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Council for Trade in Services

TOURISM SERVICES

Background Note by the Secretariat

I. INTRODUCTION

1. At the request of the Council for Trade in Services, the Secretariat has prepared this Note on tourism services as part of the information exchange programme. For the purpose of conciseness, as well as limited time availability, the focus of the Note is on international tourism (as defined below), rather than on domestic tourism or tourism in general. The Note is intended to serve as a background to more extensive discussions by Council Members.

2. Tourism, broadly defined, is regarded as the world's largest industry and one of the fastest-growing, accounting for over one-third of the value of total world-wide services trade.¹ Highly labour-intensive, it is a major source of employment generation, especially in remote and rural areas. Tourism demand, both domestic and international, is directly related to income levels, and therefore has prospered as global wealth has increased. The arrival of low-cost air travel has radically transformed tourism as a whole, but the industry has expressed serious concern over the current system of bilateral aviation agreements, arguing that protectionism severely limits tourism potential.

3. The supply of tourism services is characterized primarily by the cross-border movement of consumers -- i.e. the consumer coming to the supplier, rather than the opposite as is the case with many other services. Tourism is actually composed, at least partially, of a significant number of services sectors; as a result, its full economic impact is often not clearly defined within national statistics. Tourism is also a highly "perishable" commodity, in the sense that unsold airline seats, hotel rooms, etc. have no residual value. The industry is highly infrastructure dependent, and relies upon various transport services to deliver clients. Immigration and entry/exit control regulations have a direct influence on the supply on international tourism services. Important challenges facing the industry include environmental and infrastructure problems, as well as rapid technological change.

4. During the Uruguay Round, a Working Group on Tourism Services was formed, and a number of meetings held. At the request of the Working Group, the Secretariat circulated a document entitled "Trade in Tourism Services", dated 4 July, 1990 (MTN.GNS/W/61). The paper provided an overview of: tourism-related activities; forms of trade in tourism services; motivations and

¹ Sections of this Note rely upon the following documentation: Economist, "Dream Factories: A Survey of Travel and Tourism", 10 January, 1998; Financial Times, "Survey: World Tourism", 18 June, 1998; UNCTAD, International Trade in Tourism-Related Services: Issues and Options for Developing Countries, (TD/B/COM.1/EM.6/2, 8 April, 1998) and other papers submitted for the Expert Meeting on Strengthening the Capacities of the Tourism Sector in Developing Countries, Geneva, 8-10 June, 1998; World Tourism Organization, International Tourism: A Global Perspective, 1997, Madrid; World Tourism Organization, Seminar on GATS Implications for Tourism, 1995; and World Tourism Organization, Tourism Economic Report, 1998.

objectives for regulation; and existing regulations. Some basic statistics were presented, as well as background information on the World Tourism Organization, an inter-governmental United Nations affiliated institution. A second Secretariat paper, "Classification of Tourism-Related Services", dated 23 October, 1990 (MTN.GNS/TOUR/W/1/Rev. 1) is discussed below.

II. DESCRIPTION OF THE SECTOR

5. Tourism and Travel Related Services, category 9 of the Services Sectoral Classification List (MTN.GNS/W/120), is distinctly limited in scope. The category is divided into four sub-sectors, the first three of which have associated listing under the United Nations' "Provisional Central Product Classification" (CPC). These sub-sectors, and their CPC numbers, are as follows: A. Hotels and restaurants (including catering) (CPC 641-643); B. Travel agencies and tour operators services (CPC 7471); C. Tourist guides services (CPC 7472); and D. Other. No further sub-classifications are currently provided for under W/120. Tourism activities which are part of more general services activities -- most notably many transport services, but also including certain business services; distribution services; and recreational, cultural and sporting services -- have typically been placed within those general services categories.

6. Under the Provisional Central Product Classification itself, CPC 641 (Hotel and other lodging services) is divided into CPC 6411 (Hotel lodging services), CPC 6412 (Motel lodging services) and CPC 6419 (Other lodging services), the last of which is further separated to include holiday camp services, youth hostels, etc. CPC 642 (Food serving services) is divided into full restaurant services (CPC 6421), self-service facilities (CPC 6422), catering services (CPC 6423) and other (CPC 6429). The CPC 643 classification (Beverage serving services for consumption on the premises) is composed of services without entertainment (CPC 6431) and those with entertainment (CPC 6432). Travel agencies and tour operators services (CPC 7471 and Tourist guides services (CPC 7472) are not further subdivided.²

7. As noted in the Secretariat document, "A Qualitative Assessment of the Relevance of the Changes Resulting from CPC Rev.1 for Trade Negotiating Purposes" (S/CSC/W/9, dated 9 October 1997, p.3), adoption of CPC Rev. 1 for tourism would not result in any great changes: "As far as hotels and restaurants are concerned the only changes are the aggregation of hotels and motels (only five Members have offered only one of those two items and would have to redraft their entries), and the aggregation of beverages services with and without entertainment (no redraft of entries needed as the five Members that have gone into that detail have offered them both). As far as travel agencies, tour operators and tourist guides are concerned, the only change is the disaggregation of *"travel agencies and tour operators services"* (p 74710) into three categories: *travel agency* (r 67811), *tour operators* (r67812) and *tourist information services* (r67813). This may possibly encourage commitments to be made on those subsectors as they would no longer have to be taken as a block."

8. The OECD notes that it is very difficult to define or measure tourism with any precision.³ In an effort to improve understanding, the "OECD Tourism Economic Accounts" were developed, and the International Forum on Tourism Statistics was established in 1993 by the OECD and Eurostat to further the exchange of views. Cooperation also occurs with the World Tourism Organisation.⁴ The objective is to develop "Tourism Satellite Accounts" in order to provide for comparable international accounts as well as an improved analytical framework. The satellite accounts attempt to measure

² Excluded from the CPC definition of Tourist guides services (CPC 7472) are services by own-account hunting guides, as well as personal escort services.

³ OECD Internet site (<http://www.oecd.org/dsti/sti/transport/tourism/act/stats.htm>).

⁴ In cooperation with the World Tourism Organization, an Annex on Tourism Related Services was developed and added to the Provisional Central Product Classification (pp. 164-168). The Annex collects the relevant tourism-related categories from the main body of the CPC.

tourism-related activity by determining what percentage of each industry is accounted for by tourism. The satellite account methodology is already in place or under development in such countries as Canada, Mexico and Egypt.

9. International tourism is defined by the World Tourism Organisation as occurring when a traveller crosses an international border (Table 1). The GATS definition of tourism in general, as reflected in W/120, leaves out many services activities, such as computer reservation systems, transport, hotel construction, and car rentals, which are regarded by the World Tourism Organization as key tourism-related industries. The World Tourism Organization has stated that it is not satisfied with the current GATS definition, and would like to have it revised in the next round of services negotiations commencing in 2000.

10. During the Uruguay Round, the Secretariat circulated a document entitled "Classification of Tourism-Related Services", dated 23 October, 1990 (MTN.GNS/TOUR/W/1/Rev. 1). The paper included an illustrative list of core tourism activities, based on the draft "Standard International Classification of Tourism Activities" (SICTA) of the World Tourism Organization. The SICTA identified approximately 70 specific activities related to supplying tourism services; in addition, another 70 activities at least partially concerned the supply of tourism services. An attribution of SICTA activities to W/120 categories has been made by the World Tourism Organization (Table 2). The Secretariat paper also noted that the main items of world-wide tourism expenditure, according to the World Tourism Organization, were accommodation, meals, local transport, entertainment and shopping.

