Beyond Tourism

In collaboration with Kearney

WORLD ECONOMIC FORUM

Beyond Tourism: Coordinated Pathways to Inclusive Prosperity

WHITE PAPER

NOVEMBER 2025

Images: Adobe Stock, Getty images

Contents

Foreword 3

Executive summary 4

1 Introduction: The moment for transformation 5

2 Understanding tourism's ecosystem nature 7

1.1 Travel and tourism at the heart of intersectoral impact 7

1.2 Economic multiplication and the positive impact of interconnection 10

1.3 Vulnerability and risk transmission 12

1.4 Why ecosystem understanding matters 12

3 From principles to practice through coordinated enablers 13

4 Applying the ecosystem approach 14

3.1 Case studies of ecosystem tourism development 14

3.2 Lessons across destinations 19

Conclusion: The way forward 20

Contributors 21

Endnotes 23

Disclaimer

This document is published by the World Economic Forum as a contribution to a project, insight area or interaction. The findings, interpretations and conclusions expressed herein are a result of a collaborative process facilitated and endorsed by the World Economic Forum but whose results do not necessarily represent the views of the World Economic Forum, nor the entirety of its Members, Partners or other stakeholders.

© 2025 World Economic Forum. All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording, or by any information storage and retrieval system.

Foreword

Kiva Allgood
Managing Director, Managing Board,
World Economic Forum

Ahmed Al-Khateeb
Minister of Tourism,
Kingdom of Saudi Arabia

Bob Willen
Global Managing Partner
and Chairman, Kearney

This white paper is the latest in a series of World Economic Forum publications, created in collaboration with Kearney and based on extensive stakeholder and export consultation, exploring the travel and tourism (T&T) sector's transformation and its potential to become a global force for good. In particular, it builds on the recently released *Travel and Tourism at a Turning Point: Principles for Transformative Growth*. Published at a critical moment for the industry, that report underscored the immense growth potential of the sector, which is projected to contribute $16 trillion to global gross domestic product (GDP) by 2034, while also highlighting increasing tension points ranging from visitor and resident friction caused by an imbalance between visitor numbers and local capacity to the impact of global disruptions such as geopolitical tensions. Ten guiding principles were introduced to help stakeholders navigate these dynamics, setting out a vision of how travel and tourism could become not only an engine of prosperity but also a catalyst for resilience, inclusion and regeneration.

This paper represents the next step in that journey by advancing the discussion to identify solutions to the aforementioned challenges. At its core, the T&T sector is not a single industry but a deeply interconnected system of systems. Airlines depend on airports and regulatory frameworks; hotels rely on utilities, local culture and digital platforms; destinations thrive only when local communities, small businesses, private-sector players, investors and other stakeholders align. A change in one part of the system reverberates quickly across the whole – whether positive, as in the multiplier effect of visitor spending, or negative, as in the cascading disruption from global shocks.

As a result, sector challenges cannot be resolved by fragmented, siloed efforts. Instead, they demand ecosystem collaboration: a deliberate alignment of all stakeholders, from tourism companies and local communities to supporting industries, governments and civil society.

The scope of this paper is therefore practical and action-oriented. It examines how ecosystem thinking can be operationalized in diverse contexts, drawing on global case studies that illustrate measurable results. It provides pathways for destinations, enterprises, policy-makers and communities to translate principles into practice, with a particular focus on enabling structures that connect different stakeholders around shared outcomes.

The future of T&T will be written not by any single actor but by the collective choices of an interconnected community.

Executive summary

Coordinated action by stakeholders in the travel and tourism ecosystem offers a proven pathway to sustainable prosperity.

The global travel and tourism (T&T) sector is entering a period of profound transformation, moving decisively from a fragmented, business-as-usual operating model to a holistic, ecosystem-based paradigm. As the sector grows, projected to reach 30 billion tourist visits and contribute $16 trillion to global GDP by 2034, it brings with it both significant opportunities and escalating challenges. These challenges include increasing friction between visitors and residents, mounting environmental pressures, persistent workforce and investment shortfalls and heightened vulnerability to global disruptions such as geopolitical instability and climate events.

Past reliance on siloed stakeholders and incremental policy interventions have proven inadequate for creating a more resilient, inclusive and sustainable sector. The COVID-19 pandemic offered stark illustration of the high cost of uncoordinated action, yielding suboptimal travel restrictions and exposing destination communities to volatility. Moreover, unchecked growth has sparked resident opposition in iconic hotspots, widened gaps among attractive but underserved regions and threatened the sector's social licence to operate.

This paper demonstrates that systematic ecosystem coordination is the way forward. Rather than treating the T&T sector as several separate industries competing for resources, the ecosystem approach recognizes T&T as an interconnected network where aligned action across five enablers – infrastructure; finance; technology and innovation; people and skills; and policy and governance – transforms challenges into opportunities for inclusive growth.

Leading destinations worldwide have successfully applied this ecosystem approach with measurable results. Portugal doubled tourism receipts while reducing geographic concentration through integrated ministry-level planning. Chumbe Island in Tanzania became the world's first privately managed marine protected area, with eco-lodge revenues financing reef protection, mangrove restoration and education for thousands of students and community members. New Zealand generated more than NZ$ 500 million ($290 million) in conservation funding through coordinated visitor levies while maintaining resident support for tourism growth. Costa Rica reversed deforestation while building a $4 billion annual tourism economy through systematic alignment of conservation and development policies. Siwa Oasis in Egypt mobilized local private investment in small-scale enterprises, creating jobs and preserving cultural heritage while positioning the oasis as a sustainable desert destination. Singapore maintained global tourism competitiveness and one of the highest liveability ratings worldwide. The Sunshine Coast in Australia diversified its regional economy, while Hainan in China stabilized fragile ecosystems even as it welcomed more than 80 million visitors. Lastly, Indonesia increased the resiliency of its pandemic-hit tourism economy by adopting health standards, expanding community tourism and investing in sustainable, diversified growth.

These successes demonstrate common patterns: multistakeholder governance structures with real authority, integrated planning that serves both visitors and residents, revenue-sharing mechanisms that distribute benefits equitably and systematic coordination across the five critical enablers that amplify tourism's positive impacts while mitigating negative externalities.

The insights presented in this paper provide practical pathways for destinations, enterprises and development partners to move from fragmented approaches to ecosystem coordination, unlocking tourism's full potential while safeguarding the natural and cultural foundations upon which it depends.

Introduction: The moment for transformation

As its growth accelerates, the T&T sector confronts tensions that isolated solutions cannot resolve, demanding new approaches to coordination and collaboration.

Friction between an ever-growing visitor base and residents has escalated in iconic destinations, fuelling debates.

The global T&T sector stands on the cusp of unprecedented change. As highlighted in the World Economic Forum's recent report, *Travel and Tourism at a Turning Point: Principles for Transformative Growth*, the sector has rebounded from the seismic disruptions of the past five years, most notably the COVID-19 pandemic, only to find itself at a complex crossroads. By 2034, T&T is projected to serve approximately 30 billion tourist visits and contribute $16 trillion to global GDP, accounting for more than 11% of the global economy.[1] This strong growth trajectory underscores the sector's economic and cultural importance, yet it also brings into sharper focus a series of persistent challenges and emerging tensions that demand urgent re-examination of established models.

Sector growth vs. tension points

The previous report identified important growth vectors, such as evolving traveller profiles driven by emerging markets and new generational preferences, the rise of specialized tourism segments – including wellness, events and ecotourism – as well as the transformative role of technology. At the same time, the sector is dealing with stubborn and, in some cases, intensifying tension points. Friction between an ever-growing visitor base and residents has escalated in iconic destinations, fuelling debates over "overtourism", housing affordability and resource allocation. Environmental pressures are also mounting. In 2023, the sector contributed to nearly 7% of global greenhouse gas (GHG) emissions, 6% of water use and over 11% of air pollution.[2] At the same time, workforce shortages, investment gaps and the risk of global disruptions – from geopolitical realignments to extreme weather – threaten the sector's foundations.

FIGURE 1 **Highlights of travel and tourism growth and tension points**

1 Evolving traveller profiles
Fast-growing middle classes, e.g. in India and China, are creating new traveller patterns and will account for more than 25% share of total international trips by 2030

2 Growing segments as drivers*
New segments will emerge and become growth drivers, e.g. sports tourism (16% CAGR), ecotourism (14% CAGR), bleisure (12% CAGR) and wellness (8% CAGR)

3 Technology as an enabler
Travel tech (market ~$10bn in 2024) is expecting to double, serving as an enabler for new visitors with continuous focus on flexibility and transparency, but also carries inherent risks

4 Risk of global disruptions
Disruptions from pandemics, geopolitical events, climate change and regulatory shifts can lead to losses; in 2020, COVID-19 caused a loss of nearly $4.5 trillion in sector GDP

5 Increased friction: visitors vs. residents
In the most visited cities, visitor-to-resident ratios could rise by over 50% in the next decade, pressuring local capacity and standards of livability

6 Growing pressure on nature
By 2034, the sector could strain natural systems and account for 15% of total GHG emissions, 10% of global energy consumption and 7% of solid waste production

7 Talent and skills shortage
By 2034, the sector is expected to generate 100m+ jobs, yet it currently faces labour and skills shortages in many countries (e.g. in the US, job openings outpaced hires in leisure and hospitality for 8 out of 12 months in 2024)

8 Local capacity-building
SMEs represent 80% of the sector; to properly serve expected demand, they will require support as travellers seek local experiences

9 Infrastructure and investment requirements
Serving ~30bn tourists in the future will require infrastructure and asset investments (e.g. ~25m hotel rooms by 2034) as well as regulatory and other changes to expedite development

10 Cultural and heritage dynamics
Cultural homogenization and heritage preservation; in studies of World Heritage Sites, inappropriate plans and systems affected 70% of cultural sites analysed

Growth areas Tension points

Notes: CAGR = compound annual growth rate; MICE = meetings, incentives, conferences and exhibitions.
*CAGR for all subsectors runs to at least 2032, except bleisure, which is to 2029.
Source: World Economic Forum

On the basis of research and analysis, together with stakeholder consultation, previous Forum work identified 10 principles for transformative change and sustainable sector development that can help destinations and other stakeholders leverage emerging growth opportunities and address tension points. However, applying these principles and addressing the challenges requires holistic collaboration to align the efforts of the public and private sectors and all stakeholders in driving the required transformative change.

