Make Reservations, Not War

By Dr. Richard Kelley

Not quite two weeks have gone by since the spectacular Olympic Games in London showed us that much is right in the world, but now newspaper headlines, Internet bloggers and television pundits are reminding us that, like the turbulent 1960s at the height of the Vietnam War, a number of factors have come together to put peace and the world economy at significant risk. While many solutions are being suggested, I want to remind leaders that a vibrant Travel & Tourism industry can do much to lead us to more peaceful and prosperous times.

The World Travel & Tourism Council (WTTC) has been a leader in defining the role that Travel & Tourism plays in the economy and employment around the world. In a recent report, WTTC also benchmarked and compared the Travel & Tourism industry against the economic and employment contributions of other major sectors of the economy. Here’s a very brief summary of its findings.*

• Travel & Tourism accounts for approximately 9 percent of global Gross Domestic Product (GDP – the total value of all goods and services produced in any given country, state or region, or, in this case, the entire world). In actual dollars, that means Travel & Tourism contributes $6 trillion ($6,000,000,000,000) to the planet’s total $70 trillion GDP! In almost every part of the world, Travel & Tourism’s contribution to GDP is typically greater than many other sectors of the economy, including automotive manufacturing, mining and chemical manufacturing.

• Because Travel & Tourism is labor-intensive, it provides jobs directly to nearly 100 million people. It is also indirectly responsible for employing 150 million additional people. That means Travel & Tourism provides 1 out of every 12 jobs in the entire world! That’s …

• 6 times more than automotive manufacturing

• 5 times more than chemical manufacturing

• 4 times more than mining

• 2 times more than communications

• 33 percent more than financial services

• The economic and employment benefits of Travel & Tourism spread through the economy in a fashion that exceeds most other segments of the economy except in developing countries where agriculture is still a major employer.

• Travel & Tourism’s contribution to global GDP is expected to grow at a rate of 4.2 percent each year over the next decade, faster than the total world economy, which Oxford Economics expects to grow by 3.6 percent annually through 2022.

Bill Glenn, President of Global Corporate Payments and Global Business Travel at American Express, sums it up by saying, “More than any other, the travel industry drives commerce and business, facilitates connections and enables tourism and adventure.”

In these turbulent times, we should do everything possible to encourage and expand Travel & Tourism at the national, state and local levels. Wise government leaders do this by …

• Maintaining and upgrading transportation infrastructure such as airports, harbors and highways.

• Levying taxes in a way that does not unfairly discriminate against segments of the Travel & Tourism industry, as, for example, in the excessive tax rates and fees on hotel rooms and auto rentals we too often see.

• Streamlining the permitting process for construction, business operations, etc.

• Streamlining and improving the visa application process – and border crossing/port of entry procedures – for international travel.

• Joining the private sector in marketing, advertising and promotional efforts for Travel & Tourism.

• Ensuring public safety and security.

Governments that follow these policies will be rewarded with economic growth, local job creation and increased tax collections, making it possible to do all the other things that people expect their governments to do.

That brings me back to the 60s when, with a strained economy and a war raging in Vietnam, the motto of the day was, “Make love, not war.”

With tongue in cheek – but also very seriously – I’d suggest that in the present decade, rather than making war (which today includes riots, terror and suicide bombings), we make travel plans and reservations. The world will be a much better place if we do. ☺

* The complete WTTC report is available at: http://wttc.org/research/benchmarking-travel-tourism/