



interview to **Augusto Huéscar Martínez**

Economist, expert in the analysis of Tourism



Augusto Huéscar was born in Tarazona de la Mancha (Albacete) on 2nd August 1945.

He is a graduate in economics from the Universidad Central de Madrid.

In 1969 he joined the Oficina Técnica de la Dirección General de Promoción del Turismo del Ministerio de Información y Turismo (Technical Office of the Department of Promotion of Tourism of the Ministry of Information and Tourism) as an economist.

In 1971 he worked as consultant economist for the Sociedad de Investigación Económica (Economic Research Company).

In 1973 he joined the Empresa Nacional de Ingeniería y Tecnología (National Engineering and Technology Company), as a consultant and head of local development and tourism projects.

He joined the World Tourism Organisation in 1997 where he has held various positions including director of the Department of Statistics, director of the Department of Market Research and Promotion Techniques as well as Regional Representative of the WTO for the Americas.

After accumulating 31 years of service with the WTO, he retired in 2008. He is currently a member of the board of various companies and teaches at the university.

Destinació Destination	Vol Flight	Mostrador Counter	Embarcam. Boarding	Porta Gate
LANZAROTE	AEA 9100	46/54	12:00	22
LANZAROTE	PGA 4100	46/54	12:00	22
LANZAROTE	KLM 3326	46/54	12:00	22
LANZAROTE	AFR 4876	46/54	12:00	22
OSLO	SAS 4686	55/66	12:00	M4
ATENAS	IBE 4802	24/30	12:25	36
FRANKFURT	DLH 4453	66/71	12:20	32
FRANKFURT	JKK 8833	66/71	12:20	32
P. MALLORCA	IBE 1712	9/23	12:25	14
MADRID	IBE 2619	9/23	12:35	26

“Tourism creates wealth for nations”

After a whole life dedicated to the study and analysis of tourism and 31 years with the World Tourism Organisation (WTO) with management responsibilities, the knowledge and opinion of Augusto Huéscar Martínez is a privilege which brings us closer to this global economic sector. The origins of tourism, the WTO as a specialized agency of the United Nations Organisation, the situation in the light of the current crisis and the interaction of tourism as driving force of other economic sectors and insurance, are some of the topics covered in this interview.

What is the background of tourism as an economic sector?

Tourism, as today's concept, was born in 1841, with the development of tourism packages by the Briton Thomas Cook, who was enormously successful (see separate box). He also carried out the first organised round-the-world trip which inspired Jules Verne in his "Around the world in 80 days". At the beginning of the 20th Century, we begin to see a new economic activity hitherto not well known but which generates a lot of economic business: tourism. At that time there appeared the concern to understand and promote this new activity, beginning by removing obstacles to its development. Its economic assessment was considerably delayed since services were not easily incorporated into the domestic accounting plan. In fact, tourism did not have its own heading as an economic activity until 1994. Before then, it was recorded under others: hotel trade, passenger transport, catering, travel agencies and operators for example.

What does the world tourism sector mean to the economy?

It is a calculation that has still not been carried out on a global scale. There are several reasons. One of them has already been stated, the other is that when we talk about tourism, we immediately think of international tourism, but we do not give due consideration to domestic tourism which generates five times more arrivals than international tourism. Apart from Spain and a few other countries, it is still not possible to know accurately what economic effects it is having throughout the world.

What are the dimensions and trends of tourism?

It is estimated that there were 25 million arrivals in 1950. By 2008, international tourism recorded 924 million arrivals throughout the world. This means nearly 2% more than in 2007, the best year in the history of international tourism. In 2007 it brought in one million million US Dollars and it is very likely that this figure will be repeated in 2008. This is equivalent to adding

Thomas Cook, inventor of tourism

Considered to be the first travel agent in history, Thomas Cook was born in Melbourne Derbyshire (United Kingdom) on 22nd November 1808. A baptised Pastor and founder partner of an anti-alcohol league, in 1845 he gave his name to a commercial company which he formed as a result of a series of experiences.

In 1841, as a result of organising a rail excursion of barely 11 miles for 570 of his followers in the anti-alcohol league, between the British cities of Leicester and Loughborough, he saw a new way of doing business by charging a small commission on each ticket. So revealing was the experience that on 5th July 1841 he came to an agreement with the railway to secure a percentage for the advance sale of each ticket. In 1851 his company organised the travel of 165,000 people to the World Fair in London in the form of an all inclusive package: transport, meals and accommodation. In 1855 he repeated the experience for thousands of people going to the Paris Exhibition and this time included the services of guides and interpreters. To encourage travel, he made European destinations such as Switzerland fashionable due to the beauty of their landscape.