FIGURE 2 **10 principles for transformative tourism growth**

1 Align market opportunities with local strengths and values

Develop offerings in high-value segments that align with destination assets and community values, creating distinctive experiences and maximizing local benefits

2 Enable responsible choices for evolving travellers

Adapt to changing traveller needs and preferences, while empowering visitors to make responsible, informed choices

3 Empower local enterprise and economies

Create pathways for small businesses and local enterprises to scale, innovate and benefit from the sector's transformation

4 Invest in a future-ready workforce

Build a skilled and resilient workforce by addressing labour shortages, making tourism more attractive as a career and investing in skills, inclusion and job quality

5 Develop infrastructure for shared benefit

Invest in infrastructure that supports travel and tourism, while strengthening resilience, mobility, local services and quality of life

6 Balance demand with local capacity

Align visitor flows with destination carrying capacity and engage communities in co-designing strategies that deliver mutual benefits

7 Champion cultural heritage and connection

Foster cultural innovation and exchange, protecting heritage, while generating new creative industries, expressions and experiences

8 Revitalize and protect natural ecosystems

Place regeneration at the heart of operations, reducing impacts, restoring ecosystems and sustaining the natural assets on which the sector depends

9 Strengthen ecosystem resilience

Build agility and preparedness to anticipate and withstand shocks, manage risks and adapt to change

10 Harness data and technology responsibly

Use data and technology to drive sustainable growth, measure progress and enhance experiences, while ensuring access, accountability and protection for all

Source: World Economic Forum

The need for an ecosystem approach

The current, largely fragmented operating model, characterized by siloed stakeholders and piecemeal policy interventions, has proven ill equipped to meet these multilayered, interconnected challenges. Destination authorities, businesses, communities and policy-makers too often act in isolation, leading to duplicated efforts, inconsistent guest experiences and lost value for residents and nature alike. The COVID-19 crisis laid bare the costs of such fragmentation: during the early pandemic phases, many international travel restrictions proved ineffective or limited in impact.[3] As travel continues to grow, local opposition is swelling in overburdened hotspots, while undervisited regions remain underserved – further evidence of the pressing need to rebalance opportunity, flows and benefits. Without bold systemic change, the sector risks amplifying shocks, deepening inequities and eroding its own social licence to operate.

Against this backdrop, ecosystem thinking has shifted from aspiration to necessity. This approach recognizes the T&T sector as a complex web of interdependencies, not merely a linear value chain but a living system in which destinations, businesses, communities, travellers, technology partners, government actors and the natural environment all play essential, interconnected roles. From resilient crisis management and regulatory alignment to experience co-creation and environmental stewardship, ecosystem thinking marshals holistic collaboration in place of fragmentation. It demands that strategies be designed around shared goals and mutual benefit, transforming potential sources of friction into engines for regeneration, innovation and inclusive prosperity. The future must be shaped by aligning interests, pooling resources and empowering diverse voices, including those of residents, SMEs and underrepresented communities.

The choice is clear: embrace tourism's ecosystem nature through coordinated governance and planning or accept the mounting costs of fragmentation as growth pressures intensify. The evidence from leading destinations, analysed in detail throughout this paper, demonstrates that coordination is both achievable and measurably superior to fragmented approaches across all performance dimensions.

1 Understanding tourism's ecosystem nature

Understanding tourism's hidden interconnections reveals how coordinated stakeholder action amplifies benefits while preventing negative cascading effects.

The sector's transformation makes it necessary to move beyond traditional linear thinking to embrace T&T's true nature as a complex, interconnected system. While previous approaches have treated the sector as a collection of separate industries, this analysis reveals the hidden architecture that connects core tourism players with adjacent and supporting sectors in ways that create unprecedented opportunities for value creation.

Understanding these interconnections is critical for stakeholders who want to harness the full potential of tourism development. When the ecosystem functions as an integrated whole rather than fragmented parts, the benefits multiply greatly. However, the same interconnections that generate positive outcomes also transmit risks and shocks rapidly throughout the system. This framework provides the foundation for strategic decision-making that maximizes positive impacts while mitigating potential negative externalities through systematic coordination.

1.1 Travel and tourism at the heart of intersectoral impact

T&T is frequently described as a single sector, yet it functions as a complex ecosystem of interlinked activities, institutions and communities: a sector of sectors. Building on the ecosystem framework outlined in previous reports, T&T operates as a sophisticated network across three interconnected layers surrounding travellers and local communities at the centre.

FIGURE 3 | **Travel and tourism ecosystem framework**

Core travel and tourism players

Industries and activities that produce travel and tourism goods and services

Enabling sectors and activities

Provide intermediary and downstream products, services and infrastructure that enable the functioning of the T&T operations

Adjacent sectors and activities

Sectors and activities that are interconnected with and benefit from T&T activities, often providing upstream goods and services that can drive T&T demand

Notes: 1. International organizations, NGOs, industry-focused organizations, regional and national organizations, professional associations. **2.** Accommodation and lodging; aviation and T&T-related transport services; OTA and travel-related technology platforms; travel agencies, tourism management companies, tour operators and other tourism activity services.

Source: World Economic Forum

> The global hotel construction pipeline reached an all-time high at the end of 2023 with a record number of projects and millions of rooms under development.

At the heart of this ecosystem are **core tourism** actors such as hospitality providers, airlines, cruise operators, tour organizers and destination management authorities. These stakeholders generate direct employment, provide travel and tourism goods and services and drive infrastructure investment. However, they do not operate in isolation. Hotels depend on utilities and local infrastructure. Airlines require functioning regulatory systems. Tour operators rely on preserved natural and cultural sites as well as the support of local communities. Their success is inherently linked to the capabilities and conditions created by enabling and adjacent sectors and activities.

Enabling sector and activities provide intermediary and downstream products, services and infrastructure that enable the functioning of the T&T operations. Technology providers supply platforms for booking, data analysis and experience design. Financial institutions help manage transactions, provide credit and underwrite infrastructure investment. Emerging empirical studies are finding that the expansion of digital inclusive finance is associated with stronger tourism development and efficiency, in part by easing financing constraints for SMEs and reducing payment frictions for visitors.[4] At the same time, financial players also benefit directly from the sector. International payment processing, cross-border fees and currency conversion are key revenue drivers: for example, cross-border travel and international online orders may account for over a third of revenue for leading global payment network providers.[5] Construction firms build transport networks, accommodation stock and cultural venues.

Tourism growth also depends on and acts as a catalyst for real estate development and urban renewal. The demand for hotels, resorts and holiday properties spurs construction and investment across the property sector. The global hotel construction pipeline reached an all-time high at the end of 2023 with a record number of projects and millions of rooms under development. Hospitality real estate investment has surged alongside the tourism rebound, with global hotel investment volume reaching $57.3 billion in 2024, a 7% increase over the previous year.[6] Tourism also boosts residential markets through demand for short-term rentals and second homes. The global holiday rental market, comprising holiday properties offered through platforms such as Airbnb, was valued at around $94 billion in 2024 and is forecast to exceed $134 billion by 2034.[7] In many destinations, such tourism-related real estate development not only creates new accommodation and attractions but also leaves lasting benefits for communities through improved infrastructure, higher property values and revitalized city districts that serve locals and visitors alike.[8]

Adjacent sectors and activities are interconnected with and benefit from T&T operations, often providing upstream goods and services that can drive T&T demand. These relationships demonstrate tourism's far-reaching economic impact across multiple industries.

- **Food and agriculture** represent one of tourism's most significant adjacent connections. Food and drink are defining elements of the visitor experience: travellers spend between 15% and 35% of their budgets on food,[9] and food-focused travellers spend on average 25% more than other segments. Local cuisines are central to destination appeal, with 81% of travellers saying that trying local food is the part of travel they most anticipate. This demand reshapes agricultural production: one study found that an 8% increase in tourist food consumption per meal required nearly 50% more arable land, much of it for animal-based foods. The global agritourism market was valued at $73 billion in 2024 and is projected to surpass $200 billion by 2033.[10]

- **Healthcare systems** benefit significantly from tourism-driven investment. Medical tourism has become a multibillion-dollar sector, with the global market valued at about $41.7 billion in 2024 and forecast to grow by more than 16% annually through 2035.[11] Revenues from this flow of international patients support the expansion of hospitals, training of medical staff and broader service improvements that also benefit residents. Türkiye illustrates this dynamic vividly: in 2023 the country treated roughly 1.5 million foreign patients, generating more than $3 billion in revenue from medical tourism.[12] Such growth reflects deliberate government policy and sustained healthcare investment, positioning Türkiye as one of the world's leading destinations for cross-border medical care.