Questions for further discussion:

- * **Would it make sense to expand the current GATS definition of tourism, as reflected in W/120, to ensure that other tourism-related services activities are included when Members make commitments in tourism? Should Members consider only those aspects, such as hotel construction or management, specifically related to tourism?**
- * **Would the SICTA listing be useful in helping future negotiators to negotiate commitments in all services sectors affecting tourism?**

III. ECONOMIC IMPORTANCE OF THE SECTOR AND ITS MAIN ECONOMIC FEATURES

11. According to estimates by the World Travel and Tourism Council, an organization composed of executives from the travel and tourism industries, tourism and general travel accounted for 10.7 per cent of world-wide GDP in 1996, and is predicted to increase to 11.5 per cent by 2006.⁵ International tourism, by comparison, is significantly smaller. The World Tourism Organization says that only 7 per cent of the world's population will be traveling internationally even by 2020, compared with 3.5 per cent in 1996.⁶ Nonetheless, international tourism has a very substantial impact on trade levels, as well on foreign exchange earnings. For developing countries, it is one area where they run consistent trade surpluses: in 1995, the net transfer between OECD and non-OECD countries was US\$23.5 billion, up sharply from only US\$6.2 billion in 1985.⁷ According to the World Tourism

⁵ The great majority of tourism businesses are privately owned and managed, consisting predominately of small and medium-sized enterprises. Some travel businesses are government-owned, including travel agencies, reservation services, hotels, airlines, etc.

⁶ It should be noted that domestic and international travel are substitutes for each other, and highly influenced by per capita income levels and general economic conditions.

⁷ These figures exclude net fare receipts: for 1995, the net transfer from the OECD countries to the non-OECD countries was US\$3.5 billion.

Organization, world-wide international tourism receipts for 1995 (the most recent year available) totalled US\$484 billion, of which US\$84 billion was international fare receipts. This figure was slightly more than one-third the value of total world-wide trade in services.

12. Tourism ranks in the top five export categories for 83 per cent of countries, according to the World Tourism Organization, notably in Europe, the Middle East and the Americas, and is the leading source of foreign exchange in at least one in three developing countries. Countries with the highest ratios of tourism receipts to GNP are typically small island nations (Table 3).⁸ Although much of the gross tourism receipts (i.e. 50-70 per cent) "leak" out of these countries in order to pay for imported tourism inputs, the ratio of net receipts to GNP remains much higher than for most larger countries. For developing countries as whole, tourism receipts represented nearly 9 per cent of the value of their merchandise exports in 1995, an increase from the 5.9 per cent level a decade earlier; for developed countries, the figure was 7.7 per cent, compared to the previous level of 6.3 per cent.

13. According to 1993 estimates of the World Travel and Tourism Council, tourism as a whole employed one in ten workers world-wide, making it the world's largest employer. The World Tourism Organization notes, however, "The contribution of tourism to employment and tourism's potential to generate new jobs ranks as one of the paramount questions related to the social and economic importance of tourism. However, it is difficult to make accurate assessments of its volume and impact on the economy. Unfortunately, reliable and comparable data about tourism employment on the international level is very scarce".⁹ Tourism has three types of effects on employment: direct effects resulting from expenditures by tourists; indirect effects, such as the employment generated for the firms which act as suppliers to tourism-related enterprises; and induced effects on the economy as a whole resulting from expenditures deriving from the direct and indirect employment effects. The greatest difficulties in assessing the impact on employment result from the problems of defining and measuring tourism itself, considering that only a few services sectors are exclusively devoted to tourism, as noted earlier. What statistical information is available is typically limited to information on particular sub-sectors, such as the hotel industry, and for the more developed countries (Tables 4 and 5, respectively).

14. The tourism sector is already a major employer in developing nations, and the importance of tourism employment is increasing, due to the high growth rate of the sector relative to the domestic economy as a whole.¹⁰ UNCTAD notes that the tourism trade has traditionally been concentrated in developed countries, but the share of developing countries has been rising gradually, and now accounts for about one-third of the total. Least Developed Countries are enjoying strong increases in tourist growth, but their share of international arrivals and tourism receipts remains very small, at 0.7 and 0.4 per cent, respectively. Examples of countries with rapid tourism growth (often from a very low base) include Cambodia, Mali, Laos, Myanmar, Uganda and Tanzania. The situation differs greatly between countries, and heavily affected by political and economic instability as well as the availability of transport facilities. Considering the highly labour-intensive nature of tourism, developing and least developed countries would appear to have strong potential comparative advantage.¹¹

⁸ Travel and tourism accounts for over 25 per cent of GDP and 20 percent of employment in Caribbean countries.

⁹ World Tourism Organization, *Tourism Economic Report*, 1998, p.87.

¹⁰ Even developed countries are also hoping for expanded employment benefits through tourism promotion. Governments in OECD countries, however, have been under budgetary pressure to reducing funding for tourism promotion. At the same time, such promotion activities have often been criticised for inefficiency, lack of innovation and entrepreneurship, and expertise problems. The result has been increased reliance upon partnerships of various types, including intergovernmental and public/private sector partnerships.

¹¹ According to the World Tourism Organization, the extent of employment generated by tourism in these countries is partially contingent upon the "ability and willingness of local tourism businesses, operators and governmental bodies to develop plans, market effectively and reach an appropriate target audience" (World Tourism Organization, *International Tourism: A Global Perspective*, 1997, p.226).

15. The World Tourism Organization has forecast that by 2000, international tourist arrivals will reach 702 million, and by the year 2010, 1.1 billion. It should be noted that even international tourism mostly involves travel within the same geographic region. For 1997, as in several previous years, France was again first in terms of international tourist arrivals, with 66.8 million, followed by the United States with 49 million, Spain with 43.4 million and Italy with 34.1 million, according to World Tourism Organization data. Of the developing countries, China was sixth overall, Mexico was eighth, Hong Kong, China sixteenth, Turkey nineteenth and Thailand twentieth. World-wide arrivals totaled 612.8 million, a slightly more than 3 per cent increase over 1996.

16. International tourism receipts, excluding fares, have more than tripled in the past decade according to the World Tourism Organization, growing at an annual rate of about 13 per cent. For 1997, the United States was first in gross receipts, totalling US\$75.1 billion, followed by Italy with US\$30 billion, France with US\$27.9 billion and Spain with US\$27.2 billion. Among the developing countries, China was eighth; Hong Kong, China was tenth; and Thailand was twelfth. The difference in rankings compared with the list of international tourist arrivals is due to differences between countries in average tourist spending. World-wide receipts amounted to US\$443.8 billion, a 2.3 per cent increase over 1996. Comparative data on international receipts and expenditures are presented in Tables 6 to 9.

17. Most long-haul and transcontinental travel is by air, as well as much short-haul traffic, and some locations for international tourism are accessible only by air. World Tourism Organization statistics indicate that arrivals by air are over 90 per cent of total arrivals for a significant majority of developing countries. The advent of low-cost air travel, following the arrival of wide-bodied jets in the 1980s, and the resulting rapid increase in the number of passengers, has been the major factor of recent change in the tourism industry. Currently, the primary issues facing the transport aspect of tourism as a whole include fleet planning (i.e. efficiently matching supply with demand), congestion, safety and security, and environmental impact.

