



Why do Governments Marginalise the Benefits of Tourism?

Skål International comments:

Global tourism represents over 9% of GDP (direct, indirect and induced impact). One in eleven jobs globally is in tourism. Tourism represents 6% of world exports and generates over US\$1.3 Trillion dollars annually. (Source: UNWTO Tourism Highlights 2013)

Yet governments continue to raise taxes and damage this vital industry.

- The UK's Air Passenger Duty introduced in 2013 is the world's highest aviation tax
- The 2013 US budget cuts to air traffic management threaten safety standards and flight scheduling.

These examples are just the tip of the iceberg and all are additional burdens on an industry that in many cases cannot take much more before seeing drastic reductions in revenue and the resulting detrimental flow on effect to many economies. Why do governments then continue to impede the industry with the introduction of more and more taxes and levies?

Skål International World President, Karine Coulanges, states

"It is timely that governments calculate the real benefit and income streams gained from overseas visitors before imposing yet more taxes and levies to try and bolster their treasury funds. Even a small increase in charges can see a far greater loss of revenue as a result of tourists voting with their wallets and travelling to other destinations".

"As the world's economies see the first shoots of growth and confidence after six years of turmoil it is timely to remember that tourism was one of the only sectors to see growth during that time and like all industries it will continue to need fostering and care to ensure this growth continues and not policies of additional taxation for short term gain."

Tourist revenue in many countries is in the top five of their total GDP, yet many continue to hinder tourism through unnecessarily long visa application periods; the high cost of visa on arrival systems, as well as increasing airport taxes and border control levies. How would these governments react if tourist numbers fell by 10 – 20% with the resulting downturn in revenue? And what flow on effect would that have to their economy? An example can be seen in the decline in tourists visiting Thailand as a result of the unrest in Bangkok. While not related to this issue it does illustrate the effect a drop in tourism can have on a country's economy. According to Thailand's Minister of Tourism, arrivals in the country fell by 1 million visitors in January 2014 as compared to January 2013. The Tourism Council of Thailand estimated the revenue loss as 22.5 billion baht (approximately USD\$690 million)

How many countries could absorb losses like that? Remember tourists vote and travel with their wallets and if they perceive the cost and time required gaining visas, plus the cost of additional charges and levies imposed by both central and local governments, are too high, they will reconsider where they travel to.

ENDS

About Skål International:

VISION STATEMENT:

Be a Trusted Voice in Travel and Tourism

MISSION STATEMENT:

Through our leadership, professionalism and friendship, work together to enhance our Vision, maximise networking opportunities and develop a Responsible Tourism Industry.

For information or membership, please contact:

*Skål International
Avenida Palma de Mallorca 15
29620 Torremolinos, SPAIN
Tel: +34 952 38 9111
Fax: +34 952 37 0013
www.skal.travel
skal@skal.travel*

Tourism through Friendship and Peace • "Be a Trusted Voice in Travel and Tourism"
Le Tourisme par le biais de l'Amitié et la Paix • « Être la Voix de la Confiance dans le Secteur du Tourisme »
El Turismo a través de la Amistad y la Paz • "Ser la voz de la confianza en el sector del turismo"

www.skal.org