- **Arts and culture** are among the biggest beneficiaries of global tourism. Cultural tourism represents about 40% of all international travel, reflecting a growing appetite among visitors for heritage, art and cultural experiences worldwide.[13] This steady flow of travellers sustains museums, historic landmarks, festivals and creative industries in many destinations. Cultural tourists tend to be higher-value visitors who, on average, spend 38% more per day and stay 22% longer than other segments, creating deeper and more enduring economic benefits.[14] The cultural tourism market is immense, projected to reach $1.2 trillion in 2025 and expected to grow to $2.6 trillion by 2035, channelling vast revenue into cultural preservation and the creative economy.[15] The Louvre Museum in Paris demonstrates this global dynamic clearly: in 2022, it welcomed 7.8 million visitors, of which 70% came from outside France, underscoring how international tourism directly supports cultural institutions and the livelihoods of local artists and cultural workers.[16]

> Local officials, business leaders and community representatives emphasized how deeply tourism's impacts are felt, even in places without formal tourism institutions.

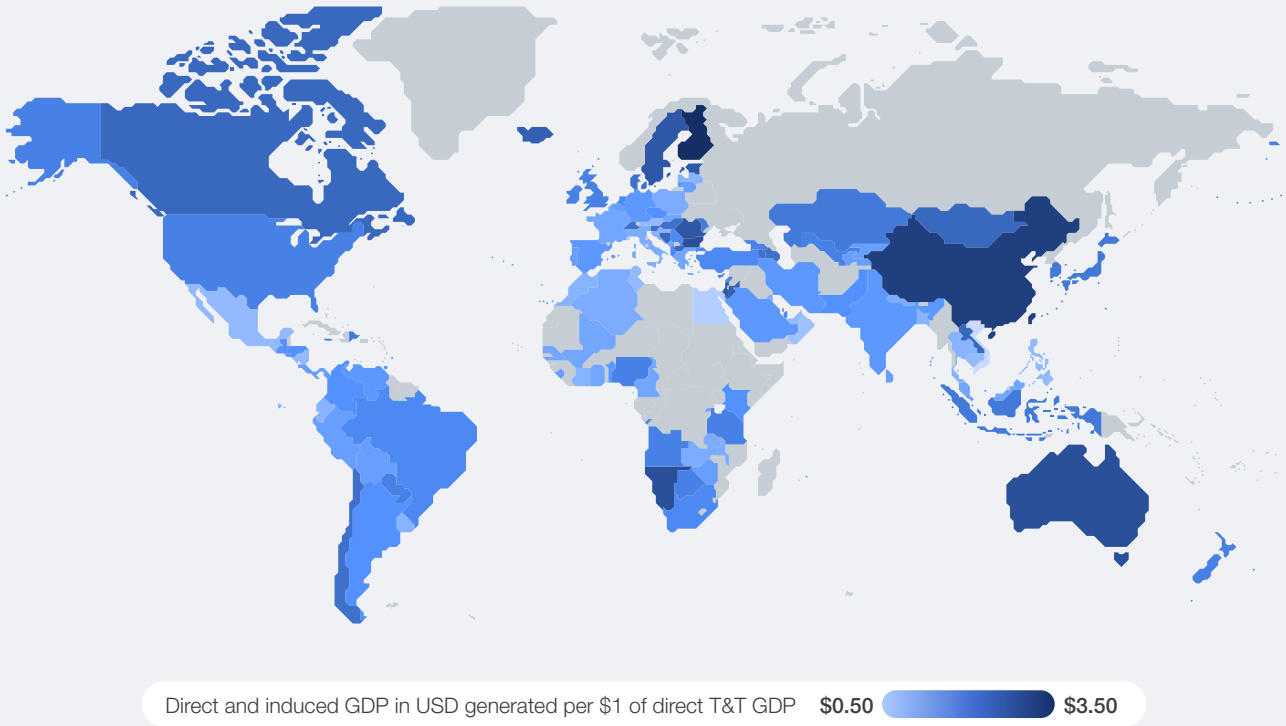
– **Retail** is another sector deeply intertwined with tourism demand. The duty-free and travel retail market is expanding alongside the recovery in international travel, with independent analyses estimating it at around $66–70 billion in 2024 and projecting a near-doubling by the early 2030s.[17] Other forecasts put the market above $110 billion in 2024 as pent-up demand and airport expansions lift spend.[18] International visitors are pivotal for premium retail: Chinese consumers account for roughly one-third of global luxury purchases, and the return of outbound Chinese travel materially affects sales in key shopping hubs.[19] The dependence of flagship districts on tourist spend is visible in London's West End, where business groups attribute hundreds of millions of pounds in lost sales to changes in tax-free shopping rules, even as visitor numbers recover.[20]

This ecosystem structure means tourism's performance cannot be judged solely by direct visitor spending or hotel occupancy rates. While these have long served as indicators of sector health, they offer only a narrow view. They fail to capture the broader economic, social and environmental interdependencies that define tourism's true impact. A single decision in one part of the system can generate ripple effects across multiple layers. The launch of a new air route alters the viability of regional accommodation providers, creates demand for ground transport services, stimulates local retail and increases tax revenues. Conversely, disruption in one area cascades quickly throughout the system, as power outages at airports strand travellers, reduce hospitality demand, disrupt retail sales and damage destination reputations.

These interconnections are not abstract. They were reinforced repeatedly during Forum consultations with stakeholders across destinations, industries and communities. Local officials, business leaders and community representatives emphasized how deeply tourism's impacts are felt, even in places without formal tourism institutions. As one local official noted, "Our town may not have a tourism office, but we feel the impact of every tour bus." Such sentiments, echoed in multiple consultations, highlight how tourism's footprint extends far beyond its formal boundaries.

1.2 Economic multiplication and the positive impact of interconnection

FIGURE 4 **Economic multiplier of the travel and tourism sector**



Note: The map shows the ratio of *indirect* and *induced* to *direct* GDP generated by T&T in USD (an average of figures from 2017, 2018 and 2019), per WTTC definitions. *Direct* GDP refers to internal tourism spending and government services for visitors; *indirect* GDP covers supply-chain and investment effects; *induced* reflects employee spending within the wider economy. Country coverage based on the *Travel & Tourism Development Index 2024*.

Source: World Economic Forum and World Travel and Tourism Council

> Tourism-driven investment in infrastructure and experiences enhances the quality of life for both visitors and residents.

Tourism ecosystems are so interconnected that a dollar spent by a visitor not only benefits one business or sector but cascades through the entire economy, creating value that extends far beyond the initial transaction. Spending by visitors stimulates direct revenues for transport providers, hotels and attractions, while also creating indirect and induced effects through suppliers, contractors and household consumption. Research shows that globally, for every $1 in GDP directly generated by T&T, over $2 in indirect and induced GDP is generated, with the ratio expanding to over $3 in tourism-centred economies such as Fiji.[21]

Tourism also generates extensive employment ripple effects. The sector directly and indirectly contributes to one in 10 jobs worldwide,[22] with additional employment supported in retail, food production, construction and cultural industries. In one US city study, nearly 18 jobs were created for every $1 million of tourism output. Beyond employment, tourism creates powerful fiscal impacts. Taxes collected on accommodation, transport, food and retail purchases provide governments with critical resources for education, healthcare and infrastructure. Visitors to New York, for example, spent $88 billion across the state economy in 2023, creating $137 billion in total economic impact and generating $11 billion in state and local tax revenues.[23]

Tourism-driven investment in infrastructure and experiences enhances the quality of life for both visitors and residents. Improvements to airports, regional/local transport systems, public spaces and event facilities generate value that persists well beyond any single occasion. The Houston Livestock Show and Rodeo is among the world's largest recurring events and delivers consistent economic impact and multiplier benefits to its region. In 2024, the event generated $326 million in local economic activity, an increase of 44% compared to 2019.[24] That spending supported hotels, restaurants, transportation services and ancillary businesses that benefit not only during the event but throughout the year. The regular cadence of the rodeo promotes business confidence in hospitality investment, encourages enhancements of venue capacity and along transport corridors and strengthens the destination's brand internationally. Over time, these recurring benefits contribute to improved services, stronger local employment and infrastructure upgrades that uplift resident well-being.

A similar pattern can be seen in Munich during the annual Oktoberfest. In 2023, the festival drew a record 7.2 million visitors and generated an estimated $1.3 billion in economic impact for the city.[25] Visitors spent more than $550 million on accommodation alone, and the event supported between 12,000 and 13,000 jobs during the festival period. This surge in demand strengthens local supply chains and stimulates continuous improvements in public transport, venue capacity and service infrastructure while reinforcing Munich's cultural brand worldwide. The repetition of these benefits each year provides residents with enhanced urban amenities, a more dynamic economy and lasting tourism momentum.[26]

Tourism's contribution is not only economic. By connecting people across geographies and cultures, it strengthens social fabric, fosters intercultural understanding and empowers communities through inclusive business models. The evidence shows that growth in tourism receipts is closely associated with reductions in poverty levels. Empirical studies across developing and emerging economies find that as tourism revenues rise, poverty rates decline measurably, and in some cases even modest increases in visitor spending have translated into outsized improvements in income distribution and local livelihoods.[27]

Beyond the financial impact, tourism delivers important intangible benefits for individual well-being. Research in psychology and tourism studies consistently demonstrates that people derive greater and longer-lasting happiness from anticipating and experiencing travel than from material purchases. As destinations increasingly prioritize holistic well-being, tourism holds the potential to act as a driver of thriving societies as well as thriving economies.