18. Statistics on the international hotel industry are incomplete and definitions vary, but as of 1995 there were an estimated 24 million hotel beds world-wide, representing nearly a 50 per cent increase from 1980. Total revenues for the same year were estimated at US\$253 billion. Europe accounted for about 45 per cent of the total hotel capacity, followed by the Americas with about 35 per cent and East Asia/Pacific with somewhat more than 14 per cent.¹² Economics, technology and logistics are said to be promoting mergers within the hotel industry. In the United States, three-fourths of all hotels are part of a chain, whereas the figure is only about one-fourth for the rest of the world. In these latter markets, the system of rating hotels according to a certain number of "stars" is still more influential than the brand image generated by the marketing efforts of the major chains. Some hotel owners are sceptical of government rating systems, however, due to reported past attempts in certain countries to link them to taxation schemes and price controls.

19. Food costs are estimated at 18-20 per cent of tourism expenditures. As a whole, food and beverage outlets are highly sensitive to economic conditions, and therefore have a high turnover rate. Although the share has been gradually declining due to changing consumer preferences, major international hotels in the United States continue to derive about 30 per cent of their revenues from food and beverage sales. Catering for in-flight and other transportation-related sectors is also an important part of the food service industry. Among independent food service establishments, the growth of international franchising is an important trend.

20. In 1992, there were an estimated 67,000 travel agents world-wide, of which 47 per cent were in the United States and 30 per cent in Europe, the Middle East and Africa. Technological changes,

¹² World Tourism Organization, Tourism Market Trends: 1997 Edition - World, Madrid, 1997, pp. 35 - 36.

including on-line services and ticketless travel, are significantly reducing the need for travel intermediaries. The travel agents most considered at risk are the small neighbourhood shops, and the large firms serving corporate clients. A second factor is that airlines in the United States have been reducing the commissions they pay to travel agents. In 1995, major U.S. airlines instituted a "cap" policy on travel agent commissions in order to limit costs. As a result, average commissions for domestic airline ticket sales have since declined. Hotel chains and cruise lines, however, are less affected as travel agent recommendations are still considered highly influential.

21. In situations of direct distribution of tourism services, the consumer makes reservations and purchases directly from the service provider, e.g. an airline or a hotel. With indirect distribution, the intermediaries can be wholesalers (typically those who assemble tour packages), tour operators, or retailers (e.g. travel agencies). Advantages for the consumer are often lower prices, the ability to compare alternatives and the opportunity to group and pay for an entire excursion as a single package. For many developing country tourism suppliers, sales and marketing are typically handled through international tour operators, as the lack of resources for international marketing campaigns often leaves these suppliers with few other options.

22. The rapid expansion of global distribution systems (GDS) and computer reservation systems (CRS), reflect recent technological advances. Unlike most other tourism-related services where a physical presence is required, GDS and CRS are characterized by supply of the service on a cross-border basis. CRS are typically proprietary systems used to check flight availability, make reservations and often to issue tickets. The same systems often can also be used for hotel reservations and car rentals. GDS, on the other hand, are systems for "neutrally" grouping and displaying information from a range of CRS systems.¹³ Some CRS proprietors have expressed concern that their data may be tampered with or presented in a biased manner; therefore, various codes of conduct have been devised to protect both the integrity and neutrality of the information contained within GDS.¹⁴ A related issue is that some CRS are said to have monopoly distribution rights, thereby preventing distribution of certain products via the GDS.

23. The expanding popularity of the Internet is promoting a further wave of rapid technological change, one which is expected to accelerate the changing role of travel agents. The advantage of Internet is the ability to make travel products globally accessible at a much lower cost, the benefits of which potentially could be extended to developing countries as their telecommunications systems improve. GDS and CRS are now interacting with Internet, and airline and other ticket sales through the Internet are predicted to rise from US\$800 million in 1997 to US\$8.9 billion by 2002. For many suppliers, tourism marketing efforts are increasing focusing on Internet users.

Questions for further discussion:

- * **What might be the effects of the Asian economic crisis (and its global economic impact) on international tourism? Can the previous growth estimates still be considered reliable?**
- * **What are the potential benefits and risks for developing countries of the rapid technological changes currently affecting tourism?**

¹³ The major GDS systems are Amadeus (covering 30 markets world-wide), Worldspan, Sabre, Galileo and System One.

¹⁴ Codes of conduct or other regulations concerning CRS have been developed by Canada, the European Civil Aviation Commission, the EU, the International Civil Aviation Organization and the United States. Apparently, however, the regulations and codes primarily apply to airline schedules and not to other types of information.

IV. REGULATORY STRUCTURE AND RELEVANT TRADE RESTRICTIONS

24. In 1990, the OECD published an Inventory of Obstacles to International Tourism in the OECD area. The study concluded that, by comparison with other service sectors, the tourism sector in OECD countries was "remarkably free from protectionist and discriminatory practices".¹⁵ The July 1990 paper by the Secretariat on trade in tourism services noted that many of the regulations affecting tourism, such as equity limitations on FDI, tended to be by-products of general economic, political and social concerns applying to a number of sectors.¹⁶ In some cases, restrictions might be imposed by both the services importer and the exporter. Such measures notably included immigration and security controls,¹⁷ together with documentation requirements, as well as any restrictions on currency movements which might be applied to individual tourists or tourism businesses. Specific regulations applying to the tourism sector might have such objectives as consumer protection, ensuring financial responsibility, or the development of the local economy and the domestic tourist industry. A lack of regulatory transparency, or the denial of national treatment, might also act as general barriers to international trade in tourism services.

25. Few studies apparently exist on the higher level of tourism trade which might take place if existing restrictions were removed. An UNCTAD representative has noted that strategies for strengthening the competitiveness of the tourism sector in developing countries involved: modernization of the regulatory framework; strengthening institutional capacity (i.e. coordination and planning mechanisms); application of international standards; and the strengthening of competition rules. A Swiss tourism representative has stated that tourism involves "economies of scope" rather than economies of scale, due to the fact that many different sectors of the economy -- most of which are only partially concerned with tourism -- must cooperate together closely in respect to such aspects as distribution systems and advertising. Therefore, it is important for national tourism policies to focus on the vertical nature of the sector in regard to marketing and policy development.¹⁸

26. As noted by the World Tourism Organization, adequate infrastructure must be in place (and sufficiently maintained) to support any intended tourism activities, both for domestic and international tourism. This most obviously includes airport facilities, port facilities road systems and telecommunications, as well as water supplies, electric power and sewage treatment facilities. Regarding actual tourism facilities, adequate consideration must be given to lodging and food, as well as local transportation. Developing countries also face significant cost and technical barriers to GDS access: small airlines and tour operators find the booking fees of individual CRS prohibitively high, and the "back office systems" in developing countries are also often insufficiently developed. Grouping into associations could provide the necessary economies of scale for the CRS. Also, GDS could be developed on a national basis. Standardization of electronic systems and interfaces could also reduce costs.

27. According to UNCTAD, developing country tourism exports are hindered by the long distances of many developing countries from the main tourist-generating centres, and the high air-fares caused by low air traffic density. Protectionist aviation policies, states the World Travel and Tourism Council (WTTC), severely constrain the development of tourism. According to a WTTC official, "Aviation protectionism pulls customers away from the whole travel and tourism chain -- from hotels, resorts, car rentals, computer reservations systems, entertainment, cultural attractions and

¹⁵ World Tourism Organization, Seminar on GATS Implications for Tourism, 1995, p.42.

¹⁶ The tourism industry has actually been an important part of the rapid world-wide growth in FDI. According to UNCTAD, developing countries can encourage FDI in the tourism sector by undertaking commitments under the GATS. In regard to commercial presence for hotel services, however, it should be noted that such practices as imposing high tariff duties on hotel equipment can be a major barrier to inward FDI.