In 1865 he transferred his company's head office to London. In that same year, his son crossed the Atlantic to organise guided tours of the scenes of the American Civil War with local operators. In Europe, he managed to become the exclusive operator on various routes such as from the port of Brenner to Brindisi. He travelled throughout Holland, Belgium and Germany to set up transport services with various companies. His company invented a payment system based on coupons which turned into the modern hotel vouchers and travellers cheques. The imitation of his example by other businessmen meant that the movement of tourists was to be considered as a new productive sector. He died in Leicester on 18th July 1892.



USD 2,800 million to global overseas trade every day. In 2009 zero growth is forecast, or -2% in the number of arrivals. What we experienced in previous crises teaches us that tourism will not necessarily contract in the current economic climate, but rather change. Change in behaviour. The length of stay or cost may be reduced, but people still go on holiday. They may stay in the country or on the same continent. Domestic tourism in the large developed countries is enormously important. In the USA for example, it is calculated that there are more than 1,300 million journeys per year and in China about 1,000 million journeys.

What trends can be seen in tourism within the framework of the European Union (EU)?

Europe is the top continental destination and will continue to be so for several decades. The Euro-barometer says that 84% of Europeans believe that quality of life is achieving income levels to enable them to go on trips since, in addition to leisure, they provide part of the personal enrichment that we all seek. There is no doubt that tourism within the EU is set to increase substantially over the next few years. In fact, a whole set of infrastructures are being created and border obstacles being eliminated in order to facilitate intra-regional movement. For example, the most important cities of all European countries will be connected by motorways or trunk roads. An extensive network of airports and rail transport is also being created. The EU generates an environment with enormous faci-



lities for people movement. In addition, other initiatives, such as those of a cultural nature or university exchange programmes, will lead to a better knowledge of the countries in the European Union by their citizens. Tourism is also waking up in other parts of the world. In 1959, Europe accounted for 86% of international arrivals and 53% in 2008. This ratio will continue changing towards a greater decentralisation of international tourism.

What about Spain? Spain is the second world destination both in terms of arrivals and income.

In the 60s, it was thought to be a seasonal sector but it has become a structural activity which contributes 11% of GDP. A significant part of the Spanish tourist sector is dependent on domestic consumption.





With regard to supranational organisations, when was the World Tourism Organisation created as a specialist agency of the UNO?

It was formally created in November 1974, when 51 States ratified the Articles of Association of the WTO. An Extraordinary General Meeting was held in the Palacio de Congresos in Madrid in May 1975 and approved: the budget for commencing work; the work programme, which is its main *raison d'être*; and the global headquarters which fell to Spain. The first Secretary General was also elected. The doors to its offices at 135 Paseo de la Castellana, Madrid, opened on 1st January 1976. All the officials who were in Geneva at the International Union of Official Tourism Organisations (IUOTO), an organisation which preceded the WTO and was created in 1946, following the Second World War, moved to Madrid.

What are the origins of the WTO?

We have to go back to 1946, after the Second World War. That was when the International Union of Official Tourism Organisations was created, an NGO in which the countries were

represented but not as States, but rather as tourism organisations. From 1958, tourism grew significantly due to the introduction of jet aircraft. New needs then began to be appreciated. The Articles of Association of the WTO, not yet an NGO, but rather an intergovernmental organisation, were signed in Mexico in 1970.

For what purpose was the WTO created?

Article 3 of the Articles of Association clarifies this in one line: the central objective of the WTO is the development and promotion of tourism throughout the world, giving priority to developing countries under the criteria of the United Nations Organisation. Starting from that point, the organisation responds to the needs put to it by its members. The WTO has three types of member: States; Territories which do not have their own sovereignty, such as for example Aruba or Puerto Rico; and about 350 Affiliate members who represent the private sector, such as companies, institutions, universities, local tourism organisations, etc. This is a characteristic of the WTO. No other agency of the UNO has so many members from the private sector.

What are the requirements for a company or institution wishing to become member of the WTO?

They must be backed by the State in which they have their headquarters. They must be solvent and have objectives which are in line with those of the WTO.

Why does Spain house the headquarters of the WTO?

By selection. We have to go back to 1975. If my memory serves me right, about ten States put themselves forward to become the headquarters of the WTO. In the end, after successive rejections, only Mexico and Spain were left and the latter was ultimately elected. Spain is a huge tourist power, the second country in the world in terms of numbers of visitors and income from international tourists. It is a modern country, it has attractions and good communications. It is a natural link between Europe, America and Africa. The WTO is the only UNO agency to have its global headquarters in Spain.

Why was the WTO created? How is it organised?

Because the international tourist community needed a platform from which to manage, jointly and forcefully, specific aspects of the development of tourism. Many things can be done better and more efficiently on a collective basis rather than individually.