1.3 Vulnerability and risk transmission

> Tourism relies heavily on discretionary spending and cross-border mobility, making it highly sensitive to crises.

The same interconnections that multiply benefits also magnify risks, enabling shocks to spread quickly throughout the ecosystem. When growth is unmanaged, it can overwhelm infrastructure, create congestion and inflate housing markets. Rising visitor numbers increase waste, energy use and water demand, straining already limited resources. Destinations highly dependent on tourism are especially vulnerable. The collapse of global travel in 2020 exposed this fragility: some tourism-reliant economies suffered GDP contractions exceeding 50%, demonstrating how disruption to visitor flows can trigger deep system-wide consequences.[28]

Risks also emerge when the benefits of tourism are distributed unevenly. Forum consultations revealed consistent concern that small businesses and artisans are too often excluded from high-value visitor spending, increasing vulnerability for community enterprises, informal workers and marginalized groups without safety nets. Social friction can escalate rapidly when growth is not managed inclusively. Rising living costs, limited access to housing and the commodification of cultural practices can erode resident support, fuelling policy backlash, new regulations and reputational damage that affect all stakeholders.

Climate change amplifies these vulnerabilities. Coastal destinations face rising sea levels, while extreme weather increasingly disrupts transport and damages critical infrastructure. Shifts in precipitation affect water availability, rising temperatures reshape seasonal patterns of demand and energy systems face additional strain. Economic and geopolitical shocks further destabilize the sector. Tourism relies heavily on discretionary spending and cross-border mobility, making it highly sensitive to crises. Financial shocks, security threats or new health emergencies can halt visitor flows within days. Small enterprises operating on narrow margins collapse first, but the impacts ripple through supply chains, destabilizing employment and undermining community resilience.

1.4 Why ecosystem understanding matters

Recognizing tourism as an ecosystem rather than a collection of industries fundamentally changes how stakeholders approach opportunities and challenges. Narrow solutions, such as hotel investment strategies that ignore transport and community infrastructure, or environmental policies focused solely on visitor sites that overlook supply chains, fail to capture the full picture. Similarly, labour planning focused only on hospitality roles misses the broader skills required across retail, cultural preservation and entertainment.

Ecosystem thinking enables decision-makers to account for interdependencies and design coordinated responses. It makes clear that long-term success depends on aligned investment, inclusive governance and integrated regulation. It also highlights how tourism's benefits extend far beyond immediate sector boundaries when managed well, stimulating entrepreneurship, preserving heritage, regenerating ecosystems and creating cross-cultural exchange.

These dynamics are not abstract. They crystallize into the 10 growth areas and tension points identified in *Travel and Tourism at a Turning Point: Principles for Transformative Growth*, which continue to define the trajectory of the sector. Growth will be driven by evolving traveller profiles, specialized segments and technological innovation, but systemic risks demand urgent attention. Global disruptions, resident–tourist friction, environmental pressures, workforce shortages, challenges to the resilience of SMEs, infrastructure gaps and cultural degradation problems all require coordinated ecosystem management. The evidence confirms it: to unlock inclusive growth while building resilience against future shocks requires ecosystem thinking.

2

From principles to practice through coordinated enablers

A coordinated approach to the challenges faced by the T&T sector aligns infrastructure, finance, technology, people and governance for real-world delivery.

As destinations translate intent into delivery, sustaining alignment among diverse actors inevitably reveals pressure points.

Applying the aforementioned 10 principles to address the sector's tension points and challenges and to drive transformation requires leveraging the people and skills, infrastructure, finance, technology and innovation, and policy and governance enablers. In deploying these, stakeholders need a shared way to organize action. Coordination is the discipline that aligns decisions across five enablers so that investments, standards and incentives reinforce each other rather than pull apart. Coordination is the connective tissue that brings them together around common outcomes for residents and visitors.

People and skills build the workforce that can grow with the sector while improving job quality. Common competency frameworks, stackable credentials, apprenticeship pathways and recognition of prior learning raise productivity and mobility. Partnerships between educators, employers and public agencies align training to real demand and support the inclusion of youth, women and informal workers. Strong human capital lifts service quality throughout the destination economy.

Infrastructure covers transport, accommodation, utilities, cultural venues and public space. When these assets are planned and financed as a network that serves residents and visitors, destinations unlock higher capacity and better service quality and achieve a lower environmental footprint. Fragmented delivery creates bottlenecks, duplication and community friction that erode competitiveness.

Finance mobilizes capital at the speed and scale required while spreading benefits more widely. Blended structures, guarantees, pooled funds and outcome-based instruments can direct resources towards small enterprises, nature and heritage stewardship, climate resilience and community infrastructure that commercial capital alone often overlooks. Clear rules for revenue-sharing and reinvestment strengthen public trust and keep priority projects moving.

Technology and innovation ensure that digital capability is accessible throughout the ecosystem. Open standards, interoperable platforms, shared data environments, privacy safeguards and fair access to distribution reduce exclusion and market concentration. Coordinated adoption of tools for demand forecasting, visitor flow management, skills development, payments and sustainability reporting improves efficiency and supports better decisions by both public and private actors.

Policy and governance provide the rules, institutions and accountability that hold the ecosystem together. Whole-of-government planning, clear roles across levels of administration, destination compacts with industry and communities, and transparent monitoring of results convert ambition into consistent delivery. Stable regulation that aligns conservation, urban development, investment attraction and visitor management creates predictability and community legitimacy.

Coordination is a continual process rather than a fixed design. As destinations translate intent into delivery, sustaining alignment among diverse actors inevitably reveals pressure points. The main barriers arise from competing interests, uneven institutional capacity and fragmented responsibilities, yet these can be addressed through shared outcomes, technical support and partnerships with institutions that have delivered similar transformations. Conflicting interests can be managed by centring decisions on collective goals while preserving healthy competition, and capacity gaps can be narrowed through peer learning and targeted assistance. Enduring commitment is strengthened when early initiatives deliver tangible benefits for residents and small enterprises and when progress is communicated openly and consistently, reinforcing trust and momentum for continued transformation.

3 Applying the ecosystem approach

Global success stories demonstrate how ecosystem coordination delivers measurable value at different scales.

The sector's transformation at scale, as highlighted earlier, requires coordinated action by multiple stakeholders. Although fragmented approaches are often the norm, there is compelling evidence from global, national and local examples that systematic ecosystem coordination delivers significant impact and drives change. In the following case studies, nine destinations show how coordination in practice transforms challenges into opportunities. Each example clarifies the core problem that threatened system coherence, the ecosystem coordination approach adopted, the specific enablers that were activated and the impact metrics and qualitative outcomes achieved.

3.1 Case studies of ecosystem tourism development

CASE STUDY 1

Portugal: Rebalancing tourism through whole-of-economy coordination

Challenge: Increased friction – visitors vs. residents

Enablers used: Infrastructure; finance; technology and innovation; people and skills; policy and governance

When Portugal emerged from the 2008 global financial crisis, its tourism sector faced the tension points of geographical concentration and community resistance. Arrivals rebounded rapidly, but growth concentrated heavily in Lisbon and Porto, creating congestion in airports and urban districts while leaving much of the interior underdeveloped.[29] Competing ministries planned separately. Transport authorities prioritized airport expansion, environmental agencies imposed disconnected regulations and regional governments competed for investment without alignment. Local communities expressed growing concern over the impact of overtourism on housing, services and cultural authenticity. Without coordination, tourism risked widening economic disparities, undermining sustainability and eroding public support.

Portugal addressed these pressures by embedding tourism in a national coordination effort that cut across all key levers. Airport, rail, coastal management and regional growth strategies were planned in tandem through interministerial committees.[30] A dedicated Tourism Investment Fund combined European structural funds, state capital and private investment with projects screened for competitiveness, environmental sustainability and community impact.[31] Digital platforms connected small enterprises to broader marketing and booking systems. National hotel schools and training institutes aligned with employer needs and portable credentials from across the European Union were recognized, improving labour mobility.[32] The national tourism strategy drew input from more than 1,700 stakeholders including small businesses, municipalities, environmental groups and investors, which strengthened legitimacy.[33]

Tourism receipts more than doubled between 2010 and 2019, and the sector's contribution to GDP reached 15%.[34] More than 400,000 jobs were directly linked to tourism. Visitor flows diversified geographically, with northern and central Portugal increasing their share of overnight stays from 28% to 36%, reducing pressure on Lisbon and Porto.[35] Resident satisfaction with tourism rose in surveys. Jointly developed sustainability certification schemes now cover hundreds of operators and coastal planning, and visitor dispersal reduced pressure on the Algarve and Lisbon waterfronts.[36]

CASE STUDY 2

New Zealand: Tourism as a vehicle for regeneration

Challenge: Growing pressure on nature; cultural and heritage dynamics

Enablers used: Infrastructure; finance; technology and innovation; people and skills; policy and governance

New Zealand faced the tension points of environmental degradation and community friction as visitor numbers rose sharply in iconic destinations such as Milford Sound and Tongariro, creating congestion, environmental degradation and growing local frustration.[37] Surveys indicated that a rising share of residents felt tourism was harming their quality of life. The country's unique biodiversity and Māori cultural assets risked being commodified without benefit returning to custodians.

