



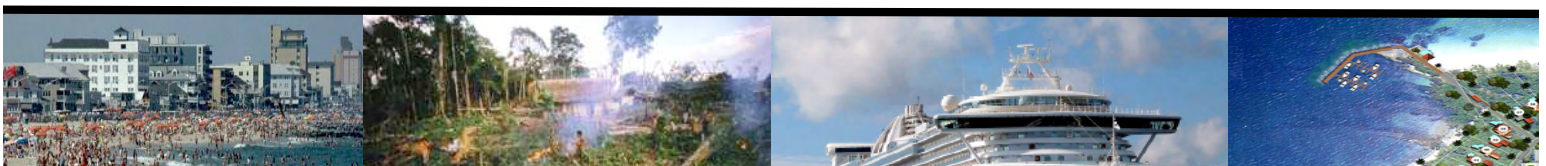
# Global Trends in Coastal Tourism



**Center on Ecotourism and Sustainable Development  
A Nonprofit Research Organization  
Stanford University and Washington, DC**

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*A study of “Global Trends in Marine-Oriented Tourism & Strategies for Sustainable Development Interventions” developed by CESD for the World Wildlife Fund (WWF)*



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Appendix I: Regional Report on East Africa

Appendix II: Regional Report on Central America

Appendix III: Regional Report on Coral Triangle

## 1.0 Executive Summary: Key Findings

The Center for Ecotourism and Sustainable Development (CESD), a policy oriented research institute committed to providing analysis and tools for sustainable tourism development, was commissioned by the World Wildlife Fund (WWF) to assess the current trends and drivers behind coastal and cruise tourism. This study examined the importance and impacts (economic, environmental, and social) of marine and coastal tourism and the global trends in tourism development, financing and marketing. It also analyzed coastal and marine tourism in several key regions identified by WWF as being of the highest priority because of the diversity of life they support, the potential destruction they face, and WWF's ability to impact them over the next decade. This report of CESD's findings concludes with recommended interventions that WWF is encouraged to take as a way to begin addressing the large and immediate threat that coastal tourism development poses to biodiversity conservation and the wellbeing of destination communities.

### WWF's Working Hypothesis

Coastal/marine tourism development is mainly driven by two large-scale sets of primary actors:

- 1) Land use development decisions for tourism which are made by governments at the national and/or local level. These are accompanied by investment in infrastructure to support development which is financed through both public institutions and private investors, who can be influenced at the national, regional, and/or global levels;
- 2) Real estate development industry which includes principally financial institutions and real estate developers who can operate at any level from local to global and are primarily private sector,

WWF's working hypothesis states that there are also two other secondary players who have some influence:

- 3) Tourism operators such as hotel chain and cruise lines;
- 4) Tourism consumers and consumer demand.

WWF has posited that these latter two are of lesser importance, and that changing consumer demand "will not be a useful point of intervention."

Tourism is the largest business sector of the world economy, accounting for 10% of global GDP, one in twelve jobs globally, and 35% of the world's export services. Since 1985, tourism has been growing an average of 9% per year.<sup>i</sup> In 2005, receipts from international tourism reached US\$ 6.82 trillion, an increase of \$49 billion over 2004.<sup>ii</sup> If tourism were a country, it would have one of the world's largest GDP's, and would consume resources at the scale of a northern developed country.<sup>iii</sup> The industry plays a major role in the economies of 125 of the world's 170 countries,<sup>iv</sup> and has become increasingly important for developing countries, accounting for 70% of exports from the Least Developed Countries (LDCs). It is the principle foreign exchange earner

for 83% of developing countries and in the 40 poorest countries, tourism and oil are the two top foreign exchange earners.<sup>v</sup>

The environmental impacts of tourism can be tremendous, as it is estimated to consume nearly as much energy as all of Japan every year, produce the same amount of solid waste as France, and consumes as much water every year as is contained in Lake Superior<sup>vi</sup>. The most destructive element of coastal tourism development is land clearance and degradation as habitat is cleared to make way for the built environment of tourism infrastructure. Secondly, once in place, the daily operations of tourism facilities can be destructive as they consume natural resources and pollute waterways. Finally, visitors to coastal tourism destinations spur a demand for fresh seafood that can generate tremendous on already-stressed fisheries.

Tourism's environmental footprint is particularly troubling in light of its rapid growth and predictions for continued expansion. There were 650 million international arrivals in 2006, and that figure is expected to grow to 1.6 billion by 2020.<sup>vii</sup> Two trends in this growth are of particular relevance – the rise of travel by baby boomers and their preference for 'residential tourism', and the alarming predictions for tourism's growth in and from China, where 100m annual outbound tourists and 950 domestic tourists are expected by 2020.

This report, based on regional case studies, interviews, and secondary sources, finds that the current realities of coastal tourism development around the globe is more complex than implied in the working hypothesis. There are variations in the way coastal tourism development occurs from one region to another at both the national and international levels, and more actors involved at both levels. It is important to understand the local realities in terms of land ownership and purchase policies and role and level of government responsibility in infrastructure development and land use planning. In addition, international development agencies continue to be important in poorer countries in both infrastructure development (airports, roads, etc), land use planning, and hotel financing, while elsewhere private investors and national governments help to finance basic infrastructure. At a global level, the pool of coastal real estate developers is large and continually expanding, with the entry of new investors who have funds to invest from non-tourism businesses (both legal and illegal) that they want to put into resort and vacation home developments.