¹⁷ A major issue for the movement of natural persons in the tourism industry concerns barriers in situations not involving commercial presence (e.g. cooks for Indian restaurants).

¹⁸ World Tourism Organization, Seminar on GATS Implications for Tourism, 1995, pp.29, 48.

all the rest of our industry".¹⁹ A recent WTTC report strongly promotes aviation liberalization, noting that, in most countries, the gross receipts from hotels and other tourist activities are substantially greater than those of the national airline, and the "leakage" of foreign exchange earnings is proportionately much less.²⁰

28. A WTTC official has claimed that many bilateral agreements encourage inefficiency in air transport by restricting market access, controlling prices and capacity, and protecting money-losing state carriers.²¹ In December 1994, the International Civil Aviation Organization held a world-wide conference to examine international air transport regulation. Although the "open skies" concept was considered, developing country and some developed country members perceived this to be a threat to their continued participation in international air transport. The conference therefore concluded with the decision that each State would choose its own pace for change, using bilateral, regional and multilateral mechanisms. Various options for gradual liberalization by developing countries were discussed, including the liberalization of charter flights as an initial step.

29. According to the World Tourism Organization, sustainable tourism is roughly defined as the meeting of the needs of present tourists and host regions, while protecting and enhancing opportunities for the future. "Sustainable development" can be defined as "a sustained improvement in the fulfilment of the needs of a population without exerting a negative impact on the environment", and "ecotourism" defined as "responsible travel to natural areas which conserves the environment and improves the welfare of local people."²² Although mass tourism has often been blamed for undermining the socio-economic basis of "traditional" local life, positive effects of tourism can actually include the revival of local arts and handicrafts.

30. Strong motivations for environmental protection exist at both the industry and client levels.²³ In 1995, the World Travel and Tourism Council, the World Tourism Organization and the Earth Council released a joint environment plan, entitled Agenda 21 for the Travel and Tourism Industry: Towards Sustainable Development. The plan covers such issues as waste utilisation, energy and non-renewable resource conservation, water management, local community involvement customer awareness and staff education and training. Also included are mechanisms for the development of consultative arrangements between government, industry, local communities and environmental interests.²⁴ An example of initiatives at the government level is the ECoNETT environmental communications network of the European Community.

31. Trade liberalization in the tourism sector, including the increased movement of natural persons, has also led to increased demand for development of international standards. The World Tourism Organization has developed human resource quality, and is working on developing a range of other quality standards, commencing with those to be applied to tourism destinations. The

¹⁹ World Tourism Organization, Seminar on GATS Implications for Tourism, 1995, p.36.

²⁰ World Travel and Tourism Council, Air Transport and Freer World Trade, Internet version (<http://www.wttc.org/>). Import leakage for small national airlines in developing countries is typically 65-70 per cent of total operating costs. A World Tourism Organization study, Aviation and Tourism Policies, stated that some countries were spending more money protecting their domestic carriers than they generated through their entire travel and tourism industry.

²¹ The World Travel and Tourism Council states that air service is the factor that is crucial to tourism-driven development, not airline ownership. Recent privatization initiatives may have reduced the incentive for developing countries to protect their national airlines. Potential problems, however, include the risk of domination by a single company.

²² Wolfgang Hein, Tourism and Sustainable Development, 1997, Hamburg, p.7. It is important to note that even ecotourism typically involves the use of fossil fuels and the emission of greenhouse gases as tourists travel to and from their destinations.

²³ Many private tourism-related firms, notably hotels, for example, have instituted various types of environmental programmes.

²⁴ Internet site of the World Travel and Tourism Council (<http://www.wttc.org/>).

International Organization for Standardization (ISO) has formed a working group to examine standards on terminology for hotel accommodations. Meanwhile, certification of standards conformity is already occurring in countries such as France for tourism information centres.

Questions for further discussion:

- * **Is there a need to collect further information, perhaps on a country-by-country basis, on the tourism regulations not already mentioned in Members' Schedules?**
- * **Would greater international acceptance, and use, of international standards facilitate increased trade, including the movement of natural persons?**

V. NEGOTIATIONS ON TOURISM SERVICES AND EXISTING COMMITMENTS UNDER THE GATS

32. As of September, 1998, 112 WTO Members have made commitments in Tourism under the GATS (Table 10).²⁵ This level is greater than for any other sector, and indicates the desire of most Members to expand their tourism sectors and to increase inward FDI as part of efforts to promote economic growth. In the view of the World Tourism Organization, the tourism sector was already highly liberalized before the Uruguay Round negotiations; few major obstacles remain.

33. Of the 112 Members, 66 referred to the CPC at the level of the correspondence between CPC and W/120, which is a mix of three-digit items (CPC 641, 642 and 643) and of four-digit items (CPC 7471 and 7472), and three Members made commitments at the same level of correspondence, but with the addition of *sui generis* items.²⁶ Seventeen other Members referred to the CPC in greater detail (i.e. at the four or five digit level), and four others combined more detailed reference to the CPC with *sui generis* items. Fourteen other Members referred to the W/120 items without quoting the CPC and one combined reference to W/120 with *sui generis* concepts. Finally seven Members made no reference either to the CPC or to W/120. Also noted in the commitments were the relatively important number of "*sui generis* concepts" such as "hotel development", "marinas", "yacht and leisure boat renting".

34. In regard to the level of market access and national treatment provided within Member schedules, commitments by mode of supply vary widely for the Tourism sector as a whole (Table 11). The percentage of Members placing no restriction on market access (i.e. a "None" entry in their schedule for all subsectors where commitments are made) is highest for consumption abroad (at 49 per cent), and lowest for the presence of natural persons (at 1 per cent). Regarding national treatment, the pattern is similar, with the percentage of Members having no restrictions on their commitments at 52 per cent for consumption abroad and 11 per cent for the presence of natural persons. Regarding "Unbound" modes of supply, i.e. those for which no commitments are made, the level in respect to both market access and national treatment is highest for cross-border supply, due primarily to a lack of technical feasibility, at 27 per cent and 24 per cent, respectively. Table 12, which presents a more detailed analysis by individual sub-sector, shows a similar pattern to that for the Tourism sector as a whole.

35. The number of commitments made also varies widely by sub-sector. Hotels and restaurants (sub-sector A) shows the greatest number, with 112 Members (i.e. all) making commitments, followed in order by sub-sector B, Travel agencies and tour operators services with 89, sub-sector C,

²⁵ The schedules of Austria, Finland and Sweden are counted separately, as they have not yet been integrated into the schedule of the European Community and its Member States. Aruba, the Netherlands Antilles and New Caledonia also have schedules, but are not counted separately.

²⁶ This paragraph updates and revises information presented in document S/CSC/W/9, p.3.

Tourist guides services, with 54, and sub-sector D, Other, with only 13 commitments (Table 10). Under "Other", a number of Members have given no description in their GATS schedule of what is included; other Members have listed specific activities, in one case including transport-related commitments. Of the 112 Members making commitments, 10 have made them in all four sub-sectors; 45 have made them in three subsectors, 36 in two subsectors and 21 in only the first sub-sector (Table 10). In other words, nearly one-half of the Members making commitments have done so in three or more sub-sectors.