New Zealand adopted a systemic approach, embedding conservation, infrastructure and community well-being at tourism's heart through coordinated enablers. Financial coordination created the International Visitor Conservation and Tourism Levy, applying a fixed fee to most international arrivals with revenues earmarked for conservation projects, visitor amenities and community services.[38] Infrastructure coordination expanded data platforms, integrating information from airlines, accommodation providers and activity operators, giving regional bodies tools to manage flows rather than simply market their attractions. People and skills coordination established training pathways while integrating Māori communities through joint ventures and cultural authority in tourism products.[39] Technology and innovation supported the Tiaki Promise, a nationwide code of care developed jointly by government, industry and *iwi* to set consistent expectations for visitor behaviour and operator practice.[40]

The results have been significant. Economically, tourism's contribution to GDP reached NZ$ 41 billion ($24 billion) in 2019, with higher yields per visitor, as the levy enabled quality-over-volume strategies.[41] More than 400,000 people were supported by tourism employment.[42] Socially, resident sentiment stabilized, with surveys showing improved acceptance once communities saw levy-funded projects in their towns and cultural integrity respected. Environmentally, more than NZ$ 500 million ($290 million) in levy revenues have been invested in conservation and infrastructure, financing projects from trail upgrades to species protection.[43] Ecological indicators in several national parks show stabilization despite continued visits. New Zealand demonstrated that growth aligned with regeneration can deliver prosperity, inclusion and environmental stewardship simultaneously.

CASE STUDY 3

Singapore: Embedding tourism in a city-state strategy

Challenge: Infrastructure and investment requirements

Enablers used: Infrastructure; finance; technology and innovation; people and skills; policy and governance

Singapore faced the tension point of balancing international competitiveness with urban liveability in one of the world's most densely populated countries. By the early 2000s, pressure was rising to ensure tourism would not create isolated enclaves of luxury while undermining cultural authenticity and citizens' quality of life or competing with residents for space and resources.

Singapore integrated tourism fully into national development planning through coordinated enablers. Infrastructure coordination developed large-scale precincts such as Marina Bay and Sentosa as mixed-use environments combining attractions with housing, business facilities, public spaces and cultural venues.[44] The Mass Rapid Transit system was extended to connect airports, attractions and residential districts seamlessly, ensuring that transport investments served both residents and visitors. Financial coordination aligned the Singapore Tourism Board with economic development agencies to tie tourism to broader growth priorities such as knowledge industries, events and education. Technology and innovation wove tourism into the Smart Nation initiative, positioning tourism as a test bed for technologies that later scaled into other urban systems. People and skills coordination created training programmes to ensure that skills could transfer between tourism and the wider services sectors.

The impacts demonstrate how tourism can reinforce liveability when coordinated with urban goals. Economically, tourism receipts reached S$ 27 billion ($21 billion) in 2019,[45] while the city remained among the top-ranked globally for quality-of-life indices. Employment in core tourism industries exceeds 71,000 people.[46] Socially, residents reported strong support for festivals and cultural districts designed to enrich their own lives as much as those of visitors. Cultural programming at venues such as the Esplanade and National Gallery served both residents and tourists, while heritage districts were conserved as living neighbourhoods rather than staged museum pieces. Environmentally, public transport-oriented development reduced reliance on private vehicles, cutting congestion and emissions while increasing accessibility. Singapore showed that ecosystem coordination can turn tourism into an enhancer of city life rather than a competitor with it.

CASE STUDY 4

Tanzania: Chumbe Island – private management of a marine protected area

Challenge: Growing pressure on nature

Enablers used: Infrastructure; finance; technology and innovation; people and skills; policy and governance

In the early 1990s, Chumbe Island off Zanzibar faced escalating threats to its coral reefs, mangroves and forest habitats. Overfishing, weak enforcement capacity and coastal development placed the ecosystem at risk, while limited government resources constrained conservation efforts.

A private non-profit initiative established the island as a marine sanctuary and forest reserve in 1994, making it the first privately managed marine protected area in the region. Revenues from a small eco-lodge finance the conservation programme, including ranger patrols, reef monitoring and mangrove restoration, with scientific surveys documenting more than 470 reef fish species and higher coral cover compared to adjacent fished reefs.[47]

Local community members were trained as rangers and hospitality staff, generating new skills and stable employment, while structured education programmes reached more than 12,000 students, teachers and community members, embedding conservation values in coastal communities.[48] Eco-lodge income remains the primary funding source for operations, demonstrating that tourism can directly sustain protected area management without reliance on external donors.[49]

Chumbe illustrates how the private sector can finance, govern and operate ecosystem-based tourism in ways that deliver conservation, education and livelihoods simultaneously.

CASE STUDY 5

Egypt: Siwa Oasis – private initiative for heritage and ecotourism

Challenge: Growing pressure on nature; cultural and heritage dynamics

Enablers used: Infrastructure; finance; technology and innovation; people and skills; policy and governance

Siwa Oasis in Egypt's Western Desert is renowned for its palm groves, springs and mud-brick architecture, but it faces fragile ecological conditions and risks from unplanned development. Tourism remained underdeveloped, while traditional crafts and building methods were in decline.

Private investors from within the community initiated heritage-based tourism projects, restoring vernacular architecture and developing eco-lodges that used local materials and low-impact design. These initiatives created employment for local residents, with surveys showing that most capital investment in Siwa came from small local tourism projects in hotels, restaurants and guiding enterprises.[50]

Craft revival and training programmes improved opportunities for women and youth, while surveys of stakeholders found that 95% identified natural tourism as the main attraction and 61% viewed personal community networks as the most important marketing channel.[51] Tourism to Egypt grew strongly in the late 2010s, with national arrivals reaching more than 6.1 million in the first seven months of 2018 compared to 4.3 million the year before, and Siwa captured a share of this rebound by positioning itself as a sustainable desert destination.[52]

Environmentally restored mud-brick structures and traditional building techniques reduced pressure on fragile ecosystems while preserving cultural identity. Siwa demonstrates how private initiative can mobilize capital, skills and heritage resources to anchor ecosystem-based tourism in a vulnerable desert environment.

CASE STUDY 6

Costa Rica: National coordination for ecotourism

Challenge: Growing pressure on nature

Enablers used: Infrastructure; finance; technology and innovation; people and skills; policy and governance

Costa Rica confronted the dual tension points of environmental degradation and uneven community participation, as rapid deforestation in the 1980s reduced forest cover to around 25% of national territory and biodiversity loss threatened both ecosystems and a growing tourism industry.[53] Local communities faced limited opportunities, while infrastructure and regulatory systems lagged behind visitor growth.

In response, Costa Rica pioneered a national model linking conservation and tourism through coordinated enablers. Infrastructure and policy coordination established an extensive network of protected areas, now covering roughly 25–28% of national territory and forming the backbone of the country's ecotourism brand.[54] Financial coordination ensured that park entry fees and tourism revenues were reinvested in conservation and local projects, while the innovative Payment for Ecosystem Services (PES) scheme, created under the 1996 Forest Law, rewarded communities and landowners for reforestation and conservation activities.[55] People and skills coordination was led by the Costa Rican Tourism Institute (ICT), which embedded sustainability into destination marketing and promoted certification standards. Technology and innovation supported the Certification for Sustainable Tourism (CST) programme, which incentivized operators to improve their practices and gain international recognition.[56]

The outcomes positioned Costa Rica as a global benchmark for ecotourism. Economically, international tourism receipts reached about $4 billion in 2019, with tourism contributing 8–9% of GDP and representing the country's largest source of foreign exchange.[57] Socially, communities near protected areas benefitted from new income streams through lodges, guiding and crafts, while PES schemes provided thousands of rural households with direct financial incentives for conservation.[58] Environmentally, Costa Rica reversed deforestation trends, expanding forest cover from below 30% in the 1980s to more than 50% by 2021.[59] This recovery supported the rebound of emblematic species such as scarlet macaws and sea turtles, which are now strongly linked to ecotourism experiences in protected areas. Costa Rica's case demonstrates how coordinated national action can transform tourism into a mechanism for prosperity and ecosystem recovery.

CASE STUDY 7

Sunshine Coast, Australia: Regional ecosystem strategy

Challenge: Local capacity-building

Enablers used: Infrastructure; finance; technology and innovation; people and skills; policy and governance

The Sunshine Coast region has long grappled with the tension of fragmented sectoral development, where tourism, agriculture and small-scale industry competed for planning authority, branding and resources. Tourism in particular faced inconsistent identity, environmental pressure along coastal zones and weak links to upstream sectors.

Recognizing this, regional leaders adopted a long-term ecosystem framing approach. Infrastructure coordination optimized new transport and connectivity projects to serve both agricultural supply chains and visitor access. Financial coordination pooled resources for marketing, infrastructure and skills, consciously linking tourism to education, agribusiness, health and technology sectors. People and skills coordination emphasized capacity-building for local enterprises, helping them adopt digital tools and sustainability standards and connect to broader value chains. Technology and innovation supported digital platforms that enabled small businesses to reach wider markets, while governance reforms worked to break down divisions between sectors.

