

People-in-Travel

Tracking Travel's Leaders



From Travel Business Analyst

Interview: David Scowsill

The head of WTTC (World Travel & Tourism Council) was interviewed last month at the International Hotel Investment Forum in Berlin. May be paraphrased.

How far have you got with the UK airport tax - showing that it costs more in visitor spend than in revenue?

Scowsill: The UK's air tax (APD; Air Passenger Duty) produces [US\$4.4bn, at US\$1 to £0.63] revenue but causes a loss of [US\$6.7bn] in visitor-related revenue. Also, it was started as an environmental tax, but it now goes into general funds.

Could you be more aggressive in publicising travel-tax practices?

Perhaps we could do more. But we can do it only on a one-by-one basis, because the cases are so different. Tax on rooms in Denmark, for instance, is 25%. And we talk to heads of countries. It has to be done country by country. Our message is that it is holding back GDP and jobs growth. It is a constant effort.

Any success?

The US found that it had lost US\$600bn in visitor revenue since 9/11. We have been going on about that for a long time through the travel industry leaders there. Finally they got to realise, and president Obama has taken action.

Do you take credit for that?

Leaders are not interested in hearing in what happens in other countries. So explaining to others what has happened in the US does not interest them. We have to do it market by market.

We have to work with the leading trade body to take the lead to the government. We come along on the side to help them and support them with statistics etc. So we support rather than lead.

It is a constant process, because governments change, people change. We have to keep plugging away that we are 9% of GDP; we are bigger than the automotive industry. For too long the travel business has been taken for granted. Only when something happens - such as 9/11 or the volcanic

ash cloud in 2010 - do governments realise that it is important. And tourism rebounds much more quickly than other industries.

What is your position on the environment and the travel business?



ETS [Emissions Trading Scheme] is a good concept but we need to find a global solution for this, not for just Europe. It has been badly executed.

There are no common standards for carbon emissions in hotels. We have managed a program that will be launched in June and show a hotel's carbon footprint. If the big hotel groups go along with this - and we have 15 hotel groups working with us - then hotels will have a standard measure on their carbon footprint. And then eventually this will be the standard for hotels. If it is working, after June we walk away from it - and we will move on to something else.

IATA announced that the oil industry was going to make a US\$170bn profit on sale of jet fuel to the airlines. That is more profit than airlines ever make. At the same time biofuel needs more investment, so that it becomes mainstream.

One company, Jatro, [headquartered in Frankfurt, regional office in Singapore] is planting plants in Asia and Africa. They are producing a high volume.

What are your current emphases?

- Education. We want to educate people at top level of industry. We are talking about four things - human resources, sustainability, taxation, visas.

- Human resources. We want to get to schools and universities. Tourism does not have a high profile. So we need to know how we approach that. So that is a problem area.

Your corporate name includes "travel and tourism". We know what 'travel' is and what 'tourism' is, but do not understand when combined. What does T&T mean?

I don't know. I know airlines wanted 'travel' because 'tourism' is associated with leisure.

Why are you getting close to WTO? If WTO is not a rival, then surely WTTC activities should be a part of WTO activities, or vice versa?

[WTO] is government supported, and we are private sector. So there is no question of one being a subsidiary of the other. Our common mission is educating governments.

Sound Bites

- Douglas McWilliams, head of CEBR, showed himself at the IHIF hotel conference to be a shameless name dropper. *McWilliams did not say "during an interview the other day..."*. He said "on BBC the other day...". He did not say "the subject of my university thesis...". He said "at Oxford, my thesis..."

Fortunately, he also makes interesting comments. A sample:

- India's economy will overtake China's in 2050.

- Arab spring. A benign outcome would mean 100mn more in the economies.

- The Euro could be at parity with US\$ in next two years - if it survives.

- A large part of the travel industry is related to GDP movement.

- Continued globalisation should help travel.

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