36. Among the most common restriction appearing in schedules, the cross-border supply of hotel and restaurant services, as noted above, is often indicated as unbound due to lack of technical feasibility. An economic needs test is frequently required for opening new bars or restaurants; citizenship requirements are sometimes imposed for liquor licenses and tourist guide licenses. In regard to commercial presence, market access is often guaranteed only to hotels in excess of a certain size, e.g. 50 or 100 rooms, with access for hotels below that size subject to an economic needs test. In some cases licences are required for commercial presence, and in other cases commercial presence is restricted to fixed equity limits.

37. An MFN exemption affecting Tourism has been taken by Mexico in regard to tax deductions for individuals attending business conventions. Under the Aviation category in the Transport sector, Members have taken a significant number (16) of MFN exemptions for CRS; exemptions are also in place for a number of other aviation-related measures. In addition, a substantial number of Members have taken general MFN exemptions which may have an effect on the Tourism sector, most notably preferential access measures for natural persons.

Questions for further discussion:

- * **Should more attention be drawn to the fact that liberalization in the tourism sector as a whole is highly dependent upon commitments taken in other GATS sectors?**
- * **Might Members wish to again consider whether a GATS Annex may be required in order to formally recognize that tourism is in fact broader than the current GATS definition?**

VI. SOURCES OF ADDITIONAL INFORMATION

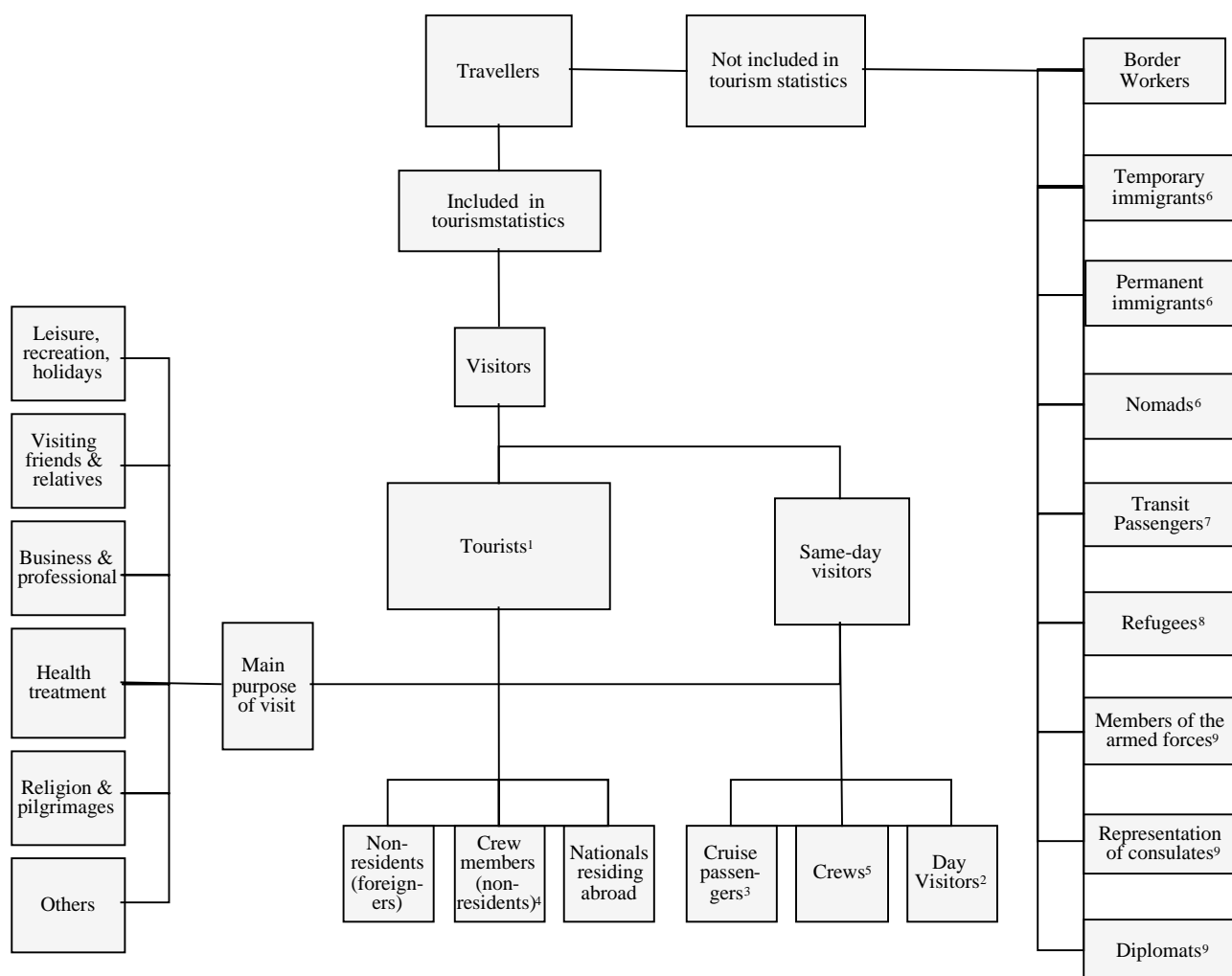
38. Relevant sources of additional information also include the following Internet sites:²⁷

- Air Transport Association (<http://www.air-transport.org/>)
- Caribbean Tourism Organization (<http://www.caribtourism.com/>)
- Hotel & Catering International Management Association (<http://hcima.org.uk/>)
- International Air Transport Association (<http://www.iata.org/>)
- International Association of Convention and Visitors Bureaus (<http://www.iacvb.org/>)
- International Civil Aviation Organization (<http://www.icao.org/>)
- International Hotel & Restaurant Association (<http://www.ih-ra.com/>)

²⁷ Source for the items on this list is the World Travel and Tourism Council's Internet site (<http://www.wttc.org/>).

- Indian Ocean Tourism Organisation (<http://www.cowan.edu.au/pa/ioto/>)
- International Federation of Information Technology & Tourism (<http://www.ifitt.org/>)
- Pacific Asia Travel Association (<http://www.pata.org/>)
- Tourism Industries Network (<http://www.tinet.ita.doc.gov/>)
- United Nations Industry and Environment Programme (<http://www.unep.org/>)
- World Association of Travel Agencies (<http://www.kenpubs.co.uk/watanetwork/>)
- World Tourism Organization (<http://www.world-tourism.org/>)

Table 1: Classification of International



¹Visitors who spend at least one night in the country visited, but less than one year.

²Visitors who arrive and leave the same day for leisure, recreation and holidays; visiting friends and relatives; business professional; health treatment, religion, pilgrimages and other tourism purposes, including transit day visitors en route to or from their destination countries.

³Persons who arrive in a country aboard cruise ships [as defined by the International Maritime Organization (IMO), 1965] and who spend the night aboard ship even when disembarking for one or more day visits.

⁴Foreign air or ship crews docked or in lay over and who use the accommodation establishments of the country visited.

⁵Crews who are not residents of the country visited and who stay in the country for the day.

⁶As defined by the United Nations High Commissioner for Refugees, 1967.

⁷Who do not leave the transit area of the airport or the port, including transfer between airports or ports.

⁸As defined by the United Nations High Commissioner for Refugees, 1967.

⁹When they travel from their country of origin to the duty station and vice-versa (including household servants and dependants accompanying or joining them).

Source: World Tourism Organization as found in OECD, Tourism Policy and International Tourism in OECD Countries. (OCDE/GD(97)173, Paris, 1997.