The impacts, where measurable, point towards ecosystem gains. In 2019, overnight visitor expenditure in the Sunshine Coast reached A$ 3 billion ($1.9 billion), a record high for the region.[60] More recently, in the 12 months to September 2023, the region recorded A$ 4.2 billion ($2.8 billion) in overnight visitor spending from 4.2 million visitors.[61] Tourism's broader role in the regional economy is also substantial: in 2021–2022, the sector contributed about A$ 2.8 billion ($1.85 billion), equivalent to 11.8% of the Sunshine Coast's gross regional product, and supported around 26,300 jobs.[62] Socially, regional planning processes reported greater community participation and stronger backing among local people, while environmental coordination in coastal management reduced erosion risks and supported marine habitat protection, although attribution directly to tourism policies requires cautious interpretation.[63]

The Sunshine Coast illustrates how a regional destination can use ecosystem thinking, integrating infrastructure, finance, skills, technology and governance to align tourism growth with broader economic transformation rather than letting it develop in isolation.

CASE STUDY 8

Hainan Island, China: Coupling tourism and ecology

Challenge: Growing pressure on nature

Enablers used: Infrastructure; finance; technology and innovation; people and skills; policy and governance

Hainan confronted the tension point of environmental degradation driven by rapid tourism growth, as the island evolved into a major domestic and international tourism hub. By 2021, Hainan was hosting more than 80 million tourists (domestic and international) and generating around RMB 138.4 billion ($20.4 billion) in tourism revenue, efforts that placed considerable pressure on coastal zones, urban infrastructure, wetlands and ecological systems.[64] Unchecked growth threatened resident welfare, habitat integrity and long-term competitiveness.

Policy-makers responded with a coupling–coordination model that treats tourism development and ecological protection as interdependent, deploying coordinated enablers. Infrastructure and land-use coordination integrated ecological corridors with resort zones and stricter zoning rules. Financial coordination reinvested tourism revenues in green infrastructure and supported community initiatives in low-impact agriculture and cultural tourism in inland areas. Technology and innovation deployed real-time monitoring systems to track visitor flows, waste and environmental indicators. People and skills coordination mobilized tourism authorities and environmental agencies to set development limits, enforce protected-area regulations and reduce pressure on coastal hotspots.

The measurable outcomes point to emerging balance across dimensions. Economically, Hainan's large visitor base and tourism revenue contributed materially to the provincial economy. Socially, inland communities gained alternative livelihoods via tourism-linked activities, reducing over-reliance on coastal construction. Environmentally, restoration and protection of mangroves and coastal wetlands have been stabilized in some zones, aided by funding from tourism revenues and stricter regulation. Coordination related to tourism and the ecological environment on Hainan improved from 2005 to 2019, transitioning from moderate imbalance to "good coordination", although interactive stress began appearing after 2017.[65] Hainan's experience suggests that even high-volume destinations can adopt ecosystem coordination to better balance growth and sustainability.

CASE STUDY 9

Indonesia: Building system resilience, from crisis to rebound

Challenge: Global disruption

Enablers used: Infrastructure; finance; technology and innovation; people and skills; policy and governance

When the COVID-19 pandemic halted travel, Indonesia's visitor economy faced collapse. Borders closed, revenues evaporated and tourism-dependent communities were left without income. As recovery began, destinations such as Bali experienced renewed strain from concentrated visitor flows, requiring a balance between growth and sustainability.

Indonesia responded with coordinated resilience measures across all enablers. The Ministry of Tourism and Creative Economy launched the "InDOnesia CARE" programme, with national Certified Healthcare Simulation Educator (CHSE) standards for health, safety and sustainability, backed by certification and a public registry to restore traveller confidence.[66] Technology platforms linked certified businesses to markets, while training programmes improved workforce competence and service quality. Financing came through the World Bank-supported Tourism Development Project[67] and the rapidly expanded Tourism Village (ADWI) programme, which grew to more than 3,400 villages by 2022, diversifying benefits beyond urban hubs.[68] Infrastructure investment focused on the five "super-priority" destinations, while Bali introduced an international tourist levy to fund conservation and cultural heritage.[69]

The results are increasingly visible. International arrivals have rebounded strongly,[70] thousands of businesses are CHSE-certified, and rural communities are capturing new income streams through ADWI. In Bali, levy revenues are financing conservation and cultural projects at scale. Together, these actions demonstrate how Indonesia has turned a crisis into an opportunity to build a more resilient, inclusive and sustainable tourism ecosystem.

3.2 Lessons across destinations

> These cases demonstrate that ecosystem coordination is not aspirational or theoretical; it is a practical and proven pathway to growth.

The nine destinations profiled differ widely in geography, scale, income levels and governance traditions, yet their trajectories reveal strikingly similar dynamics. Each faced risks of fragmentation, whether through environmental degradation, community resistance or economic underperformance. Each achieved more resilient outcomes by treating tourism as an ecosystem rather than as a collection of isolated industries.

Across the cases, four patterns stand out:

- First, multi-enabler activation consistently delivered superior outcomes. Destinations that aligned infrastructure, finance, technology and innovation, people and skills, and policy and governance achieved results that none of these levers could have produced alone.
- Second, community legitimacy proved decisive. Tourism succeeded where residents, small enterprises and cultural custodians were given meaningful roles in governance, revenue sharing and skills development.
- Third, environmental and cultural sustainability was integrated, not appended. Conservation, cultural integrity and heritage protection were embedded into financial and infrastructure decisions rather than treated as separate agendas.
- Fourth, coordination across scales multiplied benefits. National frameworks, regional authorities and local communities worked together, ensuring that tourism strengthened broader economic and social systems.

The quantifiable outcomes speak clearly. Portugal more than doubled receipts while diversifying flows across regions. New Zealand invested hundreds of millions of levy revenues into conservation while sustaining more than 400,000 jobs. Chumbe Island documented more than 470 reef fish species protected and educated more than 12,000 students, teachers and community members through programmes fully financed by eco-lodge revenues. Costa Rica reversed deforestation while generating $4 billion annually in receipts. Siwa Oasis mobilized local private investment, creating jobs in small-scale enterprises, with surveys showing that 95% of stakeholders identified natural assets as the key attraction and community networks as central to marketing. Singapore maintained both global tourism competitiveness and one of the highest liveability ratings worldwide. The Sunshine Coast built a diversified regional economy, while Hainan Island stabilized fragile ecosystems even as it welcomed more than 80 million visitors.

Taken together, these cases demonstrate that ecosystem coordination is not aspirational or theoretical; it is a practical and proven pathway to capture growth, distribute benefits and safeguard the natural and cultural foundations upon which tourism depends. More importantly, they confirm that the 10 growth areas and tension points identified in *Travel and Tourism at a Turning Point: Principles for Transformative Growth* cannot be managed through fragmented action. Only by applying the ecosystem approach through coordinated enablers can destinations convert growth into inclusive prosperity and long-term resilience.

Conclusion:
The way forward

The global T&T sector must be treated as an ecosystem to build a cohesive and regenerative future for the industry.

To plot a successful path forward necessitates recognizing tourism as the interconnected ecosystem it has always been while organizing governance, investment and operations accordingly. The principles for transformative growth remain the pathway, but reaching them requires the coordinated journey outlined throughout this analysis.

- **For destinations and governments**, this means establishing multistakeholder coordination mechanisms with real authority, embedding tourism planning within broader economic and local development strategies and investing in capacity-building that includes small enterprises and communities alongside major operators.

- **For T&T enterprises**, this means participating actively in destination-level coordination, aligning business strategies with broader sustainability and inclusion objectives and supporting skills development initiatives that strengthen the entire ecosystem.

- **For communities and civil society**, this means engaging constructively in tourism governance while advocating for equitable benefit distribution, environmental protection and cultural integrity.

- **For international organizations and development partners**, this means supporting coordination capacity-building, facilitating knowledge-sharing and aligning funding mechanisms with ecosystem approaches rather than fragmented project interventions. Multistakeholder platforms and organizations such as UN Tourism, World Travel & Tourism Council and the World Economic Forum can play an important role in facilitating the necessary coordination between destinations and governments, T&T enterprises, adjacent industry, communities and civil society.

- **All ecosystem participants** also play a role in measuring and communicating the tension points generated by sector activities, their interconnections, and the benefits to the broader pubic and local communities.

The enablers exist, pathways are proven and benefits are demonstrated. What remains is the collective commitment to act as an ecosystem rather than competing fragments. Those destinations, enterprises and organizations embracing ecosystem coordination will thrive in tourism's future economy. Those clinging to fragmented approaches will find themselves increasingly disadvantaged, as travellers, investors, workers and communities demand integrated solutions serving broader prosperity rather than narrow interests.

Tourism's future belongs to those who understand that in all complex systems, coordination creates while fragmentation destroys. The choice is clear, and the opportunity is global: with coordinated action, T&T can become a driver of economic prosperity, regeneration, inclusion and resilience for societies and communities around the world.