Despite these complexities that serve to modify the working hypothesis, it is possible to discern some patterns or trends within coastal tourism and these in turn offer the potential for interventions designed to promote sustainable coastal and marine tourism. One of the strongest trends is the current tendency to combine coastal resorts with vacation home development into what is being dubbed "residential tourism". By combining a resort property with condominiums, investors attract condo buyers and use the proceeds from the condos sales to finance resort construction. It is a lucrative model that quickens return on investment, and is expanding rapidly.

There is also a growing 'green' and alternative lifestyle that this study concludes is a growing driver of today's coastal development and that WWF can play a role in helping to raise the public profile of 'green' consumer demands. Coastal developers say that they are trying to pay attention to this growing 'green' and alternative lifestyle

market, and they see the need for more organized data collection and dissemination about these trends. Further, there is a small but growing and influential group of resort development innovators who are experimenting with how to do 'residential tourism' in ways that are environmentally lighter on the land and provide tangible benefits to the host community and country. These developers have a longer term vision for their projects and are also demonstrating that sustainable development can command a premium price, making it more lucrative than conventional development styles and methods. WWF could play a role in working with these developers to promote and expand their 'best practices' and to encourage governments to require such practices in coastal development.

Another reality of coastal residential tourism development is that it is often more about real estate speculation than long term investment. Many investors plan to get in and out of projects within a few years – the life cycle of coastal tourism resorts is typically 25 years, and often properties 'flip' or change owners much sooner. This serves to drive many decisions. For instance, the growth of golf courses and marinas is not based solely on market demand for these activities but rather is linked to the fact that they increase the value of land and of both the resort and vacation homes located near by. The speculative nature of much coastal development has implications for the social and environmental impacts of this development. The fact that foreign ownership increasingly dominates coastal regions, that ownership frequently changes hands and involves multiple layers of investors and managers, and that vacationers and home buyers are only on site for brief periods, makes for a highly unstable situation, with little commitment to the long-term well being of the region. It may be said that there are many owners at a mass tourism destination, but not enough of them take ownership.

Another pattern and reality of coastal and marine tourism is that the ability of governments to independently make and enforce tourism land use and development policies is oftentimes undermined by weak municipal or national governments, by the multitude of agencies involved in multi-use residential tourism projects, and by illegal business deals and practices. Politically well connected elites often have managed to gain control of prime coastal land (displacing the local owners), while developers are often willing to pay (usually modest) fines for violations rather than work through cumbersome legal regulations and bureaucratic channels. Corruption and cronyism, although difficult to document, is said to play an important role in coastal and cruise tourism decision making, in both first and third world countries.

Therefore these realities serve to modify the original hypothesis. Creating real challenges are the following factors – the new residential tourism model; the complex nature of the tourism industry and of coastal development in particular; the role of cronyism and corruption; and the speculative nature and short life cycle of many coastal developments. On the other hand, there are positive trends. The two most important are the rise of a broad new 'green' movement that is looking for more socially and environmentally responsible types of travel and vacation experiences. And linked to this, the growth of a small but potentially powerful group of innovative developers and investors are building more sustainably and creating alternative models that could become the norm in coastal development. Both of these trends offer possibilities for WWF interventions. In addition, the continuing role of international development

agencies in tourism projects and infrastructure financing, offer another opportunity for WWF to promote to these agencies best practices in coastal and marine tourism.

CESD wholly supports WWF's interest in creating an organization-wide strategy to address the real and immediate negative impacts of coastal and marine tourism, and is glad to suggest interventions. Our recommendations for interventions include: Working with the growing group of innovators, informing the Industry about consumer demand for green tourism, supporting certification in the industry, facilitating finance for sustainable tourism developments, and working locally with government, industry, and civil society stakeholders.

Given the recent and predicted growth of coastal and marine tourism and the negative environmental and social impacts that come with it, there is a need for a creative strategy to promote sustainable tourism in coastal areas. Many other NGOs are focused on ecotourism and tourism in protected areas. Few are squarely addressing the bigger trends of mass tourism development along the world's coastlines. There is a need and an opportunity for WWF to do so.

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<sup>i</sup> The International Ecotourism Society (TIES) and Center on Ecotourism and Sustainable Development (CESD), "Ecotourism Fact Sheet", September 2005

<sup>ii</sup> UNWTO, "International Tourism Receipts 2005," Vol. 4, No. 2, June 2005, p. 2.

<sup>iii</sup> The International Ecotourism Society (TIES) and Center on Ecotourism and Sustainable Development (CESD), "Ecotourism Fact Sheet", September 2005; UNEP, cited in "Tourism and Biodiversity" by Conservation International, 2003.

<sup>iv</sup> Nicholson-Lord, "Politics of Travel," p. 14; Ceballos-Lascuráin, *Tourism*, p. 9; Crossette, "Surprises," p. 5.

<sup>v</sup> Lisa Mastny, *Treading Lightly: New Paths for International Tourism*, Worldwatch Paper 159 (Washington, DC: Worldwatch Institute, December 2001), p. 15.

<sup>vi</sup> UNEP and Conservation International. (2003) *Tourism and Biodiversity*, mapping tourism's global footprint. p.7.

<sup>vii</sup> UNWTO. (2001). *Global Forecasts and Profiles of Market Segments*. World Tourism Organization. Madrid, Spain.