Table 2: Attributing SICTA Tourism-dedicated Activities to the GATS Services Sectoral Classification List ^a

Draft list

Sector 1 - Business services

- | | |
|--|--|
| . buying, selling or letting of own or leased tourism property | . rental of tourism-related goods |
| . real estate agencies for tourism properties | . tourism and tourism market research |
| . tourism property management | . tourism business and management consultancy activities |
| . automobile rental | . tourism architecture and engineering |
| . motorcycle rental | . tourism advertising |
| . recreational vehicle, camper, caravan rental | . passport photographers |
| . rental of watercraft and related facilities | . translation services |
| . rental of bicycles | . information bureau |
| . rental of ski equipment | . visitor and convention bureau |

Note: Neither SICTA nor the GATS classification specify travel clinics, travel assistance (related to, but different from, travel insurance) and repatriation services (can be part of travel assistance). Under "community, social and personal services" SICTA includes "Travellers Aid Societies" ("usually consisting of voluntary members").

Sector 2 - Communication services

Note: Neither SCITA nor the GATS classification specify destination data bases.

Sector 3 - Construction and related engineering services

- . construction of commercial facilities (hotels, etc.)
- . construction of recreational facilities (ski areas, golf courses, marinas, etc.)
- . civil works - transportation facilities
- . resort residences - second homes, weekend homes

Sector 4 - Distribution services

- . retail sale of travel accessories, luggage
- . other retail sale of travel accessories in specialized stores
- . retail sale of skin diving and scuba equipment
- . retail sale of ski equipment
- . retail sale of camping and hiking equipment
- . retail sale of gift and souvenir shops

Note: Franchising is mentioned by the GATS classification, not by SICTA

Sector 5 - Educational services

- . hotel schools
- . tourism degree programmes
- . recreation and park schools
- . other tourism-related education
- . ski instruction

^a Some SICTA tourism-dedicated activities not concerned with the supply of commercial services (administration, trade-union services) have not been included in the list. Some activities have been merged for presentation.

Sector 6 - Environmental services

Note: Environmental services outlined in the GATS (sewage, refuse disposal, sanitation and similar, and other services) offer a vast scope for singling out tourism-related services (e.g. beach cleaning). Environmental activities are not specified in SICTA.

Sector 7 - Financial services

- . travel insurance
- . “all payment and money transmission services, including consumer credit, montage, charge and debit cards, travellers cheques and bankers drafts” (GATS)

Note: Under this title, GATS is more specific than SICTA, and the GATS Annex on Financial Services is more specific than the overall GATS Services Sectoral Classification List.

The term “travel insurance” is explained by SICTA as “covering accidental death while travelling away from home”, while it normally covers also medical assistance, hospitalization, emergency repatriation for health reasons and repatriation of the body in case of death.

Sector 8 - Health-related and social services

- . physical fitness facilities
- . travel clubs
- . traveller aid societies

Note: Under health-related and social services, neither the GATS classification nor SICTA are specific about services and activities aimed at providing specialized medical treatment to tourists.

Sector 9 - Tourism and travel-related services

- . hotels and motels with restaurants
- . hotels and motels without restaurants
- . hostels and refuges
- . camping sites, including caravan sites
- . health-oriented accommodation
- . other provisions of lodging
- . bars and other drinking places
- . full-service restaurants
- . fast-food restaurants and cafeterias
- . institutional food services, caterers
- . food kiosks, vendors, refreshment stands
- . night-clubs and dinner theatres
- . travel agents
- . tour operators, packagers and wholesales
- . ticket offices
- . guides

Note: WTO/UN recommendations regarding standard classification of tourism accommodation are more specific and use different terminology than SICTA.

Restaurants, bars and canteens have been shown to make allowance for the GATS classification of “Tourism and Travel-Related Services”, although SICTA identifies such activities as partly involved in tourism but representing a medium percentage of sales to tourism, as well as a medium share of tourism purchases (between 20 and 60 percent)

Sector 10 - Recreational, cultural and sporting services

Note: No SICTA-identified activity is classified as “dedicated” to tourism and those representing a medium percentage of sales to tourism include:

- . dramatic arts, music and other arts activities
- . operation of ticket agencies
- . other entertainment activities
- . amusement parks
- . museum of all kinds and subjects
- . historic sites and buildings
- . nature and wildlife preserves
- . operation of sporting facilities
- . activities relating to recreational fishing
- . gambling and betting operations, casinos
- . operation of recreational fairs and shows

Sector 11 - Transport services

- . interurban rail passenger services
- . special rail tour services
- . scheduled interurban bus services
- . long distance tour buses
- . local tour vehicles
- . cruise ships
- . ship rental with crew
- . inland water passenger transport with accommodation
- . inland water local tours
- . supporting land transport activities
- . supporting water transport activities
- . supporting air transport activities
- . scheduled air passenger transport
- . non-scheduled air passenger transport
- . aircraft rental with crew

Note: Neither the GATS classification nor SICTA specify computer reservation systems (CRS) services. CRS services are mentioned, however, in the GATS Annex on Air Transport Services.

Sector 12 - Other services not included elsewhere

- . international tourism bodies

Source: World Tourism Organization, Seminar on GATS Implications for Tourism, 1995.

Table 3: International Tourism Receipts as Percentage of the Gross National Product (GNP)^a

Twenty-five Countries Recording the Highest Contribution of Tourism to GNP

	1995		1990		1985	
	% of tourism receipts to GNP	rank	% of tourism receipts to GNP	rank	% of tourism receipts of GNP	rank
Maldives	83.3	1	67.9	4	57.7	4
Anguilla	80.3	2	76.1	3	60.0	3
Antigua, Barbuda	72.3	3	85.6	2	70.7	2
Br. Virgin Is.	69.5	4	95.7	1	74.7	1
US Virgin Is.	60.8	5	51.9	5	51.2	5
Cook Is.	56.3	6	23.9	19	-	-
St. Lucia	51.0	7	41.5	9	26.2	11
Macau	42.0	8	42.3	8	-	-
Guam	41.7	9	40.6	11	32.1	9
Bahamas	41.6	10	45.5	7	46.1	6
Aruba	41.0	11	40.3	12	-	-
Barbados	40.4	12	29.1	16	26.0	12
Guadeloupe	38.2	13	16.4	26	8.8	27
Jamaica	33.8	14	19.8	22	23.6	13
St. Kitts & Nevis	31.1	15	41.4	10	40.3	7
Gibraltar	29.8	16	49.8	6	12.2	22
Bermuda	29.6	17	30.5	15	32.2	8
Montserrat	28.0	18	19.0	23	22.2	15
Netherlands, Antilles	27.9	19	24.2	17	17.2	17
Martinique	27.4	20	17.2	25	6.6	34
Vanuatu	27.2	21	23.9	18	15.6	19
St. Vincent, Gren.	23.2	22	30.6	14	20.9	16
Grenada	21.7	23	18.0	24	22.8	14
Seychelles	20.9	24	35.6	13	31.3	10
Cyprus	20.8	25	22.2	20	15.7	18

Source: Calculations by World Tourism Organization (WTO) on tourism receipts data supplied by countries/territories and GNP data supplied by the World Bank, as found in World Tourism Organization, Tourism Economic Report, 1998.