Contributors

World Economic Forum

Francisco Betti
Head, Global Industries Team; Member of the Executive Committee, Switzerland

Charlotte Boutboul
Lead, Centre for Urban Transformation, Switzerland

Andreas Hardeman
Manager, Aerospace, Aviation and Travel Industries, Switzerland

Jeff Merritt
Head, Centre for Urban Transformation; Member of the Executive Committee, USA

Maksim Soshkin
Insights Lead, Travel and Tourism, Centre for Urban Transformation, USA

Kearney

Marc Biosca
Senior Partner, United Arab Emirates

Audrey Gaffet
Project Fellow, Travel and Tourism and Engagement Manager, United Arab Emirates

Jennifer Hochaime
Project Fellow, Travel and Tourism and Engagement Manager, United Arab Emirates

Oscar Marquez
Project Fellow, Travel and Tourism and Engagement Manager, Mexico

Acknowledgements

The authors would like to thank the following organizations for their contribution to the research underlying this paper:

Airport Authority Hong Kong

Amadeus

Avolta

Brand South Africa

Cinnamon Hotels & Resorts

Destinations International

European Commission – Mobility and Transport

European Travel Commission

Global Sustainable Tourism Council

Invest Atlanta

John Keells Holdings

Mastercard

Ministry of Tourism, Mexico (SETUR)

Ministry of Tourism, Saudi Arabia

Oman Tourism Development Company

Organisation for Economic Co-operation and Development

Saudi Red Sea Authority

Saudi Tourism Authority

Sommet Education

Switzerland Tourism

Trip.com

Turismo de Portugal

Türkiye Tourism Promotion and Development Agency (TGA)

UN Tourism

Visit California

World Sustainable Hospitality Alliance

World Travel and Tourism Council

Yanolja

The authors also give particular thanks to the following T&T core community subject-matter experts:

Joseph M. Cheer
Professor of Sustainable Tourism and Heritage, Western Sydney University

Marina Novelli
Professor of Marketing and Tourism, Director of the Sustainable Travel and Tourism Research Centre, University of Nottingham

Michaëlla Rugwizangoga
Chief Tourism Officer, Rwanda Development Board (2022–2024)

Production

Laurence Denmark
Creative Director, Studio Miko

Cat Slaymaker
Designer, Studio Miko

Simon Smith
Editor, Astra Content

Endnotes

1. World Economic Forum. (2025, July 2). *Travel and tourism at a turning point: Principles for transformative growth*. https://www.weforum.org/publications/travel-and-tourism-at-a-turning-point-principles-for-transformative-growth/
2. World Travel & Tourism Council. (2024). *Travel & tourism environmental & social research: 2024 update (summary of findings).* https://researchhub.wttc.org/product/travel-tourism-environmental-social-research-2024-summary-of-findings
3. Piper, J., Hollmann, L., Hong, Z., Lee, K., et al. (2024). *Effectiveness of border closures/travel restrictions, screening and/or quarantine to control the international spread of COVID-19: An updated rapid review*. Pandemics & Borders Project. https://www.mcmasterforum.org/docs/default-source/product-documents/rapid-responses/rs-14-2---effectiveness-of-border-closures-travel-restrictions-screening-and-or-quarantine-to-control-the-international-spread-of-covid-19.pdf
4. Zhang, C., Liu, Y., & Pu, Z. (2023). How digital financial inclusion boosts tourism: Evidence from Chinese cities. *Journal of Theoretical and Applied Electronic Commerce Research*, *18*(3), 1619–1636. https://www.researchgate.net/publication/373940040_How_Digital_Financial_Inclusion_Boosts_Tourism_Evidence_from_Chinese_Cities
5. Cooley, P. (2025, May 8). *Mastercard faces cross-border headwinds*. Payments Dive. https://www.paymentsdive.com/news/mastercard-earnings-report-cross-border-headwinds/747501/
6. JLL. (n.d.). *Global hotel investment outlook 2025.* Retrieved October 1, 2025, from https://www.jll.com/en-uk/insights/market-outlook/global-hotel-investment
7. Precedence Research. (n.d.). *Vacation rental market size report 2025–2034.* Retrieved October 1, 2025, from https://www.precedenceresearch.com/vacation-rental-market
8. United Nations World Tourism Organization. (2018). *Tourism for development: Volume 1: Key areas for action.* https://espas.secure.europarl.europa.eu/orbis/system/files/generated/document/en/UNWTO-9789284419722.pdf?
9. IMARC Group. (2024). *Culinary tourism market size, share, trends and forecast by activity type, tour type, age group, mode of booking, and region 2025–2033.* https://www.imarcgroup.com/culinary-tourism-market
10. IMARC Group. (n.d.). *Agritourism market size, share and statistics report 2025–2033*. Retrieved October 1, 2025, from https://www.imarcgroup.com/agritourism-market
11. Vantage Market Research. (2025). *Medical tourism market size analysis report 2025–2035*. https://www.vantagemarketresearch.com/industry-report/medical-tourism-market-2263?srsltid=AfmBOoouJp2at5E-SL3pNthc2uGTdkvcIbgwxnD2oNG7IZ5zAHJsQXqw
12. Yeşilada, A. (2025, June 6). *Turkey eyes $20 billion target in medical tourism with African expansion*. PA Turkey. https://www.paturkey.com/news/2025/turkey-eyes-20-billion-target-in-medical-tourism-with-african-expansion-21313/
13. American Indian Alaska Native Tourism Association (AIANTA). (n.d.). *The importance of cultural heritage tourism*. Retrieved October 1, 2025, from https://www.aianta.org/wp-content/uploads/2021/07/The-Importance-of-Cultural-Heritage-Tourism-v9.png
14. CBI, Government of the Netherlands. (2021, 19 May). *The European market potential for cultural tourism*. https://www.cbi.eu/market-information/tourism/cultural-tourism/market-potential
15. Future Market Insights. (2025, March 13). *Cultural tourism market*. https://www.futuremarketinsights.com/reports/cultural-tourism-market
16. Anstey, T. (2023, January 6). *Visitor numbers surge as 7.8 million visit Louvre in 2022*. Planet Attractions. https://www.planetattractions.com/news/Visitor-numbers-surge-as-7.8-million-visit-Louvre-in-2022/1802
17. Fortune Business Insights. (2025, September 22). *Duty-free retail market size, share & industry analysis by type (perfumes, cosmetics, alcohol, cigarettes, and others), by sales channel (airports, onboard aircraft, seaports, train stations, and others), and regional forecast , 2025–2032*. https://www.fortunebusinessinsights.com/duty-free-retail-market-106652
18. Ireland, K. (2024, June 4). *Navigating travel retail's post-pandemic revival*. Vogue Business. https://www.voguebusiness.com/story/consumers/navigating-travel-retails-post-pandemic-revival
19. D'Arpizio, C., & Levato, F. (2023, November 14). *Global luxury market projected to reach $1.5 trillion in 2023, a new record for the sector, as consumers seek luxury experiences*. Bain & Company. https://www.bain.com/about/media-center/press-releases/2023/global-luxury-market-projected-to-reach-1.5-trillion-in-2023-a-new-record-for-the-sector-as-consumers-seek-luxury-experiences
20. Khan, M. (2024, September 16). London's stores count cost of 'tourist tax'. 2024. *The Times.* https://www.thetimes.com/business-money/economics/article/15taxfreeshopping-tffgp38f2
21. World Economic Forum calculation based on 2021 Economic Impact Research, World Travel & Tourism Council (data provided directly).
22. World Bank. (2024). *Tourism and competitiveness*. https://www.worldbank.org/en/topic/competitiveness/brief/tourism-and-competitiveness#:~:text=In%202024%2C%20tourism%20accounted%20for,surged%2C%20reaching%20US%241.9%20trillion
23. Empire State Development (ESD). (2024, August). *Economic impact of visitors in New York 2023.* https://esd.ny.gov/sites/default/files/media/document/New-York-City-New-York-Tourism-Economic-Impact-2023.pdf

24. Houston Livestock Show and Rodeo. (2024). *Economic impact study*. https://www.rodeohouston.com/about-us/economic-impact/

25. City of Munich. (2023). *Oktoberfest in figures – Visitors, records, extremes*. https://www.muenchen.de/en/events/oktoberfest/numbers-records

26. Carter, P. (2024, October 16). *Turning tradition into revenue: The business impact of Oktoberfest*. Global Insights. https://globaledge.msu.edu/blog/post/57439/turning-tradition-into-revenue-the-busin

27. Lagos, K., & Wang, Y. (2022). International tourism and poverty alleviation: Cross-country evidence using panel quantile fixed effects approach. *Journal of Travel Research*, *62*(6). https://shura.shu.ac.uk/30660/7/Wang-InternationalTourismPoverty%28VoR%29.pdf?utm_source=chatgpt.com

28. Ferretti, G.M.M. (n.d.). *The travel shock*. The Brookings Institution. Retrieved October 1, 2025, from https://www.brookings.edu/wp-content/uploads/2021/08/WP74-Milesi-Ferretti.pdf

29. International Monetary Fund. (2022, June 20). *Portugal: Selected issues.* IMF Country Report No. 22/204. https://www.elibrary.imf.org/view/journals/002/2022/204/article-A002-en.xml?utm_source=chatgpt.com

30. Turismo de Portugal. (2021). *Tourism strategy 2027*. https://www.turismodeportugal.pt/SiteCollectionDocuments/estrategia/estrategia-turismo-2027-eng-jul-2021.pdf

31. Turismo de Portugal. (2023, July 24). *Reactivate tourism: Build the future plan*. https://www.turismodeportugal.pt/en/Turismo_Portugal/Estrategia/plano-acao-reativar-turismo/Pages/default.aspx?utm