The WTO has a functional structure with three statutory bodies:

- ▶ The General Meeting, at which all members are represented: States, territories and affiliate members from the private sector. It controls the work of the Secretary General's department. It meets every two years to approve the budget and work programme. It elects a Secretary General every four years. The WTO has six regional committees: Africa, the Americas, Southern Asia, Oriental Asia and the Pacific, Europe and the Middle East. They meet once a year.
- ▶ The Executive Board is the management committee of the WTO between Meetings and is the body responsible for ensuring that its work programme is carried out in accordance with the budget. It meets twice a year and consists of 33 members. As the country housing the WTO's headquarters, Spain has a permanent seat on the Executive Board.

It has a series of technical committees: Budget and Finance; Statistics and Macroeconomic



Analysis; Market Research and Promotion Techniques; Sustainable Development of Tourism; Support for Quality and Trade; Educational, Corporate Advice, etc.

- ▶ The Secretary General's department is the executive body. It is responsible for carrying through the work programme, with its officials, currently about 110, and experts. The department is run by a Secretary General, who until now was the Frenchman Francesco Frangialli, and a Deputy Secretary General, the Jordanian Taleb Rifai, who in May 2009 was elected as candidate for Secretary General, a position which has to be approved by the next General Meeting to be held in October in Astana, Kazakhstan. The official languages of the WTO are Spanish, French, English and Russian.

Are there any UNO resolutions on Tourism?

In the 70s, the UNO passed a resolution giving the WTO a pivotal role with regard to tourism. It has been an agency of the United Nations since 2003. The role of agencies is to issue standards, directives and recommendations. The WTO does not have a regulatory role although in the field of

statistics, for example, the methodological proposal made by the WTO, the Tourism Satellite Account, was approved by the UNO Commission and Office of Statistics. This means that the WTO's methodological guidelines for assessing the economic effects of tourism must be followed throughout the world. It is now working on the tourism account in the Balance of Payments in collaboration with the International Monetary Fund.

What has been the WTO's main milestone over the years?

Joining the UNO system, because it puts tourism on equal footing with other major economic activities: agriculture, industry, health, culture, civil aviation, the environment...

With regard to tourism, is Spain an example from the insurance market point of view?

Of course, in very many cases. Spain has extensive accrued experience. You have to remember that, since the 1920s, compulsory transport insurance was associated with the movement

of people, including the financing of public tourism institutions. The current types of travel insurance provide cover for risks which would undoubtedly be incurred when beginning a journey inside or outside our country. It is an accessible and efficient way of eliminating uncertainty and therefore creating a favourable atmosphere for tourism. In this, MAPFRE has a key role since it has not restricted itself to the role of a mere insurer but has transcended this, providing travel assistance services, which is a wider concept, providing immediacy, proximity and support to the travelling public.

What does security and insurance mean for tourism?

Security is an essential matter and very sensitive for tourism, because as soon as any serious problems are observed in an area, one can temporarily change one's destination. The tourist is someone who travels with his whole human burden and his prime objective is to remove uncertainty. He knows that, behaving logically,



he will incur few risks, but they are there. And what he does is insure himself against those risks. Today's tourist activities are profoundly associated with insurance.

Is there any strategy for tourism to continue increasing the wealth of countries?

When you ask the experts, they can identify various lines of action for you, including: promotion; product creation; generation of new destinations; support for the corporate fabric so that it generates supply or improves what is already there and the involvement of the local population. All this implies providing tourist destinations with infrastructures and services. It means boosting the economy in a sustainable fashion, by ongoing, dynamic and joint work between the public and private sectors. The private sector generates products which are consumed by tourists, but the public sector generates another type of essential services for the tourist industry: security, health, certain items of equipment and an offer of basic services supplies.



World Tourism Organisation

The WTO is a specialist organisation of the United Nations that represents the main international institution in the field of tourism. Within this world forum, matters of tourism policy are discussed and specialist knowledge is accumulated in the field. The WTO plays a central and decisive role in the promotion of responsible, sustainable tourism which is accessible to all, paying special attention to the developing countries.

The WTO promotes compliance with the Global Code of Ethics for Tourism, designed so that member countries, tourist destinations and companies can maximise the economic, social and cultural benefits of tourism while at the same time reducing any negative social and environmental impact.

Its members include 154 States, seven Associate Members and more than 350 Affiliate Members representing the private sector, from educational institutions to local tourist institutions, companies and authorities.

The regional representatives (from Africa, the Americas, Asia, Europe and the Middle East), undertake direct actions to support the efforts of the domestic tourism authorities from the Madrid headquarters.

The WTO is committed to the objectives of Development of the United Nations for the Millennium, the aim of which is to reduce poverty and encourage sustainable development. (www.unwto.org)