^aList limited to countries with both International Tourism Receipts and GNP available. See appendix for reference table

Table 4: Employees in the Hotel Industry Worldwide, 1995

Region	Employees (thousands)	%	Rooms (thousands)	Employees per room ratio
Total	11,317	100	12,249	0.9
Africa	1,259	11.1	384	3.3
Americas	4,062	35.9	4,494	0.9
Caribbean	278	9.9	165	1.7
Central America	232	6.5	48	4.8
Northern America	2,268	4.2	3,754	0.6
Southern America	1,284	4.8	527	2.4
Asia-Pacific	2,862	25.3	1,701	1.7
North-eastern Asia	1,120	16.6	759	1.5
South-eastern Asia	731	7.1	565	1.3
South Asia	472	0.0	143	3.3
Australasia & Pacific	539	4.0	234	2.3
Europe	2,679	23.7	5,492	0.5
EEA	1,874	16.6	4,365	0.4
Other Europe	805	7.1	1,127	0.7
Middle East	455	4.0	179	2.5

Source: Compilation by World Tourism Organization (WTO) based on data from the International Hotel Association, as found in World Tourism Organization, Tourism Economic Report, 1998.

^aRegistered hotels.

^bEEA = European Economic Area, or members of the European Union and European Free Trade Association.

Table 5: Employment in Tourism for Industrial Countries, 1993

	Employment in Tourism (thousands)			Share of Employment of Tourism in the Total Labour Force (%)		
	total	direct	indirect	total	direct	indirect
Greece	360	220	140	10.0	6.1	3.9
Spain	1,400	323	577	9.1	5.4	3.7
Switzerland	293	205	89	8.2	5.7	2.5
Italy (1994) ^a	1,722	1,063	659	7.7	4.8	2.9
France	1,200	895	305	4.8	3.6	1.2
Netherlands	200	149	51	2.8	2.1	0.7
Belgium	74	55	19	2.0	1.5	0.5
Germany	1,800			6.5		
Luxembourg	12			6.4		
Australia	458			6.0		
Portugal	250			5.6		
Sweden	153			3.4		
Denmark	97			2.6		
Japan	990			1.6		
Austria		586			13.9	
United States		6,000			5.1	
Canada		467			4.0	
Norway		54			3.4	
Iceland		4			3.0	
Turkey		129			0.7	

Source: OECD, Tourism Policy and International Tourism in OECD Countries 1992-1993; Special Feature "Tourism and Employment", 1995, p. 14, as found in World Tourism Organization, Tourism Economic Report, 1998.

^aSixth report on Italian Tourism, International Edition, 1996, Presidenza del Consiglio dei Ministri Dipartimento del Turismo, pp. 59-77.

Table 6: International Tourism and Fare Receipts and Expenditure

Economic Groupings Overview, Balance 1995 (including estimations for missing data)

	Total tourism and fare balance (US\$ bn)	International tourism balance (US\$ bn)	International fare balance (US\$ bn)
World	0	0	0
Org. for Economic Co-op and Development (OECD)	-27.0	-23.5	-3.5
Non-OECD	27.0	23.5	3.5
Southern African Development Community (SADC)	-0.5	-0.2	-0.2
Latin America Integration Association (LAIA)	1.6	1.9	-0.2
Association of South-East Asia Nations (ASEAN)	15.6	13.4	2.2
Indian Ocean Countries (IOTO)	20.9	16.4	4.4
European Union (EU)	-6.8	-7.3	0.5
Oceania	6.2	5.4	0.8
Mediterranean Countries	58.1	57.7	0.4
Expanded Middle East	3.3	2.5	0.8
Classifications by the World Bank^a			
<i>Income group and Indebtedness</i>			
Low-income (= < US\$725)	9.0	7.8	1.2
Low-income, severely indebted	-0.4	-0.3	-0.0
Low-income, moderately indebted	5.2	3.3	1.9
Low-income, less indebted	4.2	4.8	-0.6
Lower-middle income (US\$726-2,895)	13.4	11.7	1.7
Upper-middle-income (US\$2,896-8,955)	9.7	8.9	0.8
Middle-income, severely indebted	6.7	6.7	-0.1
Middle-income, moderately indebted	5.2	5.4	-0.1
Middle-income, less indebted	7.4	4.9	2.5
Not classified by indebtedness	3.9	3.6	0.3
High-income	-32.9	-29.1	-3.8
High-income OECD (>= US\$8,956)	-39.8	-34.8	-5.0
High-income non-OECD (>= US\$8,956)	7.0	5.8	1.2
<i>Major export category</i>			
Exporters of manufactures	-64.3	-55.8	-8.5
Exporters of nonfuel primary products	2.7	2.4	0.4
Exporters of fuel (mainly oil)	-7.9	-7.4	-0.5
Exporters of services	4.9	4.4	0.5
Diversified exporters	60.2	52.3	7.9
Not classified by export category	3.6	3.5	0.2

Source: Estimations by the World Tourism Organization (WTO) based on data received from countries/territories and the International Monetary Fund (IMF), as found in World Tourism Organization, *Tourism Economic Report*, 1998.

^aExcluding countries/territories with a population less than 30,000 not classified by the World Bank.

Table 7: International Tourism Balance of Account expenditure (excluding fare receipts)

Countries with the Highest Surplus, 1995, 1985 (\geq US\$1 bn)

	Balance of Tourism Account (US\$ mn)	
	1995	1985
Spain	21,161	7,141
United States	15,282	-6,796
Italy	15,032	6,473
France	11,199	3,385
China	5,045	936
Thailand	4,292	891
Turkey	4,045	1,158
Singapore	3,339	1,047
Indonesia	3,056	-66
Mexico	3,011	643
Macau	3,000	-
Austria	2,910	2,361
Greece	2,784	1,060
Australia	2,496	-856
India	2,345	626
Portugal	2,247	902
Argentina	2,239	376
Malaysia	2,119	-536
Philippines	2,028	957
Switzerland	1,728	746
Egypt	1,522	795
Dominican Republic	1,519	284
Cyprus	1,490	341
Czech Republic	1,245	-
Poland	1,200	-66
Bahamas	1,133	872
Tunisia	1,074	425

Source: World Tourism Organization (WTO), as found in World Tourism Organization, Tourism Economic Report, 1998.

Table 8: International Tourism Balance of Account (excluding fare receipts and expenditure)

Countries with the Largest Deficit, 1995, 1985 (<=US\$ -02.bn)

	Balance of Tourism Account (US\$ mn)	
	1995	1985
Germany	-34,454	-8,061
Japan	-33,566	-3,677
Russian Federation	-7,287	-
Netherlands	-5,693	-1,787
United Kingdom	-5,664	751
Taiwan, China	-5,171	-466
Belgium	-3,496	-387
Kuwait	-2,215	-1,885
Canada	-2,208	-1,027
Brazil	-2,148	299
Sweden	-1,975	-777
Norway	-1,835	-967
Venezuela	-1,054	-181
Finland	-667	-234
Denmark	-608	-84
Iran	-415	-481
Israel	-364	552
Pakistan	-335	-16
Korea, Republic of	-316	178
Bangladesh	-206	-22
Libya	-206	-407

Source: World Tourism Organization (WTO), as found in World Tourism Organization, Tourism Economic Report, 1998.