32. Turismo de Portugal. (2021). *Tourism strategy 2027*. https://www.turismodeportugal.pt/SiteCollectionDocuments/estrategia/estrategia-turismo-2027-eng-jul-2021.pdf

33. Pato, M. L., & Duque, A. S. (2023). Strategic issues in Portuguese tourism plans: An analysis of national tourism plans since 2000. *Sustainability*, *15*(7), 5635. https://www.mdpi.com/2071-1050/15/7/5635

34. International Monetary Fund. (2022, June 20). *Portugal: Selected issues.* IMF Country Report No. 22/204. https://www.elibrary.imf.org/view/journals/002/2022/204/article-A002-en.xml?utm_source=chatgpt.com

35. Andraz, J. M., Gonçalves, H., & Norte, N. (2016). Effects of tourism on regional asymmetries: Empirical evidence for Portugal. *Annals of Tourism Research 56*, 1–16. https://www.researchgate.net/publication/270105150_Effects_of_tourism_on_regional_asymmetries_Empirical_evidence_for_Portugal

36. Turismo de Portugal. (2021). *Tourism strategy 2027*. https://www.turismodeportugal.pt/SiteCollectionDocuments/estrategia/estrategia-turismo-2027-eng-jul-2021.pdf

37. New Zealand Ministry of Business, Innovation and Employment. (2018). *Regulatory impact statement: International visitor conservation and tourism levy*. https://www.regulation.govt.nz/assets/RIS-Documents/ria-mbie-ivc-oct18.pdf

38. Ibid.

39. Organisation for Economic Co-operation and Development. (2022). *OECD tourism trends and policies 2022: New Zealand*. https://www.oecd.org/content/dam/oecd/en/publications/reports/2022/11/oecd-tourism-trends-and-policies-2022_71dc1773/a8dd3019-en.pdf

40. Tourism Industry Aotearoa. (2019). *The Tiaki promise*. https://www.tia.org.nz/advocacy/policy-positions-industry-issues/tiaki-promise

41. Statistics New Zealand. (2020). *Tourism satellite account: 2019*. https://www.stats.govt.nz/information-releases/tourism-satellite-account-2019/

42. Tourism Industry Aotearoa. (2019). *Tourism 2025 & beyond.* https://tia.org.nz/assets/Uploads/d5156c4126/Tourism2025-and-Beyond.pdf

43. New Zealand Ministry of Business, Innovation and Employment. (2023). *Projects funded by the IVL.* https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-funding/international-visitor-conservation-and-tourism-levy/projects-funded-by-the-ivl

44. Urban Redevelopment Authority of Singapore. (2022). *Marina Bay Development*. https://www.ura.gov.sg/Corporate/Get-Involved/Shape-A-Distinctive-City/Explore-Our-City/Marina-Bay

45. Singapore Tourism Board. (2020). *2019 year in review*. https://isomer-user-content.by.gov.sg/1/56c40869-720f-4036-906e-092b98c5dd1c/STB_Year%20in%20Review_2019_Infographics_Final.pdf

46. Singapore Tourism Board. (n.d.). *Tourism human capital*. Retrieved October 1, 2025, from https://www.stb.gov.sg/licensing-support/tourism-human-capital

47. Marine Conservation Institute. (n.d.). *Chumbe Island Coral Reef Sanctuary*. Retrieved October 1, 2025, from https://marine-conservation.org/blueparks/awardees/chumbe/

48. Pack for a Purpose. (2022), *Chumbe Island Coral Park*. https://www.packforapurpose.org/destinations/africa/tanzania/chumbe-island-coral-park/

49. Körne, D, & Training Aid. (2023, April 24). *Climate change adaptation in a leading ecotourism destination: Chumbe Island Coral Park case study*. TrainingAid. https://www.trainingaid.org/case-study/ecotourism-and-climate-change-adaptation-chumbe-island-zanzibar

50. AbouElellaHaredy, B. M., & Ibrahim, W. (2020, June). Enhancing the role of the local community in the marketing of eco and cultural tourism programs: Case study, Siwa Oasis, Egypt. *International Journal of Humanities and Social Science Invention 9*(6), 43–56. https://www.ijhssi.org/papers/vol9(6)/Series-5/G0906054356.pdf

51. Ibid.

52. Ibid.

53. Murguia, J M., Ordoñez, P., Corral, L., & Navarrete-Chacón, G. (2022, May). *Payment for ecosystem services in Costa Rica: Evaluation of a country-wide program*. Inter-American Development Bank. https://publications.iadb.org/en/payment-ecosystem-services-costa-rica-evaluation-country-wide-program

54. Protected Planet. (2020). *Protected Planet Report*; Government of Costa Rica / SINAC data. https://www.protectedplanet.net/country/CRI

55. Rodricks, S. (2010, November). *Enabling the legal framework for PES, Costa Rica*. Convention on Biological Diverstiy. https://www.cbd.int/financial/pes/costarica-peslaw.pdf?utm

56. Costa Rican Tourism Institute (ICT). (n.d.). *Certification for sustainable tourism (CST) program description*. Retrieved October 1, 2025, from https://www.ict.go.cr/en/sustainability/cst.html

57. MacroTrends. (n.d.). *Costa Rica tourism statistics*. Retrieved October 1, 2025, from https://www.macrotrends.net/datasets/global-metrics/countries/cri/costa-rica/tourism-statistics?utm_source=chatgpt.com; *The Tico Times*. (2019, December 30). *Here's how Costa Rica promoted itself as a tourism destination in 2019*. https://ticotimes.net/2019/12/30/heres-how-costa-rica-promoted-itself-as-a-tourism-destination-in-2019?utm

58. Inter-American Development Bank. (2022). *Payment for ecosystem services in Costa Rica: Evaluation of a country-wide program*. https://publications.iadb.org/publications/english/document/Payment-for-Ecosystem-Services-in-Costa-Rica-Evaluation-of-a-Country-wide-Program.pdf

59. Ibid.

60. Queensland Government. (n.d.). *Tourism investment snapshot 2022 – Sunshine Coast*. Retrieved October 1, 2025, from https://www.publications.qld.gov.au/dataset/sunshine-coast-tourism-investment-snapshot-2022

61. Gilmore, C. (2023, May 17). *Confident not complacent: Record-breaking visitor numbers.* Sunshine Coast News. https://www.sunshinecoastnews.com.au/2023/05/17/confident-not-complacent-record-breaking-visitor-numbers/

62. Tourism and Events Queensland. (2023). *Regional tourism satellite accounts 2021–22: Sunshine Coast region.* https://teq.queensland.com/content/dam/teq/corporate/corporate-searchable-assets/industry/research/regional-tourism-satellite-accounts/2023/SSCRTSA.pdf

63. Sunshine Coast Regional Council. (n.d.). *Environment and liveability strategy* (2017, updated). Retrieved October 1, 2025, from https://www.sunshinecoast.qld.gov.au/council/planning-and-projects/regional-strategies/environment-and-liveability-strategy-2017

64. Xinhua. (2022, May 17). *China's resort island of Hainan receives over 81 mln tourists in 2021*. https://english.news.cn/20220517/1ce4c0806f3e4133a0792d5e3136509e/c.html

65. Zhong, C., Wu, X., Jua, P., & Zhang, K. (2024), Study on the coupling coordination effect and dynamic relationship between tourism development and the ecological environment: A case study of Hanna Island and tourism development in Hainan*. Frontiers in Ecology and Evolution*, *12.* https://www.frontiersin.org/journals/ecology-and-evolution/articles/10.3389/fevo.2024.1284278/full

66. Ministry of Tourism and Creative Economy (Kemenparekraf). (2021). *Cleanliness, health, safety, and environmental sustainability (CHSE) standards – SNI 9042:2021*. https://lsupariwisata.com/wp-content/uploads/2024/05/SNI_9042_2021_.pdf

67. Kamphuis, B. (2018). *Tourism development project: Republic of Indonesia* (Project Appraisal Document No. PIDISDSA23441). The World Bank. https://documents.worldbank.org/en/publication/documents-reports/documentdetail/959291526454813153

68. Ministry of Tourism and Creative Economy (Kemenparekraf). (2024, February 10). *The Minister of Tourism and Creative Economy officially launches the 2024 Indonesian Tourism Village Award (ADWI)*. https://kemenparekraf.go.id/en/articles/the-minister-of-tourism-and-creative-economy-officially-launches-the-2024-indonesian-tourism-village-award-adwi

69. Bali Provincial Government. (n.d.) *Love Bali*. Retrieved October 1, 2025, from https://lovebali.baliprov.go.id/

70. BPS – Statistics Indonesia. (2025, March 20). *International visitor arrival statistics 2024*. https://www.bps.go.id/en/publication/2025/03/20/a85d584df19ea65a5e2b3d0b/international-visitor-arrival-statistics-2024.html

WORLD ECONOMIC FORUM

COMMITTED TO IMPROVING THE STATE OF THE WORLD

The World Economic Forum, committed to improving the state of the world, is the International Organization for Public-Private Cooperation.

The Forum engages the foremost political, business and other leaders of society to shape global, regional and industry agendas.

World Economic Forum
91–93 route de la Capite
CH-1223 Cologny/Geneva
Switzerland

Tel.: +41 (0) 22 869 1212
Fax: +41 (0) 22 786 2744
contact@weforum.org
www.weforum.org