowledge of how tourism contributes to growth and prosperity. Implementing those policies then requires government commitment, diligent planning, wide stakeholder engagement, and an approach consistent with responsible tourism practices.

What we offer

The Bank Group works in partnership with governments and the private sector to assist at critical stages along the tourism development process, including:

- Detailed industry diagnostics and rapid assessment.
- Developing integrated solutions that build competitiveness.
- Providing financing and technical advice to implement those solutions.

In the area of trade and competitiveness, the World Bank Group's tourism program is designed to:

Define Market Position and Opportunities for Growth: We provide diagnostic research and analysis to help client governments understand and define their competitive position, strengthen their product offering, and identify new opportunities for growth. We help develop targeted strategies to realize these opportunities and provide tools to build a shared vision for sustainable tourism development through effective partnerships between the public and private sector.

Build Market Improvement: We work to improve destination attractiveness for visitors and investors by removing regulatory constraints to access and growth. These constraints include costly licensing, registration and investment approval processes, inappropriate taxes, ineffective aviation policies, and restrictive visa regimes. We also work to build skills and capacity.

Foster Market Development: We mobilize investment, both public and private, and work with clients to unlock investment opportunities and commercialize key assets. This includes appraisal of investment opportunities to ensure they are

well-prepared to be taken to market. We assist governments in defining public investment programs necessary to support the industry and to ensure communities benefit from tourism. We also help prepare concession frameworks for public assets that are commercially attractive and which provide appropriate protection for vulnerable environmental and cultural attractions. We then design and implement investment mobilization strategies and work with governments and private investors to realize sustainable investments.

Through this work, the World Bank Group seeks to positively affect growth and opportunities in client countries through new investment and jobs, sector reforms and compliance cost savings, improved institutional capacity, more efficient operation of markets, lower barriers to entry, increased competition, improved quality and safety, and improved infrastructure and destination services.

This work is a combination of rapid-response support and longer-term engagement, drawing on a wide range of expertise from across the World Bank Group, including the Trade and Competitiveness Global Practice; the Social, Urban, Rural, and Resilience Global Practice; the Environment and Natural Resources Global Practice, and the Transport and ICT Global Practice.

Relevant publications

Tourism in Africa – Harnessing Tourism for Growth and Improved Livelihoods

Global Investment Promotion Best Practices: Winning Tourism Investment

Handshake – Tourism PPPs - Tourism Investment Climate Section

ODI – Investing in Hotels and Demonstrating Development Impact

Our work in action

A partnership with the Tourism and Investment Boards in **Nepal** is streamlining the licensing and regulatory process for tourism and developing four to five catalytic investments that have been identified in an extensive pre-implementation process. This has included investment from the Bank Group's International Finance Corporation (IFC).

In **Madagascar**, a project aims to help develop the Atsimo-Andrefana and Diana regions as competitive tourism destinations through airport public-private partnerships with IFC. Strategies include air transport liberalization, concession systems for protected areas, capacity building in marketing and destination management at national and regional levels, and a substantial public sector investment program in roads, water, and sanitation.

In **India**, the World Bank Group is working with state and central governments to transform the popular "Buddhist Circuit" from a series of disconnected sites to a holistic tourism experience that appeals to various traveler segments. Increased revenue and jobs will contribute significantly to improving the quality of host communities around these sites. The partners are implementing a focused investment strategy and reform action plan for facilitating public and private investment and streamlining investment-related procedures for tourism businesses.

For further information

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