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**HK Tourism Symposium 2004: Quality and Diversity**

Mr. Secretary, ladies and gentlemen good morning.

One week ago at the London Stock Exchange, Vince Wolfington, Chairman and CEO of Carey International and Chairman of the World Travel & Tourism Council opened a press conference for the launch of the WTTC's new 2004 TSA research stating,

“These past few years have been extremely tough for the entire industry, everyone from the airlines, hotels, ground transportation, agents, retail and more have suffered. Our turnover is down, we've lost employees and our economies have suffered. As we've witnessed so recently, the outlook can be strong and impressive, but an event like SARS can take it all away in a matter of days.

He said, “Hopefully we're smarter now and government and industry are prepared to work together and have contingency plans in place for the next event. It's our responsibility to our customers, our employees, our shareholders and our economies.”

Less than 24 hours later in Madrid, 10 bombs tore through several trains killing more than 200 people as they traveled to work on a quiet Thursday morning.

Unlike the events of 9/11, or the bombings in Bali, Jakarta or Mombasa, it was not a direct attack on our industry. However it is yet another stark reminder that the world has changed and the challenges we face have changed.

In many ways, these events have acted as a catalyst for change. They have accelerated

major changes in market behavior and travel patterns that have been slowly emerging over the past decade.

While business plans have become increasingly short term, more and more governments are starting to realize that they cannot leave Travel & Tourism growth to chance. This emerging consciousness represents a great opportunity for our industry.

Several months ago in New York at the world headquarters of the American Express Company, just meters away from ground zero, we launched our Blueprint for New Tourism. It's our post-9/11, post-Bali, post-Mombasa, post-SARS, post-Jakarta, post-recession recommitment to realizing our industry's potential for growth and ensuring maximum and sustainable benefits for everyone involved.

It's a vision for Travel & Tourism that will involve a coherent partnership between all stakeholders, public and private, to strengthen industry efforts and turn future challenges into opportunities. The *Blueprint for New Tourism* is WTTC's call to action.

So what is "New Tourism"?

New Tourism is our vision that dares to embrace a new dimension of Travel & Tourism.

It is a mature response to a more complex world.

It represents a consciousness of tourism's economic contribution, which has triggered a fresh look at the opportunities it represents.

New Tourism is a new sense of partnership between the private sector and public authorities.

It is geared to delivering commercially successful products –in a way that ensures benefits for everyone.

New Tourism looks beyond the short-term. It focuses on benefits for traveler, and also the people in the communities they visit, and for the environment, natural, social and cultural.

It goes without saying, Travel & Tourism means jobs. By the end of the decade there will be one quarter billion people working in Travel & Tourism, with the firm prospect of sustainable growth.

But more than jobs, Travel & Tourism means service to customers, a gateway to economic progress and greater dignity. A better life for people across the world.

9/11, Bali, Mombasa, Jakarta, SARS and now Madrid have shown that these wider benefits of Travel & Tourism can no longer be left to chance. It is increasingly true that everyone now has a stake in realizing this potential.

Translating this new consciousness into action requires a new vision. Our vision is this:

Travel & Tourism is a partnership, delivering results that match the needs of economies, local and regional authorities and local communities with those of business, based on:

1. Governments recognizing Travel & Tourism as a top priority
2. Business balancing economics with people, culture and environment
3. A shared pursuit of long-term growth and prosperity

A quick overview of what I mean.

First, governments have it within their power to unlock the industry's potential to create jobs and generate prosperity. Later this afternoon at 3pm I will host a special briefing of our new 2004 TSA research for China, Hong Kong and Macau. Please join me if you

you are interested in our new forecast.

Once governments recognize Travel & Tourism's economic contribution they must have the sense of leadership to act on that recognition.

They must factor Travel & Tourism into all policies and decision-making including aviation, open-skies and aviation infrastructure.

Leadership must flow from the highest levels of government to coordinate Travel & Tourism strategy. Governments must reorganize structures and funding to ensure effective planning and management.

These last two and a half years have awakened leaders to Travel & Tourism's economic value. The reality is that the shocks are continuing, so we need strategies to mitigate the negative impacts on the industry on the national economies, and minimize the risk and ensure long-term sustainable benefits.

Long-term, governments can encourage investment, facilitate innovation and job opportunities, and guarantee respect for local environments, cultures and social well-being.

All at the same time, the public sector truly has a special responsibility to ensure the sustainability of tourism assets, natural and cultural resources that preserve tourism destinations and ensure viability.

The most effective policy response we see from government is coordinating infrastructure development and fostering competitiveness, instead of short-term protectionism or micro-intervention in the market.

Second, New Tourism requires that the industry get the balance right between return on

investment and quality of life needs for local communities.

Business growth can be a driver of sustainable development and contributor to the dignity of people and cultures it touches.

Internally we must adjust our business planning, product and service quality, and adopt policies that respect the interests of people, our employees, our customers and our communities.

Externally, we must spread the benefits – helping to jump-start developing economies, conserving the environment, transferring skills and promoting the dignity of people in local communities.

We can harness this power by deepening the sector's commitment to people and their communities and environments.

Operationally, the industry needs a longer-term focus – from quarterly financial objectives to building shareholder value, and ensuring long-term sustainability and security by respecting the communities where it operates.

The good news is there is business logic to this approach; local identities and cultures bring authenticity.

Third, the industry is ready to play its part in New Tourism, but cannot do it alone.

New Tourism needs new joint strategies, using new mechanisms springing from new partnerships with public authorities.

Our broader responsibilities have to be matched by government. All sides must be prepared to adopt long-term thinking and a new degree of openness and cooperation. We

must have development strategies and contingency planning.

Long-term objectives for national tourism policy can be the glue that brings government vision and private sector goals together.

New Tourism means providing a secure and predictable future, where planning and investment is long-term. This is where your discussions on Service Quality, the Mainland Market and Diversity in Tourism products will come into focus.

As you can see the Blueprint for New Tourism is a concept whose time has come for Travel & Tourism and the world in general.

I think it would be safe to say that one year ago the Tourism players here in Hong Kong embraced New Tourism when you fought the battle of SARS on your industry on your economy and formulated your response to fight back.

What you demonstrated was this new consciousness.

Solutions exist to address external disruption and you did your job and I think you did it well.

New Tourism depends on a new seriousness about the sector's future and the responsibilities we must accept to achieve its full potential to the general well-being.

New Tourism can provide new hope for people and economies.

New Tourism is a force capable of improving economic and social well-being right across the globe.

In many cases it is just waiting to be unleashed. In your case, you have already taken the

first steps in making it a reality here in Hong Kong.

Ladies and Gentlemen, thank for letting me share a little about our Blueprint for New Tourism, I hope you will agree, our collective challenges can be turned into our collective opportunities. Thank you.