Table 9: International Tourism and Fares Balance of Account

Category of Countries, 1995

(tourism & fares \geq US\$ +/- 1bn or fares \geq US\$ +/- 0.2 bn)

		Balance of Account (US\$ mn)		
		Tourism & fares	Tourism	Fares
Surplus on both tourism	Spain	21,880	21,161	719
And fares (43 in total)	United States	19,503	15,282	4,221
	Thailand	4,995	4,292	703
	Mexico	3,309	3,011	298
	Malaysia	2,589	2,119	470
	Portugal	2,579	2,247	332
	Egypt	1,699	1,522	177
	Dominican Republic	1,584	1,519	65
	Cyprus	1,556	1,490	66
	Tunisia	1,339	1,074	265
	New Zealand	1,262	880	382
	Jamaica	1,026	921	105
	Colombia	373	29	344
Surplus on tourism, deficit	Italy	14,147	15,032	-885
On fares (29 in total)	France	10,566	11,199	-633
	Greece	2,659	2,784	-125
	Australia	2,472	2,496	-24
	Philippines	1,925	2,028	-103
	Argentina	1,884	2,239	-355
	Switzerland	1,599	1,728	-129
	Poland	1,148	1,200	-52
	Bahamas	1,120	1,133	-13
	Puerto Rico	739	995	-256
Deficit on tourism, surplus	Netherlands	-3,275	-5,693	2,418
On fares (22 in total)	Belgium	-3,248	-3,496	248
	Kuwait	-2,215	-2,215	0
	Venezuela	-1,029	-1,054	25
	Finland	-427	-667	240
	Pakistan	-6	-335	329
	Korea, Republic of	642	-316	958
Deficit on both tourism and	Japan	-42,084	-33,566	-8,518
Fares (22 in total)	Germany	-35,163	-34,454	-709
	United Kingdom	-6,138	-5,664	-474
	Canada	-3,262	-2,208	-1,054
	Brazil	-2,624	-2,148	-476
	Sweden	-2,369	-1,975	-394

Source: Calculations based on World Tourism Organization (WTO) and International Monetary Fund (IMF) data, as found in World Tourism Organization, Tourism Economic Report, 1998.

Table 10: Summary of Specific Commitments

COUNTRIES	09.A.	09.B.	09.C.	09.D	TOTAL
Angola	X				1
Antigua and Barbuda	X				1
Argentina	X	X	X	X	4
Australia	X	X	X		3
Austria	X	X	X		3
Bangladesh	X				1
Benin	X				1
Bolivia	X	X			2
Botswana	X	X			2
Brazil	X				1
Bulgaria	X	X			2
Burkina Faso	X	X			2
Burundi	X	X	X		3
Cameroon	X	X			2
Canada	X	X			2
Central African Republic	X	X	X	X	4
Chad	X	X			2
Chile	X	X	X		3
Colombia	X	X			2
Congo	X	X	X		3
Congo R.P	X	X	X		3
Costa Rica	X	X	X		3
Côte d'Ivoire	X	X	X		3
Cuba	X	X	X		3
Czech Republic	X	X	X		3
Djibouti	X				1
Dominica	X				1
Dominican Republic	X	X	X		3
Ecuador	X	X			2
Egypt	X	X	X	X	4
El Salvador	X	X	X		3
European Community	X	X	X		3
Fiji	X				1
Finland	X	X	X		3
Gabon	X	X			2
Gambia	X	X	X		3
Ghana	X	X			2
Grenada	X				1
Guatemala	X	X	X	X	4
Guinea	X		X		2
Guinea-Bissau	X				1
Guyana	X	X			2
Haiti	X				1
Honduras	X	X	X		3
Hong Kong	X	X			2
Hungary	X	X			2
Iceland	X	X	X		3
India	X	X			2
Indonesia	X	X		X	3
Israel	X	X	X		3
Jamaica	X	X			2
Japan	X	X	X		3
Kenya	X	X	X		3
Korea, Republic of	X	X	X		3
Kuwait	X	X	X		3
Lesotho	X	X	X		3
Liechtenstein	X	X	X		3

COUNTRIES	09.A.	09.B.	09.C.	09.D.	TOTAL
Macau	X	X			2
Malawi	X	X	X	X	4
Malaysia	X	X			2
Mali	X				1
Malta	X	X			2
Mauritania	X	X	X		3
Mauritius	X	X	X	X	4
Mexico	X	X	X		3
Mongolia	X	X	X		3
Morocco	X	X	X	X	4
Myanmar	X	X			2
Namibia	X	X			2
New Zealand	X	X	X		3
Nicaragua	X	X	X		3
Niger	X	X	X		3
Nigeria	X	X	X		3
Norway	X	X	X		3
Pakistan	X	X			2
Panama	X	X			2
Papua New Guinea	X				1
Paraguay	X	X	X		3
Peru	X	X			2
Philippines	X	X			2
Poland	X	X			2
Qatar	X				1
Romania	X	X	X		3
Rwanda	X				1
St. Kitts & Nevis	X				1
St. Lucia	X				1
St. Vincent & Grenadines	X				1
Senegal	X	X			2
Sierra Leone	X	X	X	X	4
Slovak Republic	X	X	X		3
Slovenia	X	X			2
Solomon Islands	X				1
South Africa	X	X	X		3
Sri Lanka	X	X			2
Suriname	X	X			2
Swaziland	X				1
Sweden	X	X	X		3
Switzerland	X	X	X		3
Tanzania	X				1
Thailand	X	X		X	3
Togo	X	X	X		3
Trinidad and Tobago	X	X			2
Tunisia	X	X			2
Turkey	X	X			2
Uganda	X	X			2
United Arab Emirates	X		X		2
Uruguay	X	X	X		3
USA	X	X	X	X	4
Venezuela	X	X		X	3
Zambia	X	X	X	X	4
Zimbabwe	X	X	X		3
TOTAL	112	89	54	13	268

Legend:

- 09.A. Hotels and Restaurants
 09.B. Travel Agencies and Tour Operators Services
 09.C. Tourist Guides Services
 09.D. Other

Table 11: Number of Countries by Mode of Supply - Tourism and Travel-Related Services

Mode of Supply		Market Access			National Treatment		
		Full	Part	No	Full	Part	No
1)	Cross-border Supply	33	49	30	37	48	27
		29%	44%	27%	33%	43%	24%
2)	Consumption Abroad	55	47	10	58	42	12
		49%	42%	9%	52%	38%	11%
3)	Commercial Presence	25	86	1	49	61	2
		22%	77%	1%	44%	54%	2%
4)	Presence of Natural Persons	1	105	6	12	90	10
		1%	94%	5%	11%	80%	9%

Table 12: Percentage by Sector and Mode of Supply - Tourism and Travel-Related Services

(Percentages in each Activity)

I. MARKET ACCESS	Cross-border			Consumption abroad			Commercial presence			Natural Persons		
	Full	Partial	No	Full	Partial	No	Full	Partial	No	Full	Partial	No
Hotels and Restaurants	31%	23%	46%	54%	37%	9%	27%	72%	1%	3%	91%	6%
Travel Agencies and Tour Operators Services	49%	19%	31%	65%	20%	15%	27%	67%	6%	1%	88%	11%
Tourist Guides Services	56%	7%	37%	78%	13%	9%	41%	54%	6%	0%	85%	15%
Other	38%	31%	31%	38%	54%	8%	23%	69%	8%	0%	92%	8%
II. NATIONAL TREATMENT	Cross-border			Consumption abroad			Commercial presence			Natural Persons		
	Full	Partial	No	Full	Partial	No	Full	Partial	No	Full	Partial	No
Hotels and Restaurants	37%	21%	42%	58%	30%	12%	51%	46%	3%	11%	79%	10%
Travel Agencies and Tour Operators Services	55%	15%	30%	70%	13%	17%	64%	27%	9%	17%	69%	15%
Tourist Guides Services	59%	4%	37%	85%	4%	11%	76%	15%	9%	13%	67%	20%
Other	54%	23%	23%	62%	38%	0%	54%	46%	0%	23%	69%	8%

Note: Percentages may not add up to 100 due to rounding. Basis of total is listed